

In This Issue

Alternative Power

- *China's Electric Truck Moment Has Arrived*
- *\$5M Startup Claims Rare Earth-free Electric Motor*
- *2030: More than a Million Worn Out Batteries*
- *CATL Building Battery Swapping Hubs for EV Trucks*
- *Laos Went 100% EV Overnight Using Drastic Approach*

Datapoint: 2026 NA PWC Production

North America: Daimler Truck Group Plans Two Truck Plants

Europe:

- *Iveco Group Reports Q2 2026 Order Surge*
- *Wacker Neuson Q2 Earnings Climb; 2026 Outlook Raised*

South America:

- *Volvo Buses Introduces Flex Chassis for Biodiesel Operation*
- *BYD Adds High Floor Blade Battery Chassis To EV Bus Portfolio*
- *Scania Targets Bus Market Growth with Super Platform*
- *Falling Argentine Demand Drives 20% Decline in Brazilian Exports*

Japan: Yanmar, Hitachi Explore Equipment Collaboration

South Korea: HD Hyundai Heavy Wins U.S. Data Center Power Order

Malaysia-Indonesia: Diesel Costs Disrupt Palm Harvests

China: Geely To Acquire 34% Stake in Ford's Spanish Plant

India: Auto Expansion Bets on Next Growth Cycle

About Us

Power Systems Research (PSR) is a world leader in providing power equipment information, whether it's pure data, analysis, forecasting or specific business intelligence. This product information ranges from IC engines to battery-electric and hybrid powertrain technologies. PSR has been providing world class business and market intelligence to industry leaders for 50 years. How can we help you? For details, call **+1 651.905.8400** or email **info@powersys.com**.

www.powersys.com

Power Systems Research: Data...Forecasting...Solutions

50 YEARS OF INDUSTRY EXPERTISE



Founded in 1976 by George Zirnelt, **Power Systems Research (PSR)** delivers specialized intelligence to the global power products and drivetrain industry. PSR offers comprehensive OEM production, forecast, and aftermarket data across 13 segments—helping organizations worldwide turn data into confident, strategic decisions.

Contact us today.

Call 651.905.8400. Or email us at **info@powersys.com**

 [Click Here To Go To Page 1](#)

Alternative Power

By Guy Youngs, Forecast & Adoption Lead

China's Electric Truck Moment Has Arrived



Guy
Youngs

Commercial trucks operate for longer hours, carry heavier loads and burn far more fuel per vehicle than passenger cars but freight diesel is even more important when looking at global diesel demand.

China's heavy-truck electrification program is targeting 40% new-energy heavy-truck sales by 2030, more than 1.6 million vehicles in operation and roughly 20% of the national heavy-truck fleet.

The plan also targets 18% of highway freight volume, which is the more revealing number. China is not merely trying to put electric drivetrains into one-fifth of its trucks. It is concentrating them in

commercially active fleets and high-volume freight operations

This is the distinction that oil demand models risk missing. Yes, a few electric trucks in demonstrations are a signal that adoption is coming, but electric trucks tied to corridors, depots, grid capacity and repeatable operating routes are a diesel replacement system.

Source: *CleanTechnica*

PSR Analysis: For a great many years, heavy trucks have been treated as hard to replace with battery systems, a last bastion of diesel. But no more, China is showing us all what can happen, and this should be a strong warning to the oil giants and the legacy truck manufacturers. **PSR**

A \$5M Startup Claims Rare Earth-free Electric Motor

Many of the big car manufacturers have tried to make an electric motor that runs without any Rare Earth Elements (REE). REE are critical to so much of our modern world and so much of the electric revolution, and China dominates this market.

So, when a small Indian start up, (called Vimag Labs and based out of Bengaluru in the southern Indian state of Karnataka), secures its fifth Indian patent for an electric motor that runs without any rare-earth magnets, people start to listen.

Source: *Electrek*

PSR Analysis: Most EVs use a Permanent Magnet Synchronous Motor which uses REE, but the trick isn't making REE free motors, but rather doing it as efficiently as a Permanent Magnet Synchronous Motor. If this works (and it's a big if) then it could side step the REE supply issue. **PSR**

Like what you see? To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

OE Link™

Your source for OEM
production and forecast data

OE Link™ is the definitive source of global OEM production and forecast data for with engine installation detail for the full range of highway vehicle and off-road segments. And now it includes information on electric and hybrid-drive systems.

Data includes model level detail on vehicle, mobile and stationary equipment applications in 13 key industry segments.

Call today. +1 651.905.8400, or
email us at info@powersys.com.

Call Today.
Why wait for success?



