

Renault signs Iran auto venture

PARIS: French carmaker Renault said Friday it would start a joint venture in Iran, tapping into the country's fast-growing car market as it opens up to foreign investment after the end of Western sanctions.



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The venture, in which Renault will hold a majority stake, includes a new production plant that is to raise Renault's production capacity in Iran to 350,000 vehicles per year from 200,000 now, it said in a statement.

Iranian Industry Minister Mohammad Reza Nematzadeh called Renault, which has been active in Iran for more than 12 years, "the ideal partner for this project".

Renault chief Carlos Ghosn said Iran's car market is projected to reach two million by 2020, giving it "undeniable potential".

The factory is to roll out its first Symbol and Duster models in 2018, Renault said. The venture will, for the first time, give Renault its own distribution network in Iran, complete with sales and aftersales services, it said.

Renault sales in Iran rose by 56% in 2015 from a year earlier to 51,500 vehicles, giving it a market share of 4.8%. Growth continued to be strong in the first eight months of this year, the company said.

Iran has tried to attract foreign companies back since Western sanctions over Tehran's nuclear programme ended a year

ago. President Hassan Rouhani has said he hopes the end of sanctions will help Iran attract \$30 to \$50 billion in annual investment.

Source: AFP

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