

# 'Volvo will offer electric variants in India between 2019 and 2020'

Swedish luxury car maker Volvo recently announced plans to assemble cars in India and said it would roll-out the first assembled product by the end of 2017. The domestic luxury car market is on a growth path and Volvo Auto India Managing Director **TOM VON BONSDORFF** tells Ajay Modi the company is poised to command a 10 per cent share of the Indian luxury car market in three years. Edited excerpts:



## **TOM VON BONSDORFF**

Volvo Auto India Managing Director

### **How has the company performed during the first half of 2017?**

It has been a good first half. We are on track to meet the promises we made to headquarter on the volume and network side. We have seen a growth of 10 per cent in sales in the first six months and we expect to exceed 2,000 units in 2017, growing 25 per cent over 2016. We are confident that the festival season will help us report a much higher growth in second half of 2017.

### **How has the goods and services tax (GST) impacted Volvo cars?**

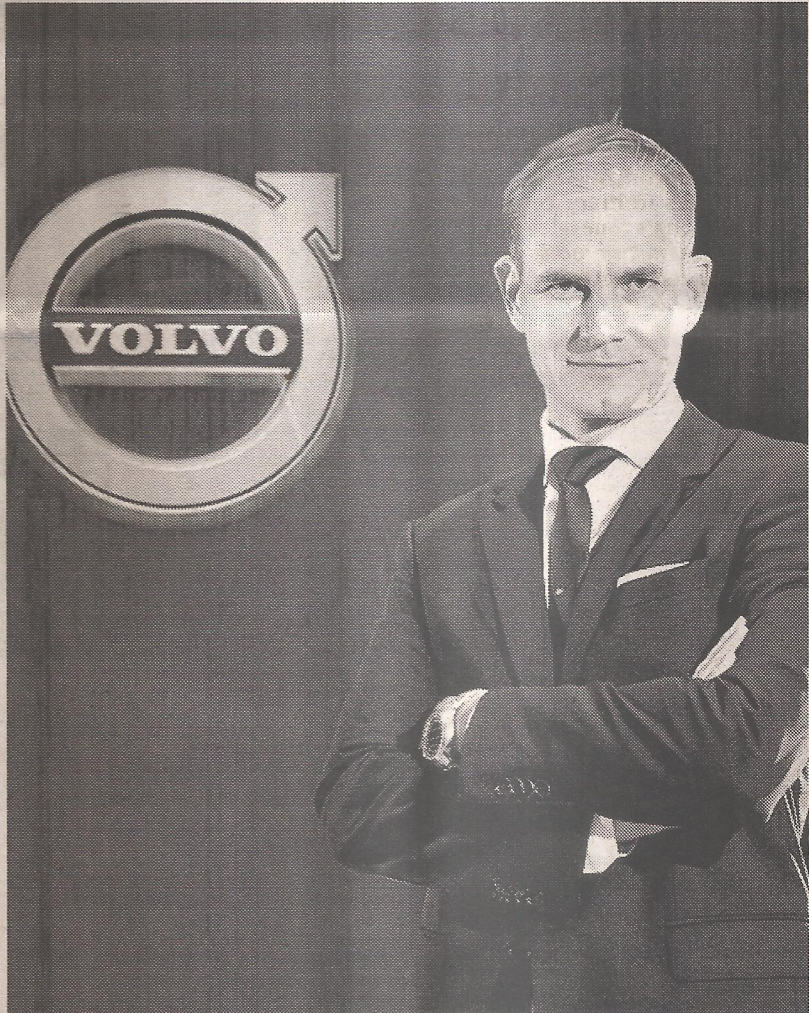
Most products have seen a decline while some have seen an increase. Our scenario is a bit different as we bring completely built units unlike brands that do local assembly here. We have passed all the benefits that arose out of the GST.

### **You have an plug-in hybrid car priced at ₹1.27 crore. How has it performed? How do you view the taxes on hybrid cars under GST?**

The XC90 T8 is an expensive plug-in hybrid car. It is not a volume product. But we got 50 cars from headquarters and delivered almost all of them in the past four months. We had hoped for a more favourable tax rate on hybrid cars under the GST. We should relook at taxation of hybrids as that they are the best solutions for now. Hybrid car price has gone up post GST and it is disappointing.

### **Given the rates, would you continue to bring hybrid cars to India?**

We plan to introduce hybrid models and



the company is pushing for electrification as well. We want to bring as many hybrids as possible until electric solutions are available. On all the new cars that are being built, we have hybrid alternatives and we will keep bringing them to India starting next year. By default, if you have a hybrid, it means you have two engines in the car and more technology and, therefore, it becomes expensive. But we will bring more affordable hybrid cars.

### **Would you look to launch pure electric cars in India given the government's thrust on such vehicles?**

Our parent company will produce the first full-electric car by 2019. We will bring it to India as soon as possible. I

think we can have it in India between 2019 and 2020. We will have electric variants across products. We need them here in India.

### **How is Volvo moving to expand market share in India?**

We continue to work towards a 10 per cent market share in the Indian luxury car market by 2020. We currently have a 5 per cent share. I am optimistic that with all the launches and product line up, we will reach a 10 per cent share. We will be present in more segments of the luxury car market. We continue to work on our network and are entering markets like Lucknow and Ludhiana. We are also trying to strengthen brand presence.