

VW claims it can produce 50 million electric cars, vows to have ‘much lower’ prices than Tesla

Fred Lambert - Nov. 12th 2018 1:20 pm ET @FredericLambert



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Ever since the ‘Dieselgate’ scandal, Volkswagen has been making a lot of claims about electrification, but it hasn’t much to show for yet.

Now, CEO Herbert Diess makes one of the biggest electrification claims for the company yet: that they can produce 50 million electric cars and will have “much lower” prices than Tesla.

He told [Automotive News](#) last month in an interview released today:

“Now we’re coming into an age where electric cars will play a major role. We will be very big in electric cars worldwide because we are very strong in China. We have huge economies of scale, and we will bring those cars here” to the U.S.”

He added that VW has already “booked production in its plants for 50 million full-electric cars.”

Though it’s unclear exactly what he meant by that.

The company already reported having issued [battery supply contracts worth \\$48 billion](#) with existing battery manufacturers, but the production capacity is not in place yet.

Diess confirmed that those contracts went to CATL in China, and LG Chem and Samsung SDI in South Korea.

The CEO said that the new MEB platform will enable a significant cost reduction for the production of electric vehicles that will use those battery cells:

“A 40 percent cost reduction, but a much better car; twice the range, bigger interior, but outside, still a compact car.”

MEB will enable a series of new electric vehicles based on VW’s I.D. concepts.

There’s the [I.D.](#), which is a Golf-sized vehicle, expected to be their first mass-market EV for the model year 2020. [VW also unveiled the I.D. VIZZION sedan](#), a crossover all-electric I.D. CROZZ Concept, and then [there’s the I.D. BUZZ electric microbus coming in 2022](#).

Earlier this year, [VW confirmed that it plans to produce the all-electric microbus and the crossover in the US](#).

Diess commented about EV sales in the US:

“Sales are picking up. It’s not all over the place, but West Coast, if you go to a parking lot, you see already a decent mix of electric cars there. Most of them are probably Teslas, but what’s happening now is that the cars become so much better. We will be aggressive on the pricing. We will be much lower than Tesla, but we have all the huge economies of scale and the car is specifically designed now for battery power instead of being converted from a combustion powertrain.”

Diess is referencing their current production of the e-Golf, which is just a gas-powered Golf converted with an electric powertrain, and the transition to electric vehicles built to be electric from the ground up with the MEB platform.

Electrek’s Take

This is encouraging to hear from VW, but it’s still a lot of talk from them. They have been making claims for years, and now it’s time to deliver.

50 million electric cars sound good, but it’s a weird way to talk about “book production.”

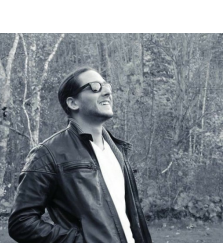
It’s not like they have the capacity in place to produce those cars. Even the battery manufacturers who received their battery cell contracts don’t have the capacity to deliver yet.

What I’d like to see from VW is a real schedule for an EV production ramp starting with the capacity for the first few models to hit the market, like the Audi e-tron and the VW Neo.

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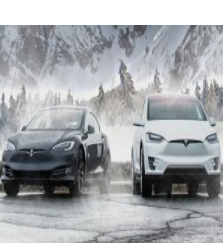
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