

Toyota Eyes New China Plant

The Associated Press

NAGOYA, June 19 (Kyodo) — Toyota Motor Corp. is considering building a new plant in Tianjin, China, as it seeks to catch up with rivals from the United States, Europe and South Korea in the world's largest auto market, company officials said Tuesday.

While the envisioned plant will likely increase the annual production capacity of the leading Japanese automaker in China to 1 million vehicles, the construction of a new plant is subject to permission from the Chinese government.

Worried about overcapacity, the Chinese government has recently been reluctant to approve new auto plant construction by foreign automakers, with Japan's Fuji Heavy Industries Ltd. having forgone building a plant.

Toyota already operates factories in Tianjin, Changchun, Chengdu and Guangzhou in partnership with two Chinese companies -- China FAW Group Corp. and Guangzhou Automobile Industry Group Co. Toyota began producing Corolla models at a new plant in Changchun in May.

The automaker currently has the capacity to produce 920,000 vehicles annually in China.

The Chinese government has at the same time encouraged main parts for environmentally friendly vehicles to be produced domestically.

Toyota has marketed its technological contribution in China, announcing last October the establishment of a research and development base in Jiangsu Province and unveiling plans to produce and sell Chinese-made eco-friendly vehicles around 2015.

Ranked seventh in the Chinese market by unit sales in 2011, according to research firm IHS Automotive, Toyota "must quicken its implementation speeds," a top Toyota official said.

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