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Alternative Power Report

By *Guy Youngs*, Forecast & Adoption Lead

Geely Prepares 500 Wh/kg Solid-State EV Battery



Guy
Youngs

Geely's revolutionary next-generation solid-state EV battery, which is currently going through real-world testing ahead of a rollout in 2027, could reach an energy density of up to 500 Wh/kg. and the new battery could beat diesel.

This means that Geely's cells could hold roughly twice the energy per kilogram of the best lithium-ion battery packs shipping in EVs today. The best high-nickel NMC cells in production have about 250 to 300 Wh/kg while Tesla's 4680 cell sits near 245 Wh/kg. LFP cells are lower and peak at around 200 Wh/kg.

Large battery packs can weigh 100kg, so being able to either double the range (for the same weight) or maintain the range (at half the battery weight) is a tremendous achievement.

Source: *Electrek*: [Read The Article](#)

PSR Analysis. There is, however, a small problem. Pilot deployment in 2027 is not the same as cars on roads in 2027, and Geely hasn't put a date on when this will happen. When it does happen however, it could be a game changer. **PSR**

Irish Government Launches Plan for Development of Data Centers

The Irish government has announced a new plan to address barriers affecting data centers (such as grid connection delays and local grid pressures), particularly around energy use.

The Large Energy User Action Plan (Leap) aims to see the location of new businesses with large demands better planned so that they are constructed near renewable energy sources. Under the Large Energy User Action Plan, any large energy users (10 MW-plus), such as data centers must provide at least 80% of their energy demand through new onsite renewable energy generation and storage.

Source: *Breaking News*: [Read The Article](#)

PSR Analysis. The 80% rule means that data centers sited near renewable energy sites can bypass potential grid connection delays (which can take several years) and connect directly to the renewable site. It also supports decarbonization efforts and relieves pressure on local grids. However, it does mean fewer backup gen-sets may be sold if the data center supports the renewable energy with batteries. **PSR**

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Alternative Power

Next-gen Zinc-Iodine Batteries Can Charge in 3 Minutes

Lithium-ion batteries have been around for a while now (in all their derivatives, NMC, LFP, LTO, etc.) but we are now seeing the next generation of battery technologies starting to appear. These include Lithium Sulphur, Sodium Ion and aqueous zinc-iodine batteries (AZIBs).

Researchers from Flinders University in Australia have published details of the latest steps in zinc-iodine technology. Prototype batteries can manage more than 60,000 recharge and discharge cycles, with recharges in just three minutes.

As the batteries are water-based, they don't come with the same potential risk of explosion and fire as standard (NMC) lithium-ion batteries do. However, these batteries tend to deteriorate as they're used because of the chemical reactions happening inside.

Source: *MSN*: [Read The Article](#)

PSR Analysis. The usual caveats apply with any new battery technology, in that you have to fully develop it and that it must be commercialized. However, one thing is clear, this battery technology is more suited to large scale uses. **PSR**

Poland Created Hydrogen Bus Demand, but Polenergia Walked Away

The Polish experiments with hydrogen started off very well. Hydrogen advocates spent years telling governments what needed to be done: create real demand. Public subsidies helped put hydrogen buses into Polish cities, refueling infrastructure received support, and renewable-hydrogen projects were offered public money as well.

Subsidized buses would create hydrogen demand, demand would support refueling stations, stations would justify local hydrogen production. With enough production and infrastructure in place, a domestic low-carbon hydrogen industry could begin to emerge. In principle, it sounded logical and that it would work.

Polenergia, Poland's largest private energy group started off solidly. By October 2024, they had building permits, and eight electrolyzer stacks had completed factory acceptance testing. In hydrogen- terms, that was at an advanced state.

Fast forward one year and Polenergia decided in January 2025 that it could not conclude the agreement. The company cited legal issues associated with the tender and the risk that it would not be able to deliver hydrogen on schedule. This was not simply a declaration that hydrogen cost too much, Polenergia's subsequent corporate strategy called for a gradual withdrawal from hydrogen transportation.

Source: *Clean Technica*: [Read The Article](#)

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Alternative Power

PSR Analysis. There are a lot of views as to why this key project has failed, ranging from the creation of a hydrogen system that would always fail because it wasn't running 24/7, to creating a demand through subsidy. Either way, it's another failed hydrogen experiment, which seems to be the way of things for hydrogen at the moment. **PSR**

DATAPoint REPORT

By *Carol Turner*, Senior Analyst, Global Operations

North America 2026 Scooter Production

470,200 units is the estimate by Power Systems Research of the number Scooters, Minibikes, and Mopeds expected to be produced in North America during 2026.

