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Toyota Stays Mum on Possible Fuel Cell Vehicle Deal With GM

By Steve Herman

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Speculation is mounting that the two top automakers on both sides of the Pacific are going to cooperate to build cars powered by fuel cells. And, in the skies, Japan's flag carrier has returned to profitability but is losing its leader because of a bumpy safety record. Those are among the stories in this week's look at Japanese business news.

Japan and America's top automakers are staying mum amid intense speculation the two companies will soon announce a partnership to build vehicles partially powered by fuel cells.

Toyota and General Motors reportedly have been collaborating on alternative fuels research for more than five years. But Toyota President Hiroshi Okuda says there is nothing specific to announce yet.

Mr. Okuda says while Toyota may offer technology to GM, it is not thinking of working together with the American rival on building hybrid cars.

The Toyota president also announced a record fourth quarter profit of \$2.8 billion with sales growth of more than four percent. For the full fiscal year, net income grew less than one-percent to total \$11 billion.

A GM affiliate, Suzuki Motors, has reported record group sales and profits. The automaker says its group net profit for the fiscal year that ended in March jumped 38 percent and sales were up 7.6 percent. But, Suzuki expects its group net profit to fall nearly 21 percent to about \$460 million this year, as it increases its investment and research costs.

Japan's economy continues its gyrations on the road to recovery. The Cabinet Office says a key gauge for the economy was above the boom-or-bust line in March for the first time in two months. The Index of Coincident Economic Indicators rose from 30 percent in February to nearly 67 percent in March. But the government warns that the index is likely to fall below 50 percent again when the April numbers are tabulated.

Despite returning his company to profitability, the chairman of Japan Airlines is resigning. Isao Kaneko's resignation comes after a series of safety-related incidents involving JAL aircraft, which have drawn reprimands from the country's Transport Ministry. The airline has also made an unusual announcement that the recent problems likely come from putting too much emphasis on punctuality.

Mr. Kaneko leaves with his airline reporting an annual profit of more than 285 million dollars after a loss of about \$850 million the previous year.

The latest rankings for economic competitiveness find Japan in 21st place, up two positions from last year. But that is still far below where it was in the early 1990s, when it was the top-ranked nation. The World Competitiveness Yearbook, compiled by a Swiss business training center, has the United States retaining this year's top spot, followed by Hong Kong and Singapore.



By
Steve Herman

White House Bureau Chief

Steve Herman is VOA's White House Bureau Chief. The veteran journalist spent more than a quarter of a century in Asia, including years of reporting from Tokyo and subsequently as a VOA correspondent and bureau chief in India, Korea and Thailand. He also served in 2016 as VOA's Senior Diplomatic Correspondent, based at the State Department.

His articles, columns and reviews have been published in numerous newspapers and magazines including the *Far Eastern Economic Review*, *Harvard Summer Review*, *Honolulu Star-Bulletin*, *Japan Quarterly*, *Japan Times*, *Popular Communications*, *Proceedings* (U.S. Naval Institute), *Radio World*, *Shukan Bunshun*, *Shukan Gendai*, *South China Morning Post* and the *Wall Street Journal*.

Steve appears frequently on such networks and channels as ABC News 24 (Australia), ABC World News Weekend, ABS-CBN News (Philippines), Arirang TV, BBC, Buckmaster Show (KVOI Tucson), CBC Radio, the CBS Evening News, Channels TV (Nigeria), CNN, Euronews, John Batchelor Show (WABC New York), KNPR (Nevada Public Radio), Radio New Zealand and several cable news networks in India.

Steve was elected for five consecutive years to serve as Chairman of The Foreign Press in Japan (FPIJ), after completing a one-year term as President of the Foreign Correspondents' Club of Japan (FCCJ). He also served a one-year term as President of the Seoul Foreign Correspondents' Club and a two-year term as a Governor of the Overseas Press Club of America. Steve also serves as the U.S. Agency for Global Media representative on the American Foreign Service Association governing board.

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