Nissan Chief Hopes For Better Japan-China Relations

The Associated Press

TOKYO, Jan. 1 (Kyodo) — Nissan Motor Co. President and Chief Executive Officer Carlos Ghosn expressed hope that the recent change in leadership in both Japan and China will bring about an improvement in strained bilateral economic relations and a recovery of auto sales in China.

Whether its vehicle sales in China will return to normal "depends a lot" on the two countries' efforts to "strengthen the very important economic relationship," Ghosn said in an interview in late December.

Heightened tensions stemming from a bilateral territorial dispute and ensuing boycott of Japanese products last year dealt a blow to sales in China of major Japanese automakers including Nissan, which has the highest exposure among them in the country. The automaker's sales in the country account for roughly 30 percent of its global sales.

Ghosn said, "China will be back at the center of our strategy and at the center of our investments" if bilateral relations improve under the new Japanese government led by the Liberal Democratic Party, which regained power in the Dec. 16 general election, and the Chinese Communist Party's new leadership formed in November.

"We will be watching very carefully the first few months of each government before making decisions" on future investments in China, he added, noting that Nissan will not change existing investment plans.

Ghosn also said that Nissan aims to further expand its overall sales by promoting local production and boost development of electric vehicles.

Nissan, the front-runner in the EV market, plans to achieve the goal of selling 1.5 million EVs globally together with its French alliance partner Renault SA by the end of 2016, but sales of its mainstay Leaf electric vehicle stood at 46,000 units as of the end of November since its launch in December 2010.

"In hybrids, we are a competitor. But in electric cars, we are the leader...You should not doubt our willingness to continue to promote (EVs) and to continue to invest in this technology," he said.

As for the outlook for the global auto market, Ghosn said 2013 will be a "year of growth for the automotive industry." He added that although auto sales are expected to drop in Europe amid the region's debt crisis as well as in Japan, he expects demand in other markets including the United States, China and Southeast Asian countries to continue growing.

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