
Production pruning - Nissan to cut Japanese output further

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Nissan Motor Co said that it would cut production in Japan by another 72,000 vehicles over the rest of the business year to March 2009, in addition to a cut of 65,000 vehicles it announced last month. It added that latest move would be on top of its plan announced two weeks ago to scale back production by 200,000 vehicles globally this year.

A spokeswoman said that the latest production cut had been factored into its lowered profit forecasts for 2008-09. Effective from December 2008, Nissan will introduce non operating days as well as reducing production speeds at its Tochigi and Kyushu plants, to cut production by 14,000 vehicles and 40,000 vehicles, respectively.

It will also cancel four shifts in December at the Oppama factory, which builds smaller cars such as the March, Tiida and Note models, for a total 6,000 units. The 72,000 units also include a 12,000 vehicle reduction at Nissan Shatai Co, which builds pickup trucks bound for the Middle East market.

As a result, Nissan will also close two engine factories on some days, and halve the number of short term employees to 500 in January 2009. The move comes less than a month after Nissan said it would cut production in Japan, Britain and Spain as a global economic slowdown hammers demand.

In October 2008, Nissan halved its operating profit forecast for the year to March 31st 2009 to JPY 270 billion and said that it would cut 2,500 permanent jobs overseas and 1,000 temporary workers in Japan.

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