

Renault and Fiat Chrysler stuck over merger terms: report

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Renault said it is studying "with interest" a 50-50 merger proposal from Fiat Chrysler, which would forge the world's third-largest automaker

Talks between Fiat Chrysler and Renault have hit a roadblock over the financial terms of the proposed merger between the Italian-US and French carmakers, the French business daily Les Echos reported online Thursday, citing sources close to Fiat Chrysler.

Renault said earlier this week it is studying "with interest" a 50-50

merger proposal from Fiat Chrysler (FCA), a deal that would forge the world's third-largest automaker.

The newspaper reported on its website that a source close to FCA said several Renault board members believe the terms of the offer need to be sweetened.

But that is not how FCA sees things, said the source.

"The offer seems fair, it was approved by the board. It is take it or leave it, and fast!" said the source.

Meanwhile, the daily said Renault is unhappy as the offer is based on its share price on May 24, the day before the offer was announced, or 51.70 euros.

Renault's [share price](#) has been punished since the arrest last November of its former chief executive Carlos Ghosn. Before then it rarely fell below 70 euros per share.

An AFP source close to the negotiations said such merger offers are rarely take it or leave it.

"These type of offers are certainly negotiable," said that source.

A source close to Renault told AFP that without the carmaker's board having adopted a position it was difficult to comment on rumours.



Renault's share price has been punished since the November 2018 arrest of its former chief executive Carlos Ghosn (pictured May 23, 2019)

An AFP source close to FCA said "the offer is balanced in terms of valuation, governance and industrial strength."

A deal would hold advantages for both carmakers as FCA is widely seen as a latecomer to the electric vehicle market, where Renault is strong. But the French firm doesn't have a presence in North America, where Chrysler is strong in the SUV and pick-up sectors.

Taking into account Renault's alliance with Nissan and Mitsubishi, the enlarged group would be the world's largest carmaking group by a wide margin.

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