

# Volkswagen to cut 30,000 jobs by 2020

FRANKENTHAL: Volkswagen intends to cut 30,000 jobs by 2020 as part of a huge savings plan aimed at helping the German auto giant recover from the dieselgate emissions cheating scandal, a German newspaper reported on Friday.



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The plan, which has been agreed with labour representatives after months of tortuous negotiations, will lead to annual savings of 3.7 billion euros (\$3.9 billion), according to the Handelsblatt business daily.

Two-thirds of the job losses will be at VW plants in Germany, the others in North America and Brazil, the report said, citing sources close to the talks. There will be no forced lay-offs, with most of the job cuts stemming from employees who are retiring, it added.

Europe's largest carmaker is to announce the details of the so-called "Future Pact" in a press conference.

The plan also safeguards investment in electric cars, in line with the VW group's shift to environment-friendly vehicles in the wake of dieselgate.

The group was plunged into crisis last year after it admitted to installing software in some 11 million diesel vehicles worldwide that could detect when they were undergoing regulatory tests and lowered emissions accordingly to make the cars seem less polluting than they were.

VW, which employs some 600,000 people globally, has set aside some 18 billion euros to cover the fallout of the scandal, but experts believe the final bill for the buy-backs, fixes and legal costs will be far higher.

The crisis pushed the firm to its first loss in over two decades last year.

*Source: AFP*

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