

BMW vows to rev up electric car rollout

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BMW once took an early lead in battery-powered driving, but has fallen behind in the race for electric technology

German high-end carmaker BMW said Tuesday it would accelerate plans to introduce new electric models, as the whole industry comes under pressure to meet strict emissions regulations.

The Munich-based manufacturer will offer 25 electrified vehicles in 2023, "two years earlier than originally planned," chief executive Harald Krueger said, adding he would target annual sales growth in the segment of 30 percent between 2020 and 2025.

Of the new models, more than half will be all-electric while the remainder will be hybrids, BMW said.

The change in plans "is not impacting in a negative way our profit and loss outlook", financial director Nicolas Peter said, since "we can delay maybe the investment into one or the other combustion engine related topic".

Peter added that "growing demand" for electric technology in several key markets like California and Britain had helped make the case for the switch.

But Tuesday's announcement does not change the already-settled launch dates for a string of new all-electric models: the Mini, iX3 and iNext SUVs and i4 sedan, all slated to hit dealerships by 2021.

Chasing the pack

BMW took an early lead in battery-powered driving with its i3, released in 2013.

However, it is no longer the market leader in the technology, which is indispensable for carmakers to meet the EU's tough new carbon dioxide (CO₂) emissions rules set to bite from 2020.

Germany's flagship industry as a whole is seen as lagging foreign competitors like California's Tesla or China's producers.

In the first five months of 2019, BMW sold 48,000 electrified vehicles, up two percent on the same period in 2018.

But that number made up just five percent of the group's total unit sales of more than one million.

"By 2021, we will have doubled our sales of electrified vehicles compared with 2019," Krueger promised.

Huge investments are needed to modify production lines and develop electric drive technology, weighing on carmakers' bottom lines—and pushing them into unprecedented collaborations.

BMW is expecting a net profit "well below the previous year's level" in 2019, in part blaming higher costs.

In response, it has linked up with Jaguar Land Rover to develop next-generation electric motors—a "win-win situation", finance chief Peter said.

Infrastructure push

Meanwhile, manufacturers know electric cars will only find receptive buyers if the charging infrastructure is in place to support them.

They pressed Chancellor Angela Merkel on that point in a high-level meeting in Berlin on Monday night.

Politicians, car bosses and union representatives agreed that by 2030 there should be enough charging points to support between seven and 10 million electric vehicles on German roads, the VDA industry federation told news agency DPA.

BMW research chief Klaus Froehlich called it a "constructive" meeting, although environmental NGOs called it a gathering "without results".

Mammoth Volkswagen has also jumped feet-first into an ambitious electric strategy, planning 70 new models by 2028 and shooting for sales of 22 million over a decade.

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