

Continental AG Announces Shifting Focus to Electric Future and Clean Air

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On August 7, Continental AG, one of the world's largest automotive parts manufacturers, **announced** that it would cut investment in hydraulic components, such as injectors and high-pressure pumps, to focus on electrified drive systems and e-mobility. In its press release, Continental also made clear that it would not enter the battery cell production market. Continental chose to make this strategic shift because it sees only selective growth opportunities for combustion-only components. As a whole, the market is moving towards electric vehicles, but, Andreas Wolf, President of Continental's Powertrain Division, explained that "classic combustion engines will continue to be used for many years and – especially in combination with efficient hybrid technologies – will make a significant contribution to lower emissions."

In August 2017, Continental's Chief Financial Officer Wolfgang Schaefer told **Reuters** "a new generation of combustion engines will again be developed but after that (around 2023), a further development will no longer be economically justifiable because more and more work will switch into electric mobility." Continental's latest announcement marks a shift in strategy that is in line with Schaefer's prediction. In Continental's press release, Wolf confirmed this, adding, "the future is clearly electric. We are convinced of this."

Earlier this year, Mintz's Sahir Surmeli wrote about the **Electric Vehicle Tipping Point**. Sahir echoed Wolf's sentiments that the future is electric. Major players, like Continental, shifting their business strategy away from internal combustion engines indicates that the industry is making a parallel shift and will help to accelerate that shift.

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