



# LOBBYING AND GERMAN AUTOMAKERS Volkswagen Case Study

Alexis de Vains

Martina Rescigno

Emilio Mattiuzzo

# Order of Presentation

1. Introducing VW and the 'Dieselgate' scandal
2. The car lobby and the German Automotive Industry in the list of biggest companies lobbying EU
3. Result of lobbying for Volkswagen



# Introducing VW

- ▶ Largest automotive group in the world by global sales (10,470,000 vehicles in 2017).
- ▶ Operates in both passenger and commercial vehicle categories:
  - ▶ Passenger - Volkswagen, Audi, Porsche, etc
  - ▶ Commercial vehicles - Scania, Volkswagen Commercial
- ▶ Employs 600,000 people worldwide.
- ▶ Employs over 1/3 of Germans that work in the automotive sector - 280,000 people.



Volkswagen

# The 'Dieselgate' Scandal

- ▶ 'Defeat device' fitted to certain diesel vehicles that tricked tests conducted by regulators.
- ▶ Changed engine performance to prevent certain chemicals from being put out.
- ▶ Nitrogen oxide expelled at 40 times the allowed level in US.
- ▶ Large penalties and costs in US ~\$30bn
- ▶ EU struggling to find legal capacity to punish VW, is responsibility of German Government
- ▶ 12% of VW shares are owned by local government in Germany



# Who's driving EU policy?

The car lobby is one of Brussels' most powerful, spending more than €18 million in 2014 to influence EU climate, energy, trade and transport policy

## Top 3 Spenders:



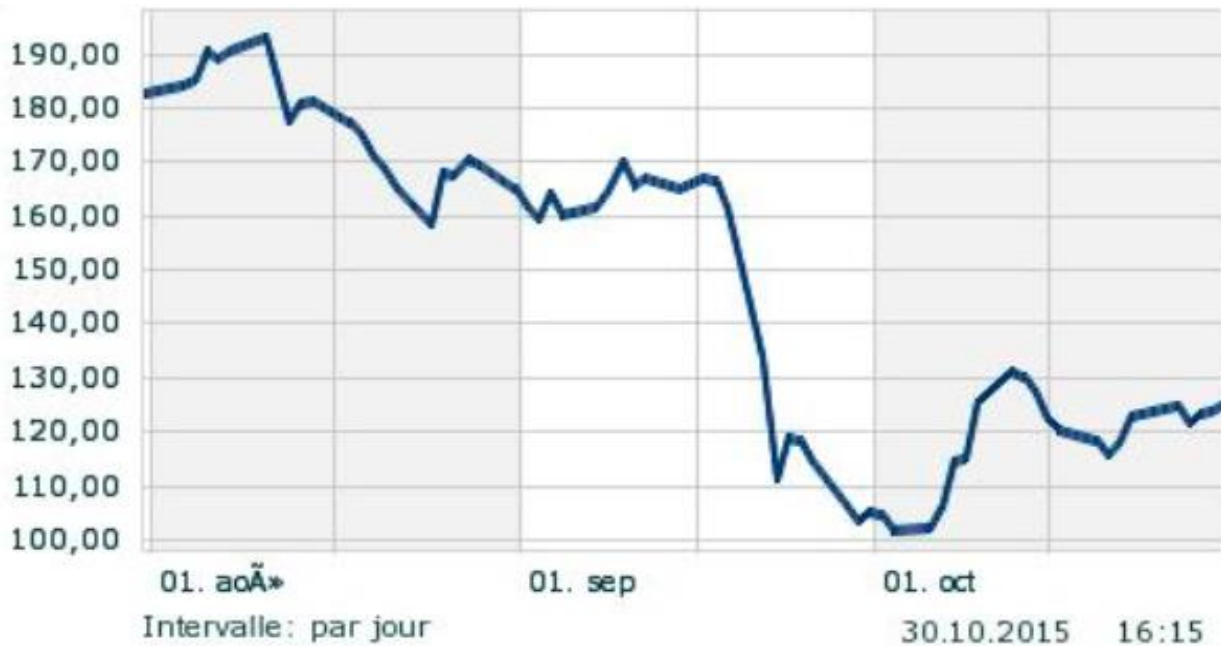
- top three industry spenders: Vw, Daimler and BMW
- Volkswagen is the biggest spender, almost five times the spending of the biggest non-German manufacturer, Fiat-Chrysler (€700,000).
- Vw has the higher number of lobbyist
- Vw increased lobby efforts over years:
  - 4 lobbyist in 2013
  - 2013 spending only reached €1,250,000
- Car manufacturers' trade association are also important lobbyist
  - ACEA
  - VDA

