

## Toyota, Honda fear US tariffs to dent profits

REUTERS, Tokyo

Toyota Motor and Honda Motor are expected to report weaker first-quarter earnings this week, as US import tariffs and a stronger yen weigh on profits despite solid demand for hybrids in their biggest overseas markets.

Japanese automakers face growing uncertainty in the US, where tariffs on imports are pushing up vehicle prices and testing the resilience of consumer demand. Investors will be watching for clues on how Japan's two largest automakers are offsetting such burdens.

Toyota, the world's top-selling automaker, is forecast to post a 31 percent year-on-year drop in operating profit to 902 billion (\$6.14 billion) yen on Thursday, according to the average estimate of seven analysts polled by LSEG. That would mark its weakest quarterly result in more than two years.

Honda is expected to report a 36 percent decline in operating profit to 311.7 billion yen on Wednesday, its second straight quarterly drop. The automaker has already forecast a 59 percent fall in full-year profit.

Both companies face the prospect of 15 percent tariffs on Japanese auto imports into the US from levies totalling 27.5 percent previously, following a bilateral trade deal last month.

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Other Japanese automakers and suppliers have also flagged weaker earnings, citing the same pressures from tariffs and the stronger currency compared to the same period a year ago.

"The first quarter is going to be a rough one for Toyota," said Christopher Richter, autos analyst at CLSA. "Things should get easier going forward," he said, citing some relief from the lowered tariffs.

Particularly Honda's reliance on the US has deepened in recent years as sales in other regions falter. Outside of the US, both companies produce key models for the US market in Canada and Mexico.

For Honda, the US accounted for around two-fifths of total sales in the first half of the year. Its global sales fell 5 percent over the period, dragged down by double-digit declines in China, Asia and Europe.

# Pipeline ready to carry fuel from Ctg to Dhaka

Inauguration on Aug 16, expected to save BPC Tk 200cr per year

## Bangladesh's oil imports

(In lakh tonnes)

- Refined furnace oil
- Refined jet fuel, kerosene & diesel
- Crude oil import

80 –

70 –

60 –

50 –

40 –

30 –

20 –

10 –

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