

Volvo plans to sell Eicher trucks in SE Asia, Africa

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Indore: Swedish commercial vehicle giant Volvo plans to sell Eicher-branded trucks across various markets in south-east Asia and Africa using its sales network and has made India a global hub for sourcing medium-duty engines for trucks and buses.

The company has a 50:50 JV with Eicher's Lal family, Volvo Eicher Commercial Vehicles (VECV), and plans to build up on this further, making products and engines not for only for India but also for its requirements in other countries.

VECV will be the driving force for

the push in India and the company has seen investments of Rs 1,800 crore over the last few years for expansion and modernization of products as well as for setting up of capacity for engines meant for Volvo.

Siddhartha Lal, MD & CEO of Eicher Motors, said the new product line-up of VECV — called the Pro Series — will help the company gain market share, while eating into the customers of top makers Tata Motors and Ashok Leyland. "There has so far been a duopoly in the commercial vehicle space. This duopoly takes customers for granted and does not treat them well," he said, in an apparent reference to Tata Motors and

Ashok Leyland, which account for the majority of sales in the heavy vehicles space. The new products have been developed using Volvo's technology and processes, while Eicher chips in with its sales and distribution network as well as its strength in frugal engineering. On the engine side, VECV is the sole supplier for Volvo group's medium duty engines (5-litre and 8-litre) having an output between 180hp and 280hp. These engines are used across Volvo's truck brands in various continents, except for the US.

Vinod Aggarwal, CEO of VECV, said the commercial vehicle market in India continues to remain sluggish. Commer-

cial vehicles volumes have fallen by 16% in the April-October '13 period as the economic slowdown and ban on mining activities in various regions saw buyers pulling out. Aggarwal said Eicher's sales have fallen by 12% in the period. "It has been a difficult period for commercial vehicle makers, but we expect that things may improve after the general elections next year. There is a lot of pent-up demand."

VECV had sold around 48,000 units in 2012 and is looking to finish this year at 43,000 units. Aggarwal said the new product line-up, to be launched from February next year, will help the company gain volumes.