

VW to invest \$340 mn more in Tennessee plant

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Volkswagen plans to ramp up production of its Atlas SUV for the US market with a major new investment in its Chattanooga plant

Volkswagen will invest another \$340 million to build SUVs at its US factory, a sign of confidence despite rising friction on international

trade, the company announced Monday.

The German automaker said the funds will go towards beefing up the Chattanooga, Tennessee plant to build additional Atlas sport utility vehicles geared towards the US market.

VW plans a five-passenger version of the vehicle in addition to the seven-passenger Atlas that was introduced in 2017.

"The Atlas has built strong momentum for Volkswagen in the SUV segment, and we are excited to grow our SUV portfolio with this new, Chattanooga-assembled five-passenger SUV," said Hinrich Woebcken, chief executive of Volkswagen Group of America.

"We are not only committed to this market, we are committed to our US manufacturing home in Chattanooga, Tennessee."

The move comes after President Donald Trump earlier this month imposed steep tariffs on imported steel and aluminum, a move that drew sharp criticism from US trading partners and prompted European Union officials to threaten to retaliate against some US goods.

Trump also has singled out German carmakers as a potential target for tariffs in an escalating conflict. Analysts warn the situation has increased the risk of a trade war.

German Economy Minister Peter Altmaier expressed optimism Monday about the possibility of resolving the tariff issue, following a meeting with Commerce Secretary Wilbur Ross.

Talks this week could make it "possible to find a solution that can still avoid a decline into a heavy trade conflict," Altmaier told reporters outside the White House.

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