

Renault shares plunge after anti-fraud raids over emissions

January 14 2016, by Angela Charlton



In this Feb. 12, 2015 file photo, the logo of Renault is pictured in Paris. Shares in Renault have dived Thursday Jan.14, 2016 after anti-fraud units conducted raids on the carmaker that unions are reportedly linking to the Volkswagen emissions scandal. (AP Photo/Jacques Brinon)

Shares in Renault dived Thursday after French anti-fraud units conducted searches at the carmakers' facilities, prompted by the Volkswagen emissions scandal. They then recovered somewhat after the

company said tests had not found any emissions-cheating software.

French media reports said the CGT Renault union released a tract Thursday describing raids on multiple sites focusing on engine monitoring. Soon afterward, the Renault share price sank 22 percent.

An official with the French Finance Ministry's anti-fraud unit said it had conducted raids on Renault last week but would not elaborate on why. The official was not authorized to be publicly named.

Renault issued a statement saying the raids were linked to random tests of 100 cars that French authorities are carrying out to see if they are equipped with software of the kind found in Volkswagen cars last year. In Volkswagen's case, the software helped the cars cheat on diesel emissions tests in the U.S.

Renault said no such devices have been found on the four Renault vehicles checked so far, calling that "good news" for the company as it tries to further reduce emissions from its vehicles.

Shares recovered to close down 10.3 percent, at 77.75 euros.

French Environment minister Segolene Royal confirmed that no cheating software has been found on a Renault or on any other vehicle—French or foreign—that has been tested. Only Volkswagen cars have been found to have it.



In this Feb.12, 2015 file photo, the Renault logo is pictured on a Renault Espace Initiale displayed s in Paris. Shares in Renault have dived Thursday Jan.14, 2016 after anti-fraud units conducted raids on the carmaker that unions are reportedly linking to the Volkswagen emissions scandal. (AP Photo/Jacques Brinon, File)

"Shareholders can be reassured. Employees can be reassured," Royal said in a press conference.

She said the tests showed gas emissions of Renault cars and some foreign models exceed some gas emissions standards. She did not

specify the name of the other manufacturers.

The French government announced the random tests on about 100 cars in September. The tests are carried out by a special commission with access to factories and software.

Renault will address the commission next week to detail the measures it will take to make gas emissions fit with the standards, Royal said.

Authorities in other countries, from the U.S. to Germany, are likewise testing a broad range of car models to see if they have the same cheating software as Volkswagen.

Peugeot shares also tumbled Thursday, amid apparent suspicions that they were being targeted, too. PSA Peugeot-Citroen issued a statement saying it had not been raided by anti-fraud authorities and that the French government tests on Peugeot-Citroen cars had found no anomalies.

© 2016 The Associated Press. All rights reserved.

Citation: Renault shares plunge after anti-fraud raids over emissions (2016, January 14) retrieved 22 September 2023 from <https://phys.org/news/2016-01-renault-see-saw-anti-fraud-raids-emissions.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.