



Volvo Truck Corporation

## Press Information

**Volvo Trucks utilizes global industrial structure:**

### **D12 ENGINES FROM BRAZIL GO TO GENT**

**Starting this week, Volvo Trucks will supply D12 engines from the engine plant in Curitiba in Brazil to the assembly plant factory in Gent, Belgium. With this shipment from Brazil Volvo Trucks utilizes the flexibility of the global manufacturing system for diesel engines for the first time.**

With increased sales in Western Europe and North America, the engine factory in Skövde has had difficulty supplying sufficient D12 engines to keep up with demand.

At the same time, there is available assembly and testing capacity in the engine factory in Brazil. The Curitiba plant is thus stepping in with production of 300 D12C engines for delivery to Europe.

Gent will receive its first consignment from Brazil on Monday this week. More engines will be delivered over a 10-week period, in parallel with deliveries from Skövde.

- Volvo Trucks has established a global production capacity for the D12 engine. This time, capacity was available in Brazil while demand came from Europe and North America. The next time, the situation might be the opposite, says Sten-Åke Aronsson, President of the Volvo Trucks Driveline Division and the person responsible for global production of the company's diesel engines.

- We have invested considerable resources in ensuring that our production facilities are fully interchangeable and that engines from the two plants are identical in every respect. Which is why we're delighted to be able to utilise this capacity as planned now the need arises," continues Sten-Åke Aronsson.

*Volvo is a world-leading manufacturer of trucks, buses and construction equipment, marine and industrial engines and aerospace components. Volvo is strongly associated with quality, safety and concern for the environment. Volvo's head-office is in Göteborg, Sweden. Annual sales in 1998 amounted to more than USD 14 billion, with about 52,000 employees*

The new factory for the D12 engine in Brazil was inaugurated at the end of June 1999, coinciding with the launch of the new Volvo NH truck. Volvo has invested 60 Million USD in the Curitiba engine plant. Volvo Trucks has been manufacturing engines in Brazil since 1979, with production until recently limited to the D100/120 units for the domestic market.

Volvo's diesel engines are manufactured in Skövde, which has a capacity of 85,000 units a year, and in Curitiba in Brazil, whose annual capacity amounts to about 10,000 engines. The Skövde factory supplies the Brazilian assembly operation with certain strategic components such as camshafts, crankshafts and cylinder heads and, until next year, cylinder blocks as well.

The Skövde engine factory makes the D6, D7, D100, D120, D12 and D16 engines. The Curitiba factory produces the D100, D120 and D12 engines.

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