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Alternative Power

By Guy Youngs, Forecast & Adoption Lead

Brazil Law Ties Data Center Incentives To Energy Use

Program Suspends Federal Taxes on Data Center Equipment



Guy Youngs

Brazil's Senate has approved "Redata", a tax incentive regime requiring data centers to meet their electricity demand with renewable or low-emission energy. The conditions for receiving the tax benefits include data centers meeting their electricity demands by using renewable or low-emission energy sources.

"Redata" suspends federal taxes on equipment and components acquired domestically or imported for use in data centers. The tax suspension will cover import duties and the Tax on Industrialized Products. It will apply for five years.

In return, companies claiming "Redata" must allocate at least 10% of their data processing, storage and handling capacity to the Brazilian market; comply with sustainability criteria; meet contracted electricity demand through supply agreements or self-generation using renewable or low-emission sources; comply with water-efficiency limits for cooling systems; and invest in Brazil an amount equivalent to 2% of the value of products acquired under the tax incentive

Source: *PV Magazine*

PSR Analysis: This legislation is significant in that Brazil's data center market is expanding rapidly and this legislation commits data center owners to strict conditions that should mitigate some of the less desirable data center outcomes. **PSR**

Electric Equipment Is Saving Job Sites BIG MONEY

For some time now, construction fleet managers have been debating whether or not having an electric fleet gives you real world savings that are worth the higher up-front costs of the equipment.

Canadian Groupe Bellemare has partnered with the Institut du véhicule innovant (IVI) on a three-year program called Plug-In Fleet Heavy Equipment. The purpose of this program is to test and document the equipment's performance on a functioning job site.

The results are outstanding – Groupe Bellemare says it's spent less than $54,000 for roughly 15,000w hours of operating costs. It's added that the diesel machines

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Alternative Power

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A 10% or even 15% improvement in energy density of a battery is a big plus, leading to improved range or weight reduction.

it replaced would have burned an estimated $423,000 of diesel over the same period, giving the company more than an 87% drop in fuel costs.

Source: ***Electrek***

PSR Analysis: Despite claims by some organizations (like the Wall Street Journal) that electric machines would struggle to compete, even if Diesel was $8 per gallon, it is very clear that there are some significant savings to be made by fleet electrification. **PSR**

New Electrode Design Boosts Battery Energy Density

Fraunhofer ISE and its partners have developed thicker electrodes that could increase battery cell energy density by 10% to 15% without adding weight. The electrodes are a PFAS-free, solvent-free concept has been demonstrated in lithium-ion, sodium-ion, and zinc-ion cells and is designed for cost-effective mass production.

PFAS or Per- and polyfluoroalkyl substances are a group of synthetic organofluorine chemical compounds that have multiple fluorine atoms attached to an alkyl chain and are often referred to as forever chemicals. Being PFAS free is important because PFAS contamination threatens public health, wildlife and the quality of our natural environment.

Source: ***PV Magazine***

PSR Analysis: Capital costs and production costs are expected to be much lower as this production process doesn't use toxic solvents. A 10% or even 15% improvement in energy density of a battery is a big plus, leading to improved range or weight reduction. However, as usual with this new technology, it will be some time before it appears in your battery powered machine. **PSR**

VW Plans To Slash Models, Reduce Workforce By 100,000

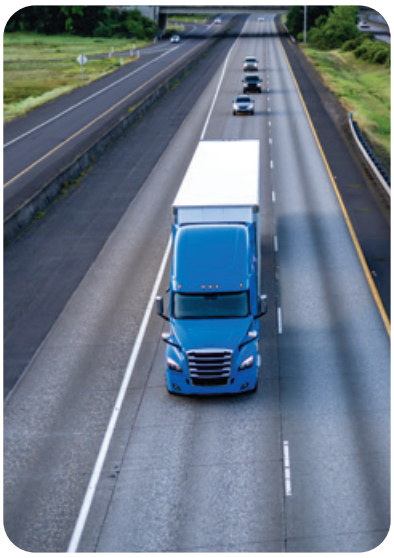
Volkswagen Group CEO Oliver Blume had a plan to close four factories in Germany and eliminate 100,000 workers, both in Germany and around the world, by 2030. The plan was initially rejected before being approved in early September.

The company already had plans in place to reduce its workforce by 50,000. The new plan adds another 50,000 to that number, bringing the total to 100,000. The plan also calls for eliminating half of all the models currently offered and the plan leaves the fate of four factories in Germany (Emden, Zwickau, Hanover and Neckarsulm plants) undecided.

