

# German car parts maker Schaeffler cuts 4,400 jobs

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German car and industrial supplier Schaeffler said Wednesday that it will cut 4,400 jobs due to the impact of the coronavirus on the automotive sector.

The company said it will downsize capacity and close several factories to save around 300 million euros (\$354.5 million) annually by 2023.

The [jobs](#) cull will focus mainly on 12 locations in Germany and two elsewhere in Europe, the Bavaria-based firm said.

Chief executive Klaus Rosenfeld said the restructuring was "unavoidable in order to improve Schaeffler's long-term competitiveness and ability to realise future opportunities".

It is the latest blow for the beleaguered car sector which is struggling to recover from weeks of lockdowns earlier this year that disrupted production lines and kept dealerships closed around the globe.

Even after the lockdowns, demand has been slow to pick up as customers fret about economic uncertainty.

Fellow German parts supplier Continental announced last week that more than 30,000 jobs worldwide—around 13 percent of its workforce—would be "modified, relocated or made redundant" to cope with the pandemic fallout.

German Chancellor Angela Merkel met with car industry bosses Tuesday to discuss their plight but the high-level talks ended without concrete steps to help the sector.

"The [automotive industry](#), which was already undergoing structural transformation amid the move to electrification, has been hit hard by the COVID-19 crisis," Schaeffler said in a statement.

Global vehicle production for 2020 is forecast to be 20 percent lower than in 2019, and a return to pre-crisis levels is not expected until 2024 at the earliest, the statement added.

To combat the effects of the pandemic, Schaeffler said it had already implemented plant closure days, increased its voluntary redundancy scheme and made use of Germany's subsidised short-time work programme.

Schaeffler currently employs around 84,000 people.

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