

Auto supplier Denso: \$1B investment in Tennessee plant

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In this Aug. 25, 2015 file photo, Gov. Bill Haslam shakes hands with Koji Arima, president and CEO of DENSO Manufacturing at a 25th anniversary celebration of DENSO operating in Tennessee, in Maryville, Tenn. Denso says it will invest \$1 billion in its Maryville, Tennessee manufacturing plant, and create more than 1,000 new jobs. The investment is intended to make the plant the Japanese company's primary manufacturer in North American for electrification and safety systems. (Saul Young /Knoxville News Sentinel via AP, File)

Automotive supplier Denso announced plans Friday to invest \$1 billion and create more than 1,000 new jobs in its main Tennessee facility to meet growing demand for electric vehicle parts.

The investment is aimed at making the Maryville plant the Japanese company's primary manufacturer in North American for electrification and safety systems, the company said.

"This is an investment in the future of Denso, and also the future of transportation," Kenichiro Ito, the chairman of Denso North America, said in a statement. "We are seeing dramatic shifts in the role of transportation in society, and this investment will help position us to meet those changing demands."

The company plans to expand several production lines to produce advanced components for hybrid and electric vehicles. The products are designed to improve fuel efficiency and preserve electric power by recovering and recycling energy. They also will boost efficiency for the entire vehicle by anticipating road conditions through data collected inside and outside the car.

The expansion in Maryville comes atop a \$400 million investment that the company announced in 2015 to consolidate its warehouse operations, a move intended at the time to add 500 jobs.

Denso opened the plant in Maryville in 1988 with about 100 employees. U.S. Sen. Lamar Alexander, then governor, has said the facility in his hometown was a sort of consolation prize after Tennessee lost out to Kentucky for a Toyota assembly plant. Today about 3,200 people work at the Maryville plant, besides another 1,400 employees at another Denso facility in nearby Athens, Tennessee.

The announcement comes as Tennessee Gov. Bill Haslam prepares to

embark on a trade mission to Asia that will include a pitch seeking to attract a new joint Toyota and Mazda assembly plant to his Southern state.

The Japanese automakers announced in August that they plan to spend \$1.6 billion on the new manufacturing plant, creating up to 4,000 jobs. The companies plan to work together on advanced auto technology, such as [electric vehicles](#), safety features and connected cars, as well as products that they could supply each other.

Tennessee is home to assembly [plants](#) by Nissan, General Motors and Volkswagen, along with a slew of suppliers. The state has been prepping a sprawling site outside of Memphis in hopes of attracting another auto manufacturing plant.

"We would love to get the Mazda-Toyota plant," Haslam told reporters Thursday. "We think we have leg up in automobile manufacturing because we're so strong in it now, and there is a sense in which there's a real desire to locate near other suppliers."

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