# Nissan to cut 20,000 jobs and close seven plants in £2.6bn restructuring drive



Nissan Motor Co. is undergoing a significant transformation as it responds to mounting financial pressures, including a staggering net loss of approximately 670.9 billion yen (£4.04 billion) for the year ending March 2025. In a drastic restructuring effort, the company has announced the closure of seven manufacturing plants, leading to the loss of around 20,000 jobs worldwide. This decision, translating to a 15% reduction in its global workforce, marks a profound shift in the company’s operational strategy, which had previously emphasised sales volume over profitability.

Newly-appointed CEO Ivan Espinosa elaborated on this transformative vision, emphasising a pivot towards profitability that relies less on sheer volume. Presenting at a recent press conference, he stated, "In the face of challenging full-year 2024 performance and rising variable costs compounded by an uncertain environment, we must prioritise self-improvement with greater urgency and speed." This reflects a growing consensus that the traditional strategies employed by Nissan may no longer suffice in an increasingly competitive and economically unstable automotive market.

The closures will reduce Nissan's production sites from 17 to 10 by 2027, a restructuring move aimed at saving an estimated 500 billion yen (£2.6 billion). Moreover, as part of the new operational model, the company plans to streamline its supply chain by sourcing parts from fewer suppliers. This approach is expected to enhance efficiency and reduce costs, echoing industry-wide trends prioritising sustainability and cost-efficiency.

As part of this overhaul, Nissan has faced several external challenges exacerbated by political and economic factors. Tariffs introduced during the Trump administration have significantly affected profitability, adding an estimated 450 billion yen in costs for the current fiscal year. Furthermore, the company has faced declining sales, particularly in pivotal markets like the US and China, where competition is fierce. Analysts note that Nissan's long-standing focus on aggressive sales tactics, initiated under former chairman Carlos Ghosn, has led to an outdated vehicle lineup that struggles to meet evolving consumer expectations.

Furthermore, the halt of merger discussions with Honda, which sought to form a $60 billion partnership, has further destabilised Nissan's strategic outlook. Espinosa's leadership is now tasked with realigning company priorities and seeking new partnerships, potentially with Mitsubishi and other automotive firms, particularly in the U.S., to bolster production capabilities.

Despite these challenges, there are cautious signs of optimism. AESC, Nissan's battery supplier, has secured £1 billion in funding for a new electric vehicle battery plant in Sunderland, which is viewed as essential to the UK’s car industry's future. This aligns with Nissan's intent to ramp up electric vehicle production, particularly at its Sunderland factory, which currently stands as the only Nissan manufacturing facility in Europe.

In summary, as Nissan navigates these transformative changes, the path forward remains fraught with challenges. The company’s ambitious restructuring aims not only to recover profitability but also to forge a sustainable future amidst the pressures of tariffs, declining sales, and the necessity of evolving consumer demands in the automotive sector. The coming months will be critical in determining whether these strategic changes can revitalise Nissan’s fortunes and restore its standing in a rapidly changing automotive landscape.

