

# Fresh Walkouts Halt Production At Toyota, Honda Plants

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TOKYO (AP) — Toyota Motor Corp. and Honda Motor Corp. said Wednesday they stopped production at some of their car assembly plants in southern China after parts suppliers were hit by more labor unrest.

The fresh walkouts at the Japanese car makers are slowing output and adding to costs at a time when both companies have been ramping up production to meet strong demand.

Chinese migrant workers, the backbone of the country's industrial sector, are becoming increasingly vocal in demands for higher wages. Several auto-related labor disputes have erupted recently in the Guangzhou region, where both Toyota and Honda have manufacturing bases with local partner Guangzhou Auto Group.

Honda, Japan's No. 2 automaker, said production at one of two auto assembly plants at its joint venture Guangqi Honda Automobile Co. was suspended. Honda said it was unclear when the plant can resume production.

The shutdown was due to a shortage of parts supplies caused by the strike. But Honda declined to give further details, including the name of the affected parts supplier.

Toyota's plant in Nanshan near southern Guangzhou, which represents about half of its total capacity in China, remained shut after the strike forced the world's biggest automaker to suspend production a day earlier.

"Production remains suspended. We don't know when we can resume operations," said Toyota spokesman Hideaki Homma in Tokyo.

The factory was closed down after a strike began at a supplier run by Japanese parts-maker Denso Corp.

Denso workers demanding higher wages have refused to work since Monday, said Denso spokesman Yu Matsuda from the company's headquarters in Aichi, central Japan.

Denso held wage negotiations with workers, Matsuda said, but declined to give details. Denso's plant, which employs 1,100 workers, makes fuel injectors for engines.

"We have been actively discussing a wage solution with our workers in Nanshan. So far, we cannot give any details or schedule, but we do hope workers can return to

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work as soon as possible," said Shen Meihua, a spokeswoman for Denso in Beijing.

Last week, a strike at a Toyota plastic parts supplier in the northeastern Chinese city of Tainjin forced a Toyota plant there to shut down for a day. That followed a similar one-day walkout at another supplier earlier in the week.

The latest shutdown occurred at GAC Toyota Motor Company Ltd., which can produce 360,000 cars, such as the Camry, per year at full operation. Toyota has a total Chinese capacity of about 800,000 vehicles at five plants.

Earlier strikes at several Chinese suppliers of Honda forced it to suspend car assembly intermittently in the past month because of a lack of parts.

The Honda plant now stalled by strikes makes the popular Accord sedan and Fit hatchback and has an annual production capacity of 240,000 vehicles.

The increasing agitation among workers poses a problem for Japanese companies that shifted production to China in the hopes of taking advantage of lower labor costs and cashing in on its growing consumer market.

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