

# VW weighs staff reductions as electric shift stalls

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A number of carmakers, including Volkswagen, are confronting lacklustre sales of electric vehicles.

German car giant Volkswagen on Monday said that it was considering staff reductions, possibly in the form of early retirement, to help it meet vital cost-cutting targets imposed in its sputtering transition to

electromobility.

"The situation is critical. Many markets are under pressure. Our orders, particularly for [electric vehicles](#), have been lower than expected," Thomas Schaefer, head of the Volkswagen brand, told a staff meeting at the carmaker's headquarters in Wolfsburg.

"It is clear: the status quo will not be enough. It will not work without significant cuts. We must address critical issues, including personnel," he said.

This could include taking advantage of the "demographic curve", a company spokesperson told AFP—typically understood as offering [early retirement](#) or not replacing staff who have retired.

Volkswagen is pouring tens of billions of euros into its pivot to electric vehicles, but the sector has been blighted by a weak global economy and low levels of demand.

Group CEO Oliver Blume in June announced a 10-billion-euro (\$10.9 billion) savings program to help the carmaker increase profitability.

The group was "no longer competitive" in its current form, Schaefer said, calling on the unions to accept "personnel" measures applying from next year.

"It is to be expected that in many areas there will be fewer staff," added human resources board member Gunnar Kilian.

In September, VW said it was cutting 269 temporary jobs at its flagship electric car plant in Zwickau.

The 10-brand group—whose marques include Audi, Seat and Skoda—is

facing tough competition in the electric [vehicle](#) sector, particularly in key market China.

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