

Coronavirus confirms FCA-PSA merger a good idea: Elkann

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The coronavirus pandemic has "further underlined the compelling logic" of the mega-merger between Fiat Chrysler (FCA) and Peugeot Citroen (PSA), the Italian-American automaker's chairman John Elkann said Friday.

Massive global disruptions caused by the virus had cast doubt over the pending tie-up.

"Our performance in 2019 strengthened our already solid foundations and has helped us face this emergency with confidence, with flexibility and with grit," Elkann told the group's general assembly.

"In spite of the huge challenges that have materialised with the COVID-19 emergency, I can confirm that the work of our teams towards the completion of the merger has continued apace," he said.

"We expect to meet our objective of combining as a single company by the first quarter of next year".

The merger will undergo an exhaustive probe over concerns it will stifle competition, EU authorities said last week.

The tie-up was announced at the end of October and originally scheduled to be finalised in early 2021 at the latest, in order to create the world's fourth-largest automaker.

The combined company would unite brands such as Peugeot, Citroen, Fiat, Chrysler, Jeep, Alfa Romeo, Opel and Maserati into one global giant.

The EU is concerned about the merger's effect on Europe's highly-profitable market for vans, which are technically easy to manufacture but sold at good prices.

Its probe "is not expected to delay our timetable to completion," Elkann said.

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