

VW says to suspend production again as car sales drop

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German carmaker Volkswagen will suspend production lines that have only just reopened after the lifting of coronavirus restrictions due to lower demand, according to an internal message seen by AFP on Wednesday.

At the group's flagship Wolfsburg headquarters, two assembly lines will

be completely closed and one will have its hours reduced for four days this month, the message posted on the company intranet said.

The suspension will primarily affect VW's Golf and Tiguan models.

Volkswagen had only just resumed production at the end of April after weeks of closure due to the coronavirus pandemic.

The plans are intended to "align production flexibly to expected [market fluctuations](#)", personnel manager Arne Meiswinkel said.

Pandemic-related restrictions have already led to historic falls in European car sales in March and April.

In late April, Bernd Osterloh, chairman of the VW works council, warned that "customers are just not interested in buying cars" and said stocks of new cars were "already at their limits".

The group's order book was looking like a "tragedy", Osterloh said.

Moody's downgraded its forecast for the global automotive [market](#) on Wednesday, predicting a 20-percent drop in sales in 2020. The European market was expected to shrink by 30 percent and the US market by 25 percent, but the Chinese market was projected to fare better.

Sources told AFP that Volkswagen's plants in Europe are currently running at between 35 and 50 percent of capacity, and that around 35,000 employees are still on shorter working hours.

"Depending on the order situation, we will have to be flexible with closures and shifts for some time to come," Meiswinkel said.

The coronavirus crisis has put around 100,000 jobs at risk in the German

automotive sector, a pillar of the country's economy, according to Ferdinand Dudenhofer, an expert at the University of St Gallen.

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