



Honda Motors to shut plant in UK

Japanese car maker Honda Motor Co. HMC will shut a major production plant in the UK becoming the latest auto group to plan a pull back from the UK as Brexit looms.

The closure of the plant in Swindon, a pro-Brexit district in southwest England, was confirmed by local British lawmaker Justin Tomlinson.

“They are clear this is based on global trends and not Brexit,” Tomlinson said in a statement, adding the factory will be closed in 2021-22. Honda confirmed the plan.

Currently, 3,500 people work at the plant, with thousands more in the factory’s supply chain. With Britain’s departure from the European Union scheduled for just over a month away, contingency planning by businesses is kicking into higher gear.

The auto sector is particularly sensitive to Brexit, with executives worrying that cars and vehicle components sold into the trade bloc would face tariffs after the UK leaves the EU. Another fear is that checks would be imposed at borders that would slow the flow of car parts between factories on the continent and Britain.

The Unite Union, which represents the country’s auto workers, blamed the government’s “chaotic Brexit” strategy on the troubles in the auto industry.

“This would be the single biggest automotive closure since Rover in 2005,” Unite said of Honda’s decision. “It appears that the chickens are coming home to roost big-time because of Brexit uncertainty.”

Earlier this month Nissan Motor Co. said it abandoned plans to produce its next-generation X-Trail crossover sport-utility vehicle in the UK, citing uncertainty surrounding Brexit.

Jaguar Land Rover, a subsidiary of India’s Tata Motors Ltd. , said in January it would trim 4,500 jobs from its 43,000-strong global workforce, a large majority of which is based in the UK, after cutting 1,500 jobs last year.



Ford Motor Co. meanwhile is merging some administrative offices and functions in the UK and studying the viability of its UK components manufacturing. BMW has said it could move production of the Mini to a plant in the Netherlands if it no longer proves economically viable to

make the car in the UK after Brexit.

Investment into car production in the UK has plummeted since Britain voted to leave the EU in 2016. The Society of Motor Manufacturers and Traders last month said investment in 2018 was nearly halved to £589 million (\$760 million), compared with a running average in recent years of about £2.5 billion.

The number of cars produced in the UK fell by 9% in the year. That has raised fears that factories in the UK will struggle to compete with those on the continent to make the latest generation of electric cars.

The Rover collapse marked the low point in the downturn of the UK auto industry, before a wave of foreign takeovers revived some of the country’s storied brands from Jaguar and Aston Martin to the Mini, Rolls-Royce and Bentley.

Japanese auto makers Honda and Nissan built manufacturing plants in the UK for export to the EU and beyond. Honda produced some 160,000 cars last year at the Swindon plant, where the company has been producing cars since 1992. Its Civic is the UK’s third-most-exported car, many of which are sold in the US.

Tomlinson said falling global sales had convinced the company to consolidate its UK and Turkish operations at its Japanese headquarters.

In the case of Nissan and Honda, a recent free trade deal between the EU and Japan has made it more economical for them to manufacture vehicles in Japan and export them to Europe, particularly if the UK is outside the EU’s trade umbrella.