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FUTURE OF HYBRID POWER IN EUROPE DEPENDS ON DEVELOPMENT OF MORE VOLUME-SEGMENT VEHICLES

According to EurotaxGlass's, the market for petrol-electric hybrid road cars in Europe will only flourish if vehicle manufacturers launch greater numbers of vehicles into volume-selling segments where buyers are more concerned about fuel efficiency.

The company says the prospect of lower fuel consumption will be vital in boosting sales of hybrids, helping to repay manufacturer investment in the technology. However, a significant proportion of the hybrid vehicles currently scheduled for production are large luxury cars or SUVs - niche models where sales volumes are limited or in decline, and where concerns about fuel efficiency and emissions are less paramount for the typical buyer. Although diesels now command a sizeable proportion of sales in the large luxury and SUV sectors, owners of such cars know their fuel consumption lags well behind that of many vehicles in most other segments.

EurotaxGlass's argues that carmakers must take full account of the differences in the US and European marketplaces to maximise all opportunities for hybrid. "There is clearly now some real momentum behind hybrid product development, with new manufacturer partnerships being forged and a host of new concept vehicles being unveiled over the past six months," comments Jeff Paterson, Senior Car Editor at EurotaxGlass's. "However, the hybrid models being prepared for production indicate a heavy bias towards the tastes of the US market, with large SUVs and luxury cars often being favoured. This may make sense in a market where diesel isn't a viable alternative, but in Europe these vehicles will not sell in significant numbers."

EurotaxGlass's suggests prestige, volume and budget-brand carmakers alike should target the higher-selling lower-medium and upper-medium segments in particular, where competitively priced hybrid power would present a tempting alternative to diesel for significant numbers of both fleet and retail buyers.

"Those purchasing cars in these segments are amongst the most sensitive to vehicle fuel economy and purchase price," adds Paterson. "The selling price of an upper-medium car may be less than with a large SUV or luxury saloon, but the carmaker would almost certainly have the opportunity to sell them in far greater numbers."



Examples of hybrid cars in Europe, by segment

(Current models, those confirmed for production and future possibilities)

Lower-medium

- Honda Civic IMA (on sale)
- Toyota Prius (on sale)
- Peugeot 307 CC / Citroën C4 Hybride HDi diesel-electric (possible by 2010)

Executive and luxury

- Lexus GS 450h (planned)
- Lexus LF-Sh (possible)
- Mercedes-Benz S-Class hybrid (possible)

SUV

- Lexus RX 400h (on sale)
- BMW Concept X3 EfficientDynamics (possible)
- Porsche Cayenne (possible)
- Audi Q7 hybrid (possible)