**Power
Systems
Research**
Data · Forecasting · Solutions™

1365 Corporate Center Curve
St. Paul, MN 55121

+1 651.905.8400
www.powersys.com

[↑ Click Here To Go To Page 1](#)

Alternative Power

Continued from page 2

Global EV sales have grown massively in recent years, and this has been boosted further by the war on Iran, which continues to send oil and gas prices soaring

2030: More than a Million Worn Out Batteries

Global EV sales have grown massively in recent years, and this has been boosted further by the war on Iran, which continues to send oil and gas prices soaring. By 2030 over 1 million EV batteries are expected to reach the end of their life. And since this is expected to reach 14 million batteries by 2040, it is one of the world's fastest-growing waste streams.

EV batteries contain minerals such as lithium, cobalt and nickel, which raise environmental and social concerns relating to their disposal.

EV batteries can be recycled, but it is very difficult and costly. Batteries must be prepared before recycling and this involves discharging, dismantling and separating its components.

Source: *MSN*

PSR Analysis: Europe is looking at this problem with several projects underway in the UK and Europe, but the questions remain: can this be done quickly, economically, and in doing so, create a new resource stream for the future? Only time will tell. **PSR**

CATL Building Battery Swapping Hubs for EV Trucks

A new joint venture between Octopus Energy and CATL, has been created to develop automated battery-swapping hubs for heavy trucks across Europe. Octopus is a UK-founded energy and technology group while CATL is the world's largest electric-vehicle battery manufacturer.

The joint venture says its first UK hubs will open in 2027, with more than 30 planned across Europe by 2035

CATL already has a heavy-truck battery-swapping platform called Qiji, which focusses on standardizing battery blocks and swap machinery. CATL is trying to make the battery block the common object around which truck chassis, stations, battery inventories and operating systems are designed

Source: *CleanTechnica*

PSR Analysis: Given that freight operators run regular routes, this system has a valid operating plan, but whether or not European freight companies will get behind it, is a completely different ball game. However, in China, CATL has made this work with 305 swap stations at the end of 2025. **PSR**

Laos Went 100% EV Overnight Using Drastic Approach

Laos has done something no other country has tried: it has banned the import of new gas and diesel passenger cars outright. Since June 1, nearly every new car cleared for import has to be electric, and the ban runs through the end of the year

 [Click Here To Go To Page 1](#)

Alternative Power

Continued from page 3



Hold on I hear you cry, what about Ethiopia? In 2024 Ethiopia banned the import of all fossil-fueled cars. In truth, there isn't a lot of difference but in the Laos ban public transport vehicles, construction machinery, project-related trucks, and other specialized vehicles are exempt. This is a passenger-car policy, aimed squarely at the segment where affordable electric alternatives already exist, reports electrek.

Source: *Electrek*

PSR Analysis: Laos, like Ethiopia, generates a large portion of its electricity needs via hydroelectric power, and struggles to pay for diesel/petrol imports. Given the Iran-USA conflict, and the resultant high price for oil, this policy seems to make a great deal of sense. What happens after the six-month period will be the critical factor. **PSR**

DATAPOINT: North America 2026 PWC Production 92,000

By Carol Turner, Senior Analyst, Global Operations

92,000 units is the estimate by Power Systems Research of the number Personal Watercraft (PWC) expected to be produced in the United States and Mexico during 2026. This production number includes jet drive boats and jet drive pontoons.

There are several types of personal watercraft (PWC), depending upon the number of people the vessel is designed to carry, anywhere from one to three or more people.

PWC Sit-Downs 1-2 People is defined as a type of vessel which is specifically designed to haul one or two riders in a sitting position, one in front of the other; commonly referred to as jet skis. A larger PWC sit-down model carries three people. Finally, PWC Stand-Ups are a type of water scooter with the purpose of one rider standing or kneeling on the watercraft.

Jet Drive Boats are boats propelled by a jet of water ejected from the back of the craft; they have no propeller and can maneuver in shallow water.

This product information comes from industry interviews and from two proprietary databases maintained by Power Systems Research: **EnginLink™**, which provides information on engines, and **OE Link™**, a database of equipment manufacturers.

Market Share. With a combined plant total of 50%, Yamaha leads in production of PWC in North America. In second position is Bombardier (BRP Mexico & US) with 39.5%; third, is Kawasaki (Mexico) with 9%.

Exports: Up to 30% worldwide.

[Click Here To Go To Page 1](#)

DataPoint

Continued from page 4

The 2026 increase is based on slight demand for new products in the market, especially for jet drive boats and pontoons.

Trends. In 2025, production of Personal Watercraft (including pontoon and jet drive boats) dropped 17.2%, caused in part by increasing interest rates which reduced demand. However, production is expected to gain 5.3% in 2026.

The 2026 increase is based on slight demand for new products in the market, especially for jet drive boats and pontoons. Following the pandemic (2021), according to the National Marine Manufacturers Association (NMMA), this trend is here to stay – the boating industry is booming with demand at an all-time high as Americans plan for a summer on the water.

As the country returns to a new normal, people are reassessing how they spend their quality time with loved ones, and many are continuing to choose boating as the preferred choice in recreation.” Sales of these recreational vehicles depend on disposable income and leisure time. Expect the production of Personal Watercraft to gain an additional 10% by 2035.

