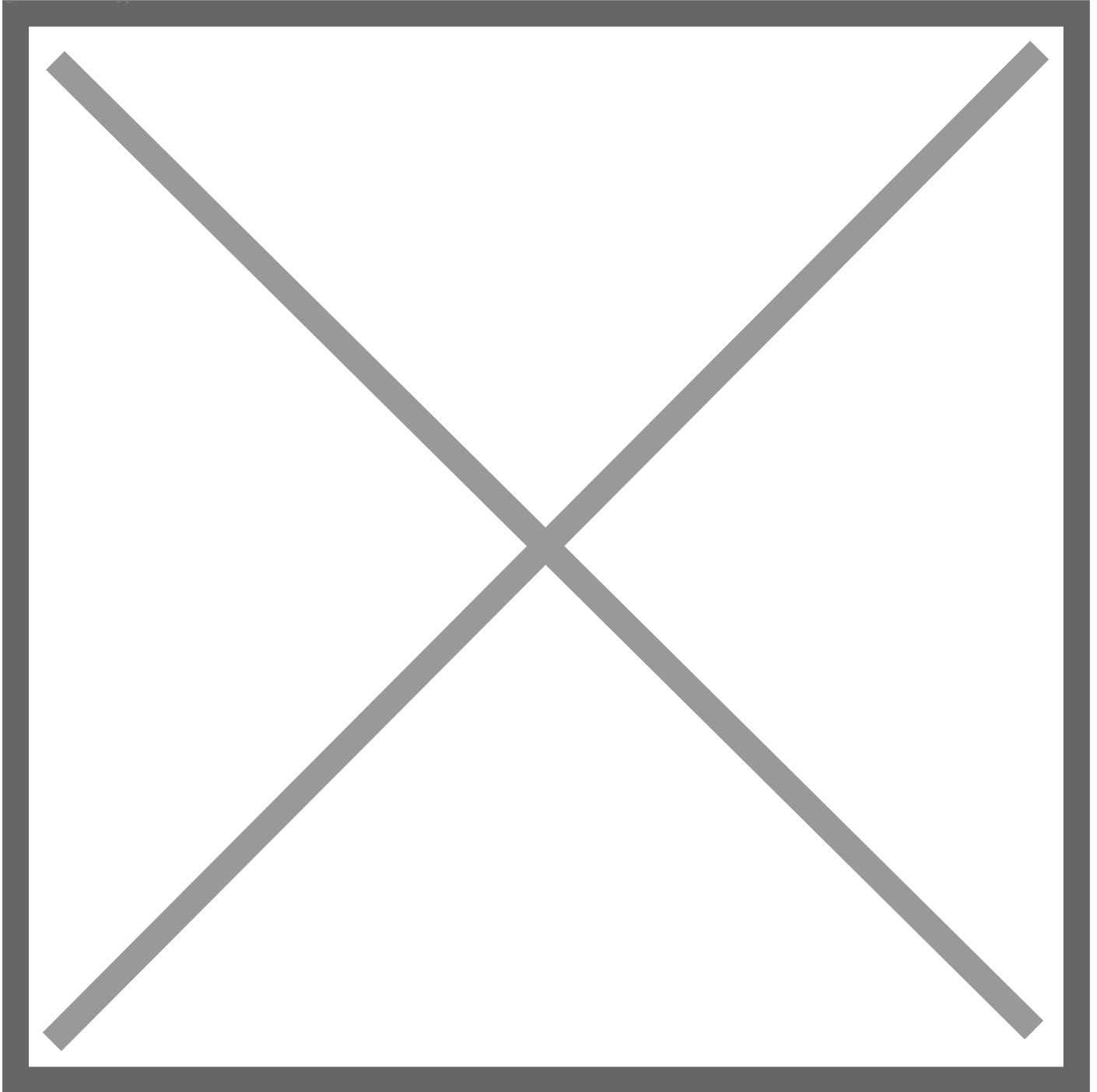


Toyota Submits Comments on Proposed Import Tariffs to Commerce Department

June 29, 2018

Image not found or type unknown



Toyota Motor North America today filed comments with the U.S. Commerce Department on its Section 232 investigation on the national security implications of imported vehicles and parts. Key excerpts from the company's comments are below. Toyota's full submission can be found [here](#).

Importance of fair trade:

- “Free and fair trade is the best way to create sustained growth for the auto industry, employment opportunities for American workers and provide more choice and greater value for American consumers. Erecting trade barriers, like import tariffs, will ultimately invite retaliation from other nations and undermine America's leadership, exports and competitiveness overseas. Toyota stands ready to work with the Administration to advance opportunities that remove such barriers, promote economic growth and strengthen national security.”

Auto industry Impact:

- “Tariffs on imported parts will disrupt U.S.-based production of motor vehicles, since it will deprive our U.S. manufacturing plants of key parts and components. Like most global automakers, including the Detroit-based companies, Toyota sources most key parts and components locally, e.g. engines and chassis, but also imports certain specialized parts and components. There is no vehicle in the United States, whether from Toyota, GM, Ford, FCA, Daimler or Hyundai, that is sole-sourced from exclusively U.S. parts and components.”

Consumer Impact:

- “A potential tariff on automobiles and parts would have a negative impact on all manufacturers, increasing the cost of imported vehicles as well as domestically produced vehicles that rely on imported parts. To give a Toyota example, the Camry is built in Kentucky, and has been the best-selling car in America for 19 of the last 20 years and one of the best American-made cars you can buy. But even the Camry has about 30% non-U.S. content. This means the Camry would see a cost increase of \$1,800 (based on a price of \$23,645). Ultimately, this cost will likely be passed along to consumers in the form of higher prices.”

Trading partners:

“Closing the U.S. market to imported autos would open the door for other countries to use “economic security” arguments disguised as “national security” arguments to impose tariffs on U.S. products to protect their domestic companies against a host of U.S. manufactured exports and farm products. Engaging in trade wars with our allies would diminish, not enhance, U.S. national security, jobs and prosperity, and undermine the rules-based global trading system, which has led to a period of unparalleled peace and prosperity in Europe and Asia for the last half century.”