



## Why Westport Is Optimistic About Natural Gas in Europe

### Description

Natural gas may be cheaper in the U.S., but Europe already has natural gas vehicles on the road, and has a lot of the infrastructure in place.

Westport Innovations (TSX:WPT, NASDAQ:WPRT) CFO Bill Larkin tells The Motley Fool's Brendan Byrnes why the company believes Europe is ready to embrace natural gas-powered vehicles. (Run time: 2:09; a transcript is provided below. If you'd like to view the entire interview, [click here](#).)

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<https://www.youtube.com/watch?v=i5xTkVEQ-Ng>

**Brendan Byrnes:** Europe has been a little bit less friendly, natural gas-wise, especially when you talk about fracking. How do you think that impacts them, going forward, and what do you think the best route to take there is?

**Bill Larkin:** Europe has quite a bit of natural gas. They have a lot of the infrastructure in place. They've been driving natural gas vehicles for many decades over there, and we believe the rollout and the build-out of the infrastructure and supporting natural gas vehicles will be quite a bit easier than what we see in North America.

We're very optimistic about the European market because they are environmentally conscious, they are trying to drive down harmful emissions. When you look at our technology, it addresses each of those from an environmental perspective, but also it's not going to require as much investment in the infrastructure as it will require in North America.

We believe we can roll out this technology fairly quickly; much more quickly than what we're seeing in North America. Also, there's quite a bit of an education process in North America. "What is natural gas? How do you use it?" While Europeans are quite familiar with natural gas, so there's not as much pushback on adopting and embracing that technology.

**Brendan:** You think the familiarization and also the infrastructure in Europe can cancel out the higher natural gas prices, is that what you're saying?

**Bill:** Yes. Ultimately, natural gas prices may be higher than what we see in North America; however, the diesel and the petrol prices are substantially higher, so from an end consumer standpoint, "Yes I'm doing my part about the environment. However, there are true economic benefits here by adopting natural gas," because of that price differential.

**Brendan:** Right. The spread's still there.

**Bill:** Yes, and that's almost in every market. Ultimately, yes. Our technology substantially reduces the emissions, but at the end of the day when we're talking customers, it's about, "What are the economics and how do I benefit as a customer?" We believe we can deliver those economics.

*The Motley Fool owns shares of Westport Innovations.*

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:WPRT (Westport Fuel Systems Inc.)

## Category

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