Yamaha, the Market Share, Leader Reported Unit Sales (rounded):

2019: 51,000	2022: 44,000	2025: 43,000
2020: 41,000	2023: 52,000	
2021: 43,000	2024: 52,000	

Battery Electric

Company: Taiga Motors (Canada)

2024: 167	2024-2025: 22.8% decrease
2025: 129	2025-2026: 2.3% decrease
2026: 126	

(2024): Tiaga produced 458 vehicles. 129 Orca electric watercraft and 329 Nomad Snowmobiles

(2023): Tiaga produced 417 vehicles. 243 Orca electric watercraft and 174 Nomad snowmobiles.

October 2024 Taiga Motors was acquired by British entrepreneur Stewart Wilkinson. The transaction was approved in October 2024 following the company's bankruptcy restructuring. **PSR**

North America Report

By *Chris Fisher*, Senior Commercial Vehicle Analyst

Daimler Truck Group Plans Two Truck Plants

By the end of the decade, Daimler will establish a truck plant in the Czech Republic for the Mercedes brand and another large plant in the United States primarily for the Freightliner and Western Star brands.

LIKE WHAT YOU SEE?

To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

 [Click Here To Go To Page 1](#)

North America Report

Continued from page 5



Chris
Fisher

In Europe, Mercedes-Benz Trucks is continuing to systematically strengthen the future viability of its European production network. The plant in Wörth am Rhein, Germany, (state of Rhineland-Palatinate) is—and will remain—the lead and largest volume plant within the network. The company plans to expand the existing network in the future by adding a vehicle assembly and manufacturing site in Cheb (Karlovarský/Karlsbad region), Czech Republic.

Painted cab bodies will be supplied from Wörth. Subject to all pending approvals—among others by the Cheb city council—the company plans to begin construction next year, with ramp up of the new European network concept targeted for the end of the decade. The goal is to further enhance the efficiency, resilience, and flexibility of all sites within the network in light of increasing complexity caused by a growing variety of product variants.

In the United States, Daimler Truck North America (DTNA) has announced plans to build a manufacturing plant in an unidentified U.S. location to expand production capacity and meet rising demand across North America.

DTNA announced in July that it will move the remaining production of Freightliner and Western Star truck lines away from its Portland, Oregon, manufacturing plant—where Freightliner has built trucks since 1942—to the Carolinas by the end of the year.

The facility, wherever it is located, will focus on vocational and on-highway truck production, incorporating flexible assembly systems and automated manufacturing technologies to adapt to changing vehicle configurations.

"It will be the largest manufacturing plant in the U.S. for trucks when all is said and done," said O'Leary, adding the company is evaluating multiple potential locations, prioritizing sites with access to skilled labor, established supply chains, robust transport infrastructure, and favorable business conditions.

While a final site has not been selected, O'Leary said construction is scheduled to begin later this year, with operations targeted to start in 2029.

Source: CCJ, Source: Daimler

PSR Analysis. Mercedes brand expansion in Europe appears to be driven primarily to reduce cost by transferring production from a high cost Germany to a lower cost Czech Republic. In recent years, Poland has been a good option for lower cost medium and heavy vehicles and will continue to be so in the future. The trend of European OEMs moving production to lower cost countries is expected to continue over the next decade as manufacturers seek to significantly reduce the cost of their vehicles as competition continues to strengthen in both their domestic and export markets.

In the United States, DTNA recently closed its assembly plant in Portland which typically produced 8,000 – 10,000 Freightliner and Western Star trucks annually. The current volume will primarily be transferred to the plants in Mt. Holly and Cleveland. The decision to close the Portland plant was primarily driven by reducing production

 [Click Here To Go To Page 1](#)

North America Report

Continued from page 6

COMPONENTS

Looking for component data?

We can help.

Many components are already included in our databases. If the ones you require are not, we may be able to identify them for you.

The **Components & Consumables Module Directory** provides a quick overview of components data available in our EnginLink™, OE Link™, CV Link™ and PartsLink™ proprietary databases.

The modules are not stand-alone products; they can be purchased only as part of a subscription/extract to one of the databases, EnginLink™, OE Link™, CV Link™ or PartsLink™.

Call today. +1 651.905.8400, or email us at info@powersys.com.



Data · Forecasting · Solutions™

1365 Corporate Center Curve
St. Paul, MN 55121

+1 651.905.8400
www.powersys.com

costs. The Portland plant closure is not a surprise, since DTNA has been discussing this for years. Adding a brand new plant with a minimum capacity of 30,000 trucks, for example, would certainly provide Daimler with ample capacity moving forward and the ability to consolidate manufacturing operations if need be. **PSR**

Europe Report

By *Emiliano Marzoli*, Manager, European Operations

Iveco Group Reports Q2 2026 Order Surge



*Emiliano
Marzoli*

Iveco Group has reported a 7.3% increase in consolidated revenues for Q2 2026, reaching USD \$4.35 billion (€3.76 billion), fueled primarily by higher delivery volumes across Western Europe. Order intake in Europe showed remarkable acceleration: medium- and heavy-duty truck orders jumped +47% year-over-year, while light commercial vehicle (LCV) orders rose 21%.