Source: ***CleanTechnica***

PSR Analysis: Most of the legacy auto makers are suffering in one way or another, and this move by VW is all about cost reduction via model simplification. Whether the plan survives (and actually, whether VW survives) will largely depend on how the powerful auto unions respond to this. **PSR**

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Truck Production Report

By Chris Fisher, Senior Commercial Vehicle Analyst

Q3 2026 PSR Truck Production Index Falls 8.4%

Power Systems Research TPI Truck Production Index

St. Paul, MN — The Power Systems Research Truck Production Index (PSR-TPI) decreased from 131 to 120, or 8.4%, for the three-month period ending Sept. 30, 2026, from Q2 2026. The year-over-year (Q3 2025 to Q3 2026) gain for the PSR-TPI was, 118 to 120, or 1.7%.



Chris Fisher

The PSR-TPI measures truck production globally and across six regions: North America, China, Europe, South America, Japan & Korea and Emerging Markets.

This data comes from **OE Link™**, the proprietary database maintained by Power Systems Research.

All Regions. MHCV demand will vary by region in 2026. North America and European have seen orders increase through much of the first half of the year and vehicle demand is expected to improve somewhat over last year, China is expected to see a single digit decline in production much of the decline comes on the heels of very high levels of production in 2025.

Global Index. Overall, global MHCV production is expected to increase by 1% in 2026 over last year primarily driven by growth in North America and Western Europe. High global fuel prices are expected to continue through the remainder of the year even though shipping volume has improved through the Strait of Hormuz.

North America. Medium and heavy truck production in North America is expected to increase by 13.4% this year compared with low 2025 production. Class 8 truck production is expected to increase by 13.8% this year as order rates for class 8 trucks improved strongly throughout much of the year. Improvement in freight rates and freight demand along with tightening truck capacity and some level of truck pre-buy ahead of the 2027 GHG emission regulations is expected to drive increased truck production this year.

While truck sales have been down for much of this year, production levels are expected to be strong in the second half of the year. The primary risk to the 2026 production forecast is if the truck fleets cancel or postpone truck purchases this year. However, at the time of this writing few if any truck orders have been cancelled due to the high price of diesel fuel or increasing interest rates.

Europe. Medium and heavy truck production in Europe is expected to increase modestly this year compared to 2025. After exceptionally low truck demand during the past few years, truck demand has bottomed out and has started to improve with order rates increasing. Truck demand in Western Europe is expected to

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Truck Production Report

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A 10% or even 15% improvement in energy density of a battery is a big plus, leading to improved range or weight reduction.

improve this year as the fleets will need to replace their older trucks purchased in 2022 and 2023. Tightening truck capacity will also drive demand throughout the rest of the year. So far, significantly higher fuel costs have not caused fleets to cancel truck orders scheduled for the fourth quarter of this year.

South Asia. After a strong level of vehicle replacement during the past few years, commercial vehicle production is expected to increase by 3.8% this year compared with 2025. In India, truck and freight capacity has mostly rebalanced and MHCV production is expected to increase by 4% this year compared with 2025. Demand is expected to grow in mid-term owing to a strong macroeconomic environment, healthy fleet utilization levels, Government capex on infrastructure projects, and stable freight demand.

South America. Medium and heavy commercial vehicle production is expected to decline by 4% this year compared with 2025. Production in Argentina is expected to increase by 17.4% as the economy is improving and inflation is down significantly from a year ago. MHCV production in Brazil is expected to decline by 5.7% this year while vehicle production in Columbia is forecasted to increase by 10.8% in 2026.

Japan/Korea. Medium and heavy commercial vehicle production in Japan and South Korea is expected to increase by 5% in 2026 over last year. Commercial vehicle production is expected to increase by 6.5 % in Japan and decline by 6.5% South Korea this year. In Japan, infrastructure spending, and the continued need for the fleets to replace older trucks will be the primary reasons for increased truck demand this year. In South Korea, periodic diesel fuel shortages and exceedingly high fuel cost is partially responsible for the lower truck demand during the first half of the year. Fuel availability and reduced fuel prices are expected to improve as the year progresses.

