

SSANGYONG



Official name: SsangYong Motor Company.

Owned by: Korean banks, then Daewoo, then, mostly by its creditors. For a while, Shanghai Automotive Co. Ltd owned 51.33% of the company. A giant Indian industrial company – Mahindra & Mahindra – now owns 74% of SsangYong.

Current situation: After nearly going belly-up in the late 1990s, SsangYong was bought by Shanghai Automotive as part of an aggressive growth strategy. However, this purchase was a mistake: SsangYong is the smallest and least successful of South Korea's five car companies. SsangYong's products often look weird and aren't very well built.

In 2011, Indian manufacturer Mahindra & Mahindra came to SsangYong's rescue. Because most Mahindra vehicles are laughably crude by Western standards, even Ssangyongs look good by comparison. Mahindra has since begun building the Ssangyong Rexton in India.

Chances of survival: dodgy. Ssangyong has failed to gain significant market share in any major car market in the world. Thanks to Mahindra's clout, India might embrace Ssangyong vehicles. Then again, it might not •



A brief commentary on Ssangyong

SsangYong means ‘twin dragons’ and refers to a Korean legend in which two dragons waited 1000 years to fly to dragon heaven. Finally, a single cintamani (magic jewel), which was necessary for the journey, was released. Each dragon encouraged the other to take it and make the trip. This display of courtesy went on for so



The awkwardly styled Ssangyong Korando

long that both dragons missed the opportunity. The king of heaven was so touched by the dragons’ generous display that he released a second cintamani and thus the two dragons entered heaven together.

The Ssang–Yong business group was founded in 1939 and is now a large conglomerate with interests in cement, oil, paper and financial

information and leisure services. In 1986, SsangYong bought the Ha Dong Hwan Motor Company, which had been making four-wheel drives and trucks since 1954.

In 1991, SsangYong formed an alliance with Mercedes Benz. SsangYong was allowed to build obsolete Mercedes diesel and petrol engines and other components under licence.

In January 1998, Korean car-maker Daewoo Motor, took a controlling interest in SsangYong. Soon after, Daewoo went bankrupt.

General Motors bought the remains of Daewoo but didn’t want SsangYong, so the control of SsangYong passed to its creditors, with Mercedes Benz taking a minor shareholding.



The equally odd Ssangyong Actyon. One reviewer said the Actyon looked like a dog that had swallowed a bee



After the General Motors takeover of Daewoo, SsangYong Motor struggled along as an independent company, despite a significant debt burden.

SsangYong vehicles have three good points going for them: The first is that they're often quite cheap. The second is that they're often quite solidly built, because SsangYong started life as a builder of offroad vehicles and trucks. The third is that SsangYong vehicles are often built around obsolete Mercedes technology; that is, they're based around technology from the age when Mercedes cars went for a long time between repairs.

However, SsangYong never really mastered the art of assembling a vehicle to modern Western standards. The old Mercedes technology that SsangYong uses is often pretty slow and clunky. The non-Mercedes bits, such as the interior plastics and electronics, are often crudely and cheaply built. Every carmaker wants to cut costs; it's *where* they cut the costs that matters.

SsangYong vehicles used to have a minor following among the financially-challenged. However, even this customer base was steadily eroded once these customers realised how crappy SsangYong vehicles were.



The SsangYong Chairman, based on a 1980s Mercedes-Benz E-Class, but styled to resemble a 1990s Mercedes-Benz S-Class. The Chairman shown above is set up for comfort and has boat-like handling.



Chinese automobile manufacturer SAIC (Shanghai Automotive Industry Corporation) took a 49% stake of SsangYong Motors in late 2004, later increased to 51.33%. This effectively gave SAIC control of the company. After the SAIC takeover, SsangYong began spitting out new models as fast as the factories could churn them out.

However, the marriage ended in tears: sales of SsangYong vehicles were well below expectations. Also, the Korean government accused Shanghai Automotive of pinching important hybrid vehicle technology belonging to SsangYong.

Shanghai Automotive gave up on SsangYong and in 2010, Indian-based Mahindra & Mahindra bought 75% of SsangYong, reportedly for the bargain price of US\$464 million. That's beer money by motor industry standards.

In many ways, this was a marriage made in heaven: Mahindra is desperately trying to take over the Indian yuppie four-wheel drive market, but most of Mahindra's existing vehicles look, feel and drive like something from 1960s Soviet Russia.



The archaic 2011 Mahindra Bolero. “Ride quality is firm and agricultural in nature.”



However dreadful SsangYong's vehicles are, they're streets ahead of Mahindra's. Even though SsangYong vehicles are at the bottom of the quality scale by Western standards, SsangYong vehicles are near the top by Indian standards. And SsangYong knows how to build vehicles at low cost, too, which is critical in the Third World.

SsangYong's chances of achieving a decent market share in the West are practically nil: there's too much competition, too many well-established players. Also, most Western buyers have higher expectations of quality than SsangYong can currently provide.

Most Indian car buyers have far lower standards. Moreover, SsangYong models like the Korando are tough enough to survive the notorious roads of rural India.

The main downside to Mahindra's plans for massive expansion into the Indian market is that these plans mostly rely on an expanding Indian economy.

Car manufacture is a numbers game: there's no profit in building small numbers of cheap vehicles; you have to be making vehicles in their millions to make any money. SsangYong builds a few hundred thousand vehicles per year.

Ssangyong lost 50 billion won (US\$45.4 million) in 2014, far worse than the 2.4 billion won (US\$2.14 million) it lost the year before. SsangYong's sales to Russia – its biggest market – have tanked.



If India's economy keeps growing, millions of families may be able to afford a shiny new Ssangyong, to drive down some of the most crowded roads on the planet.

However, in the short term, at least, Mahindra's plans for SsangYong seem a bit optimistic •

Vehicles in India tend to sell on price and functionally: the pathologically-ugly Mahindra Gio

