

This Mitsubishi is 100% Brazilian

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Mitsubishi Motors Brazil, different from most carmakers installed in the country, is not a subsidiary of a multinational company. It is a company with 100% Brazilian capital that operates under license from the Japanese group.

Installed in the city of Catalão, in the midwestern Brazilian state of Goiás, the factory produces pickups L-200, L-200 Sport and the Pajero TR4 jeep.

Although the carmaker is relatively new, having been inaugurated in 1998, the men behind the business accumulated decades of experience in the field of production and sale of cars, making it possible to establish the partnership with the Japanese company.

Eduardo Souza Ramos, the major partner and president of the company board, started working in the sector in September 1967 as a Volkswagen retailer. In 1972 he migrated to Ford and at one time had eight brand stores.

The partnership with the North American brand lasted many years, evolving to the inauguration, in 1977, of SR Veículos Especiais, a company that produced luxury double cabin pickups on chassis produced by Ford. Today Souza Ramos still has two of the brand dealerships.

The company president, Paulo Ferraz, started working as an employee of the Souza Ramos group in 1976, and in 1985 they both became partners at SR.

The special vehicle factory at one time had 600 employees and produced 300 units a month, before closing its doors in 1991, after the opening of the Brazilian market to imported cars.

"We already had experience in production and the time had come to go on a higher flight. We decided to represent a strong brand, not to create our own. It is different receiving technology and creating it," stated Souza Ramos.

Taking advantage of the opening of the economy, the businessmen got in contact with Mitsubishi and in 1992 became the brand representatives in Brazil, selling cars produced by the head office.

"But we had been considering the production of cars ever since the beginning. We knew that so as to remain on the market it was necessary to have a base of imported products and another of local production," added Ferraz.

In this respect, after negotiations with the Japanese group, in 1997 the "foundation stone" for the Catalão was placed, an enterprise that received investment of approximately US\$ 100 million, in current figures, from the Brazilian partners.

Production

The company plant has the capacity for production of 60,000 vehicles a year working in three shifts. But the factory is currently only working on one shift, with production of between 22,000 and 23,000 units per year.

Last year the company sold 21,000 vehicles, having exported between 80 and 100 units a month to the remaining countries in the Mercosur (Argentina, Paraguay and Uruguay).

The company strategic decisions are taken in partnership between the Brazilian businessmen and the Japanese head office. "The initiatives are ours, but we have to have approval from them," stated Souza Ramos. Among these decisions

is the release of new models in 2006 and 2007.

In 2004, the Brazilian company, which had 1,300 employees, had revenues of US\$ 620 million and forecasts growth of between 5% and 6% this year. Apart from production, Mitsubishi Brazil continues selling cars imported from the Japanese factory.

Apart from joint decisions, Mitsubishi Japan provides all the technical support to the Brazilian factory and supplies some of the parts used in the production line.

According to Ferraz, the level of nationalization of vehicles produced in Catalão is between 50% and 62%, depending on the model. All of this, plus the use of the brand, obviously, generates the payment of royalties. But the businessmen do not inform the value.

Sports Marketing

In the area of marketing, Mitsubishi Brazil accompanies the brand's world tendency, investing in more sporty vehicles. The multinational brand acts strongly in off-road competitions, like the World Rally Championship and the Paris-Dakar rally. And in Brazil this is not different. "Rallies are in the DNA of the brand," stated Ferraz.

In the country, the company promotes three kinds of events for owners of brand vehicles: Mitsubishi Motorsports, a regularity rally that counts on 11 annual stretches, Mitsubishi Cup, a speed rally with seven editions, and Mitsubishi Outdoor, which blends the use of cars, privileging navigation, with other sports and cultural activities.

According to Ferraz, last weekend the three events took place simultaneously in the city of Ribeirão Preto, in the interior of the state of São Paulo, with 412 vehicles participating.

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