

Goodbye to Ghosn as Renault appoints new chiefs (Update)

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Renault CEO Carlos Ghosn submitted his resignation more than two months after his arrest in Japan on charges of financial misconduct while head of Nissan

Carmaker Renault named two experienced French auto executives to replace arrested boss Carlos Ghosn on Thursday, signalling the start of a

new era for the French manufacturer and its vital but strained alliance with Nissan and Mitsubishi.

Thierry Bollore, who has been running Renault since Ghosn was arrested in Japan in November, will take over as chief executive, while Jean-Dominique Senard, CEO of tyre giant Michelin, has been named its new chairman.

"The board expresses its confidence in the new leadership and wishes it every success in its mission," Renault said in a statement.

In his first reaction to his appointment, Senard moved to reassure investors of his faith in the Renault-Nissan-Mitsubishi alliance, calling it "absolutely essential".

Ghosn, previously the most influential man in the global car industry, had resigned from both roles at Renault late Wednesday as he remains behind bars in Japan awaiting trial.

The 64-year-old had already been sacked as chairman of Mitsubishi as well as Nissan, where Ghosn is suspected of under-reporting tens of millions of dollars in income over eight years.

Nissan welcomed the Renault announcement, expressing hope for a "new chapter" in ties between the partners.

"In the big picture, this is a big milestone that we are reaching," Nissan chief Hiroto Saikawa told reporters in Tokyo.

As head of Renault since 2005, Ghosn was the keystone of its alliance with Nissan and Mitsubishi, forging an industry powerhouse which together sold more cars than any of its rivals last year.

But his globe-trotting career came screeching to a halt when Tokyo police arrested him on suspicion of financial misconduct.

Ghosn has denied the charges, but with his release from jail unlikely anytime soon, Renault's board had been gearing up to name new directors.



Jean-Dominique Senard is poised to take over at a tricky time

It had been widely expected to name heir apparent Bollore, a 55-year-old at Renault since 2012, as permanent CEO and Senard as chairman.

With years of experience in Asia, Bollore is seen at Renault as the right man to steer the French company forward in its Japanese alliance, which has been badly rattled by the Ghosn scandal.

Senard, who will become Renault chairman while staying in his post in Michelin until May, is meanwhile well-liked by the French government, Renault's biggest shareholder with a stake of more than 15 percent.

Uncertain future

The future of the Renault-Nissan-Mitsubishi alliance has been thrown into doubt with the arrest of Ghosn, who is widely credited with reviving Nissan and fusing together two vastly different corporate cultures.

Although Renault posted record sales of nearly 3.9 million vehicles last year and is in rude financial health, it is grappling with the industry's shift to electric cars as governments worldwide impose stricter emission cuts.

E-vehicles require far fewer workers to build, and Renault has targeted four billion euros (\$4.5 billion) in cost cuts by 2022, even as it aims to lift revenue to 70 billion euros from 59 billion euros in 2017.

Analysts say Bollore's various positions in the car industry in Asia, including Japan, give him valuable experience that will be helpful in soothing relations with his Japanese partners.

Renault owns 43 percent of Nissan, which in turn has just a 15 percent stake in its French partner—and no voting rights.

But Nissan's market value is nearly double that of Renault's, prompting some to expect the Japanese side will seek to rebalance the terms of their relationship.

It remains unclear who will replace Ghosn as head of the alliance, a role traditionally reserved for Renault's CEO, while Nissan chooses its vice president.



Carlos Ghosn is likely to remain behind bars for the foreseeable future

Nissan said separately that it would hold an extraordinary shareholders' meeting by mid-April to remove Ghosn from its board, having already stripped the Franco-Lebanese-Brazilian executive of the chairmanship.

French Finance Minister Bruno Le Maire called Nissan's move a "positive signal" for the alliance.

"The shareholder meeting on one hand, the Renault board meeting on the other: it's a new start for Renault and a new start for the alliance," he said at the World Economic Forum in Davos, where Ghosn was a fixture for years.

Le Maire also said France would be "extremely vigilant" concerning Ghosn's exit payout.

Alliance 'not in danger'

Ghosn is expected to stay behind bars for several months after seeing a second bail request denied on Tuesday.

He faces three separate charges: two of under-declaring his income and another of seeking to shift personal investment losses onto Nissan.

He has been seen in public only once since his arrest on November 19 stunned the business world—in a dramatic courtroom appearance where he passionately denied the charges and declared his "genuine love" for Nissan.

Nissan CEO Saikawa, who oversaw his former mentor's downfall, has stressed that the alliance is "absolutely not in danger".

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