Scooters/Minibikes/Mopeds are motorized 2-wheeled vehicles used primarily for recreation.

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. Mexico facilities dominate the scooter market with rounding to 100% of total units produced. Italika leads with 80.5%, followed by Honda with 19.5%. US-based Go-Ped is the third producer with 359 units.

Trends. In 2025, production of Scooters in North America increased ¼%. Expect production to remain flat with a nominal 1% decline in 2026. Scooters are a popular mode of transportation that has seen saturation in the marketplace and weakened demand for scooters. The demand for efficient and eco-friendly models will boost the electric scooter market along with the threat of rising gas prices. Not only are scooters convenient and offer independence, but they also make for faster commutes as opposed to using other modes of transportation; electric models are also extremely popular. Expect production of scooters to increase 15% by 2035. **PSR**

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North America Report

If finalized, these changes will help manufacturers keep improving their vehicles without being forced to rush products to market before they're ready."

NORTH AMERICA REPORT

By *Chris Fisher*, Senior Commercial Vehicle Analyst

Comment Period for EPA 2027 Emissions Policy Changes Ends



Chris
Fisher

The comment period for **proposed EPA emissions regulations** starting with model year 2027 ended over the weekend of Sept. 6, 2026.

The regulatory amendments would include changes to the useful life periods and emission-related warranty periods. There are also amendments to the January 2023 provisions and from earlier rules. The agency also plans to make nonconformance penalties (NCPs) available to engine manufacturers beginning in 2027 and to amend inducement provisions.

"Americans depend on reliable trucks to move essential goods across the country," EPA Administrator Lee Zeldin says. If finalized, these changes will help manufacturers keep improving their vehicles without being forced to rush products to market before they're ready. Combined with the Trump EPA's first proposed deregulatory action to address ongoing DEF problems, this will ease real burdens for operators.

More than 100 comments were submitted. Below are a few of the comments.

Truck and Engine Manufacturers Association (EMA)

"The modifications to the emissions warranty and useful life provisions will make the 2023 Final Rule more implementable for manufacturers and more cost-effective for trucking fleets and other heavy-duty diesel vehicle and equipment operators. More specifically, the proposal to retain the current emission warranty periods will allow up-front reductions in product costs.

The proposed deferral of the longer useful life periods similarly will enable more effective and robust technology development and lower costs. And the proposed clarifications and corrections to many of the other compliance provisions will provide manufacturers with enhanced regulatory clarity."

Prime Inc. (No. 15 on the CCJ Top 250)

"(W)e support extending the availability of EPA 2024 emissions-compliant products through 2027 and urge EPA to maintain this extended timeline.

"... Prime has experienced the consequences of premature technology adoption,

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North America Report

including unplanned downtime, parts shortages, increased maintenance requirements and limited service capacity. Before widespread adoption within our fleet, we need sufficient EPA 2027 field experience to understand long-term durability, failure rates, maintenance costs, parts availability and service readiness.”

Hunter Truck

“I am concerned that imposing thousands of dollars in nonconformance penalties on otherwise proven, reliable engines is not a practical solution.

“These penalties do not disappear at the manufacturer level. Costs imposed on an engine manufacturer become costs to the truck manufacturer, dealer, fleet owner, independent trucker, freight customer and ultimately the American consumer. At a time when trucking companies are already dealing with high equipment costs, insurance expenses, interest rates, maintenance costs, labor pressures and uncertain freight markets, adding thousands of dollars to the cost of an engine creates another financial burden on the very industry responsible for moving nearly every product Americans purchase.

“If EPA believes that continued production of engines meeting the previous emissions standards is appropriate during the transition to the 2027 standards, it raises an important question: Why should the purchaser of that engine be financially penalized for buying a product that EPA is allowing to remain in commerce.

Volvo Group

“Since EPA finalized the 2023 Heavy-Duty Low-NOx Rule, the **Volvo Group** has made substantial investments in the development of a new engine family, advanced vehicle platforms and aftertreatment technologies to comply with the highly stringent NOx standards that take effect on Jan. 1, 2027. ...

“The proposed Low-NOx Amendments would provide greater flexibility within the framework of the 2023 Final Rule, help reduce vehicle acquisition costs, and allow manufacturers to ramp up production in a controlled manner while supporting increased customer confidence as they transition their operations to the new technologies.

