

## Toyota eyes US as big export base as yen remains strong

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Japanese carmaker Toyota is seeking to increase exports from its North American factories in a bid to cushion the impact of a strong yen.

The Japanese currency has risen by almost 10% against the US dollar in the past nine months, making Toyota's cars more expensive to foreign buyers.

At the same time, a rising yen has also hurt profits at the world's biggest carmaker.

Toyota currently exports to 19 different countries from North America.

"This is just the beginning of a new era of North America being a source of supply to many other parts of the world," said Yoshimi Inaba, chief operating officer of Toyota's North American operations.

Big dent

The Japanese currency has remained stubbornly high against the US dollar, despite repeated efforts by Japanese central bank to weaken it.

The recent global economic uncertainty has seen many investors flock to the yen, which is considered a safe asset.

It was trading at 76.89 yen against the US in Asian trade on Tuesday.

Analysts said the yen's strength had forced the Japanese carmakers to rethink their policies.

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"With the yen currently running around 75 to 76 against the US dollar, no mode of car exports from Japan can make money," Koji Endo of Advanced Research Japan told the BBC.

"There is no point for the manufacturers to continue to exporting vehicles from Japan," he added.

However, Mr Endo explained that Japanese carmakers will have to shift substantial amounts of exports out of Japan to negate the affect of a rising yen. If the volume is low, there is no point in transferring," he explained.

Repositioning?

At the same time, Toyota's market share in the US has been falling in recent years.

The carmaker has been hit by a variety of issues, including massive recalls because of various quality control issues.

Its production and sales were also hurt by disruptions to its supply chain in the wake of the natural disasters in Japan and Thailand last year.

To make matters worse, Toyota has faced increasing competition, not just from US and European carmakers but also South Korean manufacturers such as Hyundai, which have been making inroads into the US market.

As a result, Toyota is looking to ramp up its line-up by rolling out 19 new or refreshed models across the three brands.

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Jim Lentz of Toyota said: "40% volume is going to come from new or refreshed models this year."

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