

In a move many thought would never happen, Volkswagen is reportedly considering shuttering some of its German plants, a first in its 87 years as a company.

Volkswagen is the world's largest automaker, but the company is warning that economic factors and increased competition from Asian competitors have impacted its financial performance. A company spokesperson broke the news, via The New York Times, saying nothing was off the table.

"In the current situation, even plant closures at vehicle production and component sites can no longer be ruled out without swift countermeasures," the company said. "The situation is extremely tense and cannot be resolved through simple cost-cutting measures."

Volkswagen and the unions representing its workforce arrived at a deal designed to save the company \$11 billion by 2026. The Times reports the company is warning that those measures fall short of what is needed to turn things around.

The company also made clear that much of the issues it is facing revolve around the overall competitiveness of the European auto market, as well as Germany itself falling behind in manufacturing.

"The European automotive industry is in a very demanding and serious situation," Oliver Blume, chief executive of Volkswagen, said in a statement. "Germany in particular as a manufacturing location is falling further behind in terms of competitiveness. In this environment, we as a company must now act decisively."

Needless to say, the statements from Volkswagen's executives are not sitting well with the unions.

"We will fiercely defend ourselves against this," Daniela Cavallo, a prominent union leader, said in a statement. "There will be no plant closures with us."

One thing is clear: Volkswagen has a tough road ahead of it.

"The company — and the VW brand — are in a very dangerous situation," said Ferdinand Dudenhöffer, director of the Center for Automotive Research.