

Audi Brussels shuts down as Europe's auto woes deepen

AFP- An Audi factory in Brussels billed as the “cradle” of the German carmaker’s electric drive is shutting down production for good on Friday, the latest sign of the woes afflicting Europe’s auto industry.

The plant’s closure, with the loss of 3,000 jobs, comes days before EU chief Ursula von der Leyen is set to present a much-touted action plan to help the auto industry through “the deep and disruptive transition ahead”.

After rising by nearly 10 percent in 2023, global car sales slowed sharply last year, with new registrations rising just 1.7 percent worldwide and declining in the European powerhouses France and Germany.

In terms of electric vehicle (EV) innovation, an Allianz Trade report warned this month that European manufacturers had allowed themselves to be outpaced by US giant Tesla and Chinese rivals BYD and Geely, with European cars too expensive as a result.

Audi, a subsidiary of German auto giant Volkswagen, gave several factors for closing the Brussels plant, the largest private employer in the Belgian capital.

It had switched to producing EVs in 2018 after 70 years of making combustion engine models.

But the company said a global fall in demand for high-end electric sport utility vehicles (SUVs) had tanked demand for its Q8 e-tron, to which the site was exclusively dedicated.

It also cited long-running structural issues at the former Volkswagen factory, saying it suffered from high logistics and

production costs.

Workers at the site launched a prolonged strike to try to prevent the closure, with some blaming Audi for being too slow to make the pivot to electric, and then for focusing on a prohibitively expensive model.

“People are being pushed to buy electric, but the infrastructure is not there yet,” said Jan Baetens of the CSC union.

The European Union has set a date of 2035 for phasing out new sales of combustion engine vehicles, and wants EVs to account for a quarter of new registrations this year – up from 15 percent as of January.

But sales have struggled to take off, with European buyers slow to warm to EVs and their higher upfront costs.

– ‘Demand issue’ –

“We have a demand issue at the moment,” said Sigrid de Vries, director general of the European Automobile Manufacturers’ Association (ACEA).

She said it was “by any standards remarkable” that Europe had reached a 15 percent market share in less than five years, “but it’s not enough”.

“We have vehicles readily available to enter the market,” she said, “but we are facing a stagnating demand.”

Worldwide last year, Audi delivered more than 164,000 fully electric models, down eight percent on the previous year.

In China, which accounted for around 40 percent of electric and non-electric global sales, deliveries were down 11 percent.

In Brussels, Audi’s production lines will come to a final halt

on Friday, though several hundred people will remain on site for a few months to clean and dismantle machinery or tie up administrative loose ends.

Dozens of workers were in and out of the plant in the days ahead, to empty their lockers and say goodbye.

“It was satisfying work – a shame it is coming to an end,” said Florin Tautu, an engineer who arrived from Romania in 2011 and was tasked with adapting the factory’s infrastructure to new production needs.

Another manager, who asked not to be named, said he was hopeful for the future, “But I feel bad for people who still have a mortgage to pay off, or children in college.”

Audi’s management says dedicated teams have been created within the region’s job centres to help the plant’s workers find new work, with a job fair advertising around 4,000 positions taking place in April.

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