

Renault, Nissan, Mitsubishi unveil new joint board post-Ghosn

March 12 2019, by Anne Beade



Jean-Dominique Senard said he would not seek to be chairman of Nissan

Carmakers Renault, Nissan and Mitsubishi Motors unveiled the creation of a joint board Tuesday, seeking a "new start" for their alliance after the arrest of former boss Carlos Ghosn.

The new board structure will be headed by Renault Chairman Jean-Dominique Senard and replaces two previous bodies based in the Netherlands—one joining Renault and Nissan, the other combining Nissan and Mitsubishi Motors.

"We have decided to join our forces again, to enhance the strength of our collaboration," Senard told reporters.

This is a "new start" for the alliance, insisted the Frenchman.

Senard also announced he would "not be seeking" to replace Ghosn as head of Nissan but would be a "clear candidate" to be vice-president of the Japanese auto giant.

For his part, current Nissan boss Hiroto Saikawa said the new board represented "a true partnership on equal footing".

Both executives sidestepped questions about Ghosn, recently released on bail in Japan ahead of a trial over alleged financial misconduct.

Asked about Ghosn, Senard said: "I have two or three major principles in my life. One of them is the respect of people. The second is respect of facts. And the third... is to respect people and consider them innocent as long as it has not been proven differently."

'Opposition and anxiety'

Ghosn is widely credited with creating the three-way alliance, which now outsells all other rival groups.

As boss of Renault, he took what many observers at the time thought was a gamble by saving Nissan from the brink of bankruptcy and tying it to the French firm.

In a complicated management structure, Renault—itself 15-percent held by the French state—owns a 43-percent stake in Nissan.

However, the Japanese firm has outperformed Renault recently and many Nissan executives were unhappy with the French company's dominance within the alliance.

In an interview with AFP in January from inside his Tokyo detention centre, Ghosn himself said his arrest it was a "story of betrayal" based on resentment in the Japanese automaker.



Carlos Ghosn, recently released on bail in Japan ahead of a trial over alleged financial misconduct, is widely credited with creating the three-way auto alliance, which now outsells all other rival groups

His downfall was plotted due to "opposition and anxiety" over the plan to bring Nissan and Renault closer together, Ghosn alleged.

The 65-year-old tycoon wanted to attend Tuesday's board meeting in Tokyo but was barred by the court.

Although he was almost immediately fired as the head of the company when the allegations surfaced, he is still a board member until April 8, when an extraordinary meeting of shareholders is likely to remove him.

But his bail conditions prevent him from contact with anyone else involved in his case—including Saikawa, who also attended Tuesday's meeting.

Ghosn, who strenuously denies all charges against him, was said to be "disappointed" not to be able to attend the meeting.

He believes that the accusations against him, which he has frequently described as "meritless and unsubstantiated", should not prevent him from giving his input into a company he saved from the brink.

'He thought it was free'

Ghosn faces three charges of financial misconduct.

The first two charges relate to the alleged under-reporting of his salary in documents to shareholders to the tune of nine billion yen (\$81 million) over a period of eight years.

The other charge relates to an alleged attempt to pass off personal investment losses onto Nissan's books and then paying from company funds a Saudi contact who had previously stumped up collateral for him.

Ghosn found himself embroiled in another legal battle on Monday when French prosecutors opened an inquiry into a party he threw at the sumptuous Palace of Versailles outside Paris in 2016.

Renault disclosed last month that the chateau had waived the usual 50,000 euro (\$56,000) rental fee for the October 2016 Marie Antoinette-themed party under a sponsorship deal signed a few months earlier.

The waived bill could amount to the misuse of company resources, as well as tax evasion, if the benefit-in-kind was not declared to French authorities.

Ghosn's lawyer in France, Jean-Yves Le Borgne, told AFP that the executive "stands ready" to repay the money, saying his client was "not aware he owed it because he had not been billed".

"He thought it was free," Le Borgne said.

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