

# Nissan Egypt maintains full production despite currency crisis

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## IHS expect production to decline in the wake of rapidly depleting foreign currency reserves

Nissan is maintaining round-the-clock vehicle production in Egypt despite the ongoing currency crisis and dollar shortage, reported *Daily News Egypt*, citing a senior company official. "Nissan is here to stay," said Isao Sekiguchi, chairperson and managing director of Nissan Motor Egypt, according to the newspaper. "We will do so [pump money into the market] at the right time. The company has a detailed plan and we are just waiting for the moment to execute it." The executive reportedly added that the company plans to expand production levels, without providing details.

**Significance:** Nissan's statement corresponds to its earlier stance of increasing market share in Egypt. The plant is the regional manufacturing base for Nissan Sentra (globally known as Sylphy) and Sunny sedans and also produces pickups. The factory's operations include assembly of the Tiida sedan from completely knocked-down (CKD) kits. According to IHS Automotive production estimates, the 6th of October City plant in Cairo produced 22,500 units last year, marking a decline of 13.9%. Contrary to the executive's assurance that output will be maintained, we expect the plant's production to plunge to 16,800 units. In the wake of rapidly depleting foreign currency reserves, Egypt has recently devalued its currency. Amid the resulting currency volatility, consumers see value in buying goods such as vehicles instead of accumulating funds. This is likely to offer tailwinds for the market and its participants, including Nissan and Kia. IHS Automotive expects the country's light vehicle market to grow 6.7% y/y to 293,800 units this year.