

European automakers idle plants during virus crisis

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Production at European carmakers is about to stall

European automakers began shutting down factories Monday as governments impose confinement and other measures to curtail the

coronavirus outbreak, which is expected to take a heavy toll on national economies.

Italian-American automaker Fiat Chrysler said it was halting production at most of its European plants until March 27 because of the coronavirus pandemic.

"The temporary suspension... enables (Fiat Chrysler) to effectively respond to the interruption in market demand by ensuring the optimization of supply," the company said in a statement.

Fiat Chrysler agreed in December on a merger with France's PSA Group, whose brands include Peugeot, Citroen and Opel, to create the world's fourth-largest automaker.

The company listed six plants in Italy and one each in Serbia and Poland set for closure.

PSA later said it too would shutter its European production sites starting this week because of "serious COVID-19 cases close to certain production sites, supply disruptions from major suppliers, as well as the sudden decline in the automobile markets."

The company operates around 15 factories in countries including France, Britain, Spain, Germany, Poland and Slovakia.

A union official at PSA, Franck Don, said administrative and other employees in France, where the company has 51,000 workers, will be allowed to work from home insofar as possible.

The company's French rival Renault, meanwhile, said it was suspending production at its four factories in Spain, due to supply shortfalls and the clouded outlook for the market, a spokesman told AFP.

"Some of our suppliers are located in zones where transport has been halted," the spokesman said, adding that the shutdown affected a total of nearly 10,000 jobs.

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