In the passenger transit sector, IVECO BUS consolidated its position as the #1 European electric bus manufacturer, capturing over 25% market share as bus deliveries grew by 8% with its Annonay plant operating at full capacity. Industrial Activities generated an adjusted EBIT of USD \$120.22 million (€104 million), absorbing temporary quality and rework investments from early-season bus production while positioning the Group for a stronger second half of 2026 following the early-July debut of its Model Year 2026 truck range.

Source: Iveco Group

PSR Analysis. The 47% surge in European heavy-duty truck orders demonstrates that fleet operators are aggressively committing to replacement orders following the launch of IVECO's Model Year 2026 lineup. By holding more than a quarter of the European electric bus market, IVECO BUS has built a dominant position for municipal zero-emission tenders, creating a steep competitive hurdle for rivals such as Solaris and Daimler Buses. The strong order intake across both LCV and heavy chassis cabs signals robust underlying freight activity in Southern and Western Europe. **PSR**

Wacker Neuson Q2 Earnings Climb; Full-Year 2026 Outlook Raised

Munich-based compact equipment specialist Wacker Neuson SE has revised its full-year 2026 financial guidance. The Executive Board raised its full-year revenue projection to between USD \$2.66 billion (€2.30 billion) and USD \$2.77 billion (€2.40 billion) (up from USD \$2.54 billion – \$2.77 billion (€2.20B–€2.40B)), with expected EBIT margins rising to 7.0%–8.0%.

 [Click Here To Go To Page 1](#)

Europe Report

Continued from page 7

Wacker Neuson's double-digit revenue jump and guidance hike offer concrete evidence that Western European compact construction machinery is rebounding faster than the heavy earthmoving sector.

Preliminary Q2 2026 figures revealed revenues of USD \$768.86 million (€665.1 million), representing a 14.4% year-over-year surge, while preliminary EBIT skyrocketed 43.6% to USD \$73.06 million (€63.2 million). Executive leadership cited strong demand for compact excavators, wheel loaders, and zero-emission construction machinery across DACH (Germany, Austria, Switzerland) and Benelux, alongside stabilizing supply chains and disciplined cost management across its European production network.

Source: Wacker Neuson

PSR Analysis. Wacker Neuson's double-digit revenue jump and guidance hike offer concrete evidence that Western European compact construction machinery is rebounding faster than the heavy earthmoving sector. For direct peers like Caterpillar, Komatsu, and the Ammann Group, Wacker Neuson's performance proves that municipal infrastructure upgrades, urban trenching, and utility works are actively driving equipment sales even as large-scale civil engineering projects experience mixed momentum.

Furthermore, the strong uptake of Wacker Neuson's "e-site" battery-powered compact equipment illustrates that European contractors are rapidly adopting electric excavators and site dumpers to meet city-level low-noise and zero-emission site mandates. This demand validation reinforces the strategic value of localized European manufacturing in capturing immediate equipment replacement cycles across DACH urban centers. **PSR**

South America/Brazil Report

By Fabio Ferraresi, Managing Director - South America

Volvo Buses Introduces Flex Chassis for Biodiesel Operation



*Fabio
Ferraresi*

Volvo Buses has introduced the B320R 6x2 B100 Flex chassis in Brazil, designed to operate with pure B100 biodiesel and aimed at urban and metropolitan applications. The model expands the company's low carbon offering with a solution that can use existing liquid fuel infrastructure and domestic biodiesel supply, reducing dependence on fossil diesel. Volvo indicates that the B100 can significantly reduce lifecycle CO2 emissions and sees potential adoption in Brazilian fleets and other Latin American markets with established

PSR Analysis. The launch directly supports the biodiesel industry's push to expand B100 use in captive and public transport fleets, particularly on captive near Biodiesel producers, where domestic biodiesel can compete with imported fossil diesel. This also strengthens the energy security argument, as Brazil remains exposed to imported diesel volumes and international supply disruptions, creating a structural risk of tighter availability and price volatility. An OEM validated B100

LIKE WHAT YOU SEE?

To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

[↑ Click Here To Go To Page 1](#)

South America Report

Continued from page 8

CV Link™

We know trucks and buses.

CV Link™ is the leading source of global production, forecast and specification data for on-highway commercial vehicles.

CV Link™ contains OEM names, brands, and models, engine model detail, and qualitative analysis of OEMs and product platforms.

Call today. +1 651.905.8400, or email us at info@powersys.com.

Call Today.

Why wait for success?



