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## Changes in mobility

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Whereas in previous decades the development in the car industry had almost come to a halt, we have seen momentum picking up in recent years in the development of alternative forms of propulsion in this sector.

E-car technology should prevail in the long run – our research partners agree on that. For other technologies such as fuel cells, we will need more time i.e. years of R&D to make this kind of drive ready for the mass market.

At the moment, fuel cell vehicles are too unprofitable for companies. The costs for consumers are too high as well, which does not facilitate a switch from fossil energy carriers to hydrogen-driven cars.

### Fleet goals for 2021

One reason for the rise of this sector is the diesel scandal. Politics have increasingly put in place incentives for manufacturers to produce vehicles with alternative forms of propulsion. One example in this context is the fleet goal of the EU for 2021.

However, our research partners largely disagree about the effects on companies. Whereas plug-in hybrids are advantageous to the CO<sub>2</sub> balance and the ability to reach emission targets, many producers feel it is not enough to comply with the permitted thresholds.

In the event of non-compliance, they would face billions in fines. It remains to be seen whether and, in particular, what manufacturers will reach the ambitious targets set by politics.

### E-cars as promise for the future

Emission targets for entire fleets can only be reached in the long term if enough e-cars are sold. To electromobility, battery technology is one of the core fields of research. We often see significant progress in this area when it comes to the one-off production of new battery types.

However, at the moment only lithium-ion batteries are fit for market. They are not only used in e-vehicles, but also in most laptops and smartphones that we work with on a daily basis. Problems in connection with the production of such batteries are largely glossed over.

For example, the mining of lithium requires enormous amounts of water. Also, the global lithium reserves are mainly in countries that have problems with water supply as is.

Bolivia, Chile, and Argentina are among them. However, the mining of these resources can also be a way of furthering economic progress. Ultimately our research partners regard electromobility as the future of the car industry in the medium term.

### SUVs – a contradiction to other goals

The rising sales figures in the SUV segment stand in stark contrast to the ambitious emission targets. Producers benefit from increased margins in this segment – a cash cow that has become a pillar of their fleet.

This trend is in clear contradiction to the goals of the car manufacturers to reduce CO<sub>2</sub> emissions: regardless of the kind of drive a SUV will come with in the future, it will produce more CO<sub>2</sub> than other vehicles.

### Autonomous cars

While promises of a future of autonomous, self-driving vehicles sound great, our research partners believe that this scenario is still far off. Also, the current trend of car-sharing models suggests that people are switching from public transportation to cars at increasing rates.

This would mean more contamination for the environment and more difficulty in reaching the emission goals. And this would also be the case for autonomous cars.

Problems with autonomous cars should not be overlooked – they mainly come in the ethical and legal variety.

Our research partners do not expect internet companies to enter the market via autonomous driving. After all, the automotive sector offers only very low margins in comparison with the other business fields of that sector. The risk of failing to successfully establish an own car brand should not be underestimated.

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