

# Volvo Cars halts Europe, US production

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Chinese-owned Swedish auto maker Volvo Cars said Friday it would temporarily halt production at its European and US plants in order to mitigate the impact of the coronavirus outbreak.

"Our primary concerns are the health of our employees and the future of our business," CEO Hakan Samuelsson said in a statement.

The company said there was now a need for "social distancing" in order to reduce the spread of the virus.

Production at the carmaker's Belgian plant in Ghent was stopped on Tuesday, and three facilities in Sweden as well as the factory in the US state of South Carolina would be halted from March 26.

Office workers would generally work from home as of March 26 with reduced hours.

"With the help of valuable supporting programs put in place by governments and authorities, we have been able to act quickly," Samuelsson said.

The company said it would re-open the plant in Belgium on April 5 and the other facilities on April 14.

Some 25,000 employees would be affected in Sweden, and 6,500 and 1,500 in Belgium and the US respectively.

Earlier this month, the carmaker re-opened its four Chinese factories, after extended closures due to the spread of the new coronavirus in mainland China.

"We see very positive signs of a normalisation in our Chinese business. There all our factories are up and running again, our headquarters is open and we also see customers being back in showrooms," Stefan Elfstrom, spokesman for Volvo Cars, told AFP.

Also on Friday, truckmaker Volvo AB said it was putting all 20,000 of its Swedish staff on a temporary layoff program, as it was preparing to shut down its production in Gothenburg.

The company announced earlier this week it was also halting production in Belgium and at its French subsidiary Renault Trucks.

Volvo AB has production facilities in 18 countries and Claes Eliasson, spokesman for Volvo AB, said they were also looking into shutting down production in more countries but it was difficult to say exactly where at this time.

"We're seeing severe disruptions in the global supplier chain, in the wake of the different measures introduced to limit the spread of infection," Eliasson said.

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