BMW executive calls EVs ‘overhyped’ at company event about EVs

BMW executive and board member Klaus Fröhlich told reporters this week that the shift to cars powered by electricity is “overhyped,” and said that there is “no” consumer demand for them. Curiously, Fröhlich made these comments at an event where BMW proudly announced it will accelerate plans to release 25 cars that are partially or fully electric, moving the timeline up two years from 2025 to 2023.

Fröhlich said all-electric vehicles “cost more in terms of raw materials for batteries” than gas or hybrid cars, and added that those prices “could eventually worsen as demand for these raw materials increases.” He also claimed that, broadly, there are “regulator requests for [all-electric vehicles], but no customer requests.” Fröhlich said BMW could “flood” Europe with a million all-electric cars if it was able to offer a big government incentive, but claimed that “Europeans won’t buy these things.”

He made the comments at an event where BMW proudly announced it’s ahead of schedule on electric cars
“From what we see, [all-electric vehicles] are for China and California and everywhere else is better off with [plug-in hybrids] with good EV range,” Fröhlich said. He added that he expects diesel engines to survive for at least 20 more years, and gas engines for at least 30.

Just hours before, BMW unveiled a new electric motorcycle design and a flashy, futuristic hybrid concept car that could eventually replace the company’s i8 supercar. BMW also

recently announced it sold its 400,000th electrified car (meaning hybrid and all-electric combined). The first all-electric BMW i3s hit the road in late 2013.

The dissonance in the timing of the comments is striking, especially considering BMW paid a fine in 2018 for outfitting a few thousand cars with devices that cheated emissions regulations following a government raid; and has been accused by the European Commission of colluding with Volkswagen and Daimler to slow the rollout of technology that could limit emissions on diesel vehicles.

That said, Fröhlich is not necessarily alone on an island with his views. Volkswagen is spending more than $50 billion now in an attempt to secure enough batteries and battery materials for its big push into electric cars, partially because it doesn't want to get stuck in a situation where the supply is too limited later. Apple has even tried to do the same thing in order to prepare for any battery supply chain shortages. Audi, Hyundai, and Kia have all run into problems with rollouts of their EVs due to battery production issues, and some industry experts are warning of sustained supply problems.

His comments about a battery materials shortage weren't unfounded

EV sales continue to rise despite a cooling off in the global car market, and are even increasing in Europe, so Fröhlich is off the mark there. And that's coming at a time when affordable, long-range, attractive electric vehicles still aren't the norm. With lower-cost EVs on the horizon from behemoths like Volkswagen, and better charging infrastructure being built out each year, it's likely that demand will only continue to increase. Of course, if demand keeps rising in a way that the battery supply chain can't support, that growth could quickly stunt.

There is *some* overlap between Fröhlich's comments and BMW's

news from this week, which is that, despite being one of the first major automakers to ship a halfway-decent all-electric car (the i3), the German automaker seems more interested in focusing on hybrids in the near term. The company is not necessarily alone there, either – many of the automakers that have promised big shifts to electric power are actually going to fill out their future rosters with hybrid vehicles. It's just not that often that you hear one of their executives ruthlessly – and somewhat baselessly – snipe his own company's effort in public.

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