

P R E S S R E L A S E

Volvo Construction Equipment announces strategic investment in global crawler excavator production

Volvo Construction Equipment (Volvo CE) announces a strategic global investment in crawler excavator production at three key Volvo CE locations to meet growing customer demands, mitigate supply chain risks through localized production and reduce reliance on long-distance logistics.

- The investment aims to strengthen Volvo CE's position and expand its crawler excavator footprint globally to meet growing customer demand and prepare for sustainable solutions
- The investment covers three main production sites worldwide, in South Korea, Sweden and North America
- The total investment is approximately 2,500 MSEK with the largest share dedicated to the Changwon factory in South Korea.

The investment aims to strengthen and expand Volvo CE's global crawler excavator footprint

In a rapidly evolving market, this strategic initiative will significantly enhance capacity and flexibility, allowing Volvo CE to meet current and future customer demands effectively. By adding production capacity near key markets, Volvo CE will improve operational efficiency and resilience, ensuring shorter delivery times and tailored solutions for regional needs. This approach mitigates supply chain risks through localized production, reducing reliance on long-distance logistics, and managing economic and regulatory challenges. Additionally, it aims to lower carbon emissions by minimizing transportation distances. By fostering collaboration with local suppliers and customers, Volvo CE is positioned for sustained growth and innovation, reinforcing its market presence, utilizing existing and new competences and navigating complexities more effectively.

"We understand the need to respond to growing demand and are excited to expand our facilities to serve customers better," said Melker Jernberg, Head of Volvo CE. "This investment underscores our commitment to quality, innovation and competence, allowing us to deliver even greater value. This expansion demonstrates our efforts to respond to customer demand by investing in our crawler excavator business closer to key markets and customers."

The expansion will include three existing Volvo CE sites worldwide

The plan includes upgrading the Changwon site in South Korea to secure global volumes and capabilities in Asia. For the production of crawler excavators in Europe, Sweden has been selected, and the final decision regarding the location, scope, and timing will be made later in 2025. Additionally, an excavator assembly line will be installed in the existing factory in Shippensburg, USA to serve the North American market. This strategic approach aims to strengthen Volvo CE's presence and operational efficiency across key regions and markets.

The Changwon factory remains a key site in the global industrial network

The Changwon site remains an important factory in the company's global industrial network holding key competences for manufacturing, product development, and purchasing. The investment in Changwon is aimed at securing global volumes and capabilities while at the same time leveraging supply chain capabilities to enhance efficiency, reduce costs, and improve responsiveness to market demands.

The total investment of the three sites is 2 500 MSEK, with the largest share dedicated to the Changwon factory. The investments will be made over the coming years.

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