

AUTOS INDUSTRY

Fiat Chrysler Unveils Renault Merger Proposal

Plan would create car company with combined value of about \$37 billion



A Fiat Chrysler sign in Frankfurt last year. PHOTO: MAURITZ ANTIN/SHUTTERSTOCK

By Sean McLain

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Fiat Chrysler Automobiles [FCAU 0.94% ▲](#) NV said Monday it was proposing a merger with Renault SA, [RNO 0.03% ▲](#) a move that is likely to shake up the global automotive industry.

In a news release, the company said the combined business would be 50% owned by FCA shareholders and 50% by Groupe Renault shareholders with a “balanced governance structure.” They said the majority of the board would be independent.

Renault already has an alliance with Nissan Motor Co. Renault and Nissan have a 20-year-old partnership in which they share technology and vehicle parts. Renault owns 43.4% of Nissan, while Nissan owns 15% of Renault.

The Renault-Nissan relationship has come under strain as the two sides debate whether to overhaul the cross-shareholding arrangement and how to make joint decisions on future models and technologies.

If Renault and FCA merge, it would create a car company with a combined value of about \$37 billion and annual vehicle production of almost nine million passenger cars and light trucks.

Such a combination would rank as the third-largest auto maker by production, behind Volkswagen AG and Toyota Motor Co. but ahead of General Motors Co.

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