# Companies' rank by lobby spend (2014)

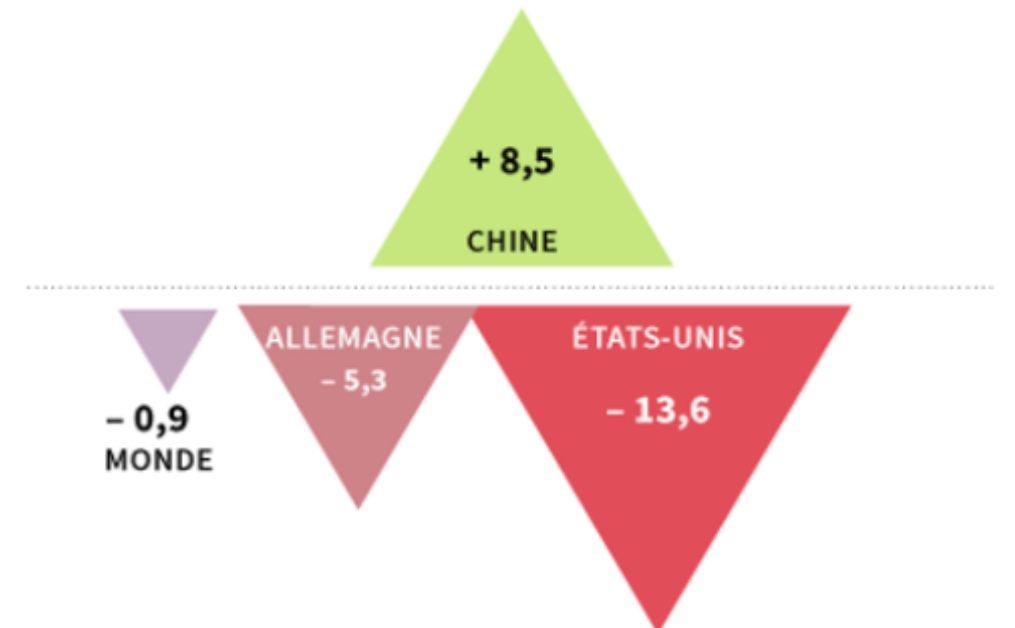
Company name	Country head office	Lobbying costs declared
ExxonMobil Petroleum & Chemical	Belgium	4,750,000 - 4,999,999 €
Microsoft Corporation	United States	4,500,000 - 4,749,000 €
Shell Companies	Netherlands	4,500,000 - 4,749,000 €
Deutsche Bank AG	Germany	3,969,000 €
Dow Europe GmbH	Switzerland	3,750,000 - 3,999,999 €
Google	United States	3,500,000 - 3,749,000 €
<b>Volkswagen Aktiengesellschaft</b>	<b>Germany</b>	<b>3,300,000 €</b>
General Electric Company	United States	3,250,000 - 3,499,999 €
Siemens AG	Germany	3,230,169 €
Huawei Technologies	China	3,000,000 €

# Results of this lobbying for Volkswagen

- ▶ Shares went down ( from \$165 in Aug to \$125 in Nov 2015. \$165 today)



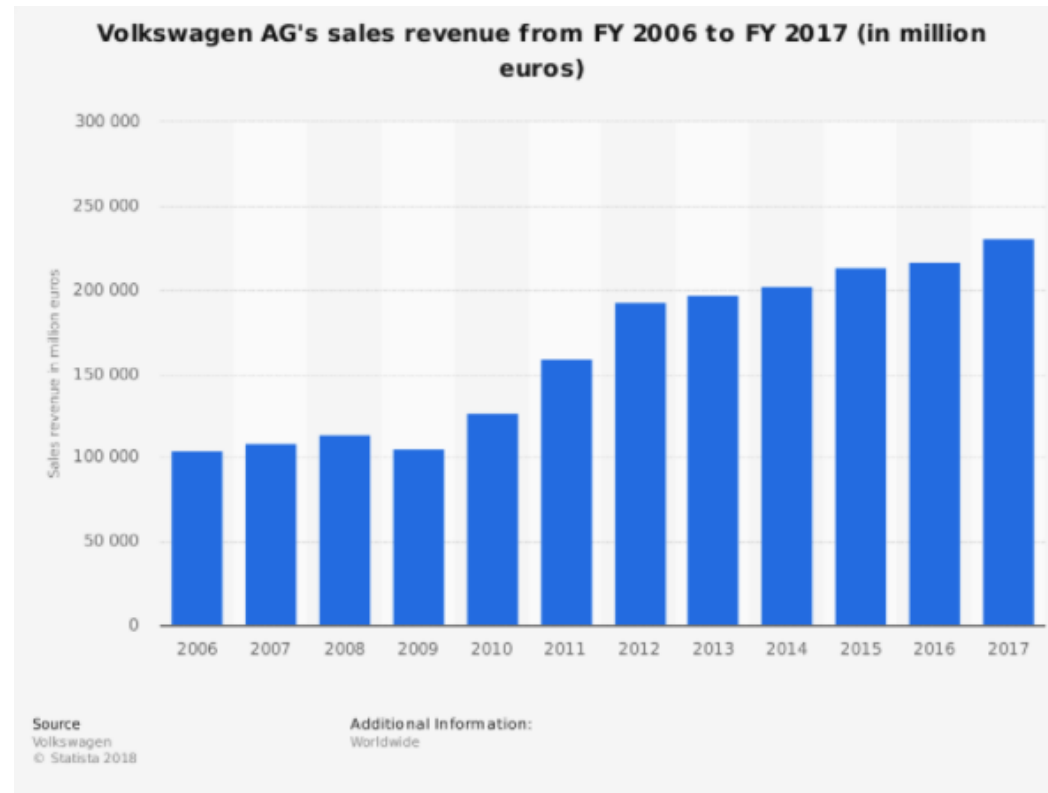
**Les ventes en chute aux Etats-Unis**  
VARIATION DES VENTES DE VOITURES PARTICULIÈRES DE LA MARQUE VW  
(JANV.-JUIL. 2016/2015), EN %



Sales also went down, especially in the US and Germany

# Results of this lobbying for Volkswagen

- ▶ Volkswagen turnover is increasing despite of this scandal. It was \$202 Bn in 2014, \$213 Bn in 2015 year of the scandal, and \$240 Bn in 2016. So this lobbying campaign has been positive for them.





# Results of this lobbying for Volkswagen

Volkswagen has paid \$22 Bn to the US for this scandal  
But they have paid nothing to the EU yet.

