

Electric vehicles take center stage at pared-back Paris show

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French President Emmanuel Macron views the Peugeot DS E-Tense Performance at the Paris Car Show, Monday, Oct. 17, 2022. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: Gonzalo Fuentes/Pool via AP

Europe is leading the push into battery-powered cars as electric vehicles enter the mainstream—even as the industry faces challenges including supply shortages, a spotty charging network and a looming recession.

The electric-as-routine approach is on display this week at a slimmed-down Paris auto show as carmakers show off models aimed at fulfilling Europe's promises to phase out internal combustion cars by 2035.

Automakers at the show include Chinese manufacturers who analysts say are making rapid technological progress as they explore expansion into Europe.

Here are major themes from the Paris show, which is open to visitors Tuesday through Sunday at the Paris Expo Porte de Versailles exhibition center:

ELECTRIC FIRST

Cars with an electric motor made up 41% of sales in the second quarter in Europe, with 9.9% battery-only cars and the rest hybrids that combine electric power with internal combustion, according to the European Automobile Manufacturers' Association.

Gains have come because of regulatory pressure, tax breaks, improving battery range, and a wider range of vehicles to purchase.

"The electric revolution is in full swing," wrote analysts at Sanford C. Bernstein research firm. "Car manufacturers are finally pivoting to electric vehicles and consumers are buying every electric vehicle they can find."



The French automaker DS E-Tense Performance electric car is on display at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler

Bernstein analysts say electric cars are "no longer a niche" and that "Europe will likely lead the way" due to tough emissions requirements.

By 2025, a quarter of all cars sold worldwide will likely be battery-only or hybrids that combine internal combustion with electric motors, they forecast.

Uptake has been slower in China, where the higher cost of producing electric cars leave them beyond the purchasing power of many consumers despite government incentives. Battery and hybrid cars were 13.8% of the market for all of 2021. In the U.S., regulatory pressure from government emissions requirements has waxed or waned depending on whether a Republican or a Democrat is in the White House. The electric share was around 4.5% in 2021.

At the Paris show, electrics are now the rule among major unveilings. They include Stellantis' battery-powered Jeep Avenger small SUV and the Peugeot 408 plug-in hybrid, while Renault has an electric version of its Kangoo small van and a rugged-looking SUV concept car dubbed the 4Ever Trophy. Mercedes-Benz unveiled its EQE crossover at an off-site event at the Rodin Museum on the eve of the show.

There's still a long way to go before 2035, when [the European Union bans carbon-dioxide emissions from autos](#), effectively mandating all new cars be electric. It's part of the EU's push to meet its commitments under the 2015 Paris climate accords.



An electric plug in station for electric vehicles is pictured at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler

AUTO SHOWS IN DECLINE POST-PANDEMIC

The Paris auto show—officially the Mondial de l'Automobile—is back for the first time since 2018 but has been scaled back since the last edition drew more than a million people.

It has been shortened to six days instead of 11 and is missing major

automakers such as Volkswagen and BMW from Germany. Instead, the focus is on the French home team: Stellantis' Peugeot, DS and Jeep brands and competitor Renault.

Paris formerly alternated every other year with what was the Frankfurt show as Europe's major auto exhibition. The 2020 Paris show was lost to the pandemic, and in 2021 the Frankfurt show shifted to Munich and moved some aspects outdoors or online while including bicycles.

The hangover from the pandemic and its disruption of travel, along with environmental concerns and changing ideas about how to market cars, have affected auto shows. Companies often prefer to unveil new models on their own, frequently with an online component, without the expense of a large auto show stand or putting their product next to competitors.



French President Emmanuel Macron sits inside the Hopium Machina Vision hydrogen-powered at the Paris Car Show, Monday, Oct. 17, 2022. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: Gonzalo Fuentes/Pool via AP

CHINESE AUTOS

A key presence alongside the French companies will be Chinese market entrants BYD, which is showing off three electric vehicles, and Great Wall, whose Ora brand is expected to display the Funky Cat compact.

