

## VW hits brakes as parts supplier fails to deliver

FRANKFURT, GERMANY: Volkswagen said on Thursday production at several factories has been severely disrupted due to a shortage of components, a new headache for the German car giant that is still grappling with a massive pollution cheating scandal.



tookpic via [pixabay](#)

Work at the several factories, including at its largest facility in Wolfsburg, has been hit. At a factory in Emden, 7,200 workers have been put on part-time due to missing parts. "A Volkswagen supplier has suspended contractually agreed deliveries of components," the company said. "This has led to bottlenecks in production." The auto giant said it obtained a court injunction last week to compel the supplier to resume deliveries, but that has "not been complied with".

"Since we can't currently foresee how things will develop, we're examining making working times flexible in parts of our Wolfsburg site," added the company, which did not name the supplier.

But German news agency DPA said there were, in fact, two suppliers that had disrupted their deliveries - one that makes textiles and leather for car interiors and another that specialises in cast parts for gearboxes. "This is more than just annoying," works council member Guido Mehlhop told DPA, "especially when you know that the court already issued an injunction last week requiring the suppliers to deliver the parts as contractually agreed."

"Apparently, someone is trying to stage a cliff-hanger on the backs of the workers," he went on, calling for a solution "as quickly as possible."

A court spokesman said that the auto giant has a month to appeal to a higher court.

### Volkswagen's biggest crisis

Volkswagen has been battling to get past its biggest crisis, which erupted last September after it was forced to admit that it had installed sophisticated software into 11 million diesel engines with the express purpose of duping emissions tests. The shock revelation led to a 40-percent plunge in the company's share price last

autumn, wiping out some 25 billion euros in market capitalisation in two days.

VW shares were down 0.45 percent in early trading in Frankfurt on Thursday.

Germany's consumer association chief Klaus Müller on Thursday stepped up calls for the company to offer compensation to affected customers in Germany, as it has promised to do in the United States.

"Anyone who defrauded their customers like Volkswagen did should provide damages," he told regional newspaper Rheinische Post.

Volkswagen last month obtained preliminary approval from a California judge for a \$14.7 billion (13 billion euros) settlement over the scandal. The settlement includes \$10 billion for compensation to affected car owners. In addition, the group will create a \$2.7 billion fund for environmental remediation, and provide \$2 billion to promote the use of "zero emissions" vehicles within the United States.

*Source: AFP*

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