

# Volvo to assemble cars in India, rollout by year-end

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**Gothenburg, Sweden:** Swedish luxury car maker Volvo Cars will start local assembly of its vehicles in India, under strategic alliance with former group entity Volvo Group India which makes trucks and buses from its plant in Bengaluru. Volvo Cars was earlier part of Volvo Group, globally, before being sold off to Ford in 1999 and later to Chinese company Geely in 2010.

The company is planning to use Volvo Group India's truck and bus plant in Bengaluru, under contract manufacturing arrangement, to start assembling its XC90 in India. The first locally assembled XC90s should roll out of the Bengaluru factory by the end of this year, said top company officials.

"Our target is to double our sales in India in the next

2-3 years and also double our market share in India. Right now we sell around 1500-odd cars and we want to take that to 3000 units," said Håkan Samuelsson, global president and chief executive of Volvo Cars. The decision, he added, is aimed at making India a more "significant" long-term market. "Right now India is a very small market for us because of strict import restric-

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tions and our models are fully imported," he said.

"We have decided to make in India because we see India as a potential future growth market particularly in the premium SUV segment." While the company is starting with local assembly right now, further localisation will depend on how quickly it adds on the local sales numbers.

The India-assembled vehicle, to begin with, will be the

XC90, though Volvo does not rule out adding more models later. "It is only the XC90 for now but we will expand the India assembled range later," said Samuelsson. Volvo Cars, he said, has three interesting crossovers — the XC90 and XC60 and the new platform compact vehicle XC40 which could "be of interest to India" in future.

Truck and bus maker Volvo Group India, which has an alliance with Eicher in commercial vehicles, will be the contract manufacturer for the Volvo Cars local assembly. "It's an arms-length partnership in the Bengaluru plant," said Samuelsson. "We want to make cars in India but we don't want to start building our own facility right away so we are using Volvo Group's premises."

**(This correspondent is in Gothenburg, Sweden at the invitation of Volvo)**