Greater China. Medium and heavy commercial vehicle production in Greater China is expected to decline by 4.2% this year compared to 2025. Domestic truck sales are expected to be slightly lower in 2026 compared to last year. In 2025, thanks to the "China IV" phase-out and renewal subsidy policy, part of the replacement demand for 2026 was pulled forward; therefore, domestic sales in 2026 will face certain growth pressure and will experience a small decline of approximately 5%.

Vehicle Exports are expected to remain at a high level. Although the Russian market may shrink due to policy factors, incremental growth in Africa, the Middle East, Southeast Asia, and Latin America will offset this. Chinese HDTs still have an obvious cost-performance advantage in overseas markets, and exports will become the "ballast stone" supporting total sales. **PSR**

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DATAPOINT:
North America 2026 Combine Production
2,900

By Carol Turner, Senior Analyst, Global Operations

2,900 units is the estimate by Power Systems Research of the number of Combines expected to be produced in the United States during 2026.

A Combine is a farm machine that harvests grain crops. Combines can reap, thresh and winnow crops into a single process. Crops include wheat, oats, rye, barley, corn, etc.

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 61% of total units produced, Deere captured the lead for Combine production in North America (US). In second position, Case with 23.5%; third, Claas Omaha with 9%.

Trends. The 2025 production of combines in North America decreased 19%, dropping from 4,300 in 2024 to 3,500 in 2025. Production is expected to drop 18% from 2025-2026. The 2026 decrease is mostly due to CLAAS moving production of their 8000 Series to Germany, rising production expenses along with a drop in commodity pricing and market uncertainty.

In previous years, Covid-19 related factors played a role in the decline, especially for parts availability and a drop in orders for new machinery. Sales of combines picked up in Q4 2020 after a tough spring for sales.

Combines overall boost crop output and farm income. “The increase reflects farmer sentiment about the future of their operations. It’s a decent early indicator of whether folks are enthusiastic about where markets are headed,” according to Curt Blades, senior VP of agriculture for AEM.

This is a favorable sign. A few years ago, farmers were reluctant to buy or trade in pricey equipment because of lower commodity prices. For instance, in 2017, production and purchases of new combines rebounded as portrayed in production figures. The gain can be attributed to an increase in commodity prices such as corn and soybeans that peaked in 2013/2014.

Case attributed the 2023 decline to supply chain issues. Deere announced job cuts at three Midwest production facilities due to softening demand for tractors and combines. “These changes are being made due to reduced demand for the products produced at these facilities,” Deere & Co. noted in a news release. “Industry sales are expected to further decline in the back half of fiscal year 2024.

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To better position Deere to meet future demand, we continue to take proactive steps to reduce production and inventory."

Expect production of combines to gain 5% by 2035. **PSR**

DataPoint
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The acquisition of Iveco by Tata Motors represents one of the most consequential cross-border consolidations in the European truck and bus sector this decade.

Europe Report

By Emiliano Marzoli, Manager, European Operations

Iveco Acquisition by Tata Motors Changes Europe Market



Emiliano Marzoli

Iveco Group N.V. shareholders voted overwhelmingly Oct. 16, 2026, at an Extraordinary General Meeting in Amsterdam to approve all resolutions regarding the voluntary public tender offer by Tata Motors (through TML CV Holdings).

The board supported a revised offer of USD $16.14 (€14.40) per share, up from $15.81 (€14.10), backed by an USD $95.29 million (€85 million) credit facility with MUFG Bank. To ensure completion before the tender window closes on Oct. 26, 2026, shareholders reduced the mandatory acceptance threshold from 90% to 80% of common shares.

This vote follows Iveco's earlier corporate restructuring, which carved out its military vehicle business to Leonardo S.p.A., leaving the remaining commercial truck, bus, and powertrain divisions fully aligned for integration into Tata's global commercial vehicle footprint.

Source: *Economic Times*

PSR Analysis. The acquisition of Iveco by Tata Motors represents one of the most consequential cross-border consolidations in the European truck and bus sector this decade.

For European competitors like Traton (MAN/Scania), Volvo AB, and Daimler Truck, the deal creates a combined commercial vehicle giant with vast capital backing and low-cost manufacturing capabilities in emerging markets. Tata gains immediate access to Iveco's established European dealer network and its market-leading position in European electric buses (IVECO BUS holds over 25% of the EU e-bus market).

