

JATCO opens second manufacturing facility in Mexico to boost production

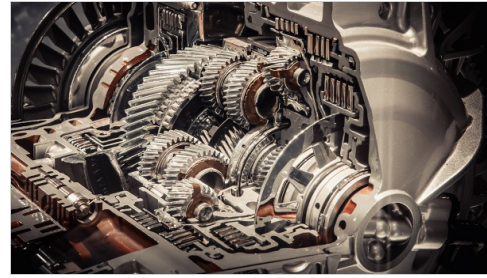
11-Sep-2014 07:31 GMT

S&P Global

Supply Chain and Technology, Automotive

To create 900 jobs

Automatic transmission manufacturer JATCO yesterday (10 September 2014) opened a second manufacturing facility in Aguascalientes, Mexico to boost production, according to a company press release. The plant will manufacture two types of fuel-efficient continuously variable transmissions (CVT): JATCO CVT8 and the JATCO CVT8 HYBRID. These CVTs are equipped in some of Nissan's models sold in North America, with Jatco CVT8 installed in Altima, Rogue and X-Trail, and JATCO CVT8 HYBRID in Pathfinder Hybrid.



The plant will also manufacture automatic transmissions licensed from Daimler. These transmissions will be used in some Nissan and Infiniti models starting 2016.

Significance: The new facility, spanning across 300,000-square metre area, is a part of the company's USD220 million investment announced in February last year. The facility, with an annual production capacity of 400,000 units, is expected to add 900 jobs. The plant will increase JATCO's total annual production capacity in Mexico to 1.7 million units by 2016. IHS Automotive forecasts JATCO's Mexican production to increase from 1.4 million units in 2014 to 1.9 units in 2020.

The second Mexican plant is in line with the company's ongoing transfer of production outside Japan to get closer to OEMs and local markets. Additionally, the new manufacturing facility located near Nissan's second manufacturing plant in Aguascalientes will bolster JATCO's relationship with its key shareholder.

JATCO selected Aguascalientes for its fourth facility outside Japan considering high technical skills of engineers in Aguascalientes coupled with strong Mexican economy and automotive industry. Aside from JATCO, many automotive major players have invested huge amounts of money in Aguascalientes in the recent past. For instance, Japan's Sumitomo Electric Industries is investing JPY3 billion (USD28.5 million) into a new plant in Mexico to produce transmission parts along with key engine parts. The plant will be constructed in Aguascalientes and is due to open in July 2016. Additionally, in August this year, GKN announced plans to invest USD300 million to expand operations in Mexico.

JATCO's first facility in Mexico began producing CVTs in 2005, with more than 5 million units produced, representing approximately 25% of the 21 million units of CVTs manufactured by the JATCO Group to date.

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