

## An Interview with Dr. Dieter Zetsche Daimler AG CEO

At the Geneva International Motor Show on March 3, The Star's European Editor Axel Catton spoke with Dr. Zetsche about Mercedes-Benz and the current state of automotive technology.

*Plug-in hybrid vehicles currently benefit from significant government support. Is this part of your strategic plan for this new technology?*

Our new plug-in hybrids are very attractive cars; they combine the best of both worlds. We're investing heavily in these new drivetrains and, of course, want to see response from the market. Plug-in hybrids have benefits that go beyond just fuel efficiency, like, for example, the boost effect that adds to the performance of the combustion engine.

In general terms, I am not one to ask for state subsidies, but of course the incentives are important. If we want to see a shift from combustion to electric power, hybrids are a good interim step that could be accelerated by any kind of additional incentives for those customers who choose these products.

*If you see plug-in hybrid vehicles as an interim solution, what's your timeline?*

I don't think any one of us could make a reliable forecast in this regard. We always said this would be a gradual shift. Plug-in hybrids currently have the potential to bridge the gap between electric driving and range that is not yet available. However, I think the time for plug-in hybrids will be over once battery-electric cars are capable of a convenient range of around 500 to 600 kilometers [approximately 311 to 373 miles].

*One hurdle in convenience for electric cars is the need to use a cable for charging. Do you see an acceleration of induction charging?*

Convenience is a major driver of any technology. Stepping out of a car, plugging it in and not forgetting about it when you leave is not convenient. These products are too costly at the moment, but we will get there. I would say two to three years is the timeline for seeing the first cars without a cable.

*Tesla has shown what's possible with range. Does its success make you think you want to be more active in that part of the market?*

We started out believing that electric driving would be mostly urban driving and that, therefore, smaller cars in the urban area don't really have a major problem with



restricted range. Now, Tesla obviously went a different route, and successfully so.

The valid question is: Are large luxury cars, sports cars and SUVs, with their higher pricing, potentially better suited for the penetration of electric cars because they are better able to absorb battery cost? We're investigating this without a clear outcome as yet.

*What's in the pipeline on batteries?*

Today, the battery Tesla uses does not have a higher density than the ones we're using – quite the opposite. They're just putting more batteries in there. The need for higher range in different segments obviously creates demand for a higher density of energy storage beyond what lithium-ion can offer. Different technologies, like lithium-sulphur or lithium-air batteries, are being researched today, but their success is a very difficult thing to forecast. A production-ready next-generation battery is at least seven to maybe 10 years off. We expect to see up to twice the density at the same cost, or half the cost for the same density as today.

ARTICLE & IMAGE AXEL CATTON

*Companies like Apple and Google think they can elbow into the car market. Is this realistic and could you see yourself in partnership with them on some sort of technology?*

First of all, I think there is an opportunity for these "techies" on the West Coast to converge in some form with automotive people in Europe, especially in Germany, so the technologies can come together and provide more opportunities – which is quite positive. That's what's enabling us to think along the lines of autonomous driving and connected drive. What contribution can come from either side? Do we adopt all the talents of the digital world needed for this development? Can these companies play some kind of partner, supplier role?

We are open to all manner of thinking on what co-operations could look like, but, first of all, we have confidence in our own strengths and, secondly, we have very clear definitions of what we want to offer our customers. Our brand is renowned for superior safety, and we include data protection as a mandatory part of this safety picture. If co-operation allows for that superior protection of our customers' data, we are open to it; otherwise, we're not.

*Do you see growth for the Maybach brand, perhaps with the development of an SUV?*

We just launched a new Maybach model today, the Pullman, but it will not be the main contributor to our volume targets. Mercedes-Maybach can be similar to Mercedes-AMG, but the difference is that you can apply AMG to almost all Mercedes models, but not so with Maybach. It is restricted to the top level and SUVs are obviously a possibility. Something based on the GL could, in future, earn a Maybach brand, but there is no decision.

*Are you worried you may lose a lot of valuable, talented people when Mercedes-Benz USA moves headquarters from New Jersey to Georgia? U.S. management says they only expect 35 percent of staff to make the move.*

We are not the first company to embark on such a move and this is not the first move we have conducted. When I took over leadership of Freightliner in 1991, we moved our engineering capacity from Charlotte to Portland three months later, with around 40 percent coming with us. We've been in New Jersey for 50 great and successful years, but at some point in time a new beginning is a good idea. It creates new momentum – a completely fresh start. We have, of course, gone through this and come to the conclusion that it's a good move to make; There's always the plan, then you have reality, but we are optimistic that we will be an even better Mercedes-Benz USA than we are today.