Bosch reacts to falling automotive demand: cutbacks in operations at German locations

Starting March 25, 2020, Bosch will be drastically cutting back operations at its German locations and steadily throttling parts of its manufacturing and administrative operations. At some locations, this will start successively from March 23, 2020. This has been agreed by the company and central works council in constructive meetings. In total, this will affect some 35 locations of the Mobility Solutions business sector in Germany, as well as locations performing corporate functions. In taking this measure, the company is reacting to the drastic drop in demand for vehicles, especially in Europe, and the associated production shutdowns by automakers. Bosch will decide on further suitable measures to guarantee heightened protection against the risk of coronavirus infection for all its workforce.

The necessary preparations will be made over the next few days. In a first phase, the associates affected will be asked to reduce or offset their overtime accounts and/or take vacation. In a second phase, the company plans to introduce reduced working hours by April 5 at the latest. The details of this are currently being worked out. It is currently unclear how long these measures will last. This will depend on further developments.

Differences from location to location mean that details of how this decision will be put into practice, such as the precise timing and duration of these cutbacks, will be agreed locally, together with the employee representatives at the respective locations. The agreed measures will then be quickly taken. Associates will be informed in good time about what has been agreed.

Necessary, business-critical activities and selected manufacturing and engineering activities are to be continued, also in view of the current gradual recovery of the Chinese automotive market. With reliable supplies of products, Bosch wants to help encourage this trend. By supplying necessary parts to commercial vehicle manufacturers and for vehicle maintenance, Bosch is also helping to maintain the transport of goods and people worldwide. In addition, the
company wants to be ready to satisfy its automotive customers’ requirements quickly and in the best possible way once the market recovers. Bosch is in close contact with its associates, customers, partners, and suppliers.

A number of other European locations are also affected by the drop in demand for vehicles. Here as well, the company is consulting closely with customers and local employee representatives in order to reach viable, location-specific solutions.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 403,000 associates worldwide (as of December 31, 2019). According to preliminary figures, the company generated sales of 77.9 billion euros in 2019. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group’s strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is “Invented for life.” The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in 60 countries. Including sales and service partners, Bosch’s global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company’s future growth is its innovative strength. At 125 locations across the globe, Bosch employs some 72,000 associates in research and development.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as “Workshop for Precision Mechanics and Electrical Engineering.” The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.