

What to look out for at the Frankfurt auto show

September 13 2015, by David Mchugh



Photo provided by Bentley shows the new Bentley Bentayga. Volkswagen's Bentley luxury SUV will have its world premiere at the Frankfurt, Germany, car fair. (Bentley via AP)

New small cars for the mass market from Opel and Renault and powerful, expensive SUVs from Jaguar and Bentley for the upper crust are among the top offerings on display this week at the Frankfurt International Motor Show.



A rise in demand for cars in the United States and Europe is lifting automakers' spirits as they prepare to open the show to news media on Tuesday and to the general public on Saturday. Held every other year, the 66th edition runs through Sept. 27.

The mood will be buoyed by a 23-month streak of rising sales in Europe, coming off a terrible slump during the 2009 recession and the subsequent debt crisis among countries that use the euro currency. European Union sales rose 8.2 percent in the first half of this year. U.S. sales are on pace to exceed 17 million vehicles for the first time since 2001.

Here are five	e major	themes	at the	show
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CHINA TROUBLES

Falling demand for new cars in China is a concern for global automakers, but none more than the host Germans. Daimler AG's Mercedes-Benz, Volkswagen AG's Audi, and BMW AG have all fattened sales and profits there through exports and cars built with local partners in joint ventures. Executives have already warned of what they call a "normalization" of the China <u>car</u> market after years of very rapid growth.

Analyst Max Warburton at Sanford C. Bernstein said that executives would probably stick to their cautious outlooks for China and argue the troubles are a temporary blip. He suggested some might want to whistle a few bars of "Always Look on the Bright Side of Life" from the Monty Python film, "The Life of Brian."

[&]quot;Standing on multi-million dollar show stands, surrounded by multi-



billion dollar investments (most aimed at China), perhaps it's best to put on a brave face," he wrote in an email.



The photo released by General Motors shows the new Opel Astra. GM's redesigned Opel Astra will have its world premiere at the Frankfurt car show. (Opel/GM via AP)

RIDING HIGH

Luxury SUVs are a thing this year. High-priced brands are looking to expand their model range and find ways to tap the lucrative end of the market. Bentley, the luxury brand owned by Volkswagen, has its Bentayga, which combines stylish touches such as the classic large



Bentley front grille and a choice of 15 interior leather colors with offroad features such as a front skid plate and aluminum roof rails. The company is touting not just luxury but power and speed; the vehicle has 608 horsepower and a top speed of 301 kph (187 mph).

Jaguar has the F-Pace, which uses chassis underpinnings from its sports cars that are aimed at providing sharper handling for the company's first entry into the SUV race. Mercedes-Benz offers its GLC, a midsize carlike crossover SUV that shares mechanical and design elements with its C-Class sedan.

THE REST OF US

Mass-market carmakers face brutal competition in the market for more basic transportation. Renault is showing off the fourth generation of its Megane with a slightly wider stance and shorter overhangs to give it a sportier look, and offers a GT performance version immediately at sales launch. GM's redesigned Opel Astra should be sprightlier after losing up to 200 kilograms (440 pounds) in weight compared to its predecessor. Its entertainment system supports both the Android Auto and Apple Carplay standards, enabling drivers to use their smartphone messaging and navigation functions through the car's dashboard display.

NEW TECHNOLOGY

Carmakers are preparing to fend off tech companies like Google and Apple from dominating the market for services to Internet-connected cars. Those new businesses could include real-time navigation that automatically plots routes around traffic jams or slippery conditions. Or



it could be a parking place finder that quickly guides the driver to that last elusive spot in a crowded city on a Saturday night.

The question is who will build the systems and reap the profits—and how?

Analysts say carmarkers may have to band together to come up with common platforms and shared systems that can quickly draw in masses of data and dominate the business—just as Internet companies such as Facebook, LinkedIn and Amazon have done in their spheres. A sign of things to come could be the recent deal in which Daimler, Volkswagen's Audi and BMW teamed up to buy Nokia's HERE digital mapping service.

In the field of automated driving, BMW is introducing a new version of its large, luxurious 7-Series sedan that can maneuver in and out of tight parking spaces while the driver stands outside and presses a button on a remote.

THE HOME TEAM

The German carmakers will do a little chest-thumping at their home show with huge pavilions and thunderously loud audio-visual displays at Frankfurt's Messe exhibition center. BWM is building a 400-meter (quarter-mile) test track inside its pavilion so its vehicles can whiz past showgoers. Audi is putting up a separate three-story building with space for 33 vehicles and 200 kilometers (120 miles) of cables.

Tim Urquhart, an analyst with IHS, says after years of strong sales growth by German companies, "the coffers are full and confidence levels are high—as, it seems, is the desire to one-up neighbors and



closest competitors on home turf."

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