

Bosch CEO Peter Marks still bullish on diesel, moving on electric drive

by [Scott Anderson](#)

TRAVERSE CITY, MI - Robert Bosch LLC's Chairman and CEO Peter Marks said the automotive supplier expects US diesel fuel prices will decline between 2010 and 2011, as oil companies bring more refinery capacity online.

The long-standing trend whereby diesel prices fall in the summer and rise again in the autumn, while gasoline prices tend to rise in the summer and fall in the winter, hasn't played out in 2008. In fact, diesel prices have surpassed gasoline prices for much of the season.

Increased demand from China and India, is the reason given by analysts for the discrepancy in fuel prices. But Marks also cited an "imbalance" in refinement capacity.

"We've talked to the oil companies and they're convinced this imbalance will be gone by 2010-2011 .. and then you have the full benefit of diesel," Marks told an audience at the Center for Automotive Research's Management Briefing Seminars here.

[As of this week](#), per gallon diesel averaged \$4.47, while regular gas average \$3.77 a gallon.

Marks says Bosch is still very bullish on diesel, projecting that oil burners are still on track to achieve 15 percent of the US automotive market by 2015.

"It's a very good business case especially for this country where we drive long distances," he said.

Also by 2015, Marks estimates there will be 3 million hybrid electric vehicles and 300,000 to 500,000 electric cars on the road, assuming the annual global vehicle market reaches 90 million vehicles.

In June, [Robert Bosch GmbH and South Korea's Samsung SDI announced](#) the formation of a new joint venture to focus on lithium ion batteries.

Samsung SDI is already well established in the field of lithium ion batteries, which it manufactures primarily for consumer electronics devices and power tools. The new joint venture company to be named SB LiMotive Co. will be based in South Korea and the partners will each own 50 percent.

Bosch also is involved in electric motors, said Marks, who urged suppliers and OEMs to work more closely to lower energy consumption.

"Within our lifetime, the demand for oil will be greater than our ability to extract it. And some sources predict this to be as early as 2016 - just eight years from now," he said.

AUGUST 2008