



Oliver Blume, CEO of the Volkswagen Group phones as he looks on at a Ducati motorcycle, on view at company's booth during the opening day of the International Motor Show IAA in Munich, southern Germany.

German Chancellor Friedrich Merz (R) and CEO of German car manufacturer BMW Oliver Zipse pose next to a BMW iX3 car at the company's booth on the opening day of the International Motor Show IAA

Germany's VW, China's BYD face off @ Munich auto show



The new Clio car with full-hybrid e-tech of French car maker Renault



The concept car AMG GT XX from Mercedes-AMG GmbH



Stella Li, vice-President of the Chinese multinational manufacturing company and EV manufacturer BYD

AFP | Munich, Germany

Europe's top car manufacturer Volkswagen presented a series of more affordable electric vehicles Monday as Chinese EV titan BYD said it would start producing a cut-price model on the continent.

The duelling announcements at the closely-watched Munich auto show highlight the fierce battle shaping up between Europe's traditional automakers and fast-growing Chinese rivals.

VW -- along with peers BMW and Mercedes-Benz from the long troubled German auto sector -- are seeking to make up lost ground in the race for electric dominance.

Volkswagen unveiled four small EV models from its name-sake VW brand, as well as its Cupra and Skoda marques.

With starting prices of around 25,000 euros (\$29,000), lower than many current EVs made by European manufacturers, their commercial launch is set for



A MINI T53 Deus ex Machina car

next year.

But at a press event at the IAA Mobility show, which runs the whole of this week, CEO Oliver Blume conceded that VW faced a tough fight.

"The automotive industry, and especially the Volkswagen group, has never faced so many headwinds at the same time," he said.

And he conceded that the situation in China, where VW has lost market share to local rivals, was highly competitive.

BYD "without a doubt is doing a great job there," he said.

Resistance to EU ban

BYD meanwhile announced that its Dolphin Surf electric compact car, already on sale in Europe since May for around



A PIX Beastie mini electric vehicle with a 3D printed unibody chassis

20,000 euros, will be produced from the end of 2025 in its new Hungarian factory.

"We are almost ready to build our cars in Europe, for Europe," said the manufacturer's executive vice president Stella Li.

Building its cars in Hungary, an European Union country, should help the Chinese manufacturer avoid hefty EU

tariffs the bloc has slapped on Chinese-made EVs over what Brussels says are unfair state subsidies.

Germany's top automakers have all suffered in recent times due to weak demand and fierce competition in key market China, where BYD and others have eroded their sales.

They have struggled with

the shift to EVs as demand has proven weaker in Europe than many had anticipated and prices remain too high for many motorists.

Calls have meanwhile been growing for the EU to review a plan to end sales of new combustion engine vehicles by 2035 as part of efforts to tackle climate change.

Stellantis, whose brands include Jeep and Fiat, as well as BMW and Mercedes have all expressed scepticism or outright opposition to the plan.

Volkswagen's Blume added his voice to the criticism on Monday, saying that it was "unrealistic" to aim for "100% electric mobility" in a decade.

"We need reality checks every year," he said.



An Opel Corsa Vision GSE concept car



A XPENG P7 electric vehicle by Chinese EV manufacturer XPENG



German Minister of Economics and Climate Protection Robert Habeck visits BMW