
Nissan sees tough times for automakers

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According to Mr Carlos Ghosn CEO of Nissan Motor, a recession in the US auto market and rising raw material prices are pressuring global automakers.

But Mr Ghosn told reporters that these represent risk for the industry but expressed optimism that the situation would eventually improve. He said that "We are very lucid on the situation of the industry that there is a recession in the United States, at least in the car market adding automakers also face rising costs for iron ore, precious metals, aluminum and other materials. I do not think that we are seeing trends today which will go forever. The American auto market will not stay in recession for a long time. One day it will grow again."

Mr Ghosn also said that raw materials prices, which are rising for a fourth year, will have to come down. There will be a moment where, for lots of reasons, this will stop."

He added that US car and light truck sales totaled 16.1 million vehicles in 2007, the worst year in a decade, with forecasts for a decrease this year.

Earlier, Mr Ghosn told students at Seoul's Korea University that global automakers must increasingly focus on emerging markets as growth in countries such as Russia, China, India and Brazil will be the key factor in the industry in coming years. He said that " Developed markets such as the United States and Japan have been stagnant for the past four years and prospects for this year were not bright. The Russian market, meanwhile, expanded 25% last year, he said, with China just below that, and India and Brazil also growing strongly. No car manufacturer can ignore these markets."

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