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The Japanese auto majors, Toyota and Honda have started to look for new alternative suppliers for its components after the recent floods in Thailand, which is a key component supplier in the Asian markets, have completely disrupted their operations in India. Toyota is estimated to be incurring a loss of about 800 to 1000 vehicles or 8 to 10% of the total output due to the disruption in supply. The parts meant for Philippines and Indonesia are being diverted to the Indian facility to keep up with the production to control the waiting period of Innova and the Fortuner customers in India. Similarly, Honda Siel has suffered output losses of more than 60 to 70%. The company is in talks with Chinese and Japanese suppliers to restore production normalcy in India.

"Toyota Motor Asia Pacific has given India the top-most priority. It is helping us by sourcing and diverting components, meant for Indonesia and Japan, here to sustain our good growth. Through this arrangement we will have spare parts supply till the end of the month," Sandeep Singh, deputy managing director, marketing, Toyota India, said.

Key engine components for the Fortuner and Innova are imported by Toyota from Thailand while Honda Siel imports electronic and under-body parts. Toyota has said that its supplies are secure till the end of November though the exact scenario will be known by this month end. For Honda the condition is much worse. The company has been forced to stop production of its City and Brio since the company has run out of key critical components for these models. The waiting period for Jazz and Brio has run into 3 to 6 months and the company has already stopped bookings for the Jazz. If such conditions persist, the company might be forced to stop bookings for the Brio as well. For the Innova and the Fortuner, the waiting period is 4 months and 4-6 months respectively. However, there has been no impact on its small car Liva and the sedan, Etios which forms more than 50% of the total sales volumes.



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