

Toyota to invest \$10bn in the US

DETROIT: Toyota will invest \$10 billion in the United States over the next five years, the company said on Monday at the annual Detroit auto show.



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The announcement comes just days after US President-elect Donald Trump criticized the Japanese manufacturer for a previously-announced relocation of Toyota Corolla production to Mexico.

Toyota will devote a majority of the new investment to improving manufacturing plants, spokeswoman Amanda Sawyer Roark said in an email to AFP. "This investment also includes our new headquarters in Plano and research into autonomous vehicles and robotics," she said.

The company declined to say whether the investments would lead to the creation of new jobs, a key mantra of the incoming US president, who has repeatedly targeted automakers with his tweets.

Toyota, the world's largest automaker, employs 40,000 people in the United States, of which 5,000 were hired in the last five years.

Last Thursday, Trump tweeted about Toyota's Mexico plans, saying, in part: "NO WAY! Build plant in US or pay big border tax."

Like other companies Trump has attacked on Twitter, the threat worried the Japanese auto industry, and Toyota's share price fell on the Tokyo Stock Exchange.

Toyota responded with a reminder of its existing US investments.

"With more than \$21.9 billion direct investment in the US ... Toyota looks forward to collaborating with the Trump Administration to serve in the best interests of consumers and the automotive industry," the company said in a statement.

In addition to Toyota, Trump also has criticized - and threatened with similar treatment - General Motors and Ford for relocating production facilities to Mexico in order to take advantage of cheaper labour under free-trade rules.

Ford last week scrapped a \$1.6 billion investment in Mexico and then said on the first day of the auto show that it would revive two iconic American vehicles, the Bronco sports utility and Ranger pickup, building them in Michigan.

Source: AFP

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