

Volkswagen trains sights on US as profits jump

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Volkswagen's first-quarter net profit almost doubled as the German automaker looked anew to the North American market to drive growth

after years of muted presence there over "dieselgate", company results showed Wednesday.

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The Wolfsburg-based group has shown "resilience" in the face of supply bottlenecks which have tormented automakers over the past year, CEO Herbert Diess said in a statement.

Volkswagen was able to "mitigate" the impact of supply bottlenecks for parts, Diess said, with the group recently able to supply factories in the United States and China with unused semiconductors from Europe.

The reduced availability of the chips, a key component in both conventional and electric vehicles made scarce by the coronavirus pandemic, forced intermittent stoppages at the carmaker last year.

Russia's invasion of Ukraine has added to supply chain disruptions, limiting the availability of cables produced in the region.

'Strategic potential'

"Even in a more polarized world, Volkswagen is firmly committed to expanding its global footprint," Diess said.

At the centre of the strategy was North America, where the world's second-largest automotive group is aiming to more than double its market share to 10 percent by 2030.

Volkswagen recorded its first profit in years in the region in 2021, overcoming the 2015 dieselgate emissions-cheating scandal, after which

the group had scaled back its US operation.

The group—whose 12 brands include Audi, Porsche and Skoda—announced in March it was pumping \$7.1 billion into its North American production facilities, while Diess has lavished attention on the region, promoting the reimagined ID.Buzz electric camper van.

The US market has the "biggest strategic potential", Diess told journalists at a press conference.

"We think America will be basically untouched by what's happening in Europe, so for sure it should be geostrategically a region where we should invest more," the CEO said.

Battery-powered vehicles will play a "central" role in Volkswagen's North American push, the group said.

But for now, all the electric vehicles the company plans to produce for the US and Europe have already been reserved by waiting customers.

Volkswagen otherwise confirmed preliminary figures, which saw its operating profit rise to 8.5 billion euros in the first quarter, up from 4.8 billion euros last year.

The group's first-quarter result was supported by a shift towards "higher equipped vehicles" with chunkier margins, chief financial officer Arno Antlitz said.

The changed emphasis enabled the auto giant to boost its figures despite delivering over 20 percent fewer cars, while bottlenecks have limited production.

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