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Scania continues to invest in eastern emerging markets

This week Scania inaugurated its first distributor and service facility in Kazakhstan and opened a new head office and affiliated service workshop in Ukraine.

“A professional service network is an important element of Scania’s growth strategy in new markets,” says Urban Erdtman, Executive Vice President, Sales and Services.

Kazakhstan is the hub of Scania’s commitment to the markets of central Asia. The newly inaugurated sales and service facility – Scania’s first of its own in the region – is located in Almaty, southern Kazakhstan. It also houses the head office of Scania Central Asia, which was established in 2007.

The demand for western European vehicles in the region is limited today but is increasing as the central Asian economies grow and as road transport between South East Asia, Russia and Europe expands. Kazakhstan plays a vital role as a transit country for these transport services.

“The Almaty sales and service facility is the first of several that we expect to establish over the next few years, enabling us to meet increasing demand from national haulage companies that work with international long-distance service as well as satisfy the service needs of the operators engaged in transit traffic,” says Vladimir Smirnov, Managing Director of Scania Central Asia.

Scania also foresees greater potential for sales of city buses to the major urban areas in the region, which are introducing stricter emission standards in order to deal with environmental problems.

In Ukraine, where Scania has been represented since 1993, a new facility is being inaugurated today outside Kiev, strategically located along the important E40 European route. Aside from the head office of Scania Ukraine and Scania Credit Ukraine, the facility also houses Kiev-Scan, one of Scania’s eight dealers in Ukraine.

The service facility is one of Scania’s largest in eastern Europe. It will also include a training centre for service technicians, drivers and others as well as a central warehouse for the Ukrainian market.

The demand for servicing and quick availability of parts are becoming increasingly important as more Ukrainian transport companies choose to invest in western European vehicles offering better performance and higher uptime than domestic and Russian makes.

Ukraine, with a population of 46 million, is already a very important transport market today. The country borders four European Union countries to the west and Russia to the north-east.

“Our sales of trucks and buses for domestic service will increase, so we are planning to establish new service workshops in western and southern Ukraine during the next few years,” says Özcan Barmoro, Managing Director of Scania Ukraine.

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Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. A growing proportion of the company's operations consists of products and services in the financial and service sectors, assuring Scania customers of cost-effective transport solutions and maximum uptime. Employing 35,000 people, Scania operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2008, invoiced sales totalled SEK 89 billion and net income amounted to SEK 8.9 billion.

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