

'No taboos' in Nissan-Mitsubishi alliance: Renault CEO

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Renault CEO Carlos Ghosn says all options are open regarding the French carmaker's three-way alliance with Japanese firms Nissan and Mitsubishi

Renault chief executive Carlos Ghosn said the French carmaker is keeping all options open regarding its three-way alliance with Japanese groups Nissan and Mitsubishi.

Asked in an interview with AFP about the future of the nearly 20-year-old alliance—which took the mantle of top-selling carmaker last year with 10.6 million vehicles worldwide—Ghosn replied: "It's too early to say."

But he said that "all options are on the table. There are no taboos, nothing is off-limits".

It is effectively Ghosn, who turns 64 in March, who is seen as holding the sprawling three-company construct together.

The Brazilian-born Frenchman of Lebanese origin—who had previously proven his ability to turn struggling operations at French tyre maker Michelin—was parachuted into near-bankrupt Nissan in 1999 by Renault.

He took over the reins at Renault in 2005 when shareholders were looking to add some vim to its stagnant sales.

Nissan then threw Mitsubishi a lifeline in 2016 by buying a 34-percent stake in its rival and Ghosn took charge of its overhaul.

Nevertheless, Ghosn last year seemed to hint that his plate was getting too full running a trio of major automakers.

And speculation about his possible departure—and who would succeed him—began to weigh on the alliance.

On Thursday, Renault's board backed a new four-year term for Ghosn as CEO and named another Frenchman, 54-year-old Thierry Bolloré, as his deputy and likely successor.

The French government, a key shareholder in the automaker, made its

continued support contingent on Ghosn accepting a 30 percent pay cut, which he did.

"I made it clear to Mr Ghosn that we could not vote in favour of a company boss who had such a high income," Finance Minister Bruno Le Maire told CNews Friday.

Publishing its annual results on Friday, Renault said it enjoyed a record year in 2017, with both sales and profits racing ahead to new heights.



Thierry Bollore (left) has been named deputy, and possible successor, to Carlos Ghosn (right) as head of Renault

Net profit soared 50 percent to 5.1 billion euros (\$6.4 billion). Sales at the group, which includes the low-cost Dacia brand, rose by 14.7 percent to 58.8 billion euros, benefitting from the integration from the Russian brand Lada into its accounts.

At a news conference, Ghosn said he understood the speculation about the future of the alliance.

"It's an issue because, at some point, the head of the alliance will step down. It's not an issue for me, but it's an issue for people who are asking what will come afterwards. And I understand that," he said.

The important thing was to find a response that "will reassure the three companies, the shareholders and the markets," Ghosn said.

'A good thing'

At the moment, Renault holds 43.4 percent of Nissan, while Nissan holds 15 percent of Renault and, with its stake of 34 percent, is the largest shareholder in Mitsubishi. The French state, for its part, owns 15.01 percent of Renault.

"We all agree—be it the (French) state as Renault's main shareholder, Renault's top management, the boards of Nissan and of Mitsubishi—that the alliance is a good thing that benefits each of the companies that compose it, so we must ensure its sustainability," Ghosn told AFP.

"The question now is so know what that means on an organisational and on a legal level," he continued.

"We need to continue the convergence between the three companies while leaving each one of them quite independent in their markets, and each one in its country and in its culture."

The risk of a break-up "is a risk we've faced from the very first day, but it has not prevented us from building a stronger and bigger alliance over the past 19 years."

The French government, as a major shareholder in Renault, would have to be involved in any discussion about the future of the alliance, Ghosn continued.

The government had "made it very clear" that its interest was in retaining Renault's anchor in France, keeping a strong technological base there.

"These are the issues... which need to be taken into account when sustaining the alliance," Ghosn said.

Renault shares were 2.5 percent higher at 88.19 euros in midsession trading on the Paris stock exchange, with analysts at Bryan Garnier saying that the automaker, strengthened by cost-cutting and higher volume sales, was well-positioned to outperform the global car market this year.

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