# Volvo to cut 3,000 white-collar jobs as EV sales slump amid tariff pressures



Volvo is set to make a significant reduction to its workforce, announcing plans to cut 3,000 jobs in response to a persistent slump in electric vehicle (EV) sales. This move, which will affect around 15% of the company's office personnel, primarily targets white-collar roles based in Sweden. These job losses are part of a broader cost-saving strategy estimated at £1.4 billion, aimed at navigating the industry’s complexities, including declining consumer demand, rising material costs, and fluctuations in global trade.

Håkan Samuelsson, Volvo’s CEO, termed these decisions as "difficult" yet necessary, asserting the need for improved cash flow and lowered operational costs amidst what he describes as a "challenging period" for the automotive sector. "To address this, we must improve our cash flow generation and structurally lower our costs," he stated. He highlighted the importance of developing necessary talent while simultaneously restructuring the company to strengthen its future.

Notably, Volvo's troubles are exacerbated by the competitive pressures of the current market. Reports indicate that sales of its electric and hybrid models have significantly dropped, with an 11% decrease in overall electric vehicle sales reported for April. This downturn aligns with broader trends affecting the automotive industry, where various manufacturers are grappling with similar issues. Analysts have raised concerns that these declining figures reflect not only internal challenges but also broader economic conditions impacting consumer confidence.

Volvo’s vulnerability is further underscored by its exposure to significant tariffs imposed during Donald Trump's administration, particularly a 25% tariff on imported vehicles. The implications of a proposed 50% tariff on European Union exports loom large over European automakers, including Volvo, potentially crippling the sales of the smaller EX30 electric vehicle model in the U.S. market. The prospect of increased tariffs comes during a critical time when Volvo is attempting to reposition itself as a leader in the EV segment.

The restructuring plan is expected to incur a substantial one-time cost of approximately 1.5 billion Swedish crowns, indicating a serious commitment to transforming the company’s operational structure. As part of this strategy, widespread job cuts in areas such as research, development, and human resources have been confirmed. The need for a streamlined approach is evident as Volvo focuses on enhancing efficiency and empowering remaining employees to take on broader responsibilities.

Despite the challenges, Samuelsson remains cautiously optimistic about future trade relations. He has voiced hope that an agreement will soon be reached between the U.S. and the EU that may alleviate some of these trade pressures. "I believe there will be a deal soon. It could not be in the interest of Europe or the U.S. to shut down trade between them," he remarked.

Volvo's ambitious plans to transition to electric-only offerings by 2030 have faced setbacks, leading to a revision of timelines amid evolving external pressures. As of 2024, the company’s workforce will include around 44,000 employees globally, with approximately 20,000 classified as white-collar. The job cuts are thus seen as crucial, not only for immediate financial health but for the company’s long-term viability.

In summary, as Volvo navigates through significant operational challenges compounded by external economic pressures, its workforce reduction strategy reflects a necessary recalibration aimed at forging a more resilient company capable of thriving in a rapidly changing automotive landscape.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/electriccars/article-14752719/More-jobs-cuts-low-EV-demand-Volvo-announces-3-000-white-collar-job-losses-cost-saving.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/), [[4]](https://apnews.com/article/40fff1a47c6f9a68a87f1fa70b23895e)
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* Paragraph 3 – [[3]](https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a), [[4]](https://apnews.com/article/40fff1a47c6f9a68a87f1fa70b23895e), [[7]](https://www.reuters.com/business/finance/profit-warnings-uncertainty-trump-tariffs-send-chill-through-businesses-2025-04-29/)
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* Paragraph 5 – [[1]](https://www.dailymail.co.uk/money/electriccars/article-14752719/More-jobs-cuts-low-EV-demand-Volvo-announces-3-000-white-collar-job-losses-cost-saving.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/)
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* Paragraph 7 – [[1]](https://www.dailymail.co.uk/money/electriccars/article-14752719/More-jobs-cuts-low-EV-demand-Volvo-announces-3-000-white-collar-job-losses-cost-saving.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/), [[5]](https://www.reuters.com/en/volvo-cars-ceo-says-customers-must-pay-rising-tariffs-2025-05-23/)

