

Direct costs of Daimler diesel recall in Europe limited

June 12 2018



In this Jan. 14, 2013 file photo Dieter Zetsche, Chairman of the Board of Management of Daimler AG, Head of Mercedes-Benz Cars speaks at media previews for the North American International Auto Show in Detroit. Germany's transport minister said the government is ordering automaker Daimler to immediately recall 238,000 vehicles equipped with software that turns off emissions controls under certain conditions. (AP Photo/Paul Sancya, file)

Automaker Daimler's recall and software fixes for 774,000 Mercedes-

Benz cars and vans in Europe will likely cost close to or more than 100 million euros (\$118 million.)

Analyst Marc-Rene Tonn at Warburg Research provided the estimate on Tuesday. Tonn says the direct financial impact will be "limited" because cooperation with authorities should allow Daimler to avoid penalties of up to 5,000 euros per vehicle.

German Transport Minister Andreas Scheuer ordered the recall that affects 238,000 cars in Germany on Monday. Scheuer said the cars had software that improperly turned off emissions controls.

Daimler confirmed Tuesday that the order will lead to the recall of all affected vehicles in Europe. The engines at issue were not offered in the United States. The company says it may appeal legal aspects of the decision.

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