

VW Group promises over €56bn of investment in green vehicle transition

Automotive giant announces two-thirds of its new investment will focus on the development of a more efficient and environmentally friendly fleet.

German auto giant Volkswagen Group has underlined its commitment to becoming a leading player in the fast-expanding low carbon vehicle market, confirming that it is to invest over €56bn over the next five years in "efficient vehicles, drives and technologies, as well as environmentally friendly production".

The company unveiled an €84.2bn investment plan for its automotive division late last week, in which it confirmed over two-thirds of the total investment will be targeted at more efficient and low carbon vehicles.

VW Group provided few details on the precise nature of its planned investments, but did confirm that it will invest €63.4bn in property, plant and equipment over the period, as well as a further €19.5bn in capitalised development costs. "The increase in capitalised development costs as against previous planning is due to upfront investments in connection with the Group's CO2 targets," the company said.

"Volkswagen's focus on future viability and sustainability also extends to its investments - and this applies to both products and production. This is good for our locations and good for jobs," said Bernd Osterloh, chairman of the general and group works councils at the company. "It is a positive signal, particularly in light of the difficult market environment."

The move follows a commitment by the company earlier this year to slash emissions across its fleet to an average of 95g CO2/km by 2020.

"We are orienting Volkswagen towards maximum energy and resource efficiency," VW's Chair, Professor Martin Winterkorn, said at the time. "We are well on our way to making our Group the world's leading automaker in environmental terms."

source: BusinessGreen

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