

VW says will invest over 34 bn euros in cars of the future by 2022 (Update)

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Volkswagen, whose main administrative building is seen in Wolfsburg, Germany, is pivoting to zero-emissions cars in a bid to catch up to Tesla and shake off a recent emissions cheating scandal

German automaker Volkswagen on Friday said it planned to invest more than 34 billion euros (\$40 billion) over the next five years in new technologies to advance its push to become a global leader in electric cars.

"We are reinventing the car," chief executive Matthias Mueller said after a meeting of the group's supervisory board.

The bulk of the 2018-2022 spending spree would go on developing electric and hybrid cars, the VW group said in a statement, as well as self-driving cars, new mobility services such as car-sharing, and digitalisation.

Like other traditional carmakers, Volkswagen is stepping up its focus on the cleaner, smarter vehicles of the future, racing to catch up with US tech giant Tesla which has a head-start in the area.

The pivot to zero-emissions cars is particularly important for Volkswagen, the world's largest automaker, as it seeks to shake off a global emissions cheating scandal that shone a spotlight on polluting diesel engines.

The VW group, owner of 12 brands including Audi, Porsche and Skoda, announced in September that it planned to electrify its entire fleet by 2030—promising fully electric or hybrid versions of some 300 models.

At its meeting on Friday, the group's supervisory board signed off on an overall five-year spending plan totalling "more than 70 billion euros", a spokesman told AFP.

That is slightly lower than the 2015-2019 investments announced in 2014, when the group pledged to spend nearly 86 billion euros.

VW had previously warned that it would tighten the purse strings as it grapples with the ongoing fallout from the "dieselgate" scandal, which has so far cost it over 25 billion euros in fines, recalls and compensation.

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