

Innovation, optimism on display at Detroit auto show

January 14 2015, by Dee-Ann Durbin And Tom Krisher



In this Jan. 12, 2015 file photo, media surround the Acura NSX at its debut during media previews for the North American International Auto Show in Detroit. The NSX, due in showrooms this summer, is expected to cost around \$150,000. (AP Photo/Paul Sancya, File)

The mood is exuberant at this year's North American International Auto Show. Automakers are flush with profits and the show gleams with

performance cars, beefy trucks and exciting experiments, from plug-in hybrids to cars carved by a 3-D printer. Here are some key takeaways from the show, which opens to the public Saturday.

OPTIMISM

The U.S. economy is rejuvenated. Interest rates are low and auto financing is readily available. Carmakers have lots of new offerings with cool features. And [gas prices](#) are at a five-year low.

"I'm always looking for the black swan, to be prepared. And I'm looking at 2015 and saying, 'I can't even find a baby black swan,'" said Mike Jackson, CEO of the AutoNation dealership chain. "I have never seen better conditions for the [auto industry](#) and the U.S. market."

Conditions are good for buyers as well. U.S. sales could start to plateau this year as they approach the record of 17.3 million. That could prompt automakers to offer deals, particularly on small and midsize cars.

Even record recalls that involved 60 million cars and trucks in the U.S. last year seem to have faded in consumers' minds. General Motors, which accounted for half the total, saw U.S. sales climb 5 percent in 2014.

HALO CARS

The health of the car industry can be measured by the number of growling, preening performance cars on the show floor. Ford revealed its 600-horsepower GT while Acura showed off its NSX hybrid supercar. Cadillac, BMW, Mercedes, Lexus and Porsche introduced new performance vehicles.

Automakers kept these cars under wraps until the economy improved

and buyers had more disposable income. The NSX, due in showrooms this summer, is expected to cost around \$150,000.



In this Jan. 13, 2015 file photo, a Honda product specialist demonstrates the Uni-Cub personal mobility device during media previews for the North American International Auto Show in Detroit. (AP Photo/Paul Sancya, File)

"You didn't see these kinds of cars produced during the recession," said Karl Brauer, a senior analyst with Kelley Blue Book. "They're not about being conservative or subtle."

Even with small sales, halo cars cast a glow of technical and design know-how over an entire brand. Ford's GT, for example, is powered by one of the company's EcoBoost V6 engines, not a bigger V8. Ford hopes that shows buyers that an EcoBoost engine has enough power for their own

pickup or SUV.

GAS

Gasoline is averaging \$2.10 per gallon, \$1.20 below a year ago. Cheaper gas gives consumers more money to spend on other things—like cars. And it has helped fuel a truck and SUV boom that benefits Detroit automakers the most. According to the car-shopping site Edmunds.com, SUVs and pickups outsold cars in 2014 for the first time in a decade.

The Jeep brand, which sells only SUVs, saw a 41 percent U.S. sales jump last year.

"I think we all notice it's a lot less money to fill up your vehicle. That helps with a better sentiment and outlook," Jeep CEO Mike Manley said.

It's tougher to sell green vehicles. If efficiency doesn't sell, the auto industry could have trouble meeting government gas mileage requirements that reach a fleet average of 54.5 miles per gallon in 2025.

Several executives said the government may have to ease off on the requirements. But the incoming head of the National Highway Traffic Safety Administration, which administers the requirements, said that's unlikely.



In this Jan. 12, 2015 file photo, the Hyundai Santa Cruz crossover truck concept is unveiled during the North American International Auto Show, in Detroit. The Santa Cruz concept is a five-seat crossover with a small pickup bed in the back. If people like it, Hyundai could put it on the road in three years. (AP Photo/Carlos Osorio, File)

ALTERNATIVE FUELS

Despite the tough sales environment for green cars, automakers are pressing ahead. Chevrolet surprised with the Bolt concept, an electric car with a 200-mile range that could go on sale by 2017. It's also showing an updated Volt plug-in hybrid. Hyundai introduced hybrid and plug-in hybrid versions of the Sonata sedan. Audi revealed a diesel-fueled, plug-in hybrid version of its Q7 SUV. Honda has a hydrogen fuel cell concept that's expected to go on sale in the U.S. in 2016.

Fiat Chrysler Automobiles CEO Sergio Marchionne says automakers

have to assume that stricter fuel economy standards—both here and abroad—will go into effect even if gas prices stay low for a prolonged period.

INNOVATION



In this Jan. 12, 2015 file photo, the Chevrolet Bolt EV electric concept vehicle is driven onto the stage at a presentation during the North American International Auto Show, in Detroit. The Bolt concept, an electric car with a 200-mile range, could go on sale by 2017. (AP Photo/Tony Ding, File)

The recession damped experimentation, but it's back. Hyundai's Santa Cruz concept is a five-seat crossover with a small pickup bed in the back. If people like it, Hyundai could put it on the road in three years. Honda demonstrated its Uni-Cub, a Segway-like vehicle that lets the user sit down. China's Guangzhou Automobile Group is showing the WitStar, a hybrid, semi-autonomous SUV with a bubbling fish tank in the rear armrest. Phoenix-based Local Motors has a big 3-D printer on the show

floor that's cutting out the Strati, a two-seater with a body made from carbon fiber-infused plastic.

It's not the stuff of fantasy, said Jim O'Sullivan, Mazda's North American CEO.

"There's a lot more substance out there," he said. "A lot of stuff years ago was very cosmetic."



In this Jan. 12, 2015 file photo, Ford Motor Co., Executive Chairman Bill Ford, left, and President and COO Mark Fields stand next to the new Ford GT during the North American International Auto Show, in Detroit. The GT is powered by one of the company's EcoBoost V6 engines, not a bigger V8. (AP Photo/Carlos Osorio, File)



In this Jan. 13, 2015 file photo, Cadillac president Johan de Nysschen introduces the 2016 CTS-V during media previews for the North American International Auto Show in Detroit. The health of the car industry can be measured by the number of growling, preening performance cars on the show floor. (AP Photo/Paul Sancya, File)

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