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Automotive News

Ghosn sets the record straight on price-fixing conspiracy

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NEW YORK -- In our [package of stories](#) on supplier price-fixing published Monday, one report said Carlos Ghosn inadvertently created the bid-rigging tradition.

The argument went thus: **Ghosn arrived in 1999** as CEO of Nissan and broke up the cozy keiretsu culture, demanding competitive bidding. In response, suppliers started price fixing.

It's an intriguing scenario. But Carlos Ghosn begs to differ.

When *Automotive News* interviewed Ghosn here Wednesday for our Talk from the Top series running Monday, I took the opportunity to ask Ghosn about the theory.

"So it's my fault?" Ghosn said, laughing. "That's a most original explanation."

Ghosn, now CEO of the Renault-Nissan Alliance, went on to say that he saw the *keiretsu* system as an effective structure.

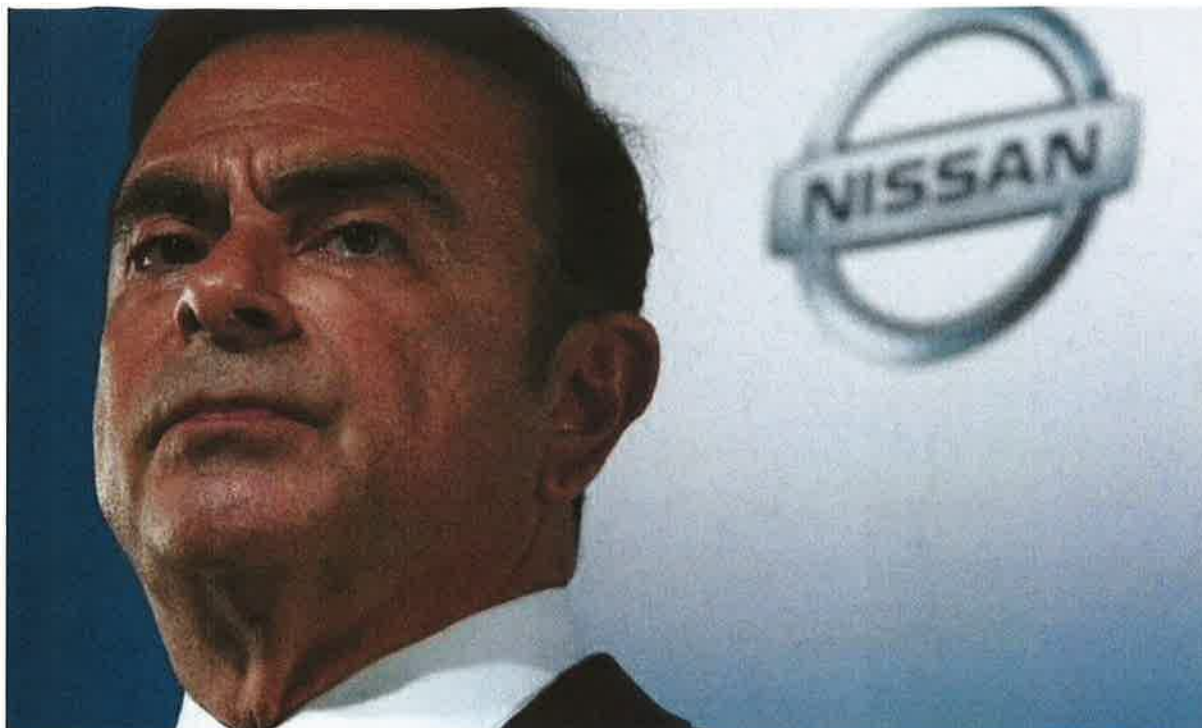
"I had nothing against *keiretsu*," he said. "It was working for our competitors. But it wasn't working for us.

"I said, 'I'm not dismantling Nissan's *keiretsu* because I'm against *keiretsu*, or I think it's wrong. Not at all.' But you judge an organization based on its results. And we were miserable."

Ghosn said he dismantled the Nissan *keiretsu* "with the agreement of the suppliers themselves." Some stopped working with Nissan, he says. But those who stuck with Nissan prospered as it recovered.

That experience, by the way, colors Ghosn's view of the current supplier price-fixing scandal. Bid rigging, as well as squeezing suppliers for barebones pricing, he says, "is just short-term stuff that is going to backfire.

"What we are looking for is long-term performance, and long-term performance means you sit down with suppliers and try to find ways to get inefficiencies out of the system."



Carlos Ghosn: "So it's my fault? That's a most original explanation."

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