

## **Mazda CEO: Ford Hasn't Abandoned Us**

Tomoko A. Hosaka, Associated Press

TOKYO (AP) — Japanese automaker Mazda remains committed to its 30-year-old technical and strategic alliance with Ford although the US company is no longer its top shareholder, Mazda's chief said Monday.

Ford cut its stake in Mazda from 11 percent to 3.5 percent last month, marking a symbolic shift in a longtime U.S.-Japan auto alliance.

Mazda Motor Corp. President and Chief Executive Takashi Yamanouchi said the two companies will continue to cooperate through joint ventures and technology exchange, and Mazda has no plans to find a new equity partner.

"I think it's natural for people to think that Ford is moving away from Mazda, but I also want to draw attention to the fact that they still decided to retain a 3.5 percent stake in Mazda," Yamanouchi said at the Foreign Correspondents' Club of Japan.

The Dearborn, Mich.-based automaker became Mazda's biggest shareholder in 1979 when the Japanese car maker was near collapse. It raised its stake to 33.4 percent in 1996, but reduced that to 13 percent in 2008. It had declined to about 11 percent more recently.

In addition to helping Mazda avert bankruptcy, the Hiroshima-based automaker benefited from Ford's expertise in marketing, sales and financing, Yamanouchi said. Meanwhile, Mazda helped Ford executives with manufacturing and quality control, he added.

"We've learned a lot from each other," he said.

They share basic parts for autos called platforms and jointly operate plants in Asia and other regions, including a money-losing factory in Flat Rock, Mich.

The plant, which makes Ford Mustangs and the Mazda 6, has the capacity to produce 240,000 vehicles a year. But it is severely underutilized, operating one shift a day instead of two because of lackluster demand at both companies.

"So you can imagine with one shift, it's very difficult to recover fixed costs," Yamanouchi said. "As a result, the operation is unprofitable. Right now we are discussing with Ford how to fix this situation."

For its part, Mazda is banking its future on its next-generation gasoline and diesel engines that feature markedly improved fuel efficiency. The technology will make its debut next year in the Mazda Demio, which can reach 30 kilometers per liter (75 miles per gallon), the company says.

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In contrast to bigger rivals such as Toyota Motor Corp. and Nissan Motor Co., Mazda is embracing a slower approach when it comes to hybrid and electric cars.

Forecasts have projected that in 2020, electric vehicles will only comprise 5 percent of the car market, Yamanouchi said.

"We've assumed that even at the time, a majority of vehicles will still have internal combustion engines," he said.

In what the company refers to as a "building block strategy," Mazda will focus first on maximizing efficiency in gasoline-powered engines and then gradually incorporate electric components. Its goal is to improve average fuel economy by 30 percent across its entire global lineup by March 2016.

In 2013, it will introduce a gasoline-electric hybrid using technology licensed from Toyota. Electric vehicles and plug-in hybrids may also be in Mazda's future, Yamanouchi said.

Mazda, whose models include the Miata roadster and RX-8 sportscar, is a relatively small player in the intensely competitive auto industry, producing 1.2 million vehicles a year. It holds a 5 percent market share in Japan and a 2 percent share in the U.S.

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