

# Mitsubishi may price Outlander at Rs 15.5L

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MITSUBISHI Motors plans to start a price war in the fast-growing sports utility vehicle (SUV) market with the launch of Outlander at around Rs 15.5-16 lakh.

Outlander will be one of the cheapest compact SUVs on road. It will be pitted against the costlier Honda CR-V, which is the market leader and priced close to Rs 20 lakh. Maruti's Grand Vitara, Hyundai's Tucson, Ford Endeavour are priced in the Rs 15-17-lakh bracket, while General Motors's Captiva is Rs 18 lakh. All these SUVs are imported vehicles. The SUV market in India grew 32% to 1,30,041 vehicles in fiscal '08 from 98,086 vehicles in the previous fiscal.



Driving away price fears

In terms of pricing, the two SUVs that will be closest to the Outlander are the Grand Vitara and the Endeavour. "But the Outlander will be superior as it would have a host of power-packed performance features. It will be powered by a 2.4 litre MIVEC petrol engine and a 6-speed automatic transmission with paddle shifting. It will also have an electronically controlled four wheel drive (4WD system) based on a common all wheel control (AWC) philosophy. Maruti's Grand Vitara automatic transmission is four speed only, while Ford Endeavour is only available in diesel. Outlander's lower price tag comes from the fact that it will be assembled in Chennai by the manufacturer, HM Mitsubishi, a joint-venture between India's Hindustan Motors and Japan's Mitsubishi Motors.

A HM Mitsubishi Motors spokesperson said, "After the positive response from the customers in the Auto Expo 2008, we will launch Outlander in August. I cannot reveal Outlander's pricing strategy, but it will be very aggressive with a common price for the entire country." Automobile analyst said that the SUV market is all poised to grow with the introduction of competitively-priced products. All this while the high price points have restrained the growth of SUVs in India.

KPMG India partner Yezdi Nagporewalla said, "As the market matures, we will have better vehicles and technology in India. At present, bulk sales come from cheaper SUV's like the Tata Sumo and Mahindra Scorpio. Once the demand and segment grows, we will have the real SUVs hitting the Indian market."