

Ford, Toyota face US production slowdown over semiconductor shortage

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Toyota is among the major automakers facing production slowdowns due to the semiconductor shortage

Toyota and Ford said on Monday they will slow down or even stop production at US factories as the auto industry grapples with a shortage

of vital computer chips.

The shortage is caused by an increase in demand for [consumer electronics](#) during the coronavirus pandemic, which has left semiconductor producers struggling to keep up.

Ford spokeswoman Kelli Felker said the automaker will this week close its plant in Louisville, Kentucky, which employs about 4,100 people making the Ford Escape and Lincoln Corsair models.

The company already planned to idle the plant temporarily, but moved up the timeframe due to the shortage.

"The global semiconductor shortage is presenting challenges and production disruptions—for the global auto industry, including Ford, which could have a significant knock-on effect on jobs and the economy given the importance of auto manufacturing," the auto giant said.

Toyota said production of its Tundra pickup truck at a factory in San Antonio, Texas also has been affected by the shortage.

"At this point we are assessing the longer term impact, but for the month of January, we anticipate reducing Tundra production by as much as 40 percent," a company spokesperson said.

The Wall Street Journal reported Fiat Chrysler will stop Jeep production at a plant in Mexico and production of other models at a factory in Canada due to the [shortage](#).

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