

# China lockdowns blamed as Tesla and Toyota car production takes hit

The world's largest carmaker has revealed further cuts to production lines as a result of COVID disruption in China while Tesla has reportedly suspended the bulk of its manufacturing operation in the lockdown-hit city of Shanghai.

Toyota, which had already slashed six production lines at a total of four plants, revealed on Tuesday that a total of 12 factories would now be affected as supply chains are delayed by the effects of [China's](#) pandemic curbs.

Shanghai is into its sixth week of heavy restrictions on movement that has not only affected factory output but also shipments to and from its bustling port, China's largest by cargo volumes.

Toyota said that 14 more production lines would be affected by the suspension, for up to six days this month.

It would mean, the company said, that around 40,000 vehicles faced delays and wider disruption would result in the group's global production target falling by 50,000 to 700,000 vehicles for the month.

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The announcements add to growing fears that China's [coronavirus](#) restrictions, which have now [spread to the capital Beijing](#), will prove disruptive to global growth and add to the [inflation](#) problem further down the track as competition for parts intensifies.

A chip shortage has already been widely blamed for damaging the car industry's recovery from the pandemic, including in

the UK.

Elon Musk's electric car firm Tesla said last month it had managed to pass on extra costs in its supply chain to help boost group profits.

But there is further evidence that its Shanghai operation will drag on its second quarter performance after a 22-day shutdown that ended on 19 April.



Image:

Car manufacturers, including Toyota, are facing the prospect of increased disruption as China's pandemic restrictions hit supplies

Reuters said it had seen an internal memo showing that production there had mostly been halted due to problems securing parts, with just 200 vehicles a day tipped to be completed.

The factory has the ability to churn out 1,200 cars on a daily basis.

Data released by the Chinese authorities also showed that Tesla sales were 98% down in April versus the previous month as the curbs on normal activities took a toll on demand.

It also showed that Tesla did not export any China-made Model 3s and Model Ys in April.