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Crucial steps in the electric car revolution

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30 March 2010 | Published by Datamonitor

Efforts to standardise electric-car technology will remove a major potential stumbling block to take-up as the first mass-produced zero-emissions car is launched, according to lead automotive analyst Richard Carteau.

The debut of the Nissan Leaf at the EVER Monaco electric vehicle show (March 25-28) followed the recent formation of the CHAdeMO association by Japanese carmakers including Nissan and Toyota.

The association will ensure the standardisation of charging points for electric cars in Japan and while many uncertainties for the technology remain, Datamonitor views this as a significant step – particularly as the association's objectives are global.*

Mr Carteau said: "The high purchase cost of electric vehicles – or more accurately the battery – is often cited as a key impediment to the development of the market.

"However, government subsidies or tax breaks on such vehicles can help consumers get over the short-term affordability hurdle, while developments in battery manufacturing technology and scale economies should bring costs down in the longer term.

"Furthermore, vehicle manufacturers may also lease the batteries separately from the vehicle, further allaying motorists' concerns over the risks of investing in such a new technology and thus improving the attractiveness of the proposition."

Mr Carteau added: "Aside from the high cost of the battery, probably the most fundamental impediment to the take-up of electric vehicles is their limited driving range combined with an underdeveloped recharging infrastructure.

"This is where the recent agreement in Japan is important. Indeed, while there are many that remain sceptical about the potential for mass-market adoption of electric vehicles, others are making high stakes bets on the future of the technology and its potential to revolutionize the automotive sector.

"By ensuring that there is not a raft of competing charging technologies, the vehicle manufacturers that have created the CHAdeMO Association can speed the development of a comprehensive network of recharging points that is open to all vehicles. This strategy will avoid the industry developing multiple standards, which would ultimately make batteries more expensive and the roll out of national and multi-national roadside charging more difficult.

"The implementation of a standard re-charging norm, at least by continent, is crucial, coming as it does alongside Nissan's launch of the Leaf."

- Ends -

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Notes & References

* Among the 158 organizations expected to join CHAdEMO, 20 are not from Japan.

Further Information

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