We agree with EPA's decision to maintain the 35 mg/bhp-hr NOx standard in the rule. The Volvo Group remains committed to meeting customer demand by **supplying compliant engines** and vehicles supporting a stable and successful market transition.”

Source: CCJ Comment period for EPA 2027 emissions policy changes ends:
Read The Article

PSR Analysis. The truck pre-buy for 2026 is effectively over as the OEM build slots are generally full for the remainder of the year. Due to the transitional

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Maritime transport entered the EU Emissions Trading System (EU ETS) in 2024, increasing the financial cost of greenhouse-gas emissions.

period, PSR expects demand to continue to be strong in 2027 as the fleets replace their older trucks with either emission compliant trucks or current trucks with nonconformance penalties. PSR anticipates there will be a modest drop-off in truck demand in 2028. However, due to the transition period a sharp year-over-year decline in sales is not expected. **PSR**

EUROPE REPORT

By *Natasa Mulahalilov*, Marine Pleasure Boat Analyst

The Drive Towards Cleaner Marine Propulsion



Natasa
Mulahalilov

The marine pleasure industry is entering a period where regulation and technology are increasingly working together. Hybrid propulsion, batteries, alternative fuels and fuel cells are moving from experimental projects into real vessels, while new regulations are creating stronger incentives to reduce emissions and improve efficiency.

Regulation as a technology driver. The IMO (International Maritime Organization) has already introduced measures such as the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII). Since 2023, applicable vessels must meet energy-efficiency requirements and larger ships must monitor their annual carbon intensity.

Europe is putting further pressure on the market. Maritime transport entered the EU Emissions Trading System (EU ETS) in 2024, increasing the financial cost of greenhouse-gas emissions. FuelEU Maritime, effective in 2025, progressively reduces the greenhouse-gas intensity of energy used by ships above 5,000 GT calling at EU ports.

These regulations do not prescribe one specific technology. Instead, they encourage operators and manufacturers to find the most efficient combination of propulsion, fuels and energy-management systems.

Hybrid propulsion moves into production. Hybrid systems are becoming one of the most practical solutions. Combining diesel engines, electric motors and batteries allows vessels to select the most efficient operating mode depending on speed and operating conditions.

Sanlorenzo's new SHE is a good example. The 25.5-meter yacht combines two Volvo Penta D13 engines with two 160 kW electric motors. It can reach 20 knots while also operating in fully electric mode at lower speeds.

Volvo Penta is also expanding its IPS hybrid platform, integrating electric

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Europe Report

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propulsion, conventional engines and energy management into a single system.

Methanol and fuel cells. Alternative fuels are also moving closer to commercial applications.

Sanlorenzo's 50Steel uses a green-methanol fuel-cell system that converts methanol into hydrogen and then electricity. The system can provide up to 100 kW for hotel loads without running the main engines or generators.

Sanlorenzo is also developing the 50 X-Space with MAN around methanol-fueled propulsion, demonstrating that methanol could have applications beyond onboard electricity generation.

Hydrogen remains a longer-term option. Hydrogen offers significant potential for reducing emissions, but storage, infrastructure and cost remain challenges.

The Bluegame BGH-HSV, developed for America's Cup applications, demonstrates how hydrogen technology can already be used in high-performance marine applications. Larger commercial vessels may eventually use hydrogen or hydrogen-derived fuels as part of a broader energy strategy.

Efficiency starts with the hull. Cleaner propulsion is not only about engines and fuels. Lightweight materials, improved hull designs, foiling systems and technologies such as Hull Vane can reduce the energy required to move a vessel.

This means future efficiency will come from the combination of hull design, propulsion, energy storage and intelligent energy management.

What comes next? Not every vessel is subject to the same regulations. IMO and EU requirements primarily target commercial shipping and defined categories of larger vessels, while private recreational craft follow a different regulatory framework.

Nevertheless, the direction of travel is clear. The marine industry is moving towards a combination of hybrid propulsion, batteries, lower-carbon fuels, methanol, hydrogen, fuel cells and more efficient hulls.

