

Honda and Nissan agree to work together in developing electric vehicles and intelligent technology

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Nissan Chief Executive Makoto Uchida, left, and Honda President Toshihiro Mibe attend a joint news conference in Tokyo, Friday, March 15, 2024. Nissan and Honda announced Friday that they will work together in developing electric vehicles and auto intelligence technology, sectors where Japanese automakers have fallen behind. Credit: Kyodo News via AP

Nissan and Honda announced Friday that they will work together in developing electric vehicles and auto intelligence technology, sectors where Japanese automakers have fallen behind.

The chief executives of Nissan Motor Co. and Honda Motor Co. appeared together at a news conference in Tokyo to announce that Japan's second and third biggest automakers will look into areas with a potential for collaboration.

The details of the non-binding agreement are still being worked out, both sides said. The executives said the companies will develop core technologies together, but their products will remain different.

Nissan Chief Executive Makoto Uchida stressed that speed is crucial for the companies in developing technological solutions.

"We don't have time," he said. "It is significant that we have reached this agreement based on a mutual understanding that Honda and Nissan face common challenges."

Honda President Toshihiro Mibe said the companies share common values and could create "synergies" in facing their formidable rivals.

The world's automakers are rapidly shifting toward electric vehicles, focusing on batteries and motors instead of gas engines, as concerns grow about emissions and climate change.

But Japanese automakers have fallen behind rivals such as Tesla of the U.S. and BYD of China in developing EVs, partly because they have historically been so successful with combustion engine vehicles.

Toyota Motor Corp., the world's largest automaker, has often said the world is not ready for a complete shift to EVs, in part because of the

lack of a charging infrastructure, and instead has pushed hybrids, which have a gas engine in addition to an electric motor.

But Toyota is also expected to aggressively deliver on an EV push in coming years.

Nissan is relatively ahead in EVs among Japanese automakers because it was among the first to come out with an EV with its Leaf, which went on sale in late 2010.

High expectations for the Nissan-Honda agreement were reflected in sharp increases in the stock prices of both companies on Thursday after a Japanese media report said such a deal might be in the works.

Their shares continued to rise Friday, with Nissan finishing 3.2% higher Friday and Honda rising 1.7%. The agreement was announced after trading closed in Tokyo.

The executives said no mutual capital ownership is involved in the agreement for now, but the companies may look into the possibility down the road.

"How we can raise our competitiveness is what we are determined to pursue," Uchida said.

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