### Reference Map

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2. <https://www.reuters.com/business/autos-transportation/nissan-announces-new-cost-savings-measures-withholds-fy2025-estimates-2025-05-13/> - Nissan Motor announced significant cost-cutting measures, including eliminating 11,000 jobs and shutting down seven manufacturing plants, as part of a broader effort to recover from a difficult fiscal year. The company reported an 88% drop in operating profit to 69.8 billion yen ($472 million) for the year ending in March, driven by declining sales in the U.S. and China, failed merger talks with Honda, and pressure from U.S. tariffs and rising competition from Chinese EV manufacturers. Newly appointed CEO Ivan Espinosa outlined a target of saving 500 billion yen in costs, acknowledging the urgent need to rebalance the company’s fixed and variable expenses. Including previous layoffs, total job cuts will reach around 20,000, and Nissan will reduce its global production sites from 17 to 10 while simplifying its parts lineup by 70%. Analysts attribute part of Nissan's decline to former Chairman Carlos Ghosn’s aggressive focus on sales volume through discounts, resulting in an outdated vehicle lineup. CFO Jeremie Papin warned that losses would continue into the next quarter, expecting a 200 billion yen operating loss. Despite restructuring efforts, analysts caution against expecting a quick recovery.
3. <https://www.ft.com/content/62d37b86-70df-4057-8b09-1e689772abf4> - Nissan announced a significant restructuring plan, cutting 15% of its global workforce—approximately 20,000 jobs—and reducing its manufacturing plants from 17 to 10. This decision comes amid mounting financial pressures, most notably from U.S. tariffs introduced by President Trump, which are expected to add ¥450 billion in costs for the current fiscal year. The company reported a severe annual loss of ¥670 billion ($4.5 billion), a stark contrast to the ¥426 billion profit of the previous year. New CEO Ivan Espinosa emphasized the necessity of such measures for the company's survival. The restructuring includes ending merger talks with Honda, seeking a new anchor shareholder after reducing ties with Renault, and exploring new production partnerships, including with Mitsubishi and Honda, particularly in U.S. facilities. Nissan also plans to increase electric vehicle production, especially at its Sunderland plant in the UK. Due to this overhaul, Nissan's production capacity will be reduced to 2.5 million units by 2027, down from 3.3 million units sold last year. Rival Honda faces similar struggles from tariffs, anticipating a ¥650 billion hit and delaying a major EV investment in Canada. Both companies are adapting operations to manage the economic climate and tariff implications.
4. <https://cadenaser.com/cantabria/2025/05/13/el-comite-de-empresa-de-nissan-en-cantabria-no-tiene-informacion-sobre-los-10000-despidos-a-nivel-mundial-de-la-multinacional-radio-santander/> - Nissan Motor has announced a global restructuring plan that includes the dismissal of 20,000 employees by the fiscal year 2027, as part of its strategy to recover profitability after reporting net losses of 670.9 billion yen (approximately 4.04 billion euros) in the 2024 fiscal year. These results contrast with the previous year's profits and are attributed to asset depreciation and increased operating costs. The company will also reduce its production plants from 17 to 10, excluding China, resulting in a 30% cut in manufacturing capacity. Iván Espinosa, CEO of Nissan, justified the measures as part of a faster and more ambitious restructuring. No details have been provided about the affected plants, but possible closures include vehicle and powertrain facilities. At the Los Corrales de Buelna plant in Cantabria, where more than 500 people work, the works council has not received official information about layoffs. This factory, focused on casting and machining, has not been affected so far. Additionally, the company has already canceled production in Argentina and other plans related to Mexico and Japan.
5. <https://www.huffingtonpost.es/economia/nissan-confirma-despedira-20000-trabajadores-mundo-2027br.html> - Nissan Motor Co. has announced that it will dismiss 20,000 employees worldwide by 2027 as part of a restructuring plan after reporting net losses of 670.9 billion yen (approximately 4.04 billion euros) in the 2024 fiscal year. This figure more than doubles the 9,000 layoffs previously announced in November. The Japanese manufacturer attributes the losses to significant asset depreciation and increased operating costs, resulting in an 87.7% drop in operating profit. Additionally, its revenue decreased by 0.4%. To recover profitability, the company also plans to reduce its number of production plants from 17 to 10, representing a 30% cut in global production volume outside of China. CEO Iván Espinosa justified the expansion of the plan as a faster and more ambitious restructuring. Among the measures already taken are the closure of operations in Argentina, restructuring of its production in Mexico, and the cancellation of a new battery plant in Kitakyushu, Japan. The effects of U.S. tariffs have not yet been reflected in the current figures.
6. <https://apnews.com/article/66f8e4764bc33bc52b82f378d15b7f13> - Nissan Motor Corp. is cutting approximately 15% of its global workforce—around 20,000 jobs—as part of a major restructuring effort in response to significant financial losses. For the fiscal year ending in March, Nissan reported a loss of 670.9 billion yen ($4.5 billion), a sharp decline from the previous year’s 426.6 billion yen profit. The company will also reduce its number of auto plants from 17 to 10, with closures including some in Japan. The downsizing includes a previously announced reduction of 9,000 employees and the cancellation of a planned battery plant in Japan. CEO Ivan Espinosa, who took charge earlier in the year, emphasized a disciplined and strategic approach to aligning production with market demand, while enhancing partnerships with Renault and Dongfeng Nissan. The company also aims to cut costs by 500 billion yen ($3.4 billion) and expects to return to profitability by fiscal 2026. However, Chief Financial Officer Jeremie Papin warned of ongoing challenges and uncertainties, refraining from giving profit forecasts. The decline in sales, particularly in China, and additional strain from U.S. tariffs contributed to Nissan's financial woes.
7. <https://www.reuters.com/breakingviews/troubled-nissans-new-ceo-maps-more-credible-route-2025-05-13/> - Nissan Motor's new CEO, Ivan Espinosa, has unveiled a more aggressive turnaround plan to address the automaker's mounting financial challenges, including a net loss of $4.5 billion for the year ending March 2025. Succeeding Makoto Uchida, Espinosa plans to double previously announced job cuts and plant closures, aiming to lay off 20,000 employees and reduce operational plants from 17 to 10. He also seeks to drastically cut costs, targeting savings of 500 billion yen over two years—37.5% more than Uchida's previous goal. The strategy includes reducing idle production capacity from 30% to nearly zero, increasing efficiency, and reassigning 3,000 workers to pursue cost-cutting innovations and streamlined development. Though Espinosa has set a revised sales forecast of 3.25 million vehicles for fiscal 2026—slightly below the prior year's total—achieving it will be challenging amid trade tariffs and declining performance in China. Particularly vulnerable is Nissan’s dependence on U.S. vehicle imports, which are subject to new tariffs under U.S. President Donald Trump. However, the increased cost-cutting measures would allow the company to break even at significantly lower sales volumes, giving Nissan more flexibility amidst market uncertainties.