

Nissan to shift production of small car from UK to India

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Forget China, it's focus India for global automakers, courtesy small cars. In a move that reflects the growing stature of the Indian car industry globally, Japanese major Nissan has decided to shift the entire production of its small car, Micra, from the UK to India. After production of the Micra begins here, Nissan plans to manufacture four more models in India, involving a total investment of over Rs 2,000 crore.

The move underlines the rush among automakers to rationalize production costs and move to locations that offer the best value and quality. "We have decided to manufacture the Micra at our upcoming factory at **Oragadam, near Chennai,**" Nissan India MD and CEO Kiminobu Tokuyama told TOI.

The company's Chennai plant will start production from May next year, and export markets would be catered to from autumn, Tokuyama said. Nissan, he said, plans to meet Micra's requirements for the entire European region as well as some other markets like West Asia from the Chennai plant. "We plan to start with export volumes of 1.1 lakh units, which would be gradually scaled up to 1.8 lakh units as demand goes up," Tokuyama said.

But what prompted the step? "There are many benefits in India, including a high-quality vendor base that is also cost-effective, leading to globally-competitive pricing," Tokuyama said. Nissan will thus emulate companies like Hyundai and Maruti Suzuki, which make small cars in India to export to Europe.

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