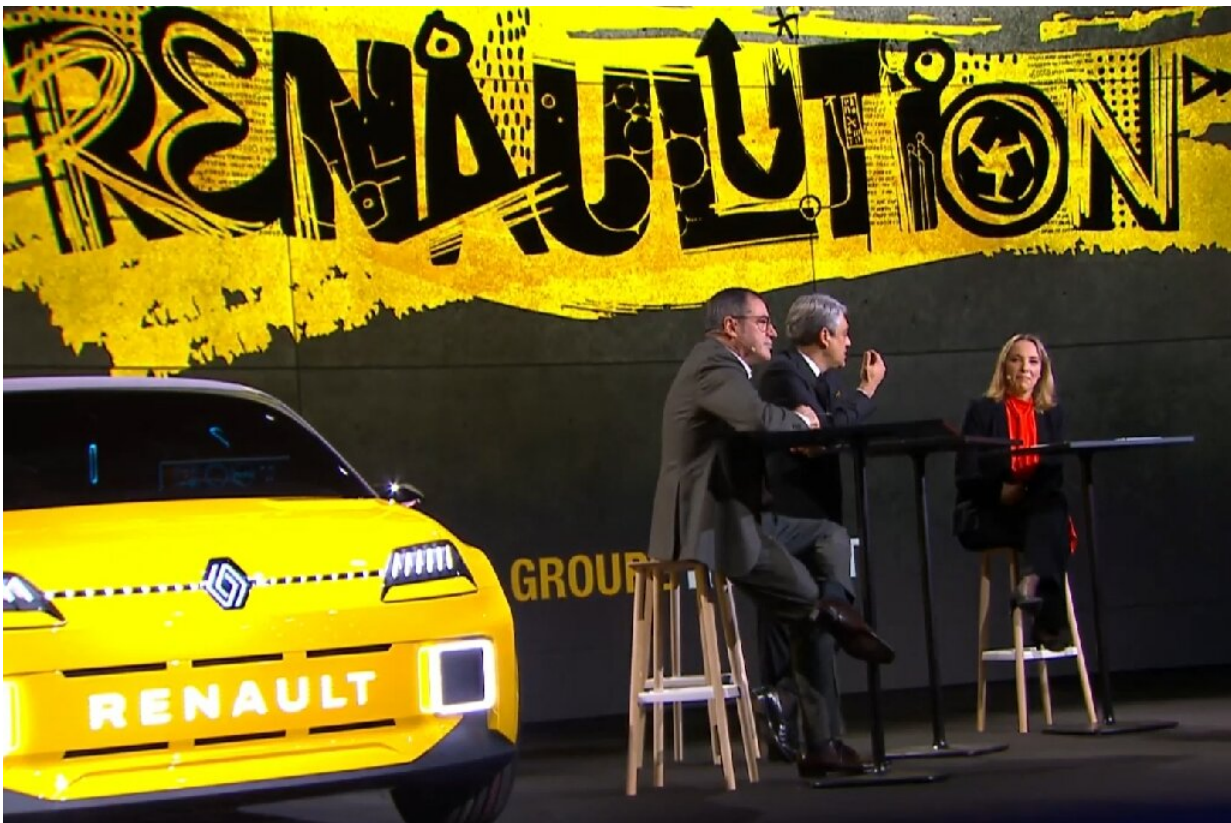


Renault draws on past in aiming for profitable e-future

January 14 2021, by Taimaz Szirnics



A blast from the past: Renault's R5 revamp

French automaker Renault on Thursday unveiled an electric revamp of a beloved hatchback from the 70s to spearhead a new revival plan after years of turmoil, hoping to move upmarket as the industry races to make

a clean-energy shift.

Luca De Meo, the Italian industry veteran brought in after the arrest and ousting of ex-chief Carlos Ghosn, promised to streamline operations and focus on more profitable segments as he laid out his strategy blueprint for the next five years.

At the vanguard will be a new version of the R5, Renault's sturdy stalwart first produced in 1972, "an electric car that everyone can afford," De Meo said at a press conference.

The original R5, billed as an everyday "supercar", was hugely popular and remains a favourite of collectors as well as rally fans ready to pay tens of thousands of euros for vintage turbo versions.

"It's instantly recognised by millions of drivers—it's free publicity," said Flavien Neuvy of France's Cetelem auto research group.

Renault is banking on a similar success as it reduces the number of other models while hiking vehicle prices by thousands of euros—aiming to lift operating margins to three percent by 2023 and more than five percent by 2025.

It would be a major comeback from the 7.3 billion euro (\$8.9 billion) loss chalked up in the first half of last year, when sales plunged as countries locked down to halt the coronavirus pandemic.

'Biggest e-car factory in Europe'

Renault was an early adopter of [electric vehicles](#) for the masses under former chairman Ghosn, who was forced out in 2019 following his arrest in Tokyo on financial misconduct charges while head of the Renault-Nissan-Mitsubishi alliance.



Luca De Meo is tasked with getting Renault back on solid footing following the shock arrest of former CEO Carlos Ghosn in 2018.

The company claims to have sold 325,000 electric vehicles in Europe since 2010, though mainly small, subcompact cars like the Zoe or Twingo—a smaller and less profitable market compared to midsize models.

De Meo said he would now focus on larger cars among the 24 new models planned by 2025, of which 10 will be either battery or hydrogen-powered—representing 65 percent of its sales.

Renault will also partner with Google on connected vehicles and

incorporating artificial intelligence capabilities, while building "the biggest electric car factory in Europe," which De Meo said could potentially be in northern France.

Renault's best-selling low-cost brands Dacia and Lada will also introduce new models—a "Bigster" SUV for Dacia and a new version of Lada's Niva, the iconic Russian 4X4.

But De Meo abandoned Ghosn's goal of selling five million vehicles across 100 countries, saying he would target sales of 3.1 million by 2025 by focusing on high-potential countries in Latin America as well as India and South Korea.

The firm will also step up cost-cutting plans, aiming for 3 billion euros in savings by 2025 but without more layoffs after the 15,000 job cuts announced last May.

Renault's revamp also aims to help it repay an emergency five billion euro loan last year from the French state, which owns a 15 percent stake in the automaker.

Renault and its Japanese partners Nissan and Mitsubishi are the world's third-biggest automotive group by sales, with 10.2 million sold in 2019, behind Volkswagen and Toyota.

But consolidation is set to continue as companies seek to bulk up for the investments required for the shift to electric vehicles, as authorities worldwide clamp down on CO2 pollution.

Renault already has a homegrown competitor hot on its heels—PSA Peugeot Citroen this month closed its merger with Fiat Chrysler, propelling the new group, Stellantis, into fourth place.

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