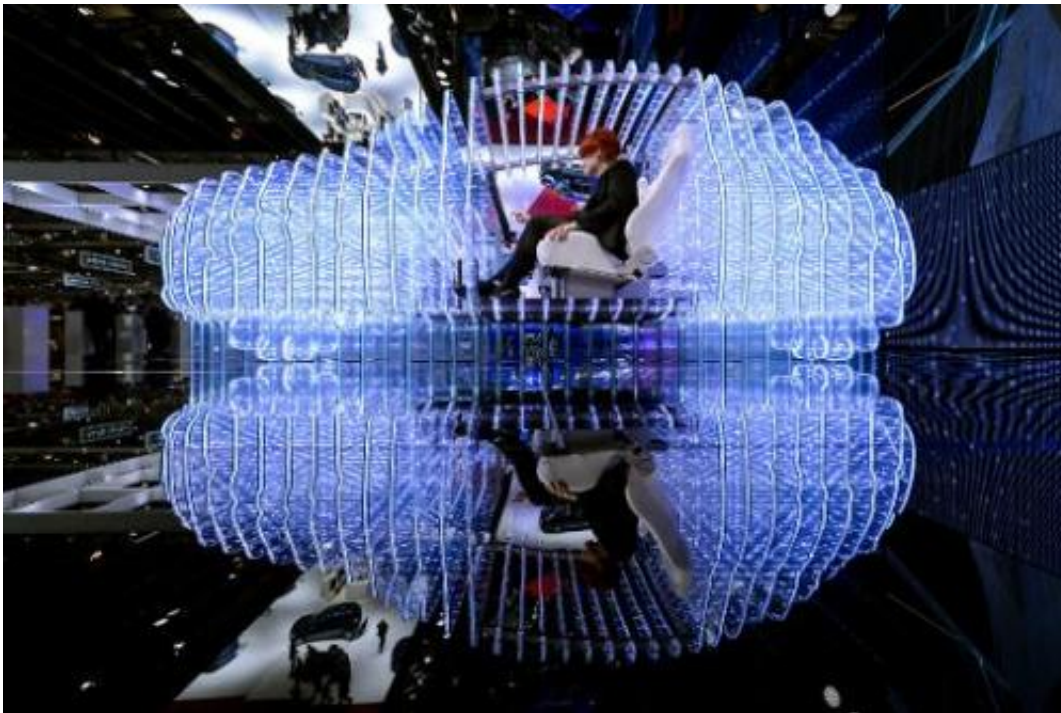


Car industry welcomes Google, Apple but battles loom

March 5 2015, by Tangi Quemener



A woman poses inside the mockup of a car at the Opel booth at the Geneva Car Show that runs through March 5 - 15, 2015

It could be the battle of the titans. Auto giants at the Geneva Motor Show say they welcome the potential move of Silicon Valley players into their sector but experts warn of major disruptions.

Google has long made headlines with its plans for a self-driving car, but

Apple is now also reportedly readying for a plunge into the industry to begin developing an electric car.

"This could surprise you, but I welcome with open arms the interest of Apple, Google and others in the auto industry," Volkswagen head Martin Winterkorn said, adding he thought it would help garner interest for cars among new generations who grow up connected.

Fiat-Chrysler chief Sergio Marchionne agreed, saying the Californian giants' arrival would be "exactly what this industry needed."

Ditto for Renault-Nissan chief executive Carlos Ghosn.

"I'm absolutely not fearful or hostile" towards a possible arrival of Apple, he said at the motor show. "I consider that all the people who join the electric car are some kind of allies."

Marchionne acknowledged that their arrival would be "disruptive" but argued it would benefit everyone in the long term.

Google and Apple's interest in vehicles may have got all the industry's top dogs to react, but many experts doubt that Silicon Valley players actually want to launch into car manufacturing, which yields much lower margins than what they are used to.



The "Future Connectivity" system dashboard prototype by South Korea's Hyundai displayed at the Geneva Motor Show

"If companies like Apple or Google had really wanted to invest in auto production, they could have taken advantage of the crisis to do so," said Josselin Chabert of consultants PwC.

He believes that Apple's interest in electric cars—as yet unconfirmed by the iPhone and iPad maker—is designed to spook traditional car makers and influence them into partnering with the tech firm for their connected vehicles.

Experts also point to the risk that Apple and Google's ultimate aim may be to ingratiate themselves into providing services inside cars—and gain access to drivers' and passengers' data.

Both firms, as well as Microsoft, already have access to many new

vehicles via "MirrorLink" technology that links a person's smartphone to a car's infotainment system.



The new Toyota Avensis on display at the Geneva Motor Show

"We're completely at ease with the idea of cooperating with people who help us provide excellent service to our clients," says Yves Bonnefont, who looks after connected vehicles at French auto giant PSA.

But "we also have a duty, which is to protect the private life of our clients, and of course we aim to exercise this duty".



Motors on display from German carmaker Smart booth at the Geneva Motor Show on March 4, 2015

Franck Vigot, head of the automobile department at French engineering firm Segula Technologies, says the consumer electronics sector and the car industry are "two worlds that are meeting, each with their strengths and weaknesses, and we're realising they don't know each other very well".

Beyond battles for data control, "the technical encounter between these two worlds will spark a shockwave that could be pretty impressive," he added.

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