



Volvo Truck Corporation

Press Information

Volvo Trucks Inaugurates India Factory

Today marks the inauguration of Volvo Trucks' factory in Hosakote, located near Bangalore in southern India. The factory will have a production capacity of 4,000 trucks per year, which will be realized in approximately 5 years. Investments for the factory will total 60-80 million US dollars.

"Volvo Trucks' factory in India is an element in Volvo's global growth strategy, which aims at increased presence in new and growing markets. Through the inauguration of this factory we are laying the foundation for future expansion into Indian markets by other Volvo business units", says Volvo Group CEO, Leif Johansson.

Volvo Trucks CEO, Karl-Erling Trogen, officially opened the factory by driving out the first India-produced heavy truck.

"This is an important step in Volvo Trucks' globalization process – the plant will be our biggest hitherto in Asia. We are also expanding our supplier structure in India, in line with our global sourcing strategy. The India factory will become a significant factor in our global industrial system", says Karl-Erling Trogen.

Volvo FH12 and semi-trailers will be produced

Initially, the Volvo FH12 will be produced. In cooperation with trailer manufacturer Schmitz Cargobull, Volvo will offer semi-trailers, which will also be produced in the Hosakote factory. Estimated production for this year will be approximately 125 Volvo FH12 vehicles and 100 trailers.

”The type of transport solutions offered by Volvo to the Indian market, along with current investments being made in the country’s infrastructure provide possibilities for more efficient highway transport”; according to Karl-Erling Trogen.

Volvo’s Indian corporation, Volvo India Pvt. Ltd., has employed 220 people (of whom 10 represent Volvo Trucks in Europe) since it started up in 1996. In the long term, plans call for a total of 1000 employees. In addition, a number of employment opportunities will be created via suppliers and dealers in the country. Seven different local suppliers currently provide components for the Bangalore factory. For aftersales activities, Volvo has initiated a system of mobile workshops.

In addition to the manufacture and sales of heavy trucks, Volvo’s Indian company sells Volvo diesel engines for marine and industrial applications.

1998-06-15

For more information, please contact:

Tommy Kohle

Tel: +46 (0)31-666417

E-mail: vtc1.kohle@memo.volvo.se

Volvo is one of the world’s leading heavy truck brands. Worldwide, Volvo trucks are known for their driver comfort and safety. Volvo Truck Corporation has 22,000 employees and factory facilities in nine countries. Volvo trucks are marketed in over 100 countries. In total, over 660,000 Volvo trucks are today in useful service all over the world. During 1997, the company delivered 69.000 trucks.