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## **NISSAN ANNOUNCES LOCAL MANUFACTURE OF ACCESSORIES, BRINGS JOBS HOME**

**Nissan Australia has announced it will begin local manufacture of a range of vehicle accessories by creating an additional production operation at its Dandenong, Victoria plant.**

The plan effectively involves the repatriation, in Australia, of some overseas supplier metal fabrication jobs.

Nissan has taken the decision to create a local manufacturing facility for its tow bars, and later sportbars and nudge bars, in order to establish a strong foundation for its GT2012 and NP88 midterm business growth plans. GT2012 calls for import market leadership in Australia and Nissan Power 88 (NP88) identifies a global eight percent market share and an eight percent Operating Profit.

The decision to repatriate fabrication of 30,000 tow bars, for Nissan's range of 4WD and passenger vehicles, returns the business to Dandenong from Asia and will sustain 20 full time jobs at the Nissan Casting Plant (NCAP). Nissan previously sourced its tow bars from a local supplier which then outsourced production to Asian factories.

Nissan has retooled part of its Dandenong casting facility to make room for the new accessory fabrication business investing \$4m in plant and equipment. Once tow bar manufacture is fully integrated, Nissan will add 4WD sportbar and utility nudge bar production. Manufacture of sportbars (which are affixed to Nissan Navara cabs) and nudge bars (a lightweight alternative to bull bars) begin in early 2012 and early 2013 respectively.

A feature of the new, Australian manufacturing process at Nissan will be the optimization of robotics for the polishing and finish of these popular accessories.

Nissan Australia Executive General Manager Aftersales & NCAP, Tony Carraturo, said the repatriation of the accessory business was a strong endorsement of the integrity of Australian manufacturing and the competitiveness of Nissan's local fabrication expertise.

"Nissan leads its competitors in volume and revenue from the 4WD accessory business. This business restructure plays a major role in positioning Nissan for future growth; our midterm goals of importer market leadership and an even greater footprint in the 4WD commercial and leisure segments.

"The restructure gives Nissan direct influence over the factors which will have a critical influence on its growth and development. We will have more control over lead times, costs and shipping."

Another significant factor in the new tow bar fabrication business plan is the sourcing of steel from an Australian supplier. Previously, Nissan towbars were manufactured from foreign steel supplied to foreign factories. Now, an Australian steel producer will deliver metals to the Dandenong plant.

This development gives Nissan Australia added protection against fluctuating currency movements and greater surety in planning its development in the medium term.

Nudge bars and sportbars were also previously manufactured overseas using foreign metals. From next year, sportbars will be made locally using Australian aluminium and 12 months later nudge bars will be added to the production line. A quality improvement is also anticipated as the Nissan Dandenong plant plans to use robotics to produce the high lustre finish desired by customers with these accessories. Polishing was previously completed by hand in the offshore supplier factories.

Carraturo said Nissan Australia will perform rigorous tests of its locally fabricated products spending many hours at the proving ground exposing tow bars to punishing use and stress. Next year, the company will also invest in its own durability laboratory at the Dandenong plant to oversee quality as production volumes rise.

Nissan's Dandenong casting plant is enjoying a period of growth having, only last March, announced an exclusive suite of global manufacturing contracts - awarded by its parent company in Japan. The contracts involve the production of different aluminium components which will be used in the manufacture of Nissan's new Zero Emission vehicles including LEAF electric car – which is already on sale in US, Japan and UK and destined for Australia in mid-2012.

The Nissan casting plant is eventually expected to produce 22,000 electric vehicle components per month – contributing to Nissan's global leadership in zero emission vehicle technology.

#### **About the Nissan casting plant:**

Located in outer Dandenong 30kms SE of Melbourne the casting plant's main business activities are high pressure die casting; low pressure die casting and CNC machining. This financial year (ending March 31) its budgeted production is 6,000 tons yet actual production will now exceed 8,500 tonnes. Founded in 1982, the plant reinvented itself as a stand-alone supplier following Nissan's withdrawal from local automotive manufacturing in 1991. This year, the plant will produce almost two million aluminium castings.

The plant exports most of its parts to Nissan factories in Japan, Thailand, Mexico and the US. It currently produces eight core aluminium castings including transmission housings, clutch housings, cylinder heads and oil pan assemblies some of which eventually return to Australia included in Navara, DUALIS, Pathfinder, Murano and X-TRAIL vehicles. The Australian castings can be identified by a small kangaroo stamped on the outside of the casing.

The Nissan casting plant currently operates three shifts, six days a week and employs 146 full time and 26 casual employees.

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