

Volkswagen 'is far more than crisis' - CEO

WOLFSBURG: Embattled German carmaker Volkswagen vowed on Thursday, 28 April, to overcome its current crisis triggered by the engine-rigging scandal and that it would not allow itself to be slowed down by the affair.



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"Volkswagen is far more than crisis," chief executive Matthias Mueller told the group's annual news conference after the emissions-cheating scandal pushed VW into its first year-end loss in more than 20 years last year.

As already reported last week, VW announced it set aside €16.2bn (\$18.2bn) in provisions to cover the potential fines, lawsuits and recall costs it could sensibly foresee from the scandal so far.

VW was plunged into its deepest-ever crisis last September when it came to light that the carmaker had installed emissions-cheating software into 11-million diesel engines worldwide.

The huge charge pushed VW to a bottom-line loss of €1.58bn in 2015, its first loss since 1993.

The year before it had chalked up a profit of €10.8bn.

CEO Mueller told the news conference that the provisions would cover the "technical measures related to the diesel engines."

VW has started recalling the affected cars in Europe to replace the rogue software, known as "defeat devices" because they deliberately skew a car's emissions when undergoing testing.

But it has also set aside €7.8bn to repurchase the affected vehicles and another €7bn for potential legal risks, with the carmaker facing regulatory fines and compensation claims.

Mueller also said VW was doing everything within its power to identify the masterminds behind the scam via an internal enquiry.

"We ourselves have the closest interest in learning everything possible about both the causes and the responsibilities," he said.

Looking ahead to the current year, Mueller acknowledged that "2016 will again be very challenging."

Nevertheless, "we are not letting the crisis slow us down, but are stepping on the gas -- in all of our brands, and in all relevant markets," the CEO said.

"All in all, from today's perspective we have good chances of again recording solid growth in our operating business in 2016."

Volkswagen would emerge stronger from the current crisis, Mueller insisted, "because we have a solid position on the operational side.

Because our financial substance is strong. Because we know what needs to be done. And because we will do whatever is necessary," he said.

Source: AFP

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