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Toyota Motor Manufacturing, USA, Inc.: Background Information Submitted to the Commission on the Future of Worker- Management Relations

Toyota Motor Manufacturing, USA, Inc.

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Disciplines

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HOT TOPICS
"Future Worker Management"

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**TOYOTA MOTOR MANUFACTURING, U.S.A., INC.
GEORGETOWN, KENTUCKY**

for

**Commission on the Future of
Worker Management Relations**

September 15, 1993

TOYOTA MOTOR MANUFACTURING, U.S.A., INC.
Georgetown, Kentucky

- **December 11, 1985** - Toyota Motor Corporation announces the selection of Kentucky as location for first wholly-owned U.S. automobile manufacturing facility.
- **May 5, 1986** -- Ground is broken marking start of construction for plant.
- **November 9, 1987** - Power Train Plant is announced.
- **May 26, 1988** - First car ceremony.
- **July 1988** - Volume production begins.
- **August 1988** - Power Train construction begins.
- **October 1988** - Axle production begins.
- **November 1989** - Engine production begins.
- **June 1991** - Construction begins for Expansion Plant.
- **February 1993** - On-site child care center opens.

INVESTMENT:

Original Manufacturing Facility	- \$800 million
Power Train Plant	- 300 million
Expansion Plant	- 800 million
Power Train Expansion Plant	- 90 million
Die Shop	- <u>13 million</u>
<i>Total Investment in Kentucky</i>	- More than \$2 Billion

FACILITY SIZE:

TMM property	- 1,300 acres
Original Manufacturing Plant	- 3.70 million sq. ft.
Power Train Plant	- .75 million sq. ft.
Expansion Plant	- 3.20million sq. ft.
Power Train Expansion Plant	- <u>.20 million sq. ft.</u>
<i>Total Facility Size</i>	- 7.85 million sq. ft.

OPERATIONS:

Stamping, Die Shop, Body Weld, Paint, Plastics, Assembly,
Engine/Axle Machining and Assembly

PRODL

KENTUCKY IMPACT:

Directly and indirectly responsible for 17,883 jobs in Kentucky. That total will grow to more than 22,000 jobs by 1996.

Total output of Kentucky economy is increased by \$1.5 billion, and earnings of Kentucky households are enhanced by more than \$500 million.

Forty suppliers of raw materials, parts and components are from Kentucky, for a total of more than \$200 million per year; this number continues to increase.

More than 50 automotive-related plants have located in over 30 counties in Kentucky since Toyota announced in 1985. These plants employ over 9,000 Kentuckians.

In addition, TMM contracts with hundreds of suppliers of general goods and services in Kentucky.

MAJOR CONTRIBUTIONS:

More than \$20 million over a 20-year period to the Scott County school system. (This is in lieu of property taxes from which the plant is exempt because of Industrial Revenue Bond funding.)

More than \$500,000 annually to schools, groups, charities; since start-up, TMM has contributed more than \$5 million to local and statewide philanthropic activities.

\$1 million to create a new Georgetown community center.

\$2 million to the University of Kentucky Library.

\$50,000 to Georgetown College.

\$500,000 for Lexington's Thoroughbred Park

QUALITY AWARDS:

J.D. Power Quality Plant Awards in 1990, 1991, 1992 and 1993 signifying one of the best-built cars in the U.S. Awards in 1990 and 1993 were Gold Awards, signifying best-quality auto plant in North America. The Camry has won numerous other honors in 1993, such as "Best Family Car" recognition from Family Circle Magazine and Car and Driver Magazine, and a salute from Automobile Magazine calling the Camry "The best car built in America."

EXPORT PROJECTIONS:

More than 20,000 Camry's are exported annually to Japan, Europe, Canada, the Middle East, and Taiwan. Some of the exports are right-hand drive, designed specifically for the Japanese market and Great Britain. In addition, TMM exports engines and drive-train parts to Japan.

883 jobs
in 22,000

PRODUCT:

Toyota Camry Sedan
Camry Station Wagon
Right-hand Drive Camry Wagon

PRODUCTION CAPACITY:

Original Manufacturing Plant
Expansion Plant

- 200,000 vehicles per year
- 200,000 vehicles per year

Total

- 400,000 vehicles per year

Power Train Plant
Power Train Expansion Plant

- 300,000 engines per year
- 200,000 engines per year

Total

- 500,000 engines per year

EMPLOYMENT:

Current Employment
(As of 06/01/93)

- Over 4,700 (96% are Kentuckians
hired from over 112 of the 120
counties)

Following Expansion
Plant Completion

- About 6,000 by 1995

ANNUAL PAYROLL:

- About \$185 million; expected to
grow to \$270 million by 1995.

EDUCATION:

All have a high school education

More than 50% have high school
plus

Nearly 25% have college degrees

ECONOMIC IMPACT:

Domestic content is about 75%.

For the high-dollar area of parts
and materials, we have gone from
buying \$70 million from 90 U.S.
parts and materials suppliers in
1988 to \$1.5 billion from 174
suppliers in 1992. Those totals will
continue to grow.

Almost 70% of our 174 U.S. materials
and parts suppliers are traditional
U.S. companies; when U.S./Japan
ventures are added the total jumps
to 82%.

More than 80% of the steel comes
from U.S. steel companies.