

Yokohama: Tire Demand Calls For U.S. Plant

The Associated Press

WEST POINT, Mississippi (AP) — Executives with Yokohama Rubber Co. Ltd. say they will build a [new tire plant in Mississippi](#) [1] because they see a global supply shortage for tires.

The company plans to invest \$300 million, hiring 500 people, in a first phase, and could invest \$1.2 billion, hiring 2,000 people, over time. State and local governments could give more than \$340 million in aid and tax breaks.

Takayuki Hamaya, chief operating officer of Yokohama Tire Corp., told The Associated Press in a phone interview Monday that construction would start in September and production is scheduled to begin in October 2015.

The company now makes tires for passenger cars and trucks in Salem, Virginia. It makes commercial tires at a joint-venture plant at a plant in Mount Vernon, Illinois.

Hamaya said Yokohama doesn't plan to withdraw from the joint venture in Illinois.

He said it makes sense to build a truck and bus tire plant in the United States because that's where Yokohama sells the most commercial tires.

"By looking at what demand is worldwide, we definitely see a shortage of supply," Hamaya said.

Many Japanese companies have looked to increase production in the United States because the yen had been valued highly against the dollar. Hamaya noted the value of the yen has fallen in recent months, said any currency gain would only be a side benefit.

The Mississippi plant is the latest in a series of expansions for Yokohama. Earlier this year, the company announced plans to increase production capacity at plants in Russia, the Philippines and Thailand. The company is also considering new plants in China, India and Latin America.

Source URL (retrieved on 01/28/2015 - 12:14am):

<http://www.impomag.com/news/2013/04/yokohama-tire-demand-calls-us-plant>

Links:

[1] <http://www.impomag.com/news/2013/04/ms-lawmakers-pass-incentives-tire-maker>