**Power
Systems
Research**

Data · Forecasting · Solutions™

1365 Corporate Center Curve
St. Paul, MN 55121

+1 651.905.8400
www.powersys.com

platform reduces the technology barrier for fleet adoption, but large scale still depends on price competitiveness and large scale production capacity. **PSR**

BYD Adds High Floor Blade Battery Chassis To EV Bus Portfolio

BYD has introduced the BC12HF, its first high floor electric bus chassis equipped with Blade batteries, produced in Campinas with a range of up to 270 km. The new configuration targets urban and charter applications and allows BYD to participate in projects requiring high floor architecture, complementing its existing electric bus chassis portfolio. The platform uses an integrated electric architecture and electronically controlled air suspension, while the company highlights lower operating and maintenance costs and higher vehicle availability.

Source: AutoData

PSR Analysis. The portfolio expansion removes some important application limitations for BYD and increases the addressable market for its electric bus chassis, supporting a higher growth trajectory in Power Systems Research databases as the product becomes eligible for additional fleet profiles. The Blade battery also benefits from BYD's established reputation in the light vehicle market, which should reduce operator resistance toward battery durability and technology risk. The main constraint remains charging infrastructure and fleet electrification economics, but broader product coverage strengthens BYD's position as electric bus adoption expands in Brazil. **PSR**

Scania Targets Bus Market Growth with Super Platform

Scania expects the introduction of its Super platform for coach chassis to increase bus sales by at least 10 percent, with the impact becoming more significant from 2027. Following a BRL 120 million investment, the platform offers at least 8 percent lower fuel consumption compared with the previous generation, while increasing vehicle acquisition cost by approximately 7 percent. Scania expects fuel savings to offset the additional investment during the vehicle lifecycle and plans to expand bus sales in Latin America over the next five years.

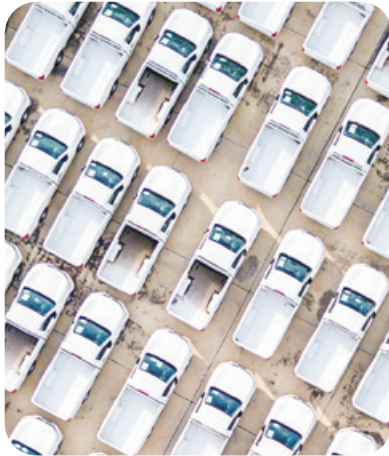
Source: AutoData

PSR Analysis. Scania's 10 percent growth target is optimistic but achievable, particularly because the coach segment provides greater room for commercially driven purchasing decisions than the urban bus market, where municipal concessions, bodybuilder relationships and local fleet structures have stronger influence on chassis selection. Fuel efficiency provides a measurable TCO argument and could support share gains among independent operators. The delayed impact expected from 2027 is consistent with long chassis, body production and delivery cycles, making the projection realistic rather than dependent on an immediate market recovery. **PSR**

 [Click Here To Go To Page 1](#)

South America Report

Continued from page 9



Falling Argentine Demand Drives 20% Decline in Brazilian Vehicle Exports

Brazilian vehicle exports declined 20 percent in the first seven months of 2026 to 255.9 thousand units, while exports to Argentina fell 34.3 percent as the Argentine market contracted. Brazilian manufacturers are also losing market share in Argentina as competition from other origins increases, particularly from imported electrified vehicles. At the same time, vehicle imports into Brazil continue to pressure local manufacturers, creating a combined effect of weaker exports and higher import penetration on domestic production.

Source: *AutoData*

PSR Analysis. Brazilian vehicle production is increasingly exposed on both sides of the market, with Chinese imports gaining share domestically while weaker exports reduce an important outlet for local manufacturing capacity. High household indebtedness adds another demand risk by limiting the potential for sustained domestic consumption growth.

Although the 2026 market still carries a growth outlook, the combination of import pressure, weaker regional exports and constrained consumer credit increases downside risk and makes us revisit our 2027 light vehicle production forecast. **PSR**

Far East: Japan Report

By Akihiro Komuro, Research Analyst, Far East and Southeast Asia



*Akihiro
Komuro*

Yanmar, Hitachi Explore Compact Equipment Collaboration

Yanmar Holdings and Hitachi Construction Machinery said they have signed a letter of intent July 23, 2026, to explore possible collaboration in the compact equipment business.

The companies said the construction equipment industry is facing more diverse customer requirements, faster technological change and intensifying global competition. In the compact segment, they believe closer cooperation between full-line manufacturers and specialist producers may be needed to sustain growth and competitiveness.

The discussions will examine how Yanmar Compact Equipment's expertise in mini and midi excavators, wheel loaders, compact track loaders and tracked carriers could be combined with Hitachi Construction Machinery's global construction and mining equipment business. The objective is to strengthen product competitiveness and deliver greater value to customers.

 [Click Here To Go To Page 1](#)

Japan Report

Continued from page 10

More meaningful gains could emerge behind the sales organization through product cross-sourcing, common platforms and components, shared development work or a clearer division of production responsibilities.

