

Toyota moving Tacoma production to San Antonio

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FREMONT, Calif. — Toyota Motor Corp. confirmed Thursday that it will relocate production of the Tacoma pickup from a plant in Northern California to its state-of-the-art manufacturing facility in San Antonio by next summer.

The relocation will bring San Antonio's plant, which has an annual capacity to build about 200,000 Tundras, back up to two shifts for the first time since the plant shuttered for three months last summer.

The Tacoma production will bring new jobs to San Antonio's underutilized facility, but Toyota says it's still too early to say how many.

Local officials, however, estimate that it could boost total employment at the San Antonio Toyota campus by as many as 1,100 employees and would bring suppliers back up to capacity.

Toyota has invested \$1.3 billion in the San Antonio plant.

Leaders from San Antonio and the state had been working to lure Tacoma production to the San Antonio Toyota plant through an incentives package laced with tax abatements and economic development funds.

Gov. Rick Perry said the announcement "reflects the depth of the ties between Toyota and Texas while underscoring the strength of our state's work force and job climate."

In California, however, about 4,700 workers at the Fremont plant stand to lose their jobs, and a network of more than 1,100 California-based suppliers, which employ tens of thousands of workers, will be affected.

"The decision about the Tacoma production was difficult, given the impact on employees and suppliers in California," Ken Fujita, president of Toyota Motor Manufacturing Texas, said in a statement.

The plant in Fremont was Toyota's first manufacturing facility in the United States when it opened in 1984 as a joint venture with General Motors and was called New United Motor Manufacturing Inc., or NUMMI. At its peak, the plant was capable of building 150,000 Tacomas a year.

But GM said earlier this year that it would stop production at the plant. Toyota had made Corollas and Tacomas there but would have been unable to keep the plant going by itself.

"It just would not be economically viable to continue the production contract with NUMMI," Toyota Executive Vice President Atsushi Niimi said in a statement.

"I always like to see people keep their jobs in the overall scope of things, but I think it's in Toyota's best interest," said Erich Merkle, an auto analyst based in Michigan and president of Autoeconomy.com. "The flip side is, someone is going to benefit."

Courtesy of JB Goodwin