

Sweden's Prime Minister makes symbolic first dig as Volvo Construction Equipment breaks ground on new excavator factory

Work has officially begun on Volvo Construction Equipment's (Volvo CE) new excavator factory in Eskilstuna, Sweden, with Swedish Prime Minister Ulf Kristersson and Deputy Prime Minister Ebba Busch marking the occasion by taking the controls of electric 23-ton excavators for a symbolic first dig.



From left: Martin Lundstedt, Volvo Group, Minister Ebba Busch, Prime Minister Ulf Kristersson and Melker Jernberg, Volvo CE

While many industrial companies are choosing to move production abroad, Volvo CE continues to invest on home soil. The new factory, set for completion in 2028, will enhance the company's competitiveness and reaffirm Sweden's role as a strong industrial nation. The investment is expected to create jobs and drive growth in the Mälardalen region, while also supporting Europe's innovation and industrial capacity in an increasingly competitive global market.

Nearly 200 years of industrial development in Sweden

Volvo CE has been a cornerstone of Swedish industry for nearly 200 years and continues to make long-term investments in the country. Today, around 40% of the company's total production hours are based in Sweden. The SEK 700 million investment in Eskilstuna forms part of Volvo CE's long-term strategy to build closer to its customers and strengthen its regional presence. In recent years alone, the company has invested more than SEK 9 billion in industrial capacity and its retail network across Europe.

During the visit, the Prime Minister and the Minister for Energy, Business and Industry had the opportunity to test-drive wheel loaders and articulated haulers, before stepping behind the controls of Volvo CE's electric 23-ton excavators to help kick off work on the new factory.

"It really feels like coming home. I'm incredibly pleased to be here today and show how this proud heritage is being carried forward. I strongly believe in the close dialogue between business and politics

that we have in Sweden – keep up the good work!” said Ulf Kristersson, Prime Minister of Sweden, who himself grew up in Eskilstuna.



Sweden’s prime minister Ulf Kristersson in front of the EC230 Electric – one of the excavator models that will be assembled in the new factory in Eskilstuna.

“These yellow machines have quite literally built this country – from roads and mines to cities. At a time of increasing uncertainty, competitiveness is not just an economic issue. It is about independence, resilience and the ability to build our future with our own resources. Today, Volvo CE is writing the next chapter in Sweden’s industrial history – one that inspires and looks firmly to the future,” said Ebba Busch, Minister for Energy, Business and Industry.

Eskilstuna already hosts Volvo CE’s global headquarters, its largest research and development center, and the sales organization for Europe, Africa, the Middle East and Oceania, as well as a component factory – making it a central hub for the company’s operations.

With the new factory, Volvo CE will manufacture all its key products in Sweden: articulated haulers in Braås, wheel loaders in Arvika, excavators in Eskilstuna and cabs in Hallsberg.



“Sweden has been a natural part of Volvo CE’s industrial journey for nearly two centuries, and we are proud to continue making major investments that strengthen both Sweden and Europe on the global stage. By investing in new excavator production in Eskilstuna, we are strengthening our global competitiveness while creating jobs, developing technology, and reinforcing our strong industrial base in Sweden,” said Melker Jernberg, President of Volvo CE.

Meeting growing demand for excavators

The investment strengthens Volvo CE's position in an increasingly competitive global market, where excavators represent the largest and most important segment within the construction industry. The European market for larger excavators has grown by 50% since 2010, and demand is expected to continue to increase.

The new facility in Eskilstuna will cover approximately 30,000 square meters and feature mixed module assembly for both electric and combustion-engine crawler excavators in weight classes ranging from 14 to 50 tons, with an annual production capacity of up to 3,500 machines. Local production will also result in shorter lead times, reduced supply chain disruptions and lower transport emissions. Access to excavators is also an important part of society's civil preparedness.

"Long-term investments in industrial capacity and skills are essential to the competitiveness of both the Volvo Group and Europe. I am very proud of the establishment in Eskilstuna, which strengthens our presence in Europe and contributes to the development of both Sweden and our company," said Martin Lundstedt, President and CEO of AB Volvo.

- Ends -

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