

Nissan may end merger talks with Honda

Reuters
Tokyo

Japan's Nissan may call off its merger talks with Honda, and its board is due to meet in the near future to decide a course of action, according to a person familiar with the matter.

Honda, Japan's second-largest car maker, and Nissan, its third-largest, last year said they were in discussions to merge and create the world's third-largest automaker by sales, bulking up in an industry that faces a vast threat from China's BYD and other electric vehicle entrants.

But the talks have been complicated by growing differences on both sides, according to two people familiar with the matter, both of whom declined to be identified.

NISSAN'S CONCERN

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out about becoming a subsidiary, one of the people said, adding that such an arrangement was a departure from the spirit of discussions originally framed as a merger of equals.

The development raises fresh questions about how the hard-hit Nissan could ride out its latest crisis without external help.

Nissan is in the middle of a turnaround plan, aiming to cut 9,000 employees and 20 per cent of global capacity. Honda, with a market value nearly five times bigger than Nissan, is increasingly worried about its smaller rival's progress on the turnaround plan, said the other person.