Toyota Plans Shutdowns at European Plants

By YOSHIO TAKAHASHI

TOKYO—Toyota Motor Corp. said Friday it will temporarily halt production at its factories in France and the U.K. for a total of at least 12 days from late March, due to weaker demand for its vehicles in the region after a series of global safety recalls.

The production suspension coincides with planned production adjustments at two Toyota plants in the U.S. for up to two weeks in March and April, aimed at preventing inventory levels from building up in the wake of the recalls.

Toyota will halt production from April 6-9 at its plant in France, where it manufactures the Yaris compact, and also plans to halt output at the plant sometime in late April. The world's biggest car maker by volume will also stop operations in the U.K. for a total of eight days, from next Monday to Thursday and from April 6-9.

The production halt in the U.K. also comes as the company revamps its production line of its two U.K. production lines in August. Tadashi Arashima, chief executive of Toyota's European division, said earlier this month that the company expects its sales in Europe to drop this year, as the recession, the expiry of government car-scrapage schemes and the recalls dent demand for its vehicles.

In 2009, the Japanese car maker sold 730,831 vehicles in Europe, down 4.7% from the previous year. Its market share stood at 5%.

In Japan, Toyota said Thursday that it aims to finalize the details of its first ever group-wide reorganization of its production facilities by this summer to avoid a steep fall in profitability in the wake of the recalls.

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