

Strategic cooperation with Daimler

More than 11 years have passed since Renault and Nissan 'took a gamble' on each other to form the Alliance. It has proved successful and the Alliance continues to evolve with the announcement in April of a broad strategic co-operation with Daimler that covers a wide range of projects as well as sharing of best practices.

Projects include Renault and Daimler working together on next generation small cars: the Renault Twingo and smart fortwo, including electric versions as well as expanding both model ranges.

There will also be powertrain sharing and co-development on future projects across both passenger cars and light commercial vehicles. The two groups also announced an equity exchange that gives the Renault-Nissan Alliance a 3.1 per cent stake in Daimler and Daimler a combined 3.1 per cent in Renault and Nissan.



Cross-shareholding structure



The Alliance believes there is the need to have greater economies of scale to cover all relevant technologies and to cover global markets including emerging markets. Without the right economies of scale it would be considerably more expensive to

offer the full range of EVs, hybrids, diesels and petrol engines required by consumers worldwide. Automakers also need scale to cover a full line-up of products from ultra-low-cost cars to sedans, commercial vehicles, sports cars, luxury and four-by-fours.

Renault-Nissan already has significant scale, with more than six million units sold annually making it the fourth-largest automotive group. The co-operation with Daimler builds on that scale and adds complementary skills and technologies making the strategic co-operation a technological powerhouse.

Carlos Ghosn said: "We know how to work successfully in collaborative partnerships, and this experience is extremely valuable in today's -- and even more tomorrow's -- global auto industry. This agreement will extend our strategic collaboration and create lasting value for the Renault-Nissan Alliance."

The individual brand identities will remain unaffected. It is called a strategic co-operation because it is more than a co-operation agreement but not a full-blown alliance. It will be managed by Renault-Nissan B.V. for the Alliance and Daimler through a new cooperation committee giving representation to all parties.

It will create a long-term framework to work closely on future areas of co-operation between Renault, Nissan and Daimler. Opportunities already identified include the study of sharing powertrains between Infiniti and Mercedes-Benz vehicles while regional co-operation in the United States, China and Japan between Nissan, Infiniti and Daimler offers more potential.

The launches of the jointly developed small car models are planned for 2013 onwards. The smart plant in Hambach, France, will be the production location for two-seater versions, while the Renault plant in Novo Mesto (Slovenia) will be the production location for the four-seater versions. Future models will also be available with an electric drive from launch. Powertrain sharing will focus on fuel-efficient, diesel and petrol engines.

Including the small car projects, the Renault-Nissan Alliance will provide 3- and 4-cylinder petrol and diesel engines to Daimler out of its portfolio. Daimler will provide current 4- and 6-cylinder petrol and diesel engines to Infiniti.