

Auto Industry Can't Catch A Break As Gas Prices Rise

Colleen Barry, Associated Press

GENEVA (AP) — The car industry, it seems, just can't get a break.

Just when automakers thought it safe to roll out new models in the wake of the devastating economic crisis — 170 premiers are advertised for the Geneva Auto Show opening this week — confidence is shaken by a spike in oil prices due to civil unrest in Libya and other energy-producing nations.

Gas pump prices, which are at a seasonal record in the U.S., will sharpen attention at the auto show on technologies that squeeze more power out of conventional engines, along with much-anticipated news in hybrid and electric vehicles.

Although most carmakers are showing upbeat signs of recovery, the key theme, as during the financial crisis years, will once again be fuel efficiency.

Rolls Royce's one-off electric-powered Phantom luxury sedan could give electric the kind of upscale appeal it so far lacks. The concept car, to be unveiled on Tuesday, will be tested on tracks in different climates around the world this year to help decide what drivetrain it should have. At the moment, however, there are no plans to put the car into full production, the carmaker said.

BMW, which owns Rolls Royce, also is launching its latest ActiveE electric concept car in Geneva.

"We'll see a lot of alternative powertrains, which will get a lot of attention given the current oil prices. No one knows where that is going to go, especially given what is going on in the Middle East," said Ian Fletcher, analyst at IHS automotive.

There will be a particular focus on engine downsizing, an industry term for squeezing more power out of small engines. Nissan will be showcasing a 1.2-liter three-cylinder engine in the Nissan Micra DIG-S that is touted as having the same power as a 1.5 liter four-cylinder model. Fiat has done similar work with the Twin Air engine in the Fiat 500.

"It's tweaking current technology to meet new levels of expectations. The internal combustion engine is still a relatively cheap way of producing power on a light vehicle," Fletcher said.

With sales in Europe still sluggish, automakers have been counting on emerging economies, especially China, for major growth. But news that the once-galloping economy is slowing down, even to an enviable 7 percent, could cause companies like Volkswagen and BMW some worry.

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Still, automakers are showing optimism coming into Geneva, evident in the rollouts planned. After seeing participants scale back in recent years, organizers said they had requests for more show space than they could provide, and that 70 brands will be represented from 31 countries.

Geneva's motor show, which focuses primarily on European companies, is considered one of the more prestigious auto events of the year. And because it is based in industry-neutral Switzerland, which does not produce cars on any industrial scale, it creates an even playing field for German, French and Italian companies alike, not to mention a rare venue for Asian automakers like Tata to show cars outside of their markets.

Automakers that held back launch during the economic crisis — not wanting to squander the considerable investment — will be out in force.

Fiat, which owns Chrysler, is launching the Fiat Freemont, based on the Dodge Journey and the first Fiat vehicle to be born of the alliance with Chrysler. It goes on sale in the second half of the year.

And Lancia, another Fiat brand that will be the European face of Chrysler, will unveil a series of rebadged cars to pave Chrysler's European renaissance under Fiat's management: an updated three-door Ypsilon minicar, a new Lancia Thema sedan in the C-segment combining American size with Italian style, Flavia concept, a D-segment sedan car, and Grand Voyager minivan.

But perhaps a surer sign that carmakers are feeling cheery is that many high-end automakers have new products to show.

"You only have to look at the launches taking place. Look at the top end, Aston Martin, Jaguar, Rolls Royce. They are all either unveiling concept cars or new roll outs. If the top end of the market is doing well, it's a good sign for the overall economy and growth in developing markets," Fletcher said.

Italian design houses, meanwhile, will be making a strong presence.

Bertone wants to turn Jaguar on its ears, unveiling a design for a concept called the B 99, for Bertone's 99-year history, a compact four-door Jaguar sedan that uses a full hybrid powertrain. The B 99, named for Bertone's 99-year history, is aimed at replacing the Jaguar X-Type, discontinued two years ago, as an entry model.

It's a fitting venue: Jaguar unveiled the legendary E-type 41 years ago in Geneva.

Italdesign Giugiaro SpA, shows up for the first time at Geneva as part of the Volkswagen group. VW last May acquired 90-percent of the coach builder that previously had designed Volkswagen Golf, Passat and Scirocco along with the Audi 80.

And the third in the triumvirate of Italian design houses, Pininfarina will see unveiled

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its latest Ferrari design, the FF, a four-seat, four-wheel drive — hence the FF moniker — V12 billed as the company's most powerful four-seater ever.

The 81st edition of the Geneva Auto Show opens to the public from March 3-13.

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