



AB Volvo Penta

Press Information

VOLVO PENTA INVESTS NEARLY SEK 100 MILLION IN NEW PRODUCTION TECHNOLOGY

Volvo Penta is investing nearly SEK 100 million in its engine plant in Vara, Sweden. The investment encompasses new technology for processing of engine components. It is also a step towards the company's product renewal program in the years ahead. At the same time, this investment will secure jobs at the Vara plant.

The new production technology encompasses a flexible system of multi-operational machines, known as CNC machines, for processing cylinder blocks and cylinder heads.

The decision to invest in the Vara plant was viewed competitively against outsourcing to suppliers.

Staffan Jufors, President of Volvo Penta Corporation, states, "Before we made the decision to invest in Vara, we invited other conceivable suppliers to participate in a bidding process. We are naturally very pleased that Volvo Penta's own production is competitive enough to secure the jobs at the plant in Vara."

The choice of multi-operational machines is based on the objective to obtain a high level of flexibility in the production process. The machines can easily be reprogrammed with short set-up times in order to accommodate new tooling requirements for different engine versions. The new processing technology makes it even easier to adapt production to shifts in demand.

The CNC technology that Volvo Penta has chosen represents a new step within tooling technology that is based not only on flexibility, but also on high productivity and further improvements in product quality. The new CNC machines also secure improvements in the working environment and therefore fulfill Volvo's objectives in this area.

Volvo Penta's plant in Vara has nearly 150 employees. The plant assembles some 10,000 marine diesel engines annually, which are mainly designated for leisure use.

The company's products are exported to markets on all continents worldwide.

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Volvo is a world-leading manufacturer of trucks, buses and construction equipment, marine and industrial power systems and aerospace components. Volvo is strongly associated with quality, safety and concern for the environment. Volvo's head-office is in Göteborg, Sweden. Sales in 1999 amounted to more than USD 15 billion, with about 52,000 employees.