

## **Logistics Firms Expanding In Latin America**

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TOKYO (Nikkei)--With Japanese automakers and parts producers setting up more bases in Mexico, logistics firms are working to broaden their Latin American service.

Yusen Logistics Co. (9370) has formed a tie-up with a Mexican transport company to jointly expand a land-based network for shipping autoparts and other products. The Mexican firm, which generates 60% of sales from the auto industry, owns about 400 GPS-equipped trucks. Yusen Logistics plans to tap the firm's ground transport network to set up routes connecting factories within Mexico as well as sites in other parts of North America.

Transport services entailing stops at multiple manufacturers' plants help lower costs compared with trips between a single facility and the destination. Customers in turn can benefit from lower transport expenses.

Honda Motor Co. (7267) has broken ground on a plant in central Mexico, while Nissan Motor Co. (7201) and Mazda Motor Corp. (7261) plan to follow suit. This is expected to spur an influx of autoparts makers as well as ramp up output at their existing bases.

Yusen Logistics will beef up air and sea shipment services for plant facilities and parts as well.

Kintetsu World Express Inc. (9375) will set up local units in Mexico and Brazil by next spring. With air cargo shipments of autoparts to the Americas having as much as doubled in the past year, the company sees a need to expand local logistics structures.

Nippon Express Co. (9062) will adopt a GPS-based logistics system in Mexico for making the rounds to collect and deliver autoparts. It will explore offering the parts shipment services to other plants in North America as well.

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