

Italian factory shutdown shakes European auto industry

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In Europe, the coronavirus epidemic is beginning to take a very concrete form, economically. This Tuesday, the Italian equipment manufacturer MTA [announced the closure of its site](#) production in Codogno (Lombardy) due to the epidemic which is raging particularly in the north of the country.

The problem is that this halt is likely to have a major impact on the automotive sector in Europe. The plant supplies the main manufacturers of Fiat Chrysler (FCA) to Renault.

“THE ABSENCE OF DELIVERY OF THE GOODS WILL INDEED LEAD TO THE CESSATION OF THE THREE PRODUCTION LINES OF FCA MIRAFIORI, CASSINO AND MELFI AS WELL AS THOSE OF SEVEL FROM FEBRUARY 26,” SAID MTA IN ITS PRESS RELEASE. “FROM MARCH 2, ALL OTHER FCA FACTORIES IN EUROPE AND THOSE OF RENAULT, BMW AND PEUGEOT COULD ALSO CLOSE.”

Faced with this threat, MTA asked the Italian authorities “to be able to authorize 10% of its staff (around 60 people) to resume production activities”, explains the company. “MTA has already dealt with the COVID-19 emergency at its Chinese production plant in Shanghai, and therefore knows all the procedures necessary to continue production while ensuring the safety of its employees.”

Should we fear this catastrophic scenario? According to information from BFM Auto, a meeting is organized this Tuesday evening at Renault to really assess the risks involved, and organize a possible fallback solution, if this is possible.