

ACEA warns EU car sector threatened by 'hard Brexit'

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US automaker Ford, which employs 13,000 people in Britain including at this plant in Dagenham, East London, suggested on that a "hard Brexit" would cost it around \$800 million

A hard, no-deal Brexit, could have "very dramatic" consequences for the European car industry, a sector leader warned Wednesday while unveiling the 2019 sales forecast.

Carlos Tavares, head of the French PSA group who also chairs the European Automobile Manufacturers Association (EAMA), also urged London and Brussels to reach a trade deal before Britain leaves the European Union on March 29.

"We can all feel we're heading for something bad (...) Everyone is getting ready for a [negative impact](#)," Tavares told a press conference in Paris.

A "hard Brexit" would "be very dramatic for the European car industry," he warned.

The pound would likely fall "and it is very likely that a number of car manufacturers will have to increase prices to protect their margins, prompting a crash of the British market," Tavares said.

The press conference was called to unveil EAMA forecasts for 2019, with manufacturers expecting the European car market to remain "stable at best" with a growth figure of "less than one percent" this year.

The car industry relies heavily on just-in-time deliveries to factories and Europe-wide sales could be impacted more than most.

US automaker Ford, which employs 13,000 people in Britain, has also pressed Britain and the EU to reach a deal on preserving trade links ahead of March 29 deadline, sources close to the company said.



A "hard Brexit" would "be very dramatic for the European car industry," warned Carlos Tavares, head of the French PSA group who also chairs the European Automobile Manufacturers Association (EAMA)

Ford has briefed British Prime Minister Theresa May on what it might be forced to do in case of a "hard Brexit", including transferring production from Britain to Europe, sources added.

Ford suggested on January 24 that a "hard Brexit" would cost it around \$800 million.

In Germany, the vital car industry would be hit the hardest with the possible loss of 15,000 jobs, many in Volkswagen company town Wolfsburg and at BMW's factory in Dingolfing, researchers at the IWH

institute in Halle, eastern Germany, said Monday.

In Britain, Japanese carmaker Nissan said earlier this month that it will axe planned production of the X-Trail SUV in the Brexit-backing city of Sunderland, despite assurances from the government over consequences of the nation's EU exit.



Japanese carmaker Nissan said a hard Brexit would lead them to end planned production of the X-Trail SUV at its plant in Sunderland, in northeast England

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