

Global automakers report huge sales increases in spite of pandemic and chip shortage, due to ramped-up exploitation of workforce

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2 July 2021

Auto companies reported substantial sales increases for the second quarter of 2021 compared to the same time last year, in spite of an ongoing worldwide microchip shortage which has idled much of the world's auto production. Some corporations have reported sales numbers that reveal a closing of the gap between post- and pre-pandemic production. However, Wards Intelligence, an analytics firm which tracks auto sales, shows US light vehicle sales were down last month, with 1.3 million cars sold compared to 1.6 million in May of this year.

The basis of the rebound in the auto industry has been levels of exploitation of autoworkers which are practically unprecedented. At major auto plants throughout the country, with the full support and collaboration of the United Auto Workers union, forced overtime has become routine as companies scramble to make up for profits lost in the early stages of the pandemic. Meanwhile, an unknown but no doubt massive number of workers have gotten sick and died of COVID-19 inside the plants.

The human toll of this breakneck pace on autoworkers was expressed in a series of tragic deaths in Detroit last week. Two autoworkers died of drug overdoses at Stellantis' Warren Truck Assembly Plant and Warren Stamping Plant, and a third worker died outside of the company's Jefferson North Assembly Plant when she was struck by a train in the middle of the night leaving work.

The UAW announced this week that mask requirements would end later this month for vaccinated workers in US plants, as part of its continuing collaboration with the auto companies to tear up what remains of coronavirus-related restrictions, justified by false claims by the Biden administration that the pandemic, which is still surging throughout the world, is "over."

Toyota reported a sales increase of nearly 73 percent this past quarter compared to 2020. EVs, including hybrids, made up nearly a quarter of total sales, the company said. Toyota replaced General Motors as the top selling automaker in the US for the second quarter of 2021. Unlike the US-based corporations, Toyota had a supply of the microchips on hand when the shortage first began to affect the auto industry, but as the situation has dragged out it has also had to cut back production at its plants due to the lack of components.

Cox Automotive earlier predicted that Ford's sales would be up by 20.5 percent compared to last year, but still down 19.5 percent from the second quarter of 2019. However, Ford missed most predicted targets for the second quarter of 2021, increasing sales by only 9.6 percent. Its June 2021 sales fell by 26.9 percent compared to May 2021, with sales of its best-selling F-series pickups declining by nearly 30 percent.

Ford's sales and production continue to be impacted by the chip shortage. The company reported earlier this year that it expected to lose half of its projected second quarter production as a result of the lack of parts. Recently the company announced a slew of production cuts that will impact workers across its factories in the US, Canada and Mexico over the next month. Of these, Ford Chicago Assembly Plant will be impacted the most, with all production shut down for four weeks beginning July 5. Workers will have to apply for dwindling unemployment benefits through the state yet again, many who have already been temporarily laid off this year due to the ongoing chip shortages.

Stellantis, formed out of a merger in January of PSA Group and Fiat Chrysler Automobiles, reported a 32

percent increase in second quarter sales compared to what the two parent corporations reported last year. The increase was driven in large part by a 47 percent increase in Dodge Ram sales.

The most popular Ram pickup truck, the Ram 1500, is built at its Sterling Heights Assembly Plant (SHAP) in Michigan, where autoworkers have been on forced overtime for the entire year. Stellantis executives have clearly made the decision to keep the plant running at full blast no matter the cost.

This breakneck pace continued throughout massive outbreaks of coronavirus inside the plant. At one point in the spring, more than 10 percent of the plant's nearly 8,000 workers were out on quarantine. The UAW, meanwhile, has run damage control for the company by covering up the true extent of the spread.

SHAP is also one of the few major assembly plants never to have shut down or cut production due to the microchip shortage. Stellantis even shifted chips and manpower from idled plants such as Warren Truck, which is now reopened, to SHAP.

General Motors (GM) reported sales increases over 40 percent for this quarter compared to the second quarter of 2020, down only 5.8 percent compared to 2019. Sales of the Chevrolet Bolt EV, built in Orion Township, MI, went up 31 percent, and sales of its Buick SUV, built in Delta Township, MI, went up 31 percent. Its Chevrolet Silverado truck, built at its plant in Silao, Mexico, also picked up large numbers of sales. Similar to SHAP, workers at GM's Silao plant have faced grueling conditions, including forced 12-hour shifts, and COVID-19 has infected and killed an unknown numbers of workers at the plant.

Other major automotive corporations reported high sales increases compared to the previous quarter. German auto giant Volkswagen reported sales increased of 72 percent in the second quarter of 2021 compared to 2020 and sold 5,756 EVs last quarter, up from 474 in the first quarter. Its stock price rose 1.3 percent after sales results were released Thursday. Honda recorded an overall sales increase of about 64 percent compared to the same quarter last year. The company also reported a record number of EV hybrid sales.

All-electric carmaker Tesla, which reopened its plant in Fremont, California, in defiance of stay-at-home orders in the state of California last year, recorded record numbers of deliveries in the second quarter of 2021. According to Refinitiv, the company delivered 201,250 vehicles in total during the past quarter, above its expected target of

200,258 vehicles. Tesla stock prices rose as high as 3.3 percent on Friday morning and it has reportedly increased its vehicle prices in response to the chip shortage.

Although it sells far fewer cars in comparison to its competitors, the massive wealth of the company and its billionaire CEO Elon Musk rests in large part on speculative profits and is increasingly dependent on volatile cryptocurrency investments like its \$1.5 billion bitcoin investment revealed in February. The company's productive capacity is vulnerable to the supply of microchips, and there is nervousness on Wall Street that its streak of prosperity could end if it relies heavily on cryptocurrency to shore up its financial profits.

While the auto companies no doubt had much to celebrate this week, there can be no doubt that in corporate boardrooms and in UAW offices throughout the country there is intense anxiety that rebounding profits could be jeopardized by an eruption of struggles by autoworkers. Last year, workers rejected a UAW-corporate deal to keep plants running during the initial surge in the pandemic by carrying out wildcat strikes, temporarily foiling this corporatist conspiracy and forcing a two-month shutdown. Given the pressure-cooker atmosphere inside the plants, there is every reason for them to fear a renewed upsurge.

This is a central reason why the UAW has imposed an information blackout of the strike by Volvo Trucks workers in Virginia upon the rest of its membership. Indeed, the first reference to the strike on the UAW's website was published on Thursday, when the union announced a tentative agreement which it hopes will end the strike.

The UAW fears most of all that other autoworkers might follow the lead of the Volvo Workers Rank-and-File Committee, which was founded to oppose the UAW's isolation and betrayal of their struggle, by rebelling and forming committees of their own.



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