

PRESS RELEASE

Volvo Construction Equipment selects Eskilstuna, Sweden for its new Crawler Excavator assembly plant

Volvo Construction Equipment (Volvo CE) expands its European industrial footprint with a new crawler excavator assembly factory in Eskilstuna, Sweden, to be serving the European markets.



As [announced](#) in June this year, the investment in Sweden is part of Volvo CE's ambitions to strengthen its position in the important excavator segment. The 30,000 square meter Eskilstuna facility aims to meet the growing European customer demand by increasing capacity and flexibility, and will enable reduced reliance on long-distance logistics, shorter delivery times, enhancing supply chain resilience and reducing carbon emissions.

"This strategic investment in the future of excavator production in Eskilstuna marks a new era for us and the Swedish industry", says Melker Jernberg, Head of Volvo CE. "It will significantly contribute to reinforcing Sweden's position as a leader in advanced sustainable manufacturing. Bringing additional high-value production and utilizing our cutting-edge technology in Eskilstuna, will support local job creation, skills development, and a continued collaboration with Sweden's strong network of industrial suppliers and research partners. Furthermore, it will strengthen Europe's innovation and engineering power and industrial resilience in an increasingly competitive global market. To get full leverage, we also count on a strong and swift execution on Europe's and Sweden's promised agenda on regulatory and administrative simplification."

The 700 million SEK facility investment will be built for a production volume up to 3,500 machines yearly on a mixed line of both electric and internal combustion engine models, in the medium and large size classes between 14-50 tonne. This investment is a part of the 2.5 billion SEK investment announced in June 2025 dedicated to excavator manufacturing capabilities in Korea, Sweden and in the US.

“We are extremely proud and excited to grow our manufacturing capabilities in Sweden, our home market”, continues Melker. “Eskilstuna has been chosen as the preferred site for the new factory following a comprehensive evaluation of factors such as logistics advantages, available land, and the potential to deliver a complete customer experience supported by the site’s existing facilities and surroundings. We will continue to leverage on the collaboration of our current industrial footprint in Sweden, where further investments may be required to optimize and support the investment in Eskilstuna.”

The decision to establish the new crawler excavator plant in Eskilstuna is subject to approvals of relevant environmental and building permits by the regulatory authorities. Groundwork is estimated to begin during the first half of 2026 with start of production within two years from project initiation.

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