

Business

## Kia to Halt Production at Domestic Plants

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April 13, 2020 13:12

A growing number of Korean automakers are halting production here due to a sharp decline in sales in North America and Europe caused by the coronavirus epidemic.

Kia is halting production at three plants in Korea for a week from April 23.

Kia said Sunday that it notified its labor union of the stoppage at its two plants in Gwangmyeong and one in Gwangju which manufacture the Carnival minivan, Sting coupe, K9 large sedan, Pride compact and other small SUVs.

Altogether they will be making 20,000 fewer cars. A Kia staffer said, "We're halting production at three of our nine domestic plants that produce a large proportion of export."



Hyundai will also halt one of its assembly lines at a plant in Ulsan this week that makes the Tucson compact SUVs for export.

The sharp decline in exports has dealt a huge blow to Korean automakers. Exports account for 60 percent of Hyundai and Kia's domestic production, so they are crucial to how well cars sell at home. Last month, the overseas sales of Korea's five automakers fell 20.9 percent on-year, and the decline is expected to get worse this month.

Lim Eun-young at Samsung Securities said, "Demand for cars in the U.S. is expected to fall around 80 percent on-year this month, so even if the coronavirus crisis abates, it will be difficult for global demand to recover soon."