

COMPANIES

# TOSHIBA TO SHUT DALIAN MANUFACTURING BASE

Japanese firm cites revamp of its business structure as reason for ending 30-year presence in the city, with hundreds of jobs expected to be lost

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Japanese electronics giant Toshiba Corporation has confirmed it will cease production at its Dalian facility in the northeastern Liaoning province by the end of this month, and the liquidation process will begin in October, ending its 30-year presence as an economic force in the city.

Established as a manufacturing base focusing on industrial motors and broadcast transmitters, Toshiba Dalian came to Liaoning's second-largest city in 1991. The facility employs about 650 people.

"It was becoming difficult to continue operating the base these days following the termination and transfer of production ... due to changes in the business structure of Toshiba Group, such as the sale of the TV and medical-

equipment businesses," Toshiba Corporation said in a statement.

"The decision was made to dissolve and liquidate Toshiba Dalian Co Ltd as the current production of motors and broadcast transmitters will be discontinued and there are no plans to start up new production."

Social media lit up with comments, photos and videos from facility employees, with many bidding farewell to the company where they had worked for more than a decade.

"Toshiba, once the pearl of the Dalian Development Area, is leaving," one employee said on Douyin, the mainland version of TikTok.

"So many people have worked and lived here. We also got married and gave birth to kids after working for the company. It is so upsetting to see this. I hope all our Toshiba people will have a better life."

Another said, "I have been with the company through thick and thin for 18 years—it was part of my youth, also my second home—so sad to leave."

Toshiba said it would pay "adequate economic compensation to employees, with guidance from the government".

It added that the electronics giant "is developing a wide range of businesses in China and will continue to work towards further business growth in China", without elaborating.

Toshiba Dalian's looming departure comes as a number of countries, including the United States and Japan, are seeking to reduce their dependence on China—a process that authorities in those countries dub "supply-chain diversification", noted Liu Zhibiao, a professor of industrial economics at Nanjing University in Jiangsu province.

Additionally, electronics prod-

ucts from companies such as Toshiba now face strong competition from Chinese brands. Liu added.

"Meanwhile, as China is developing fast as the world's second-largest economy, the cost of environmental protection, labour, and land use for foreign investment is also increasing, so foreign companies need to find new sources of profit," Liu said.

"These products are not very hi-tech, so they have to be very sensitive on costs."

A Dalian-based businessman who works closely with Japanese manufacturers in the city said some have gradually been relocating to Southeast Asia since last year, and one reason cited to him was that it had got harder to recruit workers, particularly as costs kept surging.

"It is also because their shares in the domestic market are slumping fast," said the man, who asked that only his surname Li be given to protect himself and his clients.

Additional reporting by Ji Siqi and Amanda Lee