

Car market slowdown 'threatens jobs at Bosch'

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A weak car market is hurting Bosch

A global car market expected to slow this year and the continuing aftershocks of a sector-wide diesel cheating scandal will hit jobs at the world's biggest component supplier Bosch, its boss said Tuesday.

"Of course, we have to react to falling demand," chief executive Volkmar Denner told Munich-based daily Sueddeutsche Zeitung when

asked about possible job cuts.

Expected by analysts to contract this year, the global car market is developing "much more weakly than we still thought a year ago," Denner said.

"This isn't just a short-term dip that will quickly be recovered," he added.

Reduced demand for diesel-fuelled vehicles "is hitting us particularly hard," said Denner.

Customers in Germany and abroad have turned away from the fuel since Volkswagen's 2015 admission to cheating regulatory emissions tests on 11 million vehicles worldwide, while investigations have spread to other carmakers in Germany's flagship industry.

Many potential buyers have been deterred by already-implemented or proposed bans for some diesels from city centres, as municipalities try to reduce levels of harmful nitrogen oxides (NOx) in the air.

Meanwhile manufacturers themselves are ramping up alternatives, like hybrid and battery-electric vehicles, to meet tough new EU carbon dioxide (CO2) emissions targets set to bite from next year.

Bosch said in January lower diesel demand would force it to slash 600 jobs among its 15,000 employees in the field.

Over the full year, the company expects revenue at the same level as 2018, when sales reached 77.9 billion euros, rather than the slight increase it had previously predicted.

And "we won't be able to maintain the high level of profitability we had

last year," Denner said.

The company said early this year it expected a profit margin of below six percent, rather than last year's seven percent.

Competitor Continental, listed on the blue-chip DAX index, in July lowered its full-year financial objectives, blaming the weak global market.

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