

# VECV eyes 15% share in heavy trucks by '16

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VE Commercial Vehicle, an equal joint venture between Eicher Motors and Volvo Group, is eyeing a 15 per cent market share of the Indian heavy truck segment by 2016 and pegging its growth plans on a whole new range of products in the 5-50 tonne category, due for rollout over the next two years.

"We are still holding on to the target of securing a 15 per cent market share in the heavy duty segment by 2015 that we set in 2010. We are on track to reach that level. But due to depressed market conditions, we think we will be able to achieve that a year later, in 2016," Eicher Motors managing director and CEO Siddhartha Lal told Financial Chronicle at the launch of VECV's new advanced engine plant at Pithampur, near Indore, in Madhya Pradesh.

VECV, which celebrates five years of the two partners' coming together, has secured a market share of about five per cent in the heavy truck segment — up from just one per cent in 2010. "The overall gains we have achieved in the heavy

segment over the past three years are significantly better than what we had projected initially. We are already covering about 50 per cent of the market and hope to increase the penetration significantly in the next two years," Lal said.

The company is preparing to launch a new range of products across light, heavy duty and the bus segments over the next two years and claims to have made all required industrial investments to embark on the next growth trajectory. The first product, a heavy truck, fitted with a new engine, is to hit the market by Q1 of 2014.

The new engine plant at Pithampur will make Euro 3, Euro 4, Euro 5 and Euro 6 medium-duty truck engines for the Volvo group and Eicher. This will be the first engine plant outside Europe for Volvo to source engines for its trucks, besides being India's first Euro 6 engine plant. The engine facility will be a global hub for the Volvo Group's medium-duty engine (five and eight litre engines) requirements.

*(This correspondent's visit to Indore was hosted by the company)*