

Volkswagen CEO demands 'revolution' to tackle Tesla

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New Volkswagen ID.4 SUV electric cars at its Wolfsburg headquarters earlier this year.

Volkswagen CEO Herbert Diess told employees at the German carmaker on Thursday to prepare for the "revolution" needed to take on electric car pioneer Tesla and Chinese manufacturers.

"In the new automotive world, we are faced with competition the likes of



which Volkswagen has never seen before," Diess said in a speech at the carmaker's flagship plant in Wolfsburg.

The German group—whose 12 brands include Audi, Porsche and Skoda—is pumping 35 billion euros (\$40 billion) into the shift to electric vehicles and aims to become the world's largest electric carmaker by 2025.

With VW planning to stop producing cars with <u>internal combustion</u> <u>engines</u> in Europe for its eponymous flagship brand as soon as 2033, its facilities will need to be retooled soon.

Diess said he was "worried" about the Wolfsburg factory, whose future has been the subject of a fierce debate within the group, highlighting the "impressive productivity" of the new Tesla facility outside of Berlin where production is expected to begin in the next few months.

Tesla plans to produce a vehicle in 10 hours at its German plant, Diess said, while Volkswagen's main electric car factory in Zwickau requires "more than 30 hours".

Diess, who caused consternation within the company last month when he evoked the possible loss of 30,000 jobs in Wolfsburg, said: "Today is the right moment for the VW revolution."

At the assembly, works council chairwoman Daniela Cavallo said there was "not one person too many" at the Wolfsburg factory.

"You regularly provide us with pretty photos from your travels, but not with semiconductors," Cavallo said, referring to recent production stoppages caused by shortages of the crucial component.

The CEO's planned "revolution for Wolfsburg" is the group's "Trinity"



project: a new battery-powered line to be manufactured from 2026 that will entail a major restructuring at the central plant, which has yet to start producing an electric model.

"I want your children and grandchildren to have a secure job here in Wolfsburg in 2030," Diess told employees, calling on them to make Volkswagen "ready for the future".

Works council chairwoman Cavallo meanwhile said the production of another electric model at the Wolfsburg plant "significantly before Trinity and 2026 is essential".

Volkswagen's <u>executive board</u> will present their "Vision 2030" for the Wolfsburg plant at a meeting of the supervisory board on December 9.

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