

Toyota cuts output target amid China spat

Toyota Motor is cutting its target of producing more than 10 million vehicles this year after suffering a sales drop in key market China amid strained Sino-Japanese ties, a report said on Tuesday.

Japan's biggest automaker had aimed to top the 10-million mark in what would have been a first for the company, saying earlier this year that it expected global output to hit 10.05 million vehicles in 2012.

But a bitter territorial dispute over an East China Sea island chain has dented Japanese automakers' sales in China, the world's biggest vehicle market, and seen many Japanese firms cut back production in the country.

Toyota's annual global production was now likely to be 9.8-9.9 million units this year, the leading Nikkei business daily reported, citing unnamed company officials.

Solid demand in North America and Southeast Asia was not enough to offset the slump in Chinese sales, the report said.

After slashing its China production in half earlier this month, Toyota plans to keep output at plants in the country about 30 percent lower than year-ago levels, the Nikkei added.

Toyota would not immediately comment on the Nikkei story.

Tensions over the territorial spat surged in September when Japan nationalised the archipelago, known as the Senkakus in Japan and Diaoyu islands in China, which are believed to sit atop vast mineral reserves.

Huge anti-Japan protests broke out across China and stoked calls for a boycott of Japanese products.