

Volkswagen leads clean diesel market

Volkswagen Group has been named the leading vendor in the clean diesel vehicle market, according to a report by Pike Research.

In Pike Pulse Report: Clean Diesel Vehicles in the United States, the German automaker scored highly on both its strategy, which covers company vision, production and geographic reach, and its execution, which covers such things as sales and product quality. VW Group's Audi and Volkswagen brand diesel cars were singled out as improving the manufacturer's score. The company is well established in the European clean diesel market and has the potential to grow its sales in the US and other new clean diesel markets, the report says.

VW is the only company named in the market "leaders" category in the report.

Pike describes clean diesel cars as those that meet the limits for nitrogen oxide or particulate matter emissions set by the EPA's Tier 2 standards or the European Union's Euro 5 standards. There are 11 companies named in the "contenders" category including Mercedes, BMW, Ford and General Motors. Firms in this category have shown strength in traditional diesel vehicle markets and have some potential to move into emerging diesel vehicle markets, the report says.

Diesel cars have proven very popular in regions where gas prices are high – such as the US, where prices at the pump have roughly doubled over the last four years – and in areas where consumers demand fuel efficiency across a range of vehicle classes.

In 2011, the US diesel vehicle market, which has traditionally been smaller than other international diesel markets, began to show signs of recovery, with 27 percent growth over 2010, according to a report by Pike Research.

The US should see continued demand for all fuel-efficient vehicle technologies, including diesel and hybrid. From 2012 to 2018, Pike Research expects that diesels will capture a slightly higher percentage of new vehicle sales compared to hybrids, though both will remain "niche drivetrains."

Europe remains the world's biggest market for clean diesel cars, with around 7.3 million diesel passenger cars sold in 2011, according to the European Automobile Manufacturers Association, Pike says. Diesel's share in new passenger car sales in western Europe has been increasing since 1997, surpassing 50 percent of sales in 2004. Demand is primarily driven by diesel cars' superior fuel economy, given the high price of fuel in Europe. Diesel fuel is also less expensive than gasoline in many European countries, giving diesel cars an even greater fuel savings advantage, the report says.

(Source: Environmental Leader)

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