



The Jeep "Renegade" features outstanding performance in a small-size design.

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## Foreign Auto Manufacturers Making Rapid Advances in Japan

In 2016, the sales of foreign automobiles in Japan increased 5.9% over the previous year to total 298,856 units. Some may think the Japanese automobile market is closed to imports, but actually, the import duty on passenger cars is zero (0%), and has been for many years. Naturally, there is a high amount of interest among consumers for imported cars. Although there are circumstances unique to Japan that tend to be overlooked, such as driving on the left side of the road (the steering wheel is on the right), the opposite side of most countries around the world. Also, the automated elevator-type parking towers built to effectively utilize small plots of land have limits to the size of cars that can be parked.

When looking at the sales of foreign automobiles by company, the top-ranking companies are European. These companies made the effort to adapt to the Japanese market from a very early stage by introducing

versions of their cars with steering on the right-hand side and other specifications adjusted for Japan. However, there is a particular company that has been swiftly breaking new ground in this environment, doubling its sales volume in the past five years. That company is FCA Japan Ltd., a subsidiary of FCA, an integrated automotive group established between the Fiat Group of Italy and the Chrysler Group of the United States. We spoke with Pontus Häggström, the President and CEO of FCA Japan, regarding the company's success.

"The automobile is a strong carrier of culture," said Häggström to begin the interview, "and we at FCA pursue the merits of merging Italian and American culture and attempt to reflect them in each and every part."

Symbolizing FCA's business model is the "Renegade," the Jeep brand's first compact SUV (sport utility vehicle) and first Jeep manufactured by FCA outside of the United States. The Renegade was a truly collaborative

effort between the Italian and the American sides of FCA, and it became a major hit in Japan. For the Japanese market, FCA not only changed the steering wheel of the Renegade to the right, but also closely analyzed the various demands of Japanese consumers and reflected them in the vehicle. The Jeep Renegade is a success story born out of these efforts, made possible by the free movement of people, goods and services together with international networks of production and distribution. FCA Japan's Jeep brand grew 33.9% in 2016 compared to the previous year in terms of the number of newly-registered vehicles, and the Renegade was the driving force behind this success.

Häggström continued to explain, "One of the important things when selling a car is how you position your product. We've found that Japanese consumers, when it comes to selecting an imported car, are surprisingly familiar with the brand's history and background, and they're seeking unique characteristics that do not exist in domestic cars. Also, consumers in Japan put enormous attention on hardware (quality) and software (service)."

To win over these Japanese consumers, FCA Japan operates a dealer network of over 180 shops throughout Japan. In addition, the company has established a training center in Japan for educating its dealers, staff members and mechanics in order to boost service and skills. These various efforts have been the key to establishing and maintaining a good relationship with both customers and local dealers.

The success of this series of measures yielded record-high results in 2016, with the company's vehicle sales



FCA Japan closely supports its dealers. The company also puts emphasis on developing the skills of mechanics at each dealer through measures such as commendation systems.

in Japan exceeding 20,000 units.

FCA Japan continues to grow as a foreign automobile company in Japan. The company, with its deep roots in both Italy and the United States, is led by a Swedish CEO who is thoroughly familiar with the Japanese market and consumers. When we pointed out this fact to Häggström, he smiled and replied, "One of the Abarth models that we sell is manufactured in Hiroshima. So yes, FCA is a truly global car company." When we then asked him about the future prospects of the company in Japan, he enthusiastically replied, "We intend to achieve 30,000 units in car sales by 2019 and we are excited about the prospects of Japan!"

The rapid advance of FCA Japan is expected to continue as the company fully takes advantage of the free trade, its global production, and its local and international human resources.



#### Pontus Häggström

President and CEO of FCA Japan  
Born in Sweden. In 2001, he served with General Motors Asia Pacific (Japan) Ltd. (currently General Motors Japan Limited) as Brand Director for Saab and Cadillac. In 2005, he successively served General Motors Europe (Germany) as Export Director for Saab. In 2008, he was appointed President & CEO of Fiat Group Automobiles Japan Ltd. (currently FCA Japan Ltd.). He has held his current position since 2012.