There is unlikely to be one single replacement for the diesel engine. Instead, the next generation of vessels will combine several technologies to use energy more efficiently—and regulation will continue to accelerate that transition. **PS**

Sanlorenzo Reports Strong H1 Results as Global Demand Accelerates

Sanlorenzo, one of the world's leading Italian builders of luxury yachts and superyachts, specializing in highly customized vessels from 24 to 74 meters, continues to strengthen its position in the global luxury yacht market, with its H1 2026 results showing strong demand for larger yachts and increasingly

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Europe Report

The Superyacht Division was the strongest performer in H1. Revenue reached €154.1 million, up 12.4%, increasing its contribution to total new-yacht revenue to 32.7%.

diversified international growth.

The Italian builder reported €471.3 million in net revenues from new yachts in H1 2026, up 3.8% year on year. EBITDA increased 3.7% to €83.5 million, while net profit rose 5.4% to €49.1 million.

More significantly, new order intake reached €496.4 million, up 18.3%, while the gross order backlog stood at almost €1.5 billion. With 89% of the backlog already sold to final clients, Sanlorenzo has strong visibility over future production.

Sanlorenzo's strategy is increasingly clear: combine exclusivity and high-value yachts with international expansion and technological innovation, making technology not only an environmental response but an increasingly important part of the yacht's value proposition.

It operates across several segments, from composite motor yachts to large aluminum and steel superyachts. Its Yacht Division covers yachts from approximately 24 to 41 meters, while the Superyacht Division ranges from 44 to 74 meters. Bluegame and Nautor Swan add further products at different sizes and market positions.

The Superyacht Division was the strongest performer in H1. Revenue reached €154.1 million, up 12.4%, increasing its contribution to total new-yacht revenue to 32.7%.

The Yacht Division remained the largest contributor, generating €232.8 million, up 3.1%. This combination of strong core-yacht performance and faster growth in larger vessels is strategically important, as superyachts bring higher-value projects and strengthen Sanlorenzo's position at the premium end of the market.

Bluegame, Sanlorenzo's sport-utility and crossover yacht brand, covers the 13–26 meter segment and focusing on innovative multihull and low-emission technologies, remained broadly stable at €43.6 million, while Nautor Swan generated €40.9 million, down 13.9% as the sailing market remained softer, particularly below 24 meters.

Europe remains Sanlorenzo's largest market, generating €222.6 million, or 47.2% of new-yacht revenue. However, revenue declined 16.6% compared with H1 2025.

By contrast, the Americas grew 35.4% to €129 million, while Asia-Pacific increased 35.8% to €73.9 million. Middle East and Africa also grew 22.7% to €45.8 million.

The European weakness reflects a more cautious luxury market, with slower economic growth, geopolitical uncertainty and more conservative spending among high-net-worth consumers. European luxury markets have also been experiencing a broader slowdown in 2026.

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Europe Report

For Sanlorenzo, however, this is partly offset by its increasingly global customer base. The company is benefiting from strong demand in North America, Asia and the Middle East, reducing its dependence on its traditional European market.

Sanlorenzo's strategy is built around growth and innovation. The company is benefiting from strong demand for larger yachts, rapid expansion in international markets and increasing investment in new propulsion technologies.

With an order backlog approaching €1.5 billion and almost 90% already sold to final customers, Sanlorenzo enters the second half of 2026 with strong visibility.

Alongside its financial performance, Sanlorenzo continues to increase the technological content of its portfolio. While the company does not disclose a separate investment figure for new propulsion technologies, its product strategy includes hybrid propulsion, green-methanol fuel cells, methanol-fueled propulsion and hydrogen applications. The launch of the 25.5-meter SHE, with its Volvo Penta hybrid system, shows that these technologies are moving from development into series production. **PSR**

SOUTH AMERICA REPORT

By *Fabio Ferraresi*, Director, Business Development, South America

VWCO Truck & Bus Partners with SAIC



Fabio Ferraresi

Volkswagen Caminhões e Ônibus, the Brazilian subsidiary of Traton Group, has partnered with China's SAIC Motor to develop a new family of light commercial vehicles, marking VWCO's entry into one of the largest segments of the Brazilian automotive market. The jointly developed vehicle is scheduled to be unveiled in November 2026.

Initial production will take place in China, with fully built vehicles imported into Brazil and Argentina to accelerate market entry.

VWCO plans to progressively increase local content and transfer production activities to South America as volumes develop. The company expects to invest BRL 300 million, approximately USD \$59 million, in the program.

