

# Daimler hoping to make India biz profitable next year, aims for 20% share by 2020

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By Swaraj Baggonkar



After five years in losses Daimler India Commercial Vehicles (DICV), the manufacturer of medium and heavy trucks, is looking to break even next year, a top company official told Moneycontrol.

Marc Llistosella, head, Daimler Trucks Asia, said, "For the first time we had two months where we recorded profits. But they are erratic. We have one good month and another bad. But did I have a profitable growth in the half year? The answer is no, we have not. But we want it and we are working on this. Margins are getting better and FY19 should be a profitable year."

The company, which makes and retails trucks under the Bharat-Benz brand, is banking on the current upswing in demand for trucks and buses to sustain in the coming quarters which has allowed it to add another shift at its Chennai-based plant to ramp up production.

On the basis of this DICV is targeting a 20 percent market share in heavy-duty trucks and a 'double-digit' market share in medium-duty trucks segment by 2020. Daimler's share has reached 8 percent in India further cementing its number 3 position, ahead of [Mahindra & Mahindra](#).

Daimler, which is one of world's largest truck makers, entered India in 2012 to challenge the dominance of [Tata Motors](#) and [Ashok Leyland](#) who controlled 90 percent of the MHCV market. Since its entry in 2012 DICV has sold more than 55,000 trucks. It developed trucks in India from scratch and refrained from bringing its international range here.



During the January-June period Daimler clocked a fall of 8 percent to 7290 units as against 7943 units sold in the same month last year. Retail sales, however, were up 5 percent to 7742 units this year.

Incoming orders for Daimler trucks, however, jumped 28 percent during the six months to 9,289 units compared to 7,275 units clocked during the same period last year.

Last year, the company clocked volumes of 13,100 units, 6.4 percent lower than 2015 when it sold 14,000 units. Its market share last year stood at 6.8 percent.

As per data shared by the Society of Indian Automobile Manufacturers (SIAM) the MHCV (trucks) market slumped by 33 percent to 39,872 units in the April-June quarter. However, the recovery has been swifter in the second quarter where a growth of 31 percent was recorded at 71,353 units.

Last month DICV launched Bharat Stage V (BS-V) trucks in India less than three years before the India adopts BS-VI in 2020. While the country has decided to skip BS-V completely DICV went ahead with the launch to commemorate its five years. BS-V produces more than 40 percent less nitrogen oxide (NOx) than BS-IV.

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