

FEATURES

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Ferrari's P1-KEE, a hybrid concept car based on the 599 GTB Fiorano. PHOTO: EPA

Automakers show off hybrids at

Geneva Auto Show

But with mediocre sales around the world, manufacturers wonder if the more fuel efficient vehicles can truly take off

BY FRANK JORDANS AND COLLEEN BARRY
AP, GENEVA

Hybrid or hype?

More and more automakers rolled out their newest hybrids, or announced plans to do so, at the Geneva Auto Show on Tuesday, begging the question: Is the future now, or is this just attention-grabbing while the real powerhouse of the automotive world remains king combustion?

For the time being most automakers are hedging their bets. Porsche kicked off the show with a hybrid version of its Cayenne S sports utility vehicle. French group PSA Peugeot Citroen SA is launching hybrids in 2012. And Toyota aims to have a hybrid across every model range by 2020.

Executives cite consumer demand for gasoline-electric powered cars and the drive to stay competitive as fuel efficiency standards get stricter. "Our experience with Prius and other hybrids tells us that market acceptance of hybrids is growing," said Toyota Europe Vice President Andrea Formica.

Last year, 530,000 customers purchased hybrids around the world, up 24 percent from 2008, and in Europe, Prius sales in a difficult market increased 3 percent in 2009 to 44,000 units.

"Drivers of hybrids are no longer pioneers or early-adapters. They are more and more mainstream buyers," Formica said.

But while the world's largest car company can point to the third generation of its successful Prius range for its green credentials, most manufacturers have bet the firm on improving their gas-powered vehicles for the foreseeable future. Some appeared content to offer hybrids as little more than a moral fig leaf for consumers who feel guilty about their carbon footprint.

"Hybrid sales are not booming in any part of the world," said Saab CEO Jan Ake Jonsson. "One reason being, of course, is it is a very expensive proposition and today's gasoline and diesel applications are getting more and more efficient."

"Many people are asking themselves, for another two miles per gallon or whatever it might be, is it really worthwhile paying US\$5,000 or US\$6,000 for a hybrid solution?" he asked. "I think the hybrids need to be a little more cost efficient until we see a volume."



Above: The Kia Ray plug-in hybrid concept car. PHOTO: BLOOMBERG
Right: The Mazda 5 hybrid automobile. PHOTO: BLOOMBERG



Saab, of course, has its own set of problems, re-launching an automaker that sputtered to a standstill in the absence of buyers until the Dutch automaker Spyker made a deal in December. Right now Saab is focusing on restarting production and filling its distribution chain — but Acker says hybrid solutions will be part of all vehicles in the future.

That can range from full hybrids, which alternate between gasoline and electric engines to achieve improved fuel economy, to so-called partial hybrids, or cars with such features as start-stop technology, which automatically shuts down and restarts an engine when stopped to reduce idling and reduce carbon emissions.

Porsche CEO Michael Macht touted the Cayenne as "a milestone on the way to electric mobility" for the Volkswagen brand, even as Porsche's head of development acknowledged the powerful SUV can manage only 4.5km in pure electric mode.

"Our aim is to get a double digit range in the medium term," said Wolfgang Duerheimer.

Selling from US\$61,000 in the US, it is the German carmaker's first production hybrid.

Daimler has already achieved that with its F800 Style research vehicle. The striking executive limousine has an electric-only range of 30km.

Chief executive Dieter Zetsche told reporters the hybrid models were a conscious effort to boost Daimler's reputation among environmentally conscious consumers, but also make long-term sense as the company sees real potential for electric cars in the future.

Daimler sells a fifth of its S-class saloons as a hybrid version — a fraction of total annual sales across its product range. In Geneva, Daimler added the E-300 BlueTEC diesel-electric to its hybrid lineup, and announced plans for a joint venture with BYD to produce an electric car for China.

BMW went for a tried and tested gas-only formula with the redesign of its best-selling 5-series model and the new Mini Countryman, both of which were unveiled in Geneva. Still, the Bavarians said they are working on a hybrid 5-series that automatically switches to electric mode once the car leaves the highway.

Audi, Nissan, Chevrolet and Mitsubishi all have various hybrid and electric vehicles in the pipeline, mostly with modest sales figures in mind.

