

Nissan Chief Wary Despite Quick Disaster Recovery

Yuri Kageyama, AP Business Writer

YOKOHAMA, Japan (AP) — Nissan Chief Executive Carlos Ghosn said Tuesday the automaker needs to conserve cash despite its quick recovery from a year of disasters as the global economic outlook is highly uncertain.

Ghosn told the company's annual shareholders meeting that Nissan Motor Co. had bounced back from the earthquake and tsunami in northeastern Japan and the flooding in Thailand that battered Japanese automakers last year. Nissan, like other Japanese automakers, is also looking to growth in emerging markets such as Indonesia, India and Russia.

Nissan's January-March profit more than doubled to 75.3 billion yen (\$941 million). Its global sales reached a record 4.85 million vehicles for the business year ended March in a remarkable recovery from production disruptions stemming from the disasters. Nissan is expecting a 400 billion yen (\$5 billion) profit for the business year through March 2013.

But a shareholder who identified herself only by her surname Takahashi demanded to know why she was getting a dividend of only 20 yen (31 cents) a share if Nissan was doing so well.

Ghosn said Nissan has less cash than Japanese rivals Toyota Motor Corp. and Honda Motor Co. and must be more prudent in the current economic situation. The U.S. economic recovery has stalled and Europe's economy is stymied by high debt and austerity measures.

"We are facing extreme volatility," he told nearly 1,200 shareholders packing a convention center in the port city of Yokohama, where Nissan is headquartered.

Ghosn also grumbled about the strong yen, which erodes the value of overseas sales for Japanese exporters like Nissan. He said he was worried Nissan might have to reduce Japan production if the government didn't do something to bring the yen's strength under control.

Nissan, which makes the Altima sedan, Infiniti luxury model and Leaf electric car, is allied with Renault SA of France.

Nissan is reviving the Datsun nameplate brand that helped it grow in the U.S. when it was still a newcomer during the 1960s, but this time for emerging markets.

Nissan is also counting on growth in China, although not at the stupendous pace of a few years ago.

Nissan Chief Wary Despite Quick Disaster Recovery

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

"We continue to be bullish on China," Ghosn said.

Source URL (retrieved on 03/06/2015 - 4:15pm):

http://www.impomag.com/news/2012/06/nissan-chief-wary-despite-quick-disaster-recovery?qt-recent_content=1&qt-digital_editions=0