Furthermore, by stripping out its defence division, Iveco is now structured purely as a commercial transport entity, allowing the combined group to leverage joint purchasing for battery cells, electronic architectures, and alternative fuel systems across Europe and Asia. **PSR**

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South America/Brazil Report

By Fabio Ferraresi, Managing Director - South America

Zhongtong Announces Ambitious Brazilian Expansion



Fabio Ferraresi

Chinese bus manufacturer Zhongtong announced its entry into Brazil through TEVX, with plans to establish local electric bus production and eventually target around 15% of the Brazilian market. Despite the ambitious announcement, the operation will start on a relatively small scale: so far, only 10 complete monocoque buses have been confirmed for commercial operation in the first quarter of 2027.

The first vehicles will be fully imported from China. The next planned step is to import Zhongtong chassis for local body assembly, potentially using established Brazilian bodybuilders, before gradually moving toward local chassis production and assembly from 2028 onward. The company has indicated that approximately 900 units per year would be required to justify a fully established local manufacturing operation.

Source: *AutoData / Technibus / TEVX*

PSR Analysis. Zhongtong is not a small newcomer: it is one of China's largest bus manufacturers and one of the country's leading electric-bus players, operating with a vertically integrated model in which it manufactures complete buses rather than only chassis. Its Brazilian strategy therefore deserves attention because, depending on how localization evolves, it could ultimately affect either mainly the chassis market or also the traditional Brazilian bodybuilder model led by companies such as Marcopolo and Caio. For now, however, the gap between the scale of the announcement and the initial confirmed volume remains substantial. PSR will monitor whether the project develops into a meaningful local manufacturing operation or follows the pattern of previous Chinese bus brands, such as Higer, that announced ambitious Brazilian plans but achieved limited market penetration. PSR

Renault Strengthens Argentina as Regional LCV Hub

Renault started series production of the new Niagara pickup Oct. 6, 2026, at its Santa Isabel plant in Córdoba, Argentina. The model was developed specifically for Latin American markets and will be manufactured exclusively in Argentina, strengthening the plant's role as a regional production and export hub.

The Niagara is the 35th model produced at Santa Isabel and follows a multi-year transformation of the facility toward light commercial vehicles. The pickup is expected to be exported broadly across Latin America, increasing the plant's exposure to regional demand rather than relying primarily on the domestic Argentine market.

Source: *Renault Argentina*

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South America Report

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PSR Analysis. Renault's investment signals confidence in the country's industrial specialization, its access to South American markets--particularly Brazil--and the broader macroeconomic direction Argentina has taken in recent years, despite occasional volatility. The project further strengthens Santa Isabel's role as a regional LCV hub and Argentina's position in the South American pickup production network. **PSR**

VWCO Expands Alternative-Powertrain Portfolio Against Chinese

Volkswagen Caminhões e Ônibus has expanded its alternative-powertrain portfolio with the launch of the new e-Delivery 12 and e-Delivery 17 electric trucks and the start of sales of the Constellation Biometano. The new e-Delivery models extend VWCO's electric offering into higher-GVW urban distribution applications, while the biomethane-powered Constellation targets applications where battery-electric solutions remain more difficult to implement.

The strategy broadens VWCO's decarbonization portfolio beyond a single technology, combining battery-electric vehicles for urban and predictable duty cycles with renewable gaseous-fuel solutions for heavier or more intensive operations.

Source: ***Volkswagen Caminhões e Ônibus / PR Newswire***

PSR Analysis. While several traditional Brazilian light vehicle automotive manufacturers are still reacting to the rapid expansion of Chinese competitors--often focusing first on the competitive threat and only now accelerating their technology strategies--VWCO is moving earlier to do its homework and adapt its portfolio. The company is expanding its BEV offering while also leveraging Brazil's structural advantages in biofuels and biomethane, positioning itself to compete with Chinese manufacturers across both electrified and renewable-fuel technologies.

The next challenge will be price competitiveness: maintaining its leadership and outperforming Chinese competitors over the medium and long term will depend on VWCO's ability to combine technology, local production and competitive pricing, particularly in the light- and medium-duty segments where Chinese pressure is likely to be strongest. **PSR**

Brazilian Truck Production Outlook Cut as Exports Weaken

Anfavea has revised its 2026 Brazilian truck production forecast downward to 115,600 units, from 118,200 previously, a 6.8% decline compared with 2025. Truck exports were revised more sharply, from 25,300 to 22,500 units, representing a 16.6% annual contraction.

From January through September, Brazilian truck production reached 92,300 units, down 6.4% year-over-year, while exports fell 21.3% to approximately 17,000 units.

