
Downsizing deals - Toyota to cut 3,000 jobs in Japan

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Bloomberg reported that Toyota Motor Corporation will cut its domestic temporary workforce by 50% as vehicle demand slumps globally. Mr Paul Nolasco spokesman of Toyota said that it will cut the number of temporary workers to 3,000 from 6,000 by the end of March 2009.

Toyota follows Mazda Motor Corporation and Isuzu Motors Limited, which said that they would slash a combined 2,700 temporary jobs in Japan in response to slowing sales.

Earlier this month, Toyota forecast a 68% drop in full year net income, the biggest decline in at least 18 years, as a global recession cripples auto demand.

Mr Hirofumi Yokoi a Tokyo based analyst at automotive consulting company CSM Worldwide said that "Falling export demand is having a big impact on production in Japan. It is unlikely plants will get shut down, but if things get worse, lines, shifts will have to be stopped and plans for new factories will be delayed."

Japanese companies, which focused on hiring easy to fire contract workers during the 15 years of lackluster economic growth that followed the bursting of the bubble economy in 1990, are now shedding them as the global recession cuts demand.

According to the labor ministry, temporary and part time workers make up 33% of Japan's workforce, up from 20% in 1991.

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