
Nissan to roll out high-tech production system amid pressure to cut costs

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Nissan Motor Co. is introducing a new, higher-tech production system globally to try to boost efficiency as it looks to reverse a slide in profitability.

The updated equipment and other technologies, which include increased automation for applying sealant and installing powertrains, will be rolled out starting with Nissan's Tochigi factory from next year at a cost of 33 billion yen (\$304 million), the company said on Thursday.

Japan's No. 2 automaker declined to say which other plants would be upgraded, or the total budget for the project.

Nissan has seen profit plunge this fiscal year, hit by a stronger yen and falling sales in its key markets of China and the United States, forcing it to slash its forecast for operating income to an 11-year low.

A new executive team is due to take over from Dec. 1, headed by 53-year-old Makoto Uchida, who ran Nissan's China business. The change comes a year after the ouster of former chairman Carlos Ghosn, who is awaiting trial in Japan on charges of financial misconduct, which he denies.

Nissan is implementing a global recovery plan under which it will axe nearly one-tenth of its workforce and cut global vehicle production by 10% through 2023 to rein in costs which the company says ballooned under Ghosn.

(Reuters)