

Toyota Hires 800 Contract Workers For Prius

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TOKYO (AP) -- Toyota is hiring 800 contract workers in Japan in its first such job increase in more than a year amid signs of a global recovery led by brisk sales of its Prius hybrid.

Most will start working next month at Toyota Motor Corp.'s Tsutsumi plant, central Japan, which makes the Prius and other models for the Japanese market, the world's No. 1 automaker said Tuesday.

Toyota now employs 1,300 contract workers in Japan, down from the peak of 11,600 employed in June 2005 when auto sales were booming. Such workers are hired for limited periods unlike the 70,000 full-time workers in Japan, who are guaranteed "lifetime employment."

Toyota reduced its contract workers amid the global slump in auto sales by not renewing their contracts or promoting them to full-time. The Japanese automaker employs more than 300,000 workers worldwide.

Toyota has been struggling since global sales plunged last year. It stopped hiring contract workers in Japan in June last year.

The maker of the Lexus luxury model and Camry sedan racked up its worst loss ever of 436.9 billion yen (\$4.6 billion) for the fiscal year ended March 31. It has projected an even worse fiscal year through March 2010, although analysts are expecting that to be revised to a better forecast now there are signs sales may be picking up.

Toyota has been reducing workers in other nations to cut costs.

Last month, Toyota said it is shutting the California factory it ran with General Motors for 25 years -- the first time it's closing a major auto assembly plant ever.

The Fremont, California-based New United Motor Manufacturing Inc., or NUMMI, which employs about 4,600 workers, is set to be closed in March 2010, unless another company steps in to keep it going. Toyota said it will move production to its other plants in the U.S., Canada and Japan.

Toyota said the latest hiring will replace the overtime workers in Japan have had to do to keep up with demand. Recruitment will favor former employees, it said in a statement.

"The decision to hire the contract employees reflects gradually recovering global auto sales," said company spokesman Paul Nolasco. "We want to be prepared."

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The Prius was Japan's best-selling car for the fourth straight month in August. Government incentives and tax breaks helped boost the cars popularity.

The Japan Automobile Dealers Association said Toyota sold 21,669 Prius cars last month, as overall auto sales in Japan rose on-year for the first time in 13 months.

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