

Automotive industry and COVID-19: end of the road.

The corona crisis has broken the very sophisticated supply chains in the automotive industry. Because of transport restrictions and closure of dealerships, it has almost become impossible to deliver cars to customers or for customers to order cars. Supply of components is also interrupted due to closure of plants for public health reasons (the accelerated rate of corona infections) or interrupted logistics. On top comes a general drop in demand: industrial production in the sector fell already by 12% in 2019.

On the other hand, companies have announced to maintain the production of spare parts (crucial for public safety) and the R&D activities related to new powertrains.

To deal with the consequences for the workers, most of the companies apply the nationally agreed conventions/rules on short-time work.

COVID-19 has provoked an unprecedented crisis in the sector with an effective standstill of car production in Europe and a closed retail network. This will cause a dramatic negative demand shock. Vigorous measures will be needed to avoid plant closures and the permanent loss of jobs.

Volkswagen

- VW brand has suspended production at its German vehicle and component factories. VW plants in Pamplona (Spain), Setubal (Portugal) and Bratislava (Slovakia) are also closed.
- Audi will stop production at its factories in Ingolstadt and Neckarsulm (Germany), Brussels, and Gyor (Hungary) by Monday, March 23
- Seat has halted its output
- Skoda suspended production at its Czech plants for two weeks starting on Wednesday, March 18
- Lamborghini halted production in Italy
- Porsche is stopping production for an initial period of two weeks, starting March 21
- Bentley is stopping production at its factory in Crewe, England, for four weeks starting March 21
- Due to shortage of supply from Europe, production is suspended in VW's Russian factory in Kaluga and at the assembly line of VW's contract manufacturer GAZ in Nizhny Novgorod

PSA Group

- PSA Group is closing its European factories until March 27. The move affect plants building Peugeot, Citroen and DS vehicles, as well as Opel's factories in Germany and Poland, and the Vauxhall plant in the UK (Ellesmere Port).

Renault

- Renault has shut down its factories in France, Slovenia, Morocco and a powertrain factory in Portugal, until further notice. Dacia has suspended production in Pitesti (Romania) until April 5.

Fiat Chrysler

- The automaker suspended production at the Italian plants of Melfi, Pomigliano, Cassino, Mirafiori, Grugliasco and Modena. FCA's factories in Kragujevac (Serbia) and Tychy (Poland) are also closed. The closures will last until March 27.

Ferrari

- Ferrari's two plants are shut until March 27.

BMW

- BMW started suspending production at its plants in Europe and Rosslyn (South Africa) on Friday, March 20. The shutdowns will last until April 19. The closures include Mini and Rolls-Royce in the UK. BMW's contract manufacturer in Born, Netherlands, Nedcar, which builds some Mini models, is also shutting down.

Daimler

- Daimler is halting most Mercedes production in Europe.

Ford

- Ford suspended vehicle and engine production at its manufacturing sites in Europe (Cologne, Saarlouis, Valencia, Craiova), starting on March 19.

Nissan

- Nissan has stopped output at its site in Sunderland (UK) as it assesses supply chain disruption and the drop in demand. Nissan said the factory would remain closed until further notice.

Jaguar Land Rover

- The company is halting output at its UK plants starting Monday, March 23, and it intends to resume production at the facilities in the week of April 20. It is suspending production at its plant in Nitra (Slovakia), starting March 20. Its plants in Brazil and India are continuing their operations.

Volvo

- Volvo will stop production at its three plants in Sweden starting on Thursday, March 26. The plants are scheduled to re-open on April 14. Volvo also stopped production in Ghent on March 17.

Toyota

- Toyota suspended vehicle and engines/transmissions production in Europe (France, Turkey, Poland and the UK) on March 18 until further notice.

Hyundai

- Hyundai's Czech plant will suspend production starting on Monday, March 23, for two weeks.

Kia

- Kia's Slovakia plant will suspend production from Monday, March 23, for two weeks.

Honda

- Honda is suspending production in Swindon in the UK (the plant will be closed anyhow in the course of 2021).

Continental

- The supplier is halting production at its factories. Continental didn't provide details about where the shutdowns will occur.

Robert Bosch

- The supplier is reducing production or suspending work at its plants in France, Italy, Spain in response to lower demand, supply chain bottlenecks and as a way to protect its employees.

Magna Steyr

- Magna Steyr is halting production in Graz, Austria, and Slovenia until the end of March because of parts shortages. The contract manufacturer builds cars for BMW, Jaguar, Mercedes and Toyota.

Leoni

- The supplier of wire systems will stop production in Europe, the Americas and North Africa, and plans to apply for state aid with the German KfW state development bank.