Source: Reuters: [Read The Article](#)

PSR Analysis. The partnership gives VWCO a shortcut into Brazil's light commercial vehicle segment by leveraging SAIC's existing product and manufacturing base. VWCO's established dealer network, aftersales structure, and long track record in spare parts availability can reduce key market entry barriers that a standalone SAIC product would face in Brazil. This combination

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South America Report

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of Chinese product development with Volkswagen's local commercial credibility could materially improve customer acceptance and the vehicle's chances of gaining scale. We will keep monitoring this project in order to introduce the production in our databases. **PSR**

Foton Expands Dealer Network to 77 Locations in Brazil

Foton has expanded its Brazilian dealer network to 77 locations, of which 68 are already operating and the remainder are under implementation. The company has increased its network by approximately 130% in just over two years, from 34 dealerships in mid-2024, and is now present in nearly all Brazilian states, including important logistics, agribusiness, and distribution hubs such as Ribeirão Preto, Uberlândia, Chapecó, Rio Verde, Rondonópolis, and Marabá.

The network is supported by Foton's parts distribution center in Itajaí, Santa Catarina, which holds more than 165,000 aftermarket items. It supplies sales, technical assistance, parts, and service operations nationwide. Foton aims to reach 100 dealerships in Brazil by the end of 2027 while supporting an expanding portfolio that includes light, medium, and heavy trucks, the Tunland hybrid diesel pickup, and several electric commercial vehicles.

Source: Revista M&T: **[Read The Article](#)**

PSR Analysis. The rapid network expansion shows that Foton is moving beyond a product entry strategy and investing in the commercial infrastructure required to become a more established competitor in Brazil. Dealer coverage, parts availability, and aftersales capability are especially important barriers for Chinese commercial vehicle brands, as fleet customers place significant weight on uptime and service support.

If Foton can maintain service quality while scaling to 100 dealerships, the broader footprint should improve customer confidence and support higher volumes across both conventional and electric commercial vehicles, particularly in regional markets where the brand previously had limited coverage. **PSR**

São Paulo Secures US\$ 500 Million To Accelerate EV Bus Adoption

Brazil's Senate has approved two international loans totaling BRL 2.56 billion, approximately USD \$496.6 million, to support the electrification of São Paulo city's bus fleet. The financing will be split equally between the Inter-American Development Bank and the World Bank, with each institution providing USD \$248.3 million. The federal government will guarantee the operations, while the city will provide counter guarantees.

Most of the World Bank financing, approximately USD \$243 million, will be directed to offset the higher upfront cost of electric buses, with smaller amounts allocated to public transport management and sustainability initiatives. The loans have long repayment periods and grace periods, reducing the immediate

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South America Report

Takeuchi is building the factory to prepare for future crawler loader demand. Until it opens, the company will have to rely on its existing plants for longer than planned.

financial burden on the municipality and creating additional capacity for fleet modernization.

Source: *Automotive Business*: [Read The Article](#)

PSR Analysis. This financing addresses one of the key barriers to electric bus adoption by reducing the upfront acquisition cost gap versus conventional diesel vehicles. However, the broader business case remains structurally dependent on municipal policy and public funding rather than on standalone fleet economics, as total cost of ownership is still insufficient in many operating conditions to support large scale replacement without subsidies, concessional financing, or regulatory mandates.

As a result, the pace of adoption in São Paulo will continue to be driven primarily by municipal decarbonization rules, procurement requirements, and the government's willingness to absorb part of the incremental cost, making policy execution a more critical demand driver than any other driver. **PSR**

JAPAN REPORT

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

Labor Shortage Delays Takeuchi's New Factory



Akihiro Komuro

Takeuchi Mfg. has announced a revised construction schedule for its new factory, moving the start date back from January 2028 to May 2029, a delay of 16 months.

The company cited labor shortages in Japan's construction industry. Higher construction costs and changes to some specifications also raised the total investment from about JPY 18.0 billion to JPY 24.6 billion. The planned size and production capacity remain unchanged.

Takeuchi acquired the land in April 2026. Site preparation and factory construction are scheduled to begin in October 2026. The building is due for completion in January 2029, followed by the installation of production equipment by April 2029.

Source: *Takeuchi*: [Read The Article](#)

PSR Analysis. Takeuchi is building the factory to prepare for future crawler loader demand. Until it opens, the company will have to rely on its existing plants for longer than planned.

Much will depend on when demand recovers. A gradual recovery would ease pressure during the delay, while a sharp rise in orders before 2029 could tighten

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South Korea Report

capacity at its existing plants.

