

Coronavirus sales slump plunges VW into loss

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German carmaker Volkswagen on Thursday reported a pre-tax loss of 1.4 billion euros (\$1.6 billion) for the first half of 2020 after the coronavirus pandemic sent sales plummeting.

The sprawling group, which includes the Porsche, Audi and Skoda brands, said revenues plunged 23 percent to 96.1 billion year-on-year as lockdowns halted [production lines](#) and closed showrooms.

The 1.4-billion-[euro](#) loss marks a steep decline from the 9.6 billion in pre-tax profits the group earned over the same period in 2019.

"The first half of 2020 was one of the most challenging in the history of our company due to the COVID-19 pandemic," said finance chief Frank Witter.

Volkswagen nevertheless expects to end the year in "positive territory" as many countries relaxed their restrictions during the [second quarter](#), allowing sales to gradually bounce back.

Overall, the group sold 3.9 million vehicles worldwide between January and June, 27 percent fewer compared with a year earlier.

The biggest slump was recorded in April, at the height of the shutdowns, when sales plummeted 45 percent.

A recovery has since got under way, led by a pick-up in western European markets, VW said.

"Due to the positive trend exhibited in our business over the past few weeks and the introduction of numerous attractive models, we look cautiously optimistic to the second half of the year," Witter said.

Volkswagen said it planned to cut its dividend for 2019 from 6.50 euros per ordinary share to 4.80 euros.

The Wolfsburg-based automaker will hold its annual shareholder meeting online on September 30.

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