BYD offers the Atto 3, a five-seat, midsize SUV "with European customers in mind." The company says the design fuses European and Chinese culture through "dragon face" design language in which headlights and horizontal grill bar symbolize a dragon's eyes and moustache. The interior features "gym-inspired" design such as barbell door handles and a kettlebell-shaped gear selector. Seats and headrests are of vegan leather.

Chinese carmakers have a tiny presence in Europe, selling just 1,706 vehicles last year, according to figures compiled by the European automakers' association.



French President Emmanuel Macron, right, speaks next to Carlos Tavares, Peugeot chairman and Stellantis chief executive, at the Paris Car Show, Monday, Oct. 17, 2022. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: Gonzalo Fuentes/Pool via AP

But analysts say they have made rapid progress in electric cars and introducing new driver assistance technology—and could be a major factor in coming years.

"With electrification, I'm convinced that Chinese car manufacturers have quite a big advantage because battery development, battery know-

how and knowledge sits in China like in no other region on the planet," said Thiemo Jahnke, brand and marketing director for WEY Europe, part of the Chinese luxury SUV maker.

Things have changed since an unsuccessful attempt to enter the European market 15 years ago, said Stefan Bratzel, director of the Center of Automotive Management in Bergisch Gladbach, Germany. Now, they are making a second attempt "which seems much more promising." But he cautioned that breaking into the highly competitive European market would take time.

"The Chinese automakers demonstrate strong innovation in electric mobility," Bratzel said. "At the same time, through cooperation with European suppliers they have significantly improved vehicle quality."



A man cleans the electric-powered Jeep Avenger SUV at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler

In the Chinese market, the world's largest, foreign carmakers "may suffer from competition more than they expected" from domestic brands, the Bernstein analysts wrote.

Asian carmakers, including Vietnam's VinFast, are striving to lure European customers with extended warranties, slick and sporty models and luxurious materials.

"Nobody knows us in Europe, so we want to give confidence in our products," said Jean-Christophe Mercier, deputy CEO of VinFast Europe.

PROBLEMS FOR THE INDUSTRY

Europe's auto industry is facing serious headwinds, including shortages of parts such as semiconductors key to increasingly sophisticated automotive electronics.

Car sales fell 9.9% for the first nine months of the year. On top of that, many economists are predicting a recession this winter. High energy costs due to the war in Ukraine and Russia cutting back natural gas supplies are robbing consumers of purchasing power.



Visitors watch the Renault Alpine H2 hydrogen-powered concept supercar at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler



People gather around the electric-powered Jeep Avenger SUV at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler



Visitors gather around the Renault 4Ever Trophy electric SUV concept car at the Paris Car Show Monday, Oct. 17, 2022 in Paris. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: AP Photo/Michel Euler



Renault's Chief Executive Luca De Meo, center left, gestures as he speaks with French President Emmanuel Macron, center right, at the Paris Car Show, Monday, Oct. 17, 2022. Europe is leading the charge into electric vehicles as battery powered cars break out of their niche market of first adopters and enter the mainstream with increasing market share that's forecast to grow strongly as the EU pushes to phase out internal combustion engine vehicles by 2035 Credit: Gonzalo Fuentes/Pool via AP

Automakers are able to work through order backlogs and demand higher prices, but that won't last, says Ferdinand Dudenhoeffer, head of the CAR Center for Automotive Research in Duisburg, Germany.

"That will be over in 2023," he said. "Then it's the customers who will be scarce" and price discounts will come back. He predicts overall sales to

dip to 10.8 million in Europe, down from 11 million this year and well below the pre-pandemic peak of 15.8 million.

Another stumbling block on Europe's way to 100% electric: There's a huge gulf between countries with lots of chargers and those with the fewest, according to the European auto industry association. The Netherlands has one every 1.5 kilometers (1 mile) of road, while Poland has one every 150 kilometers (93 miles).

It says the gap "risks stalling market uptake of electric cars" and called on the European Parliament to push member states to build more charging points.

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