

The Renault-Nissan-Mitsubishi Alliance are reporting a 14% increase in annualised synergies to €5.7bn, up from €5bn in 2016, as members of the world's largest automotive alliance benefitted from growing cost savings, incremental revenues and cost avoidance.



The latest synergies reflect the economies of scale realized by the Alliance members, who reported total sales of more than 10.6 million vehicles for 2017 – becoming the world's largest automotive group in terms of sales of passenger cars and light commercial vehicles (LCVs).

"The Alliance has a direct, positive impact on the growth and profit of each member company," said Carlos Ghosn, Chairman and CEO of Renault-Nissan-Mitsubishi. "In 2017, the Alliance turbocharged the performance of all three companies including Mitsubishi Motors which saw its first full year of synergy gains."

"We expect to generate growing synergies in coming years as the Alliance accelerates convergence through increased utilization of joint plants, common vehicle platforms, technology-sharing and our combined presence in mature and emerging markets. We reaffirm our synergy goal of more than €10bn by the end of 2022."

Under the Alliance's 2022 mid-term plan, the member companies forecast to sell more than 14 million vehicles by the end of the plan, of which 9 million will be built on four common platforms including electric and B segment vehicles, and extending the use of common powertrains from one third to 75% of the total.

Through the consolidated engineering function, the Alliance member companies share R&D costs and investments, which increases their competitiveness. For instance, Nissan and Mitsubishi Motors joined forces last year to develop the next generation of Kei cars.

In 2017, the Alliance Purchasing Organization (formerly RNPO) generated significant cost reductions and avoidance through centralized sourcing of parts, equipment and tooling, global contract negotiations, and common utilities sourcing at facilities around the world.