

Crisis-hit Nissan names China unit head Makoto Uchida as new CEO

October 8 2019, by Etienne Balmer



Nissan Motor's chairman Yasushi Kimura (left) and the chairman of the nomination committee, Masakazu Toyoda at a press conference where they named Makoto Uchida as the firm's new chief executive

Crisis-hit Japanese automaker Nissan on Tuesday named Makoto Uchida

as new chief executive, elevating the insider currently heading the firm's China unit as it overhauls its leadership after the Carlos Ghosn scandal.

The board also announced that India-born Ashwani Gupta, currently at Nissan partner Mitsubishi Motors, would be appointed Nissan's chief operating officer, with Jun Seki, another top Nissan executive, named vice COO.

The appointments, to take effect by January 1, come after months of turmoil for the automaker in the wake of the arrest of former chief Ghosn on allegations of financial misconduct.

Former CEO Hiroto Saikawa resigned last month after an investigation prompted by the Ghosn scandal revealed he was among Nissan executives who received excess pay by altering the terms of a share price bonus.

It was the latest in a series of blows for the firm, which has seen sales plunge and been forced to slash jobs since Ghosn's shock arrest.

Nissan executives speaking at a hastily announced late-night press conference said they believed the new leadership could steer the firm back to health.

"The board concluded that Mr Uchida is the right leader to drive the firm forward," said chairman Yasushi Kimura.

Masakazu Toyoda, who chaired the nomination committee, stressed that all three men "are global citizens".



Makoto Uchida has been named new CEO of crisis-hit Japanese automaker Nissan

"And they attach importance to alliances and they are motivated to do speedy decision-making," he added.

"We believe this structure is the best way to surmount the difficulties the company is facing."

Unenviable task

Uchida is a senior vice president at Nissan and has been with the firm since 2003, with reports describing him as having been key to Nissan's growth strategy.

He has long been involved in joint projects with Renault, a key point given the fraught nature of Nissan's relationship with its partner in a three-way alliance with Mitsubishi Motors.

The 53-year-old holds a degree in theology and began his career at trading house Nissho Iwai Corp.

"Since childhood, he has been travelling around the world, living abroad," Toyoda said.

Uchida will face the unenviable task of returning Nissan to financial health after it reported its worst first-quarter results since the global financial crisis.



Nissan has named a new CEO as it seeks to recover from reputational damage caused by the Carlos Ghosn scandal

The automaker has cited a global slowdown in the auto sector, but it is also suffering from a lack of innovation on its production line and reputational damage from the Ghosn scandal

Uchida also inherits the harsh cost-cutting measures Saikawa proposed as a way out of the wilderness—including reducing dealer incentives and promotions but also cutting global production by 10 percent to 2023—a measure that means the loss of 12,500 jobs.

And there is the unresolved business of Nissan's fractious alliance with Mitsubishi Motors and Renault.

Ghosn, who created the alliance, wanted greater integration with France's Renault, and says his push for that prompted angry Nissan executives to plot against him.

The two firms have made a show of holding the marriage together in the wake of Ghosn's arrest, but tensions have bubbled to the surface.

Renault holds a 43-percent stake in the Japanese automaker, which in turn controls 15 percent of the French firm but has no voting rights.

Loose ends

Nissan is also currently undergoing an overhaul intended to strengthen governance after the Ghosn scandal.



The arrest of Carlos Ghosn threw the Nissan-Renault-Mitsubishi partnership into chaos

In June, its shareholders voted in favour of various measures including the establishment of three new oversight committees responsible for the appointment of senior officials, pay issues and auditing.

They also approved the election of 11 directors as the firm restructures, among them two Renault executives.

Part of the reform involved the investigation that uncovered the excessive compensation scheme that led to Saikawa's resignation.

Six other top executives are believed to have been involved, reportedly including Hari Nada, the influential head of legal affairs who is said to have been key to sounding the alarm on Ghosn's alleged wrongdoing.

Some within the firm want the executives implicated to be dismissed, as well as more details on lower-level officials accused of involvement. Toyota and Kimura declined comment on the issue Tuesday.

Ghosn meanwhile is out on bail in Tokyo, awaiting a trial that reports have suggested could start next April on charges of under-reporting millions of dollars in salary and of using company funds for personal expenses.

He denies any wrongdoing.

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Citation: Crisis-hit Nissan names China unit head Makoto Uchida as new CEO (2019, October 8)

retrieved 10 April 2024 from

<https://techxplore.com/news/2019-10-crisis-hit-nissan-china-makoto-uchida.html>

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