

Mitsubishi to assemble Pajero Sport in Chennai

■ Nabeel A Khan
New Delhi

Mitsubishi Motor Corporation (MMC) is gearing up to launch an offensive in the SUV segment in India with assembling Pajero Sports at its Chennai plant by September. The Chennai plant where the new SUV will be assembled is jointly owned by the Japanese manufacturer and its Indian partner, Hindustan Motors.

According to the company, the move will help bring down the vehicle costs as currently, the car is being imported as Completely Built Unit (CBU), which attracts higher duties and taxes. The company aims to sell around 5,000 units in India this year.

"We are planning to start CKD (Completely Knocked



A Sankara Narayanan, Director, HM & Masahiko Ueki, Executive Officer & Corporate GM (Asia & ASEAN), MMC with the Pajero Sport

Down) units of Pajero Sport by September and it will definitely help us bring down the cost, which we will pass on to our customers," Director, HM, A Sankara Narayanan said.

The Pajero Sport was recently launched in India priced at ₹23.53 lakh (ex-showroom Delhi). The vehicle is equipped

with 2.5 litre VG Turbo DiD engine, which produces maximum power of 178 PS, maximum torque of 400 nm, on-demand four-wheel drive facility, rear stabiliser and a turning radius of 5.6 metres. The Japanese manufacturer will stop sale of its existing Pajero SFX after four months, and only the Sport vari-

ant will be available.

Based on interactions with dealers, Pajero Sport has received over 300 bookings till date. It was also revealed that the company had imported less than 50 units in the first lot, and customers may have to wait for three months. However, the company did not confirm the same.

In other Asian markets, MMC last year sold 17,600 units, 14,000 units, 8,000 units in Thailand, Indonesia and Philippines respectively and around one million vehicles globally in CY2011.

According to sources, HM has also been exploring a contract manufacturing option at its Chennai plant as much of the facility remains unutilised. It was also in talks with Asian manufacturers for the same but the deal could not be finalised yet.

The plant is spread across 172

acres. Its available capacity is 12,000 units a year in one shift. In the FY 2010-11, it produced around 3,000 vehicles and hopes ramp up the production to at least 6,000 units by this year. MMC has 17 manufacturing facilities across the world of which 12 plants are co-owned with partners. The company has its major plant in Thailand, but with the increased minimum labour costs due to a new policy, MMC is looking for a new site in Malaysia, India or Asia to set-up a new global production hub.

In FY11, the company sold around 897 units of Pajero SFX, 448 Lancers, 143 Cedia, 1,025 units of Outlander, 42 Monteros and 12 Lancer Evolution X in India. Here, HM manufactures and markets Mitsubishi's products through a licensing agreement signed in 1998. **AT**