

Suzuki halts Swift production after China's rare earth curbs

SHORTAGE OF PARTS. Plans to resume output pushed back

Reuters
Tokyo

Suzuki Motor's suspension of production of its flagship Swift subcompact is due to China's rare earth restrictions, two people familiar with the matter said. It becomes the first Japanese automaker to be affected by the export curbs.

The small car maker halted production of Swift, excluding the Swift Sport version, from May 26, citing a shortage of components.

Plans to resume output have been pushed back several times.

Suzuki now expects a partial restart of production on June 13 with full resumption after June 16, as the "prospect of parts supply is clearer" now, it said in a statement.

The company declined to comment on the reason for the suspension. The sources declined to be identified as they were not authorised to speak on the matter.

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SUPPLY CHAIN WOES. China's decision in April to suspend exports of a wide range of rare earths and related magnets upended the supply chains central to automakers

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POTENTIAL HALTS

Alarm over the situation has grown with global automakers warning of potential production halts.

Some European auto parts plants have suspended out-

put, and Mercedes-Benz is considering ways to protect against shortages of rare earths.

Japan is planning to propose strengthening cooperation with the US on rare earth supply chains in upcoming tariff talks, the *Nikkei* business daily reported on Thursday.

The *Nikkei* was the first to report on the reason for the Swift model suspension.