

All Volvo cars to be electric or hybrid from 2019

Landmark move as first big manufacturer says it will stop making vehicles solely powered by internal combustion engine

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All new cars launched by Volvo from 2019 onwards will be partially or completely battery-powered, in what the company called a “historic end” to building models that only have an internal combustion engine.

Between 2019 and 2021, the firm will introduce five 100% electric models, and ensure the rest of its conventional petrol and diesel range has a hybrid engine of some form. It is the first major manufacturer to make such a bold move.

Håkan Samuelsson, the Volvo chief executive, said: “This announcement marks the end of the solely combustion engine-powered car.”

He said the company was reacting to customers who had asked for electric cars, though the move will also help the Swedish firm meet legally-binding carbon targets for new cars sold in the EU from 2020.

The carmaker, owned by Chinese automotive giant Geely, has yet to build a single fully electric car but already sells five plug-in hybrid models that can run a few dozen miles on battery power before switching to a conventional engine.

The pricing of those models suggests drivers will pay a premium for future Volvo cars – the basic plug-in hybrid version of its XC90 SUV crossover costs £61,650, £13,250 more than the basic diesel edition.

Several of the major carmakers, including Renault-Nissan, BMW and VW, have declared ambitious plans for electric cars, supported with grants by governments, which see them as a key way of tackling air pollution and climate change.

The VW emissions scandal gave added impetus for companies to focus on the technology, as politicians and campaigners increasingly blamed diesel for cities' air quality problems.

The cars that Volvo produces from 2019 onwards will range from battery-only to plug-in hybrid – which can run for a significant distance before switching to petrol or diesel – and mild hybrids, where a battery helps a conventional engine achieve greater fuel economy.

Asked if the announcement showed diesel was dead, Samuelsson said: “Long-term, diesel will get more and more expensive, because it requires some after-treatment.” Volvo said in May it was considering ceasing development on next-generation diesel engines.

Of Elon Musk's Tesla, whose 'mass market' Model 3 is expected to roll off the production line later this week, Samuelsson said: “It's a tough competitor. But with this decision we are really becoming the second premium car maker in the world which will also be all-electrified.”

Volvo said the first of its electric cars will be built in China, but others would be made in Europe and the US. The company said it had not yet decided on a battery supplier.

Prof David Bailey, an automotive expert at Aston University, said: “It's indicative of the speeding up of the shift over to electrics, particularly in the wake of the VW diesel gate scandal, and it's a sign that the industry is really starting to move and it will become mainstream.

“By the mid-2020s I expect there to be a tipping point where the electric car starts to outcompete the internal combustion engine. It's the way it's going.”

The potential carbon savings of a widespread shift to electric cars are huge.

Although globally coal still accounts for about 40% of electricity generation and gas around 21%, countries such as the UK now source a significant amount of power from low carbon sources, such as renewables and nuclear. A quarter of UK carbon emissions are from road

transport.

“We have to decarbonize the transport system, and the shift to electric cars is part of that. Even with the current energy mix, in terms of how we generate electricity, there will be a benefit in CO₂, let alone the shift to further renewables,” said Bailey, adding that the cars could also “dramatically improve urban air quality”.

Ben Lane, the director of Next Green Car, a guide to low-emission vehicles, said: “It’s not quite the same as saying they will not make any internal combustion engines, but it’s obviously a key moment.”

Both experts said of all the car companies, Ford was the biggest laggard on the transition to electric vehicles.

Globally, the cumulative number of electric cars broke the 2m barrier last year, up from hundreds in 2005. But as a report published on Wednesday shows, some parts of the world are moving faster than others.

In the EU last year, 1.9% of new car registrations were for hybrids, 0.7% were plug-in hybrids and 0.6% were pure electric. In Norway, the International Council on Clean Transportation found, pure electric models accounted for 15.7% of new car sales in 2016.

While Toyota and its Prius lead on the highest share for hybrids, Renault-Nissan and BMW are top of the pack for pure electric cars. Volvo commanded a considerable share (4.5%) of the plug-in electric market, alongside Porsche on 4.8%.

With bullish projections by Bloomberg New Energy Finance that electric models will make up 35% of all new car sales by 2040, oil companies are increasingly worried about the impact on them. However, firms such as BP are dismissive of the effect the cars will have on oil demand.

Greenpeace hailed the move by Volvo, and said other manufacturers should follow suit.

“Volvo has recognized the huge gains to be made by leading the way in electric. We know electric vehicles are the future, and it’s not a case of if, but when, old-style cars powered by climate-wrecking fossil fuels will be a thing of the past,” said Paul Morozzo, a campaigner at the environmental group.

Volvo’s owner, Geely, also has interests in electric vehicles through its ownership of a £300m factory in Coventry that will build electric black cabs. The first zero-emission versions of the iconic cab, the TX5, will be delivered this year, before new Transport for London rules that require new black cabs to be battery-powered from 1 January.