

AUTOMOTIVE

Fiat, Renault merger could lead to changes in luxury auto

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Maserati's parent company Fiat Chrysler has proposed a merger. Image credit: Maserati

By STAFF REPORTS

Maserati owner Fiat Chrysler is proposing a merger with fellow automaker Renault, which could impact the luxury automotive industry, as the move is so large.

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This merger would place the new company as the third largest automaker in the world, and would likely include many job cuts as the automakers look to streamline costs. FCA announced May 28 that it has submitted a proposal with a combined business to be split down the middle.

Driving mergers

FCA's proposal announced that FCA shareholders would hold 50 percent of the combined company and Renault shareholders would own the other 50 percent.

While Renault does not currently have a luxury car brand, its merger with FCA would run the gambit on price points with Maserati living under the group.

The announcement insists that no factories will be shut down.



Maserati Quattroporte 2. Image credit: Maserati

FCA states that the merger request comes from changes in the auto industry and could lead to greater invention in connectivity, electrification and autonomous driving. Some experts say the merger was born out of desperation.

The company predicts the merger will result in 8.7 million vehicles sold per year.

Groupe Renault has an alliance with Nissan and Mitsubishi, which will allow one Nissan member to join the board of the new group. The board will consist of 11 individuals, mostly independent with four representatives from each respective group.

The combined group will surpass General Motors as the third largest in the world, only behind Volkswagen and Toyota.

In addition to Maserati, Fiat Chrysler previously owned Ferrari, but spun off the Italian automaker in 2016 ([see story](#)).

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