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Study Raises Cost Estimate for Electric Cars

By NICK BUNKLEY

DETROIT — As [General Motors](#) began assembling batteries for the coming Chevrolet Volt on Thursday, a new study cast doubt on the likelihood that [electric cars](#) will be widely popular in the near future.

The study, conducted by the Boston Consulting Group, said battery costs were not expected to fall as much as automakers have projected, making electric vehicles too expensive for most consumers even 10 years from now.

The firm predicted that electric cars would account for just 6 percent of the global market in 2020, or about three million of an estimated 54.5 million vehicles sold over all.

The findings contrast with the publicity that G.M., [Ford Motor](#), Nissan and other manufacturers have been building for coming battery-powered models. On Thursday, G.M.'s chairman and chief executive, [Edward E. Whitacre Jr.](#), called electric cars like the Volt, which has a small range-extending gasoline engine, "the way of the future" and said such technology "will quickly become a very big part of General Motors."

The Volt, Mr. Whitacre said, is "a sign of good things to come, not only for this company but for the U.S. auto industry and the car-buying public."

Mr. Whitacre was speaking at a ceremony to note the production of G.M.'s first 400-pound battery pack at a new plant outside Detroit. The event took place exactly three years after G.M. introduced the Volt — then a sporty concept car theoretically powered by technology that company officials acknowledged did not exist yet — to great fanfare at the 2007 [Detroit auto show](#).

The Volt is scheduled to go on sale by November.

Electric vehicles will be a large part of this year's Detroit show, which begins Monday with two days of media previews. The energy secretary, [Steven Chu](#), who joined Mr. Whitacre at the event on Thursday, said the vehicles were critical to helping Detroit's automakers become successful again.

“We urgently need to change how we power our cars and trucks,” Mr. Chu said. “America has fallen behind in the race to build cars of the future.”

The Boston Consulting Group study, however, forecasts that most gasoline-powered cars will remain most popular for many years. It forecasts that they will represent 62 percent of sales in the United States and 58 percent of sales worldwide in 2020.

The main factor, the study says, is price. It predicts that the cost of a battery pack about the size of the Volt's will fall by \$10,000, or 64 percent, from 2009 to 2020. But even then it would take about 15 years for the cost of owning an electric vehicle to equal that of a gas-powered car.

Most consumers would buy an electric vehicle only if they could break even on ownership costs within three years, said Xavier Mosquet, who leads the consulting firm's automotive practice in Detroit. He said a three-year time frame would require significant government incentives or a drastic change in one or more factors, like [oil](#) prices of about \$375 a barrel, more than quadruple today's price.

Mr. Mosquet said about 9 percent of Americans surveyed said they would buy an electric car regardless of price.

“A small fraction will buy one either because they think it is fun or it is the right thing to do,” he told reporters after a speech to the Automotive Press Association. “If you want to go beyond a niche market, you need to make it financially attractive.”

But G.M. and government officials celebrating the start of battery production on Thursday said they were confident that the automaker, after many years of trailing its competition and making poor decisions, would lead the industry forward.

“We're going to show those foreigners how you make cars, and we're going to have success,” Representative [John D. Dingell](#), Democrat of Michigan, said.

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