

# Volvo Eicher Commercial Vehicles to invest Rs 400-450 crore as capex

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CHENNAI: Volvo [Eicher](#) Commercial Vehicles is planning to invest Rs 400-450 crore as capex, as part of its plan to invest a similar amount year-on-year. The spend will be on new products that are BS6 compliant, said company CE & MD Vinod Aggarwal.

"VECV made a comeback in September after a lull, with 33% market share as against 33.7% in the year ago period. For Q2, we have increased by 17.4% over last Q2. We are seeing that the 12-15 tonne segment continues to be the fastest growing segment with 65% growth in September and 42.5% growth in Q2 vis a vis same period last year."

This growth, he added, is primarily driven by a rise in the 14/15 tonne demand predominantly due to downgraders from the 16 tonne heavy duty segment.

"VECV is well placed in this segment with Pro 1000 range of products countering the basic segment and Pro 3000 countering the value segment of competition products," he added.

In the light and medium duty segment, the demand from [e-commerce](#) companies is growing at a much faster pace with demand increasing for long wheel base rated payload products. "Eicher has the biggest range to cater to the e-commerce segment with products ranging from 4.9 tonne to 16T GVW," said Aggarwal.

Also the last mile connectivity is increasing at a much faster range.

"The industry in 3.5-5 tonne range increased by 26% in September and 24% in Q2 over the same period last year. With the Pro 1049 success, we had a market share of 26.3% in September against 23.7% year ago period. As against industry increase of 24%, VECV has increased by 36% in 3.5- 5 tonne segment," added Aggarwal.

VECV finished 2016-17 with 12.5% growth in the volume terms at more than 58,000 units as against 52,000 last year while the industry has grown by only 4%.

"Further we have improved in all the segments particularly in exports, recording the highest ever in 2016-2017 with more than 8,000 units," said Aggarwal.

VE Commercial Vehicles sold 4,571 units in August 2017, recording 9.1% growth. Out of this, Eicher branded trucks and buses recorded 10.3% growth as compared to last year.

In the domestic CV market, Eicher branded trucks and buses recorded of 10.47% growth from August 2016.

On the exports front, Eicher recorded 8.2% growth. "We will be looking to drive numbers with growing demand for the recently launched Pro 5000 Series of trucks," said Aggarwal.

"These have been received well by customers and with the old VE Series trucks, Pro 6000, Pro 8000 range and the Pro 5000 Series, VECV now has products across every price point, applications and every customer need with the widest range of engines equipped with both EGR and SCR technologies," he added.