Both companies intend to retain their individual brand identities and continue operating separate dealer networks. Yanmar is seeking to optimize its product lineup and strengthen aftermarket support, while Hitachi Construction Machinery is using external partnerships to broaden the range of products and solutions available to its dealers and customers.

Source: Hitachi Construction Machinery

PSR Analysis. At this stage, the agreement is not an integration plan. It is a way for the two companies to look for areas where cooperation could improve their position without giving up their brands or dealer relationships. That approach makes sense in compact equipment, where manufacturers must support a wide product range while also investing in electrification, operator assistance, connectivity and market-specific configurations.

Because the dealer networks will remain separate, the initial value is unlikely to come from channel consolidation. More meaningful gains could emerge behind the sales organization through product cross-sourcing, common platforms and components, shared development work or a clearer division of production responsibilities. These measures could reduce overlapping investment and allow both companies to fill gaps in their product ranges more quickly.

No decision has yet been made on joint development, OEM supply or the use of common powertrains and engines. The next indication of the partnership's direction will therefore come from changes to the two companies' product portfolios, manufacturing roles and component sourcing. The market impact will depend on whether the LOI develops into a practical product and production strategy. **PSR**

Far East: South Korea Report

By Akihiro Komuro, Research Analyst, Far East and Southeast Asia

HD Hyundai Heavy Wins U.S. Data Center Power Order



*Akihiro
Komuro*

HD Hyundai Heavy Industries says it has signed a USD 673.8 million contract with U.S.-based energy infrastructure developer Corban Energy Group to supply power generation systems for data centers. It is the company's largest-ever order for power generation engines.

The systems will use HD Hyundai Heavy Industries' 9.6 MW-class HiMSEN medium-speed engines and provide a combined generating capacity of 1,000 MW. The equipment will supply power to data centers operated by a major U.S. technology company.

HD Hyundai said the HiMSEN engine combines high output and generating efficiency with the reliability required for continuous 24-hour operation. The latest

LIKE WHAT YOU SEE?

To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

 [Click Here To Go To Page 1](#)

South Korea Report

Continued from page 11



contract follows a USD \$425 million agreement signed with U.S. energy infrastructure developer AEG in April, also covering power generation equipment for data centers.

The wider HD Hyundai Group is building a broader position in this market. HD Hyundai Heavy Industries supplies engine-based generating systems, while HD Hyundai Electric is expanding its power distribution and electrical equipment business. HD Hyundai Marine Solution is also developing maintenance services for power generation engines.

Source: *PR Newswire*

PSR Analysis. The significance of this contract goes beyond its size. Technology developed for marine propulsion and onboard power generation is moving into the land-based data center market at utility scale. With a combined capacity of 1,000 MW, the project is far larger than conventional building-level standby generation and shows that engine-based power is becoming part of the core infrastructure behind major digital facilities.

In markets where data center construction is moving faster than grid expansion, operators need power capacity that can be installed in stages and kept available while individual units undergo maintenance. A plant built around multiple medium-speed engines can offer flexibility and redundancy. The April and August contracts also suggest that this is developing into a repeat market for HD Hyundai rather than a single project.

Continued growth could create a new challenge for engine manufacturers. Production capacity and service resources will have to be divided between marine customers and large land-based power projects. HD Hyundai is well placed because the group can combine engines, electrical equipment and long-term maintenance, allowing it to capture revenue beyond the initial equipment sale. However, the fuel specification, number of engines, delivery schedule and actual operating profile have not been disclosed. Those details will be needed to judge the project's generating cost and emissions performance. **PSR**

Southeast Asia: Malaysia-Indonesia Report

By Akihiro Komuro, Research Analyst, Far East and Southeast Asia

Diesel Costs, Shortages Disrupt Palm Harvests

Rising diesel prices and fuel shortages are disrupting palm fruit harvesting in Malaysia and Indonesia. Smallholders in Borneo and Sumatra have reduced harvesting activity, raising the risk of lower palm oil production if the disruption continues.

In the Malaysian states of Sabah and Sarawak, the price of unsubsidized diesel has risen by almost 120%. The two states accounted for 43.9% of Malaysia's 20.28

 [Click Here To Go To Page 1](#)

Malaysia-Indonesia Report

Continued from page 13

million tons of crude palm oil production in 2025. Subsidized diesel is available at US 51 cents (MYR 2.10) per liter, but the monthly allocation is capped at 200 liters, well below the 500 liters or more that farmers say they need.



Akihiro

Komuro

Higher fuel costs have forced some farmers to reduce their harvesting frequency from around 2.5 rounds per month to between one and 1.5 rounds. The added burden includes not only transport costs but also the expense of operating generators and other machinery. Industry representatives warned that Sarawak's yields could fall by 15–20% if the situation continues.

In Indonesia, diesel shortages since mid-July have restricted operations in Sumatra, which accounts for 55% of the country's palm oil output. Vehicles and equipment used on the plantations depend on diesel, and harvesting intervals have lengthened from the usual eight to ten days to between eight and twelve days.