The revised budget is about 37% higher, although planned capacity is unchanged. This raises the cost per unit of new capacity and is likely to lengthen the payback period. More broadly, the delay shows how Japan's shortage of construction workers can slow factory expansion in other industries. **PSR**

SOUTH KOREA REPORT

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

Hanwha Engine Completes Medium-Speed Engine Factory



Akihiro Komuro

On August 19, Hanwha Engine completed construction of a factory for four-stroke medium-speed engines at its headquarters in Changwon, South Gyeongsang Province. The 8,300-square-meter plant is set up for mass production.

Hanwha Engine has mainly produced low-speed engines for main propulsion in large commercial vessels. The new factory will produce four-stroke medium-speed engines for onboard power generation, expanding the company's range to cover both propulsion and onboard power.

The new plant received support through South Korea's reshoring subsidy program, with funding from the national government, South Gyeongsang Province and Changwon City. Hanwha Engine plans to expand its medium-speed engine business and develop hybrid propulsion and power solutions that combine engines with energy storage.

Source: *Hanwha*: [Read The Article](#)

PSR Analysis. Orders for large vessels, including LNG carriers, are supporting demand for medium-speed engines. Large ships use separate generator engines to power cargo-handling equipment, pumps, air conditioning and other onboard systems. Electrical demand is particularly high on LNG carriers, which often use several medium-speed generator engines.

Hanwha Engine can now supply low-speed main engines and medium-speed generator engines. The company can now supply a larger share of the engine package for each vessel and expand its business with Korean shipyards and shipowners.

By smoothing changes in onboard electricity demand, energy storage can

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Indonesia Report

help generator engines run more efficiently. Hanwha's progress will depend on medium-speed engine orders, output at the new plant and sales of packages that combine engines with energy storage. **PSR**

INDONESIA REPORT

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

SANY Brings Multiple Power Options To Mining Market

SANY will exhibit a range of equipment for mining and heavy-duty work at Mining Indonesia 2026, held in Jakarta from September 9 to 12. The display will focus on electric and hybrid machines.

The lineup includes the SY215F excavator, the upgraded SY1050H excavator, the SW956E electric wheel loader and the STC1100T6 truck crane.

For mining haulage, SANY will display the SE588 electric heavy-duty truck, the SYZ445C-8REEV electric dump truck and the SRT100S hybrid wide-body truck. The SYL1520DC1 Deutz generator set will also be shown to provide power for on-site operations.

Source: Sany: [Read The Article](#)

PSR Analysis. Indonesia's coal and nickel mines use large fleets for excavation, loading and haulage. These machines work long hours, so energy use and downtime directly affect cost per metric ton. Operators want to reduce fuel use and emissions while keeping output stable.

Which power system works best depends on the machine and the mine. Battery-electric vehicles suit fixed routes with charging facilities. Range-extended and hybrid vehicles can operate longer where charging capacity is limited. Diesel excavators and generator sets continue to support remote sites.

SANY is showing diesel, battery-electric, range-extended and hybrid equipment at the same event. This gives customers a choice based on operating conditions and charging capacity. It also shows that Chinese suppliers are now competing on power options as well as price. Sales plans to depend on performance in the field and local support for charging, parts and service. **PSR**

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China Report

SANY will also make its first appearance at IAA TRANSPORTATION in Hanover, Germany, moving from localized production at the Europe-Asia junction to Europe's core commercial vehicle stage.

CHINA REPORT

By *Jack Hao*, Senior Research Manager - China

Sany's First EV Heavy Truck Produced in Turkey



Jack Hao

SANY Heavy Truck and its strategic partner FMT on Sept. 9 in Istanbul, announced the release of the SE636 kWh electric heavy truck, the launch of the Turkey dealer and sales/service network, and the debut of the first electric heavy truck produced at the KD (knock down) factory. The first locally assembled SANY SE636 electric heavy truck signaled that the KD factory has achieved mass-production capability.

The announcement noted that core components, complete-vehicle technical standards, and the EU certification system are provided by China, while final assembly and local adaptation are completed locally, which is capability export rather than simple product trade.

The KD factory is planned to have an annual capacity of 2,000 units and an expected annual output of about US\$400 million, creating about 200 local jobs and training local automotive engineers.

For automakers seeking Europe, Turkey's strategic value goes beyond its own market: at the Europe-Asia crossroads, it is a gateway to Europe and a springboard to Central Asia and the Middle East.

