

Nissan forecasts big rise in global profits despite 'harsh' environment

Automotive giant Nissan says it expects a rise in global profits next year despite what it says is a "harsh" business environment.

The Japanese company – which has a key European plant at Sunderland employing more than 6,000 people – has released results for the year ending March 31, 2023 which show that revenues rose to 10.6 trillion yen (£62.7bn) with an operating profit of 377.1bn yen (£2.2bn).

Nissan said its improvement had come despite a continuing shortage of semiconductors and other parts, as well as shutdowns in China which impacted on its production levels around the world. It said the financial year had seen it return to positive free cash flow and issued a forecast of 38% revenue growth to the Tokyo Stock Exchange.

Read more : [call for investment in battery skills](#)

The company said: "Nissan expects the business environment to continue to be harsh due to uncertain geopolitical risks, higher logistics and energy costs, global inflationary pressures, and concerns about an economic recession.

"However, based on its strengthened business foundation due to its business transformation, Nissan aims to secure an increase in operating profit of 38% over fiscal year 2022 by improving quality of sales, enhancing product pricing, further strengthening financial discipline and control of fixed costs."

The positive results come after a period of significant

challenges for Nissan and the wider automotive sector, which include the switch away from petrol vehicles, the Covid pandemic and a resulting shortage in semiconductors. The most recent accounts for Nissan's UK operations – which cover the 12 months to March 2022, the year previous to the new global results – showed turnover falling to £3.6bn and the number of cars produced at Sunderland going down to 181,000.

The Sunderland plant is seen as a pioneer in Nissan's switch to electric vehicles, however, with its EV360 strategy being copied in other parts of the company's global operations.

Commenting on the new results, Nissan president and CEO Makoto Uchida said: "In fiscal year 2022, Nissan achieved a significant year-on-year improvement in operating profit in a challenging business environment. This is the result of our efforts to steadily strengthen our business foundation through Nissan NEXT.

"Although the business environment in fiscal year 2023, the final year of Nissan NEXT, is expected to become even more challenging, we aim to further improve profitability through the product competitiveness and profit structure that we have strengthened through our business transformation. We will also formulate a midterm plan to transform Nissan into a truly healthy and resilient company, aiming to achieve both sustainable growth and financial stability."

READ NEXT:

- [North East lithium project takes next step](#)
- [Vertu revenues top £4bn](#)
- [Newcastle technology firm acquired by EY](#)
- [Plans outlined to link Northumberland with giant offshore wind farm](#)
- [Read more North East business news](#)