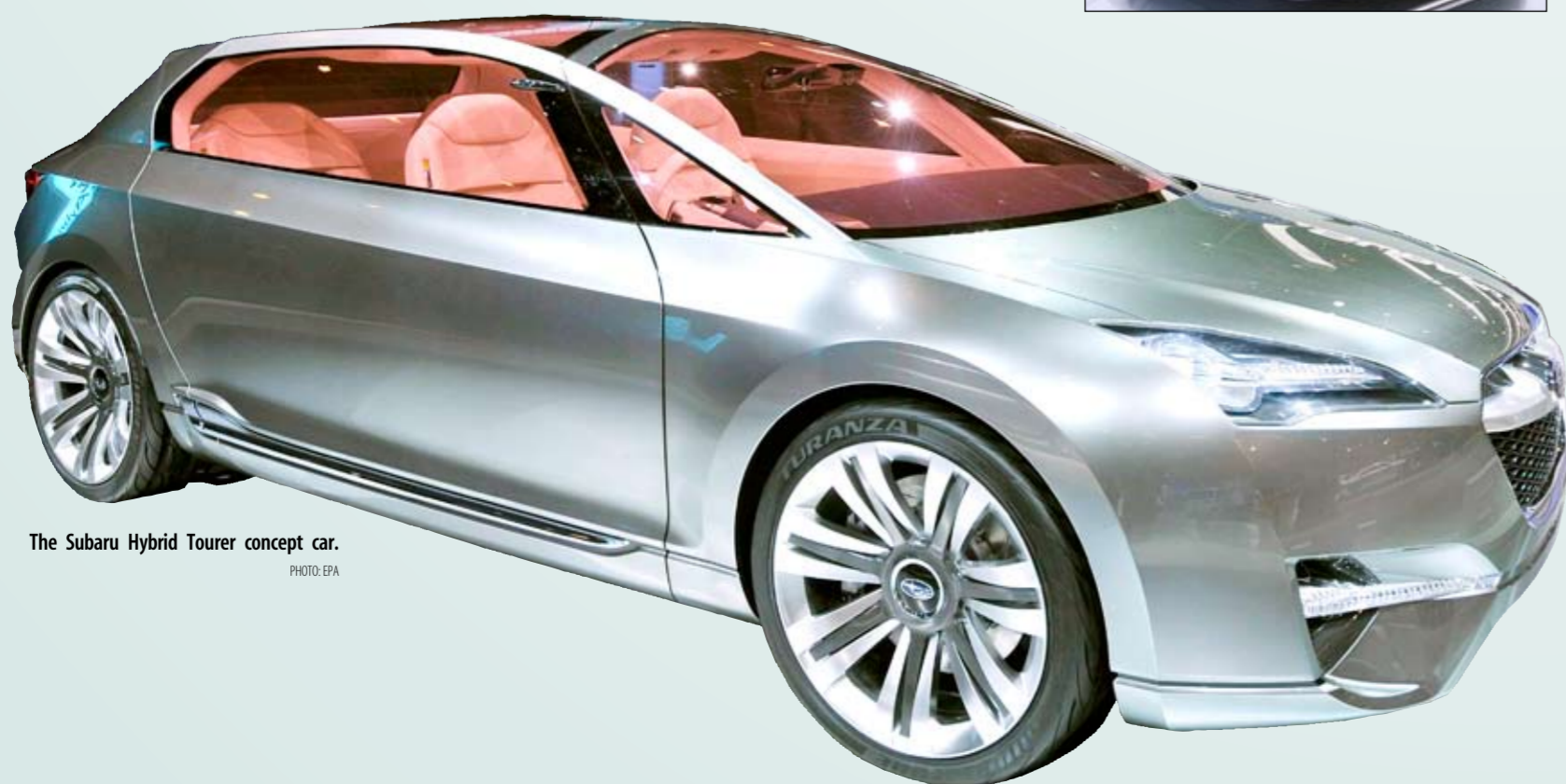
Opel is pushing its lithium-battery powered fully electric Ampera hatchback, introduced two years ago at Geneva. This year, Opel Chief Nick Reilly drove one partway from Germany to the auto show this year in a publicity stunt. Yet the twin sister to the Chevy Volt manages only 60km on batteries before having to switch to combustion. The Volt goes on sale at the end of this year, the Ampera at the end of next year.

In the US, the market share for hybrid vehicles rose from 2.4 percent to 2.7 percent last year. Toyota's Prius accounts for half of those, with the only other mass-market models — Ford's Fusion hybrid and Honda's Insight — trailing far behind.

For many automakers, hybrids are still about improving their image, said IHS Global Insight analyst Rebecca Lindland. She said drastic regulation and gas price increases may be the only way to push consumers — and manufacturers — to embrace hybrids in bulk numbers.

PSA Peugeot-Citroen plans to launch the Peugeot 3008, a plug-in hybrid with diesel, in 2012, as well as the Citroen DS5 Hybrid as part of its goal to have 1 million cars in its fleet below 120g of carbon dioxide per kilometer by 2020. By 2020, CEO Philippe Varin thinks hybrids will grab as much as 15 percent of the market.

"We think that probably hybrids are going to be the area to give the most development in the years to come," Varin said. "We think hybrid may be more important than electronic vehicles."



The Subaru Hybrid Tourer concept car. PHOTO: EPA