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## Bibliography

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2. <https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/> - Volvo Cars has announced plans to cut 3,000 predominantly white-collar jobs as part of a major restructuring aimed at reducing operational costs and addressing declining demand for electric vehicles amid global trade uncertainties. CEO Hakan Samuelsson introduced a cost-cutting program targeting 18 billion Swedish crowns ($1.9 billion), marking significant downsizing in research and development, communications, and human resources. The job cuts, representing about 15% of Volvo's office staff, will mainly affect the Gothenburg area, incurring a one-time restructuring cost of 1.5 billion crowns. These measures are designed to improve efficiency and empower employees. The company’s vulnerability to new U.S. tariffs, due to its production base in Europe and China, also adds to its financial challenges. Volvo aims to finalize its restructuring plan by the fall. Although the company has withdrawn its financial guidance due to uncertain market conditions, its shares rose 3.6% on Monday, though still remain 24% down for the year. Analysts view the streamlining as a positive step in response to industry-wide challenges exacerbated by weak consumer confidence and shifting trade policies. ([reuters.com](https://www.reuters.com/business/autos-transportation/volvo-cars-cut-3000-jobs-restructuring-2025-05-26/?utm_source=openai))
3. <https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a> - President Donald Trump's threat to impose a 50% tariff on all EU exports could significantly impact key European sectors, including autos, aerospace, pharmaceuticals, chemicals, and food and drink. The US, being the EU's largest single trade partner with over €530bn in goods exports in 2024, places EU countries like Germany, Ireland, Italy, and France at particular risk. Especially vulnerable sectors include machinery and vehicles (€200bn), chemicals (€160bn), and food and drink (€25bn). Pharmaceutical exports, led by companies like Sanofi and Novo Nordisk, provided €80bn to the US market in 2024 and could face disruption if included in future tariffs. In the aerospace sector, companies like Boeing and Airbus fear rising costs and complications in production. The automotive industry, facing existing 25% US tariffs, may find exports financially unviable under a 50% regime. This would critically affect manufacturers like Audi, Porsche, and Volvo. Additionally, food and drink exports, though smaller, hold significant political weight, with products like French champagne and Italian cheese particularly at risk. Experts warn the economic impact could knock 0.5% off the EU’s GDP and call for urgent diplomatic negotiations to avoid a trade war. ([ft.com](https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a?utm_source=openai))
4. <https://apnews.com/article/40fff1a47c6f9a68a87f1fa70b23895e> - Volvo Cars, a Sweden-based automotive manufacturer owned by China’s Geely, announced it will cut 3,000 jobs globally as part of a cost-reduction initiative in response to ongoing economic challenges in the automotive sector. This decision includes eliminating 1,200 positions in Sweden and approximately 1,000 consultant roles, also mostly based in Sweden. The remaining job losses will occur in other international markets, with most of the eliminated roles being office positions. CEO Håkan Samuelsson emphasized that the restructuring aims to strengthen the company amidst industry-wide difficulties, including increased raw material costs, a declining European car market, and U.S. tariffs on imported cars and steel. Volvo employs 42,600 full-time staff and operates production facilities in Belgium, South Carolina, China, and its headquarters in Gothenburg, Sweden. ([apnews.com](https://apnews.com/article/40fff1a47c6f9a68a87f1fa70b23895e?utm_source=openai))
5. <https://www.reuters.com/en/volvo-cars-ceo-says-customers-must-pay-rising-tariffs-2025-05-23/> - Volvo Cars CEO Hakan Samuelsson announced that customers will bear much of the added costs from increased tariffs, particularly in response to U.S. President Donald Trump's proposed 50% tariff on European Union goods starting June 1, 2025. This move significantly impacts Volvo’s ability to export its more affordable EX30 electric vehicle, initially produced in China and now assembled in Belgium, to the U.S. The tariff threat forced Volvo to delay EX30's U.S. launch until production was shifted to Belgium in April, raising its starting price from $35,000 to $46,195. Samuelsson emphasized the damaging effects of such tariffs on the global auto industry, which has led companies to adjust production strategies. He remains hopeful that the U.S. and EU will reach a trade agreement. Volvo, with 16% of sales from the U.S. in the previous year, plans to increase its American production at its South Carolina plant, possibly with a new mid-sized plug-in hybrid model. The announcement came amid a 5% drop in Volvo’s shares. ([reuters.com](https://www.reuters.com/en/volvo-cars-ceo-says-customers-must-pay-rising-tariffs-2025-05-23/?utm_source=openai))
6. <https://www.axios.com/2025/05/25/trump-tariffs-brands-increase-prices> - Amid ongoing economic tensions resulting from tariffs imposed during President Trump’s administration, several major companies have announced price increases to offset rising costs. Despite a temporary reduction in tariffs on China and promises of future trade deals, the lingering impact on supply chains and input costs remains significant. Companies including Walmart, Ralph Lauren, Mattel, Subaru, Ford, Nike, Adidas, and Volvo have either raised or plan to raise prices. Walmart expects to increase some prices, a move criticized by Trump and his Treasury Secretary, who claimed the company should absorb the tariffs. Ralph Lauren and Mattel confirmed price hikes, with Mattel stating around 40%-50% of items will still be under $20. Trump threatened a 100% tariff on Mattel products after this announcement. Subaru and Ford will increase vehicle prices, particularly for models produced outside the U.S. Meanwhile, Nike and Adidas are adjusting prices, with Adidas attributing increases to tariffs. The administration maintains that foreign producers should bear the tariff burden, but the consumer cost increases suggest otherwise. The economic side effects of the trade war are likely to persist, impacting both retailers and consumers across diverse product categories. ([axios.com](https://www.axios.com/2025/05/25/trump-tariffs-brands-increase-prices?utm_source=openai))
7. <https://www.reuters.com/business/finance/profit-warnings-uncertainty-trump-tariffs-send-chill-through-businesses-2025-04-29/> - A wave of profit warnings and lowered forecasts from major global companies highlights the disruptive impact of President Donald Trump's trade tariffs. General Motors and Volvo Cars have rescinded their annual guidance, while brands like Adidas, Porsche, and Electrolux are adjusting financial expectations amid mounting uncertainties. The tariffs, especially the 25% levy on car imports, are prompting firms such as Porsche and Volvo—which lack U.S. production capacity—to consider price hikes. The ongoing volatility in trade policies is depressing consumer spending and challenging long-term corporate planning. So far, around 40 companies, including Delta Airlines and Logitech, have revised their forecasts as trade tensions continue. Corporations are also responding with cost-cutting and restructuring efforts, exemplified by Volvo's $1.8 billion savings plan and MTU Aero Engines exploring options to offset tariff-related losses. The ripple effects of the tariffs are also becoming apparent in the banking sector, with HSBC warning they might impact loan demand and credit quality. Overall, the prolonged trade conflict is adding cost pressures, disrupting supply chains, and straining consumer purchasing confidence globally. ([reuters.com](https://www.reuters.com/business/finance/profit-warnings-uncertainty-trump-tariffs-send-chill-through-businesses-2025-04-29/?utm_source=openai))