

News monitored for: Volvo Auto India

# THE HINDU Business Line



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# Volvo bullish on growing luxury segment in India

### Expects to deliver 1,000 units this year

**Swetha Kannan**  
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The slipping of Mercedes Benz in ranking in the Indian luxury car market has given Swedish car-maker Volvo a glimmer of hope.

Currently, German majors – BMW, Audi and Mercedes Benz – have a stranglehold on the luxury car market in India. They are followed by Tata-owned Jaguar Land Rover and then Volvo.

The March-quarter numbers show Audi overtaking Mercedes to grab the number 2 slot which Mercedes had held since 2009. (Mercedes was leading the pack till BMW displaced it in 2009).

This shows there is intense competition at the top, said Mr Tomas Ernberg, Managing Director, Volvo Auto India.

It also shows there is space for everyone to grow and gives



**Vrooming with confidence:** Mr Tomas Ernberg, Managing Director, Volvo Auto India, at the inauguration of a new showroom in Chennai on Thursday. — Bijoy Ghosh

us the confidence to fight for bigger market share, he said.

Volvo currently has a small footprint in India; its cars have been here only since 2008. But

it believes the country will become its “focal point” in the coming months.

Last year, the Swedish car-maker sold 320 cars in the

country; this year it expects to deliver over 1,000 units. This is of course a far cry from its German peers.

“Under a relatively new owner (Ford sold Volvo to Chinese carmaker Geely in 2010) and a new CEO globally, the company has now put India in perspective – as one of the most promising markets in the world.”

The luxury car segment in India accounts for just one per cent of the overall volumes of 2.5 million cars.

#### VOLUMES

By 2020, car volumes will touch 5 million – the luxury market will be three per cent of that at 1.5 lakh units. Volvo is gunning for 15 per cent of this segment by then. “The income of middle class families is growing and the country is getting richer.” Volvo has eight showrooms and seven

dealerships in India.

“We will double showrooms and dealerships by 2013. We will also launch a slew of new products,” said Mr Ernberg, during the launch of Chennai’s first Volvo car showroom.

“We expect Chennai to start delivering 500 units next year.”

#### DIESEL CARS

Volvo’s cars in India are skewed towards diesel. It recently launched the new D3 diesel engine variant of the S60 and S80 salons and XC60 SUV.

A new car is slated for launch in the beginning of next year.

The company recently increased retail prices by an average of Rs 1 lakh across the board, to cushion the excise duty hike.

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