

In face of uncertainty, carmakers bet on SUVs, new tech

March 1 2016, by David Mchugh And Jamey Keaten



The New Audi Q2 is being presented during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Martial Trezzini/Keystone via AP)

Automakers looking to support sales in the face of global economic uncertainty are betting on new SUVs and the promise of high tech as

they try to outshine each other at the Geneva International Motor Show.

While sales are weak in countries like Russia and Japan, they've been growing steadily in Europe and the U.S., where demand is particularly strong for small SUVs. Buyers are encouraged by cheaper gas and the models' higher riding position and storage room.

In Geneva, Audi presented its new Q2 small SUV while Opel, the European unit of General Motors, unveiled the Mokka X, an updated version of the existing model. Ford touted its Edge as its flagship SUV in Europe. At just over 4 meters (13 feet) it's small enough to fit into the cramped parking spaces in European cities. Volkswagen's T-Cross Breeze, a concept car that VW says is headed for production, is in the same size category as the compact Polo.

"Every stand here at the Geneva Motor Show will have crossovers, SUVs. This is a segment which continues to grow," said Tim Pollard, digital editor-in-chief of Car Magazine. "By 2020, car makers tell me, it's going to account for at least a quarter of the European car market."

Eye-catching, high end sports cars were another common theme on the display stands. Volkswagen's Bugatti unveiled the Chiron, a 2.4 million-euro (\$2.6 million) sports car with a top speed of 420 kph (261 mph). Orders have already been taken for a third of production, which is limited to 500 vehicles. VW brand Lamborghini's Centenario, marking the 100th anniversary of founder Ferruccio Lamborghini's birth, costs 1.4 million euros; all 40 are already sold.



The new Opel Mokka is shown during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Cyril Zingaro/Keystone via AP)

Even as manufacturers pushed shiny metal at the public, which gets access to the show Thursday, there was much discussion of looming change in the industry. Automakers said they were preparing for a future in which self-driving cars would take the road alongside conventional vehicles and better batteries would make electric vehicles more practical.

BMW offered a plug-in hybrid version of its large 7-Series sedan, alongside a gasoline version with a powerful 12-cylinder engine. CEO Harald Krueger said the company's early commitment to electric vehicles and its use of battery power in key models positioned it for a future in which emissions rules become increasingly strict. That's even

though the company sold less than 30,000 electric vehicles last year, out of record 2.2 million.

"E-mobility is a marathon, not a sprint," Krueger said.



The New Chevrolet Corvette Grand Sport Coupe is shown during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Martial Trezzini/Keystone via AP)

Volkswagen, struggling to regain consumer trust after U.S. authorities found it had equipped vehicles to cheat on diesel emissions test, sketched out a future in which electric power and digitalization would play more important roles in vehicle development. The company's marketing chief, Juergen Stackmann, shrugged off the antics of a

protester who dressed in mechanic's overalls and feigned to repair a car the executive had just driven up in.

"We know that we are the brand that attracts a lot of attention—and we have to live with that," he said. Some 11 million vehicles worldwide are affected by the emissions scandal.

With the industry and the global economy in flux, executives were cautious about the outlook for sales this year.



The new Opel Astra is presented during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Cyril Zingaro/Keystone via AP)

Renault-Nissan CEO Carlos Ghosn said markets growing more strongly than expected, such as Europe, would be offset by double-digit drops in Russia and flat growth in Japan. "Which means that it will look like 2015" this year, and that the company would be more cautious about investment in weaker markets. BMW's Krueger foresaw low single-digit growth in Europe and China.

Daimler AG touted a new diesel engine, despite the extra scrutiny diesel has come under since the Volkswagen emissions scandal.

CEO Dieter Zetsche argued diesel engines are not on the way out. Their lower CO2 emissions, he said, make them a practical way to achieve government mandated emissions goals in Europe, where high fuel prices help make diesels are much more popular.



The Opel CEO Karl-Thomas Neumann presents the new concept car Opel GT Concept at the 86th International Motor Show in Geneva, Switzerland, Tuesday,

March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Cyril Zingaro/Keystone via AP)

He said Daimler sees two roads toward autonomous driving, in which the car's computers and sensors enable it to stay within lanes and avoid other vehicles and pedestrians. One is a "more evolutionary" path in which automation is added gradually, while the other is having completely autonomous driving in limited areas, which are then expanded.

"We think the luxury of tomorrow is the luxury of time and space... having your private room in which you can do what you want, including driving if you want, but anything else as well, and still get from A to B," he said.

"The space you are having individually and the time you are gaining from not having to hold the steering wheel is an additional option, an additional luxury you can gain with that kind of car."



The New Bentley Mulsanne Speed is being presented during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Martial Trezzini/Keystone via AP)



The New Lamborghini Centenario is presented during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Martial Trezzini/Keystone via AP)



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The New Volkswagen T-Cross Breeze is being presented during the press day at the 86th international Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Martial Trezzini/Keystone via AP)



The New Ferrari GTC4 Lusso is presented during the press day at the 86th International Motor Show in Geneva, Switzerland, Tuesday, March 1, 2016. The Motor Show will open its gates to the public from March 3 to 13, presenting more than 200 exhibitors and more than 120 world and European premieres. (Sandro Campardo/Keystone via AP)

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