

\$400-million investment readies Toyota's Ontario plant to produce baby boomers' dream car

Toyota Motor Manufacturing Canada (TMMC) is spending \$400 million to gear up one of its Cambridge, Ontario, plants, to produce an all-new sport coupe for the North American market. Toyota has assigned the Canadian plant exclusive responsibility for production of its new vehicle.

Toyota's new offering will look very much like, and may even bear the name of the Solara, a convertible "concept" car that rolled into the spotlight at the Chicago International Auto Show in February.

Yoshio Nakatani, President of Toyota Canada Inc., TMMC's marketing arm, said that in introducing a new coupe, Toyota has an eye on the greying cohort of baby boomers who, the company believes, will bring their taste for sporty models into their later, more affluent years. Noting that boomers and their tastes have influenced automobile sales throughout their life spans, Nakatani said: "They were the import sedan and hatchback buyers of the late 70s and early 80s. Later they became the mid-size sedan buyers, then the minivan buyers and more recently, the sport utility buyers for the end of the 90s. They are now becoming empty nesters. They have the time and money and freedom."

In the Solara, they will also have more space and comfort than they did as joy-riders of the 60s: the four-seat mid-size car will be larger and more luxurious than coupes of the past.

Investment in Canada: \$2.2 billion and counting

Announcing the new mandate, TMMC President, Hiroaki Watanabe, says that retooling will be complete in 1998 after

which the Cambridge plant will produce up to 40,000 of the coupes per year. The announcement brings Toyota's total investment in its Cambridge facilities to more than \$2.2 billion, including \$600 million for a new plant which will start producing Corollas this year at a 120,000-per-year clip. In total, these expansions will add 1,000 workers to the plants' 1,200 workforce. The retooling project will raise the total capacity of the two plants to 200,000 vehicles a year.

Ray Tanguay, Vice-President of TMMC, said that the scale of Toyota's investment in Cambridge is linked to the plant's stellar performance. Since 1990, the plant has won three prestigious J.D. Power gold awards, two of them in 1995 and 1996. The award is based on customer satisfaction as measured by J.D. Power in a survey of car owners. The gold goes to the company that finishes first in a field of 75 North American assembly plants.

"We are pleased and honoured to be chosen as the manufacturer of this brand new vehicle," said Watanabe. "I know that our Canadian team will meet the challenge with the same energy and commitment to quality that has impressed the North American auto industry over the past nine years." ♦

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