



Nissan expressed optimism about the future of the automotive manufacturing industry in South Africa during a panel discussion at the manufacturing indaba in Ekurhuleni.

PHOTO: SUPPLIED

Nissan optimistic about vehicle production in SA

Roy Cokayne

NISSAN South Africa was optimistic about the future of automotive manufacturing in South Africa and has a strategy to become a leading light commercial vehicle and passenger brand on the African continent.

Nissan SA manufacturing director, Joan Busquets, expressed this view yesterday during a panel discussion at the Manufacturing Indaba in Ekurhuleni, despite the long delay in negotiations between Nissan SA and parent company Nissan Motor Company of Japan about the production of a new one-ton pick-up at its manufacturing plant in Rosslyn, Pretoria.

Busquets said despite low economic growth and its impact on the manufacturing sector, it was important to remain cutting-edge and globally competitive.

"We are investing in new plant infrastructure and innova-

tive Nissan technologies at our Rosslyn plant to make sure our vehicles always meet global standards in terms of quality and cost," he said.

Busquets said the key to success was adherence to global operating procedures, which at Nissan SA involved a blueprint for manufacturing methods across the global family of Nissan and Renault plants.

Nissan SA was investing significantly in skills training and development to assist industry initiatives aimed at addressing the shortage of skilled engineers and operators. Busquets said growing the local supply chain, which would improve the level of localisation on vehicles, was another enabler for global competitiveness.

"Nissan SA is introducing on-site suppliers, which will also have the added benefits of reducing logistics time and cost. Also in the pipeline, with the aim of achieving the same

results, is a Nissan Incubation Centre to assist small black-owned businesses to get a foot in the door of the car supply chain," he said.

Nissan Motor Company in 2012 announced a R1 billion investment in South Africa.

Busquets said all these measures were in support of government's Automotive Production and Development Programme (APDP), which aims to produce 900 000 vehicles a year by 2020.

"While this goal may not seem achievable for car manufacturers in the current economic environment, we mustn't lose sight of the long term," he said.

Nissan Motor Company in 2012 announced a R1 billion investment in South Africa to double the annual production capacity of the Rosslyn plant to 100 000 units and for the production of a new one-ton pick-up for the domestic and export markets.

Mike Whitfield, the managing director of Nissan SA, said in August last year that the negotiations with its parent company were "on track" and he hoped to make an announcement about the outcome in October.

However, an announcement about new models to be produced at the plant have not yet been made.

Engineering News reported that Whitfield said Nissan SA's parent remained committed to South Africa, the Rosslyn plant "has never been in better shape" in terms of quality and efficiency and "we aren't going anywhere".

His comments followed General Motors' (GM) announcement last month that it had decided to disinvest from South Africa and stop the manufacturing and sale of Chevrolet in the domestic market.

In terms of GM's disinvestment plan, Japan-based Isuzu Motors, through the newly established company Isuzu Motors South Africa, plans to acquire GM's light commercial vehicle manufacturing operations in Struandale in Port Elizabeth and continue manufacturing the Isuzu KB and medium commercial vehicles and heavy duty trucks in Port Elizabeth.

GM SA and Nissan SA were in 2015 both granted temporary exemptions from the minimum annual production threshold of 50 000 units in the APDP, which qualifies locally based motor manufacturers for incentives and benefits in terms of the programme.

