

Automotive News

Takata to hike inflator output at Mexico plant

Supplier adding 2 lines in early '15 to keep up with recalls

[David Sedgwick](#)

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Under heavy pressure to boost output of replacement inflators for airbags, Takata Corp. is preparing to build two new production lines at its plant in Monclova, Mexico.

Company spokesman Alby Berman said Thursday the lines should start up in January -- a delay caused by the need to install and test new tooling.

"Those things take time," Berman said. He could not confirm how many inflators the two new lines will produce.

The production of replacement inflators is likely to be a key line of questioning next Thursday, when the Senate Commerce Committee is scheduled to hear testimony from Takata about the airbag recall. The Senate hearing also will include representatives from the National Highway Traffic Safety Administration and Honda Motor Co., Takata's biggest customer.

Perhaps due to fast-moving developments relating to the recalls, Takata's production plans have been in flux.

Citing an unidentified source, Reuters reported Thursday that Takata had told financial analysts that it was not considering additional production lines to make replacement inflators. Berman disputed that report.

The Monclova plant already has one assembly line that produces replacement inflators. According to a company production forecast submitted to NHTSA on Sept. 16, Takata expected the Monclova plant to assemble 1.47 million units by February. The new production lines would be in addition to that.

That's still considerably fewer than the inflators needed for about 11 million vehicles that have been recalled in the United States since 2008. Globally, the airbags have prompted about 17 million vehicle recalls, including 9.7 million by Honda (7.6 million in the U.S.), over the same period, according to Reuters. The Japanese automaker has said it is getting all the inflators that it currently needs.

Federal regulators have been pressuring Takata to boost production or allow rival suppliers to help out. The CEOs of Autoliv Inc. and TRW Automotive both confirmed recently that they may get additional business.

But it's not clear whether they'll be able to accommodate those contracts. Last week, an industry expert told *Automotive News* that it would take "some months" for Autoliv or TRW to test and validate their inflators for use by Takata customers.

If that's the case, it's not clear whether Takata's two rivals could launch production any sooner than Monclova's two new assembly lines.

Even with two new lines, it's not clear whether Takata can produce enough inflators on a timely basis -- especially if federal regulators expand the recall, according to Scott Upham, an airbag industry analyst based in Rochester, N.Y.

Said Upham: "We're in wait-and-see mode."