Source: Reuters

PSR Analysis. Palm oil is produced by pressing fresh fruit bunches harvested from oil palm trees. Its uses extend well beyond bottled cooking oil. It is found in margarine, confectionery, baked and processed foods, while palm-based ingredients are also used in soap, detergent, cosmetics, industrial products and biodiesel.

Lower output in Malaysia and Indonesia can therefore affect a wide range of consumer and industrial supply chains.

Once a fruit bunch is cut, it must be collected from the plantation, moved to a loading point and transported by truck to a mill. The bunches deteriorate quickly and normally need to be processed within 24 hours. The role of diesel in this process is direct: it powers plantation transport vehicles, trucks, agricultural equipment and, in some remote operations, generators.

In eastern Malaysia, the problem is the cost of diesel. In Sumatra, it is the availability of diesel. Neither problem directly affects the growth of the oil palm trees. Instead, it reduces how often farmers can harvest, collect and transport the fruit, leaving less feedstock available for the mills.

The effect on equipment demand is mixed. More expensive diesel makes fuel-efficient machinery more attractive, but it also weakens smallholders' cash flow and their ability to invest. Many operators may keep older machines in service longer, supporting parts and repair activity while delaying new equipment purchases.

Electrification is not an immediate answer in remote plantation areas where grid supply and charging infrastructure remain limited. For the foreseeable future, fuel efficiency, durability, ease of maintenance and fuel monitoring will carry more weight in purchasing decisions. **PSR**

MarineLink™

Updated and Expanded

MarineLink™ contains details on nearly 500 pleasure boat and internal combustion engine manufacturers in Europe and North America.

MarineLink™: a great tool for tracking 10-year trends in the marine industry.

**Call Today.
Why wait for success?**



**Power
Systems
Research**

Data · Forecasting · Solutions™

1365 Corporate Center Curve
St. Paul, MN 55121

+1 651.905.8400
www.powersys.com

 [Click Here To Go To Page 1](#)

The joint venture is scheduled to start operations in Q1 2027, with the first new model rolling off the line in 2028. The two sides plan to produce five models at the plant.

China Report

By *Jack Hao*, Senior Research Manager - China

Geely To Acquire 34% Stake in Ford's Spanish Plant



*Jack
Hao*

Ford and Geely have signed an agreement in Spain for Geely's wholly-owned subsidiary, Geely SPV, to pay USD \$256 million to acquire a 34% stake in a Spanish vehicle manufacturing company held by Ford NL. Ford retains the remaining 66%; after the deal closes, the company will operate as a joint venture at Ford's Valencia plant, producing passenger cars under contract.

The Valencia plant opened in 1976, and was once Ford's largest production base outside the United States. It has built more than 11 million vehicles to date and has a designed annual capacity of about 500,000 units, making it one of Europe's biggest car factories.

However, in 2024 Ford stopped producing several fuel-powered models there, including the Mondeo, S-MAX, and Galaxy, leaving only the Kuga on one production line. In 2025 output fell below 100,000 units.

The joint venture is scheduled to start operations in Q1 2027, with the first new model rolling off the line in 2028. The two sides plan to produce five models at the plant: Ford will continue building the Kuga. It plans to launch a new compact rugged SUV under the Bronco family in 2028 and introduce an all-new Ford-brand crossover designed by Ford and co-developed with Geely. At the same time, Geely plans to produce two new-energy SUVs.

A Ford spokesman said the partnership is expected to unlock the plant's full capacity, build a low-cost and efficient manufacturing system, and build cars in Europe for European customers. For Ford, selling part of the capacity means cutting fixed costs while keeping local production ability.

Source: *Sina Finance*

PSR Analysis. This partnership signals a major shift in China's EV exports to Europe—from shipping finished cars to building them locally. Rather than constructing a new plant from scratch, Geely is taking a 34% stake in Ford's Valencia factory, bypassing EU tariffs and local-content requirements in a single move. The light-asset model cuts capital outlay, shortens lead times, and reduces policy risk. As more Chinese brands face the same trade barriers, this capacity-sharing approach could replace the old export model with full-chain local production, fundamentally reshaping how Chinese EVs enter the European market.

For Geely, the deal advances its globalization strategy from buying assets to sharing resources. Sixteen years after the full Volvo acquisition, Geely is now spending just USD \$256 million for a 34%, non-consolidated stake—gaining a world-class European plant at minimal cost and risk while keeping full brand independence.

LIKE WHAT YOU SEE?

To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

 [Click Here To Go To Page 1](#)

China Report

Continued from page 14



That matches its current growth pace: overseas sales jumped 158% in the first half of 2026. By turning the Valencia factory into its European production hub, Geely not only extends its global reach but also pioneers a new model of manufacturing partnership rather than traditional brand buyouts.

The Valencia plant also gives Geely a European base for smart-driving development. Although the joint venture is strictly a contract manufacturer with no R&D or sales role, Geely keeps full control over the technology and intelligent features in its own EV models and the co-developed Crossover.

