

# VECV trucks to Go Pro from February 2014

Commercial vehicle joint venture leverages strong balance sheet to invest in new products and aftersales business to fuel ambitious goals in the heavy duty segment and overseas.



The new truck range will help Volvo compete against Tata Motors and Ashok Leyland in the mainstream heavy truck market through the Eicher brand.

Eicher Motors has been a significant player in the domestic medium commercial vehicle segment for some time now. It has now unveiled plans to make a mark in other emerging markets as well, even as it hopes to be a significant player in the heavy truck segment, backed by its joint venture partner, Volvo.

The new range of future-generation trucks and buses that the Eicher-Volvo JV launched in early December 2013 is the result of strategies it has worked on for both domestic and export markets.

The all-new product range, called the Eicher Pro series, comprises 11 new products (both trucks and buses) that cover the 5- to 49-tonne gross vehicle weight or GVW range. The range will be launched in a phased manner starting February 2014.

While continuing to address the large-sized value segment, the new range marks the entry of the Eicher brand into the emerging premium segment where products have a higher power and torque combination as well as a greater refinement and sophistication. It is, indeed, a big step for Eicher Motors.



Under the Go Pro programme, VECV is set to enter emerging markets across the globe with support of Volvo's distribution network in some of them.



## NEW PRO-MISE

With the new Pro series, the manufacturer aims to give Indian trucking a professional offering that leads to higher productivity and profitability for the customer. The new trucks and buses promise to deliver best-in-class fuel efficiency, higher loading capacity, superior uptime and overall vehicle lifetime profitability.

In terms of their overall aesthetics, the new range will have a brand new Pegasus-based front styling and showcase a quantum leap in virtually all aspects from exterior design to engine technology through to cabin features. The new heavy duty truck range will be powered by new-generation engines adapted from Volvo Group technology with power capacity of 180-280 hp with high fuel efficiency, reliability and long life.

Olof Persson, president and CEO, Volvo Group, who attended the unveiling at Pithampur on December 2, said: "The trucks launched are the embodiment of our joint efforts over the last five years. The vital combination of the Volvo Group's world-class technology and Eicher's frugal cost expertise and management has created a range that will

set new standards among customers with high demands on profitability, flexibility and driver effectiveness."

Siddhartha Lal, managing director and CEO, Eicher Motors, said, "The Volvo Group and Eicher Motors came together five years ago with a vision to modernise the Indian commercial vehicle industry and we are here today to present the most professional, holistic and progressive approach to Indian trucking. Our philosophy of 'Go Pro' implies that our customers can truly work with and rely on a professional partner. Eicher's products, service and attitude are truly professional, and this enables our customers to become more productive, profitable and prosperous in their work and life".

In addition to other

**VECV has invested around Rs 1,800 crore so far. It will invest another Rs 700 crore in 2014 to meet the requirement of ongoing projects like engine plant, bus body plant, new products and also for capacity expansion beyond 5,500 units a month to prepare for 2015 requirements.**

**Modern cabin and features like cruise control will be offered to improve the value-for-money proposition.**



senior executives from Volvo Group, Joachim Rosenberg, EVP, Volvo Group Trucks Sales & Marketing and JVs, Asia Pacific and Philippe Divry, senior VP, Trucks Joint Venture India, were also present at the occasion.

Commenting on the progress of the JV, Rosenberg said, "Today Eicher is considered as the fifth brand in the competitive portfolio of Volvo Group brands. It is an integral part of the Volvo Group's strategy to expand in Asia and other growth markets. With the launch of the Pro series of trucks by Eicher, our strategy in Asia gets further strengthened. With the improvement in infrastructure and road network in India, there is a requirement of more effective transport chains. The new Pro series of trucks aims to meet these

requirements."

Vinod Aggarwal, CEO, VE Commercial Vehicles, said: "The Eicher brand has got a strong foundation with the most advanced manufacturing facilities and product quality, backed by an all-India dealership and service reach that is highly capable. In addition, the new Pro series will provide our customers the best end-to-end solutions for their commercial transportation requirements."

VECV says it has doubled sales volumes between 2008, when it started operations. It recorded sales of 23,775 units that year; in 2012, it sold a total of 48,262 units. Its market share from 7.8 percent in 2008 has increased to 13.8 percent in the year to date, 2013. While it now has a five percent share in the HCV segment, it has a 31 percent share in the light and medium buses segments.

According to Lal, "All other players are a decade behind (in terms of the business model) than Eicher." Eicher is currently the most profitable truck company in India. Last quarter, the company had a six percent EBIT margin, "which is much better than all our competitors," says Lal. VECV plans to enter only markets where it can be a significant player. ■