

We will take Eicher brand to all relevant markets

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In the last several years, there has been increasing number of joint ventures between Indian and foreign firms falling apart with the partners going their separate ways. VE Commercial Vehicle (VECV), the equal joint venture between Eicher Motors and Swedish auto giant Volvo Group, has proved an exception to this trend. The JV, which has completed half a decade of existence, is gearing up for a new growth curve.

While the Volvo brand continues to dominate the premium truck and bus market in India, the JV, with its new Pro Series modern trucks, aims for a bigger play not just in Indian market but also in some of the emerging markets. **Joachim Rosenberg**, Executive Vice-President, Volvo Group Trucks Sales &

Marketing and JVs Asia Pacific, spoke to **The Hindu** on Volvo group's India hub programme and its new game plan with Eicher brand. Edited excerpts:

Where does the Volvo brand stand in India now?

We do many things out of India for Volvo Group. We are either number one or the fast improver in any of the business we are in. Volvo buses have defined the bus market in India and it is one of the most well-known brands in the market. In premium trucks segment, Volvo Trucks is an undisputed market leader with 64 per cent market share. And of course, VECV has been a great success story from market, customers and shareholders' perspective. If you see the share movement of Eicher Motors in the last five years, it has not been a

bad journey. Also, we are sourcing from India for our global needs. We have IT and product development hub too in the country. Our employee strength, excluding VECV, would run into several thousands. Overall, we have a strong foothold in the Indian market.

How has the journey with Eicher group been over these years?

We would not be here if we didn't have an excellent collaboration with Eicher Motors and would not have been able to do those things we did in the last five years. It should also be noted that VECV had an extremely impressive show since the inception. We

have had the VECV play in full speed, gaining market share every year over the past five years. We have the profitability level that others would like to have. We are really impressed with the VECV management for what it has done so far. We have not seen such a

shining example in too many places in the world. Inside the Volvo group, the VE Commercial Vehicle is in the top in terms of success stories among our various ventures and alliances globally. It is a really really highly valuable venture.

Your views on emission standards and the competitive landscape in the new emission era in India

The more advanced technology that the Indian government decides to implement in the country — be it BS4, BS5 or BS6 — the better for the industry, and of course, for Eicher brand too. But it will be slightly more tricky may be for pure domestic players who don't have access to that level of technology to meet new emission norms because they don't operate in US, Japan or Europe where the emission levels are more stringent. They never had the need to adapt to such emission levels in the home market too. But Eicher brand being the fifth brand in the Volvo group brand portfolio has access to everything when it comes to technology. On the perspective of complying with new emission norms, we are not only for environment, but also here to support India in its

sustainable evolution. The sooner India decides to go for BS4 or BS5 or BS6, the better for the country, may be not for competition.

Any plans to sell 'Made in India' Eicher trucks in other markets?

From a Volvo group perspective, it is up to VECV management or the board to decide their export destinations — be it Africa, North America or Middle East. There is no restriction, I want to make it very clear, being imposed by the Volvo group on the JV in terms of what the JV can or cannot do for export strategy. So, VECV will go with Eicher Pro Series to all markets in the world where it makes sense for the brand to hit those locations. The Volvo management is actively supporting VECV to become a strong regional player.

Eicher is a basic product brand and in the global scheme of things it is a product range different from anything else in the Volvo basket. If you look at the brand positioning of Eicher from a Volvo group perspective, it is completely complementary and therefore we have, of course, agreed in the VECV board that we will take Eicher brand to all relevant markets. We have several hubs in Asia Pacific and India is one hub. Japan is another and in China as soon as the strategic alliance with Dongfeng is approved by the Chinese authorities, there will be yet another hub. But India is a very important hub

Volvo group in that we will use made in India engines in Europe for medium duty trucks.

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