

# Volvo-Eicher new engine plant to start by July

**PROGRESS** Pithampur facility will begin with production of 25,000 units per year which will be scaled to 1,00,000 units

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**INDORE:** The VE Commercial Vehicles Ltd (VECV) new engine plant in Pithampur is expected to become operational by July this year and will begin with the production of 25,000 units per year, which will be scaled up to 1,00,000 units.

A senior company official said apart from meeting its domestic requirement, the plant will also export medium-duty automotive engines to Volvo.

"The engines export will be part of a global first initiative, reflecting the growing Volvo-Eicher synergy. The new facility will be a global hub for

meeting the medium-duty automotive engine requirements of Volvo internationally for five and eight-litre engines. The plant will go on stream in July 2013 and will have the capacity to manufacture 1,00,000 units per annum."

"The Euro 6-compliant diesel base engines will be supplied to Volvo Europe and the same platform will be adapted for Euro 3 and 4 engine technologies for the company's requirements," a company spokesperson said.

The VECV is a joint venture between Sweden's Volvo Group and Eicher Motors. The company is undergoing a major expansion and new product development. The

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**SPOKESPERSON,**  
VE Commercial Vehicles Ltd

firm will also be launching Eicher branded trucks, developed using a Swedish firm's technology, by the end of this year.

The production capacity of trucks and buses will go up to 6,500 units per month up from 5,500 units last year.

The VECV began operations in July 2008 and its

business includes the complete range of Eicher trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses as well as the sales and distribution business of Volvo trucks within India.

The joint venture emerged stronger and has ended the year with high market shares in all the segments in spite of the slowdown witnessed in the Indian economy and the commercial vehicle sector.

Calendar year 2012 sales volumes stand at 48,831 units compared to last year's 49,043 units, representing a decline of 0.4% on a yearly basis, despite industry volumes declining by 11.6%.

"We have been performing

well in the bus market. As a matter of fact, we achieved a bus market share of 11.9% up from 9.7% in 2011 and 6% in 2009.

While the bulk of these numbers came in from our traditional strengths in the light and medium duty segments, heavy commercial vehicle sales have also begun to contribute", said the VECV spokesperson.

Regarding the bus body building plant, he said it was under construction currently and they would start commercial production from the second quarter of the financial year 2013. The initial capacity will be 5,000 units that will be increased to 10,000.