

German automakers' shares fall on diesel emissions concerns

July 24 2017, by David Mchugh



In this Wednesday, March 15, 2017 file photo, the four ring logo of German car producer Audi is photographed at the headquarters after the annual press conference in Ingolstadt, Germany. German automaker Audi says it will fit up to 850,000 diesel cars with new software to improve their emissions performance, following a similar move by rival Daimler as the auto industry tries to get ahead of public controversy over the technology. Audi, the luxury brand of the Volkswagen Group, announced the voluntary retrofitting program on Friday, July 21, 2017. (AP Photo/Matthias Schrader, file)

The German auto industry's troubles over excessive diesel emissions are looming larger.

Shares in the three biggest German automakers fell Monday after a newsmagazine report claimed they had colluded for years over diesel technology.

BMW fell 2.8 percent, Daimler 2.6 percent and Volkswagen 2.5 percent. Shares also fell Friday after Der Spiegel published its findings online.

Spiegel reported that employees from Volkswagen, Audi, BMW, Mercedes and Porsche had met often since the 1990s and had agreed to limit the size of the tanks holding a urea solution used to reduce diesel emissions of harmful nitrogen oxide. The smaller tanks reduced costs and freed up space in the vehicles, the magazine said.

BMW issued a statement denying that its urea tanks were too small to provide adequate exhaust treatment and said its vehicles' emissions were not manipulated and met legal requirements. BMW's statement said discussions with other manufacturers focused on installing the infrastructure to refill the tanks but it did not further address the inter-company contacts. Daimler and Volkswagen said they could not comment on "speculation."

Officials at the European Union's executive Commission said that they and the German competition authority have received information on the matter, which is currently being assessed by the Commission. The commission said it would be "premature to speculate further."

The report follows announcements last week by Daimler that it is recalling 3 million Mercedes-Benz diesels to improve their emissions performance through an update of engine control software, and by Volkswagen's luxury Audi brand that it was doing the same with 850,000

vehicles. Daimler also said it would speed up the deployment of new engines, while BMW is offering software updates on 350,000 of its older diesels.

The steps come as a way to head off calls to ban diesel vehicles from some German cities where air pollution levels exceed limits. The German government has summoned local officials and auto executives to a "diesel summit" Aug. 2 to both find ways to reduce emissions and ensure that diesel technology has a future.

The auto industry is a major employer, and diesels are also considered one way to meeting goals for lower emissions of greenhouse gases blamed for global warming. Diesels emit less carbon dioxide, a major greenhouse gas, but emit more nitrogen oxide, a pollutant that harms people's health.

Diesels came under increased scrutiny after Volkswagen admitted to using illegal software that in the U.S. detected when vehicles were on test stands and turned emission controls on so that the cars passed the emissions test. The controls were turned off in everyday driving, improving mileage and performance. Volkswagen has agreed to more than \$20 billion in U.S. civil and criminal fines and settlements, and eight executives have been charged.

Separately, five German automakers—Daimler's Mercedes-Benz, Opel and Volkswagen and its subsidiaries Audi and Porsche—last year agreed to recall a total of 630,000 diesel vehicles in Europe after it was found that real-world emissions often exceeded EU emissions standards. In those cases, engine control software turned off emission controls at certain temperatures to avoid engine damage. That was legal but German regulators have questioned whether the use of the exemption was always justified.

© 2017 The Associated Press. All rights reserved.

Citation: German automakers' shares fall on diesel emissions concerns (2017, July 24) retrieved 24 April 2024 from

<https://phys.org/news/2017-07-german-automakers-fall-diesel-emissions.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.