

Mitsubishi mulls compact car in India

SWARAJ BAGGONKAR
Mumbai, 13 March

Japanese automobile company Mitsubishi Motors may launch a compact car in the B segment in the country. The car is expected to hit the roads in three years.

Mitsubishi Motors, which has a technical tie-up with the CK Birla-promoted Hindustan Motors, sells Pajero SUV and Lancer sedan in India. But neither these models nor the imported Montero SUV and Cedia sedan has generated adequate volumes for the company in India.

Mitsubishi executives, however, said the company was not late in entering the small car market in India, which has seen an average jump of more than 60 per cent with monthly sales reaching

about 10,000 units. Mitsubishi's compact car will take on Maruti Swift, Hyundai Getz, Skoda Fabia, Fiat Palio, Chevrolet U-VA and Ford Fusion. YVS Vijay Kumar, V-P and SBU head, Hindustan Motors, Chennai car plant, said, "We do not want to rush in to anything as we want to maintain the 40 per cent year-on-year growth. Mitsubishi is a premium brand in India and we will enter the premium small car segment in due course."

"We are looking at a few models from our global product portfolio. We will have a world car in India in 3-5 years," added Kumar.

The company's Chennai plant, which produces 12,000 vehicles per year, will see more investments to hike production capacity to 100,000 units

NEW ENTRANT

- Though Mitsubishi sells Pajero SUV and Lancer sedan in India, they **have not generated adequate volumes** for the Japanese automobile company
- The compact car will **take on Maruti Swift, Hyundai Getz, Skoda Fabia, Fiat Palio, Chevrolet U-VA and Ford Fusion**
- The company's **Chennai plant will be expanded** to produce the compact car and other products
- Czech carmaker **Skoda pushed up the company's sales** by launching the hatchback Fabia in December last year

Mitsubishi headquarters in Tokyo



per year to accommodate the compact car and other products. The expansion will be

carried out in the additional land adjacent to the existing facility.

The company has decided to locally manufacture Outlander SUV in Chennai. The

vehicle is sold for \$29,000-\$30,000 (Rs 12 lakh) in the overseas market. The company hopes to cut down costs by manufacturing it at Chennai.

The compact car is expected to drive volumes for the company as it will be pitched at a lower price band than its current models. The current price range is Rs 7.10 lakh to Rs 35.80 lakh.

Czech carmaker Skoda, which sells premium-priced sedans such as Octavia and Superb, launched the hatchback Fabia in December last year. The model pushed up the company's sales by more than 75 per cent in two months. Mitsubishi has decided to introduce one new model in India every six months. This does not include periodical facelifts and refurbishments.