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Activity

New life for Nissan

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Read the Nissan case study in WIDELAND Vol. 33, No. 3. This article explains why Nissan have located a new factory near Washington in northeast England.

Task 1

Looking at the map on p. 8, bullet point at least three reasons why Washington would be a good place for a Nissan car factory. (THINK: What is needed for car manufacturing, who will work in the factory and where will Nissan sell the cars produced there?)

Task 2

It is hoped that the expansion of the Nissan factory will support economic development in the northeast following deindustrialisation led by the decline of shipbuilding, coal mining and steel manufacturing. Cut up the statements below and arrange them to show how investment in manufacturing can create the positive multiplier effect. Add arrows between the statements and explain the links.

The expanded factory will make electric cars to be sold in the UK and Europe	In 1986 the UK government gave Nissan around £100 million to build its factory in Washington	About 70,000 people work in the Nissan supply chain and this is likely to increase by 4,500
The Envision factory which makes car batteries will expand	Nissan invested 10x more than the UK government to build the factory	High-paid workers will pay tax to the UK government.
Cars are sold abroad from the deep-water port of Tyne and car parts are imported here	Over 7,000 people currently work in the factory, and it will increase by 1,650 jobs	Nissan employees will have disposable income to spend in the local economy

Teacher notes

Students should start by reading the article independently or as a class. This activity gives students the opportunity investigate why Nissan located its factories in northeast England and how this can benefit local and national economy.

Task 1

Answers many include

- Deep water port of Tyne to allow for importing materials and exporting new cars to sell around the world.
- Close to the A1 which links to London and the north (speed and efficiency of buying resources required and trading cars)
- Northeast has inexpensive land available for the factory to be built
- Northeast has a history of manufacturing resulting in a skilled workforce

Task 2

Positive multiplier effect: Before completing this task, it is important students understand what the positive multiplier effect is and the meaning of some key terms such as economy, tax, import, trade and export.

Students should cut out the statements in the table and arrange them on a piece of paper with reference to links between them. Once stuck down, students should draw and annotate links between the statements to explain the positive multiplier effect. For example, there is a link between 7,000 jobs and workers paying tax. The annotation linking these two statements might read, 'As workers are paid some tax goes to the UK government. This can then be spent on improving healthcare, education and infrastructure.'