

Recovering Japan Automakers Still Cautious

The Associated Press

TOKYO, Aug. 7 (Kyodo) — Toyota Motor Corp.'s annual global output is expected to exceed 10 million units this year in a clear indication that Japanese automakers have recovered strongly from the massive earthquake of March 2011.

But they remain cautious about the immediate future and are gearing up for a possible spillover of the eurozone debt crisis as the European market continues to deteriorate.

In announcing a plan recently to produce 10.05 million units in 2012 under the Toyota group, Senior Managing Officer Takahiko Ijichi indicated confidence in achieving the landmark figure, never before achieved by any automaker in the world.

"We are not working in order to become the world's No. 1. It is the result of making each and every vehicle carefully," Ijichi said.

While most major Japanese electronics makers have seen drops in profits, automakers have maintained their competitive edge.

Toyota's mainstay Camry sedans have seen brisk demand in the North American market while Honda Motor Co.'s U.S. sales in the April-June period doubled from a year earlier.

Toyota lost its position as the world's top automaker in terms of global sales in 2011 to place fourth, but reclaimed its title in the first half of this year, eclipsing the sales of U.S. auto giant General Motors Co.

But concerns lie in the ailing European market. The automobile markets in southern European countries such as Spain and Italy, which are experiencing financial crises, have seen unending deterioration, prompting automakers to review production.

French automaker PSA Peugeot Citroen has decided to close its plant on the outskirts of Paris as part of such moves.

The decline of the market has led to the emergence of a protectionist mood in the country, with a French minister hinting at the possibility of restricting imports of South Korean vehicles.

On the back of gloomy prospects for the region, Toyota has slashed its forecasted growth of European sales to about 4 percent from an initial 8 percent.

"We have seen a major impact...and we will have a major review of our business in Europe," said Honda Executive Vice President Tetsuo Iwamura, while Mitsubishi

Recovering Japan Automakers Still Cautious

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Motors Corp. has decided to retreat from the region altogether, selling its Netherlands plant for 1 euro on the condition that some 1,500 workers there would not lose their jobs.

As Japanese automakers have relatively low exposure to the European market, the impact of its deterioration has so far remained limited.

But they worry that the decline in the European economy could drag down other markets including the United States, China and Southeast Asia.

In the wake of the financial crisis in 2008, triggered by the bankruptcy of U.S. investment bank Lehman Brothers Holdings Inc., Japanese firms took heavy blows. Toyota, which had been beefing up production up until 2007, saw drops in sales in 2008 and 2009.

A Toyota executive said the credit worries in Europe could develop into a further financial crisis, expressing concern that the automaker could become short of funds in such an eventuality.

Source URL (retrieved on 01/28/2015 - 8:23pm):

<http://www.impomag.com/news/2012/08/recovering-japan-automakers-still-cautious>