

# Fuel Prices Force Automakers To Think Greener

Colleen Barry, Associated Press

GENEVA (AP) — Just when carmakers thought it safe to roll out new models in the wake of the economic crisis — 170 premiers are advertised for the Geneva Auto Show opening this week — a spike in fuel prices has cast a new shadow over the industry and redoubled attention on green technologies.

Ford Motor Co. said Tuesday it is boosting its offering of low-emissions technologies and will have five alternative powertrains to market in Europe by 2013.

Stephen Odell, the chief of Ford Europe, told reporters that the new powertrains will include hybrid, pure electric and plug-in hybrid technologies.

Fuel prices, driven sharply higher in the past month by tensions in the Middle East, have raised worries that consumers may shy away again from buying a new vehicle.

"With our capabilities in regular combustion engines and with five electric vehicles in production we are well placed," Odell said.

Although most carmakers are showing upbeat signs of recovery, the key theme at the auto show, 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 is to be unveiled Tuesday, though at the moment 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.

As for hybrids, BMW and PSA Peugeot announced on the eve of the auto show that they would invest euro100 million (\$138 million) in a joint venture to build hybrid components from 2014. Their goal is to create an open European platform for hybrid technologies, which PSA Peugeot Citroen CEO Philippe Varin said the joint venture also would enable development of electric powertrains.

Volkswagen presented a luxury hybrid for its Porsche brand, the Panamera S. The car boasts carbon emissions of 159 grams per kilogram and consumption of 6.8 liters per 100 kilometers.

There will be a particular focus on engine downsizing, an industry term for

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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.

Overall, 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.

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

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*Frank Jordans contributed to this report.*

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