

Kintetsu World Express Returning To Latin America

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TOKYO (Nikkei) --- Kintetsu World Express Inc. (9375) will set up logistics subsidiaries in Mexico and Brazil next year, making a comeback after first entering the region in the 1990s.

The company will spend about 80 million yen to set up a wholly owned local subsidiary in Mexico City in January, and the same amount to open one in Sao Paulo next April. Their operations will include logistics for imports and exports, as well as warehouse storage.

In Mexico, offices will be set up in five cities including Aguascalientes, home to the automotive industry, and Guadalajara, which hosts many high-tech factories. With these cities becoming export bases for cars and electronics, shipments of component parts from Asia are expected to rise.

In Brazil, the firm will open offices in three locations, including Manaus and Curitiba. Japanese manufacturers and retailers are aggressively expanding in the largest consumer market in South America. The firm will explore cooperation with local logistics service providers to capture demand for truck transport as well.

When the firm first entered Latin America in the 1990s, it established 13 local firms and logistics networks in such countries as Colombia, Peru and Chile. But many client firms retreated from the region for security reasons, and demand for outbound shipments was weak.

By returning to the market, the company aims to boost earnings by 10 billion yen a year.

Source: Nikkei English News