



## Multi-million-pound Nissan Sunderland investment

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Nissan will create a “super-plant” at its Sunderland centre.

Confirming the next Qashqai will be built there, it unexpectedly yesterday added that the X-Trail SUV will also go into production in the North East.

To do this the current installed capacity of 475,000 cars will be expanded and Nissan aims to build 600,000 cars from 2018. It is almost certain to mean more jobs will be created as it represents a 26% rise in output which could not be accomplished with the present 7,000 strong workforce.

Several companies in Wales supply components to the plant either directly or through other Tier 1 producers who feed into Sunderland, and it will safeguard hundreds of Welsh jobs as well for a decade or more.

Nissan boss Carlos Ghosn had expressed concern about future investment in the UK before he met Prime Minister Theresa May, but last week said she had given him “support and assurances” of help after Britain leaves the EU and possible tariffs are levied on UK exported cars.



Nissan Sunderland is Britain's biggest car plant and set examples of how efficient it can be on a global measurement scale, a factor which helped sway this new investment, running into many multi-million-pounds.

Although Nissan has not said how much it's spending and it could get considerable UK Government financial aid.

Other benefits?

Nissan's announcement is likely to encourage other car makers to look at their UK manufacturing operations and seek their own assurances for future investment.

Toyota has already said it would not be turning its back on its Derby plant and Honda in Swindon has made it a world centre for its Civic production.

It could help Vauxhall with its car plant in Ellesmere Port and van assembly in Luton, as well as JLR in the Midlands.



## Sunderland snapshot

The Sunderland plant opened in 1986 and has produced almost nine million Nissan cars over the past three decades, recently adding the Infiniti line to its portfolio.

It also supports a battery assembly plant for the LEAF EV made there and exports the powertrain to other plants around the world.

**Figures released by the SMMT** on Thursday showed the UK's car industry is performing strongly, with almost 1.3 million vehicles produced in the nine months to September – a 10.5% increase on the same period last year.

Just over one million vehicles were produced for export markets. Also yesterday, it was revealed that British engine manufacturing grew 6.3% in September, with 239,086 units built.

Domestic demand drove production up 38.1%, countering a 10.9% fall in exports. Year-to-date output remains strong, rising 6.7%, as 1.9 million engines roll off UK production lines.

## What the industry says:

Mike Hawes, chief executive of the SMMT, said Nissan's announcement was good news for the UK's automotive sector.

But he added: "We need government to provide public assurance to investors that our advantages will be maintained – namely, a competitive business environment, the ability to recruit talent from abroad and the continuation of all the benefits of the single market as we leave the EU."

WAF ceo Tim Williams responded to the Nissan announcement by saying, "This is really fantastic news for the automotive industry in Britain.

"Nissan has led the way in productivity and Sunderland is the envy of other car plants around the world, but the benefits of this investment will be felt far away from the North East as a number of Nissan component suppliers are members of the Welsh Automotive Forum.

"It means they will be able to compete for a slice of this new investment in forthcoming models and that has to be good for securing jobs in the automotive sector in Wales."