

Toyota 'lost way' in rapid expansion

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Akio Toyoda, the embattled Toyota chief executive, has admitted that the company lost its way and sense of priorities in its rapid rise to the top, culminating in a massive vehicle recall and a loss of consumer trust.

"I fear the pace at which we have grown may have been too quick," Mr Toyoda said in written testimony released on Tuesday and due to be delivered today before the US House oversight committee.

While safety used to be the company's top priority, followed by quality and volume, the chief executive acknowledges that those priorities became "confused" in the expansion of its business.

"We pursued growth over the speed at which we were able to develop our people and our organisation, and we should sincerely be mindful of that," Mr Toyoda's testimony says.

Lawmakers are expected to grill Mr Toyoda on when Toyota first learned of safety problems related to sudden acceleration in its vehicles and whether it sought to play down their seriousness with US regulators. He will also face questioning on Toyota's relationship with regulators.

In a hearing on Tuesday before the House energy and commerce committee, which is also investigating the recall, members' concern was also directed at US safety regulators at the National Highway Traffic Safety Administration.

"Carmakers have entered the electronics era, but the NHTSA seems stuck in a mechanical mindset," said Henry Waxman, the Democratic chairman.

One representative questioned whether the agency had become too close to the carmakers.

Lawmakers also raised the prospect of legislation to tighten safety rules in light of the growing complexity of vehicles.

Bart Stupak, a senior Democratic member of the committee, said that Toyota's problems called into question whether a 2000 law, passed in the wake of numerous fatal crashes involving Ford Explorer SUVs fitted with Firestone tyres, was adequate for today's issues.

In his opening statement, Ray LaHood, the US transportation secretary, did not acknowledge any missteps by his department. Instead, Mr LaHood said that NHTSA officials had "pushed Toyota to take corrective action" at "every step of the way".

Jim Lentz, head of the carmaker's US marketing arm, said Toyota would "think differently" in future when investigating complaints about its vehicles and would communicate more quickly with customers and regulators. Mr Lentz disclosed that Toyota's 1,500 US dealers had so far repaired almost 1m recalled vehicles.

Fonte: Financial Times, London, Feb. 23rd 2010, Companies, online.