SANY's focus in this launch improves overseas localization through the KD factory, dealer network, and service system. The simultaneous implementation of manufacturing, channels, and services forms a solid foundation for rooting in Turkey and consolidates a hub for moving into Europe and neighboring markets.

SANY will also make its first appearance at IAA TRANSPORTATION in Hanover, Germany, moving from localized production at the Europe-Asia junction to Europe's core commercial vehicle stage. With overseas electric heavy truck orders for 2026 up more than 50% year on year, along with a previous single export of over 800 electric trucks, Chinese new-energy heavy trucks are leaping from product export to capacity export and capability export.

Source: *cvworld*: [Read The Article](#)

PSR Analysis. The Chinese domestic heavy-duty truck market has entered a stage of competition, where weak demand triggers price wars, produces excess capacity, and generates profitability pressure, making it unsustainable to rely solely on domestic growth. This situation has forced the industry to elevate

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China Report

overseas markets from a supplementary source to a core strategic pillar—a vital channel for absorbing capacity, amortizing R&D costs, and enhancing brand premium.

Chinese heavy-duty truck exports are moving away from the old pattern centered on low-end markets in Asia, Africa, and Latin America, and accelerating structural upgrading toward high-end markets.

Sany Heavy Truck has set up a KD plant in Turkey, a strategic hub between Europe and Asia, entering Europe's high-end market through a model of "Chinese core technology output plus local assembly." This approach lowers trade barriers, shortens delivery cycles, and leverages Turkey's geographic position to provide access into Europe, Central Asia, and the Middle East. Although such localized deployment requires heavy upfront investment, once it proves viable, it will build a market moat far deeper than pure vehicle exports.

The rapid growth of electric heavy-duty truck penetration in China has matured the entire supply chain, giving domestic manufacturers a differentiated window to enter Europe. With supply-chain and cost advantages in the three electrics—battery, motor, and electronic control—Chinese companies can circumvent Europe's century-old technological barriers in diesel engines.

At present, Sany's electric truck specifications already benchmark against mainstream European demand, having obtained EU certification and entered real-world operation validation locally, while also aligning with the policy dividends of Europe's carbon- neutrality transition.

Opportunities and risks coexist in the push into Europe. The opportunities lie in Europe's yet-to-be-solidified electric truck competitive landscape, the multi-regional market coverage enabled by localization, and faster market entry through local partnerships.

The risks include the entrenched advantages of European incumbents in brand, service, and financial systems, long payback periods for localized manufacturing, uncertainties surrounding trade protection and geopolitics, and unresolved capital-intensive challenges such as after-sales service and residual value management. **PSR**

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India Report

INDIA REPORT

By *Aditya Kondejkar*, Research Analyst – South Asia Operations

Commercial Vehicle Demand Recovers



Aditya Kondejkar

India's commercial vehicle (CV) market showed a clear improvement in August 2026, supported by freight movement, infrastructure activity and replacement demand. The recovery was broad-based, with major manufacturers reporting stronger sales across their commercial vehicle portfolios.

Source: *Rush Lane*: [Read The Article](#)

PSR Analysis. The more important development is the strong performance of medium and heavy commercial vehicles.

Demand for heavy trucks has improved as freight movement and infrastructure activity support higher vehicle utilization. This also indicates that the recovery is not limited to last-mile or small commercial vehicles.

Replacement demand is another important driver. A large part of India's truck fleet is ageing, and improving freight activity can encourage fleet operators to replace older vehicles. However, replacement may not always mean replacing like-for-like. Operators are increasingly looking at higher-payload vehicles to carry more freight with a similar fleet size. This can support higher tonnage growth even when unit growth remains moderate.

From a business perspective, this makes payload and freight movement more important than vehicle volumes alone. OEMs with a strong presence in higher-tonnage segments could benefit more as fleet operators upgrade their vehicles. It also creates opportunities for suppliers of engines, transmissions, tires and other components used in heavy trucks.

However, the recent growth should be viewed with some caution. Last year's CV demand was relatively weak due to uncertainty around GST changes, creating a favorable comparison base. Higher fuel prices and input costs can also affect fleet profitability and new vehicle purchases.

Overall, the August recovery points to improving CV demand, particularly in the heavy-truck segment. The key trend to watch is whether replacement demand leads to higher-payload upgrades, which could make the recovery stronger in terms of freight-carrying capacity than vehicle volumes alone suggest. **PSR**

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