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South America Report

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PSR reacts earlier to changes in underlying market conditions because its forecasts are designed to provide subscribers with the most realistic scenario available rather than to support an industry position.

Domestic registrations have been more resilient, leading Anfavea to slightly increase its full-year sales forecast to 107,000 units.

Source: ***Transporte Moderno / Anfavea***

PSR Analysis. Anfavea is following a pattern seen repeatedly in recent years: maintaining market forecasts that tend to reflect the message it wants to convey to suppliers and policymakers, then adjusting them toward market reality in the fourth quarter and ultimately converging toward projections PSR had anticipated earlier.

In 2026, the delayed interest-rate easing cycle and increased election-related uncertainty justified downward revisions both in PSR's forecasts and, later, in Anfavea's outlook. The difference is timing: PSR reacts earlier to changes in underlying market conditions because its forecasts are designed to provide subscribers with the most realistic scenario available rather than to support an industry position. **PSR**

Far East: Japan Report

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

Hitachi Opens Orders for New Demolition Excavator



Akihiro Komuro

Hitachi Construction Machinery began accepting orders for the ZX500LCK-7 demolition excavator in Japan on Oct. 1. Three interchangeable boom and arm configurations allow the machine to handle work from upper floors to foundations.

Maximum attachment weights are 5,600 kg for the Monster High Lift configuration and 6,100 kg for the two-piece boom configuration.

Hitachi also revised the transport dimensions and hydraulic piping of the boom and arm assemblies. These changes allow daytime transport under specified conditions and assembly work on a lower platform.

Source: ***Hitachi Construction Machinery***

PSR Analysis: The higher attachment weight limits apply in HEAVY mode, which restricts the working area. In the two-piece boom configuration, operators can use a 5.3-ton attachment over a wider area or a 6.1-ton attachment within a narrower area. The benefit depends on whether the heavier attachment can reach the required work from the available machine position.

Kobelco also launched a 65-ton-class demolition excavator in Japan on Oct. 1. Its high-reach configuration carries a 3.7-ton attachment at an arm-tip height of about 28.2 meters, compared with Hitachi's 2.7 tons at 28 meters. Machine sizes, configurations and working areas differ, so these figures alone do not establish

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Japan Report

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which performs better. They show how both manufacturers combine reach with heavier attachment capacity.

Interchangeable fronts were already available on Hitachi's previous model. The new machine adds attachment choices through working-area controls while improving transport and assembly. This extends its capabilities were moving to a larger machine would add site and transport constraints. The development combines physical machine design with more precise control of where heavier attachments can be used. **PSR**

Far East: South Korea Report

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



Akihiro Komuro

HD KSOE Gains Approval for 100 MW Floating Power Plant

ABS says it has granted approval in principle to HD Korea Shipbuilding & Offshore Engineering (HD KSOE) for a 100 MW-class floating power plant. The concept targets data centers and industrial facilities with large electricity requirements. Medium-speed HiMSEN gas engines would generate electricity offshore for users on land. ABS reviewed the basic concept, electrical system and stability of the floating structure.

ABS said growing demand from AI and data centers, together with land and permitting constraints, is increasing interest in offshore power generation.

Source: *ABS*

PSR Analysis: The target customers are coastal data centers and industrial facilities whose expansion is constrained by electricity supply. Offshore generation reduces the need for land for a power plant. It still requires a suitable mooring location, gas supply and a power connection to the customer. The customer's facility need not be directly beside the sea, but those connections must be practical.

Demand for dedicated power is already producing orders. Wärtsilä announced a 282 MW land-based gas-engine power plant order for a US data center in October. HD KSOE is addressing the same need. Floating generation could be attractive where land and construction constraints are severe. Any timing advantage will depend on completing fuel and power connections as well as the plant itself.

Established operators already combine several parts of this business. Karpowership operates 45 power ships and is developing floating LNG supply facilities with Seatrium. Kinetics, in the same corporate group, is working with Mitsui O.S.K. Lines

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South Korea Report

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on floating data centers.

The HD Hyundai group has engine and shipbuilding capabilities, but the approval covers only the basic design concept. The announcement identifies no customer, project location or date for starting electricity supply. Partners that can arrange fuel supply and electricity sales will therefore matter in the first projects. The opportunity lies in coastal locations where offshore construction resolves a real constraint, and the supporting infrastructure