Building cars in Europe means collecting real-world data on local roads, traffic laws, and driver behavior—feedback that directly improves its autonomous-driving algorithms for the region. Daily collaboration with Ford on the factory floor further opens channels for sharing electric-platform and supply-chain expertise. Over time, this helps Geely build a smart-vehicle ecosystem precisely tailored to European conditions while maintaining full technological sovereignty. **PSR**

India Report

By Aditya Kondejkar, Research Analyst – South Asia Operations

Auto Capacity Expansion Bets on Next Growth Cycle



*Aditya
Kondejkar*

India's passenger-vehicle industry is entering a new phase of capacity expansion, with automakers increasingly positioning themselves for sustained growth in the domestic market as well as exports. Recent moves by Maruti Suzuki and Kia indicate that manufacturers are preparing capacity ahead of expected demand, rather than simply responding to current volumes.

Source: [Autopunditz Article 1](#), [Autopunditz Article 2](#)

PSR Analysis. The most significant development is Maruti Suzuki's expansion at its Hansalpur facility in Gujarat. The company recently started production at its fourth plant, adding 250,000 units of annual capacity. This takes Hansalpur's capacity from 750,000 to 1 million units per year and Maruti Suzuki's overall Indian manufacturing capacity to around 2.9 million units.

The 250,000-unit addition represents approximately 8.6% of Maruti's existing 2.9 million unit capacity. At the Hansalpur facility, the expansion is much more significant, increasing capacity by 33%. The new plant will initially manufacture the e VITARA, highlighting how incremental capacity is being aligned with the industry's transition towards electrification.

Kia India is following a similar long-term approach. The company is planning to expand its manufacturing capacity as it targets 410,000 units of annual production by 2030, compared with its current installed capacity of around 300,000 units. While the

[↑ Click Here To Go To Page 1](#)

India Report

Continued from page 15

Maruti expects India's passenger-vehicle market to reach 6.1–6.3 million units annually by FY2030-31, driven by stronger SUV demand and a potential revival in small cars.

company's 410,000-unit target should not be interpreted as confirmed new capacity, it implies that Kia will need roughly 37% more production capability than its current installed base if the additional volumes are to be produced domestically.

The timing of these investments is important. Maruti expects India's passenger-vehicle market to reach 6.1–6.3 million units annually by FY2030-31, driven by stronger SUV demand and a potential revival in small cars.

The capacity additions could therefore have several implications. First, competition is likely to intensify as OEMs gain greater flexibility to increase production and respond quickly to demand. Second, additional capacity could reduce supply constraints and waiting periods for popular models.

The impact will also extend to the supplier ecosystem. Higher vehicle production should create incremental demand for components, electronics, tires, interiors and manufacturing equipment. More importantly, Maruti's EV-focused capacity signals growing opportunities for suppliers of batteries, electric motors, power electronics and other EV components.

However, capacity expansion also creates a risk of overcapacity if market growth falls below expectations. Lower utilization could increase discounting and put pressure on OEM margins.

Overall, the latest investments suggest that automakers are making a sizeable bet on India's next passenger-vehicle growth cycle. The critical question is whether domestic demand, exports and EV adoption can grow fast enough to absorb the capacity being created **PSR**

Meeting Your Information Needs

Power Systems Research (PSR) has been providing world class business and market intelligence on power equipment to industry leaders since 1976. A comprehensive range of database products and strategic analysis services is available to meet your planning needs. For more information, visit us at www.powersys.com.

- **EnginLink™** – Engine Production and Forecast Data
- **CV Link™** – Commercial Vehicle Production and Forecast Data
- **OE Link™** – Original Equipment Production and Forecast Data
- **OE Link Sales™** – Original Equipment Sales and Forecast Data
- **PartsLink™** – Engine and Original Equipment Population Data
- **MarineLink™** – Boat Production and Engine Installation Data
- **PowerTracker™ North America** – North American gen-set syndicated survey
- **Call Center** - In-house calling capability for custom surveys
- **Market Studies** – Conducted more than 3,100 proprietary studies
- **Component Modules** – Supplemental data sets including engine specifications, components and consumables.

LIKE WHAT YOU SEE?

To ensure that you continue to receive your complimentary copy of the PowerTALK™ News report each month, [Sign up now.](#)

[↑ Click Here To Go To Page 1](#)

Meeting Your Information Needs

Continued from page 16

PSR is the leading source of global production, forecast, and population data for equipment and vehicles powered by IC engines and electric and hybrid powertrains. PSR has been tracking the production of on-highway and off-road vehicles and equipment since 1976. We use this data to develop targeted **forecasts** by industry segment and region. Our team of experienced analysts works with OEMs, engine and component manufacturers, dealers, fleet managers and industry experts to compile detailed and focused data that has become an industry standard. PSR analysts combine our data with industry intelligence to create unique, targeted **solutions** to our clients' needs. **PSR**