

# Auto industry braces for more chip shortages after fire

March 22 2021, by The Associated Press

---

A fire at a plant owned by Japanese chipmaker Renesas could deepen the ongoing global semiconductor shortage that has especially hampered automobile production.

The company, which makes chips for Toyota, Nissan and Honda, expects production at one of the buildings at its Naka Factory in Hitachinaka to be halted for a month. Shares in all three [automakers](#) fell between 2% and 3% on Monday.

Tokyo-based Renesas said the fire started when some equipment overheated and ignited, though it wasn't known what caused it to overheat. There were no casualties or damage to the building.

Renesas said two-thirds of the products made in the building could be produced elsewhere, although "due to the recent increase in demand for semiconductors, the situation does not allow for all products to be immediately produced alternatively."

Separately last week, Nissan said it was temporarily shutting down production at factories in Smyrna, Tennessee; Canton, Mississippi; and in Aguascalientes, Mexico, due to the chip [shortage](#).

Volkswagen and Fiat Chrysler (now Stellantis) also say they have been affected by the shortage and forced to delay production of some models in order to keep other factories running.

The [chip](#) shortage, combined with a February winter storm, also recently forced [Ford to build F-150 pickup trucks without some computers](#). The company said the pickups would be held at factories for "a number of weeks," then shipped to dealers once computers are available and quality checks are done.

Industry officials say semiconductor companies diverted production to [consumer electronics](#) during the worst of the COVID-19 slowdown in auto sales last spring. Global automakers were forced to close plants to prevent the spread of the virus. When automakers recovered, there weren't enough chips as demand for personal electronics boomed.

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Auto industry braces for more chip shortages after fire (2021, March 22) retrieved 9 April 2024 from <https://techxplore.com/news/2021-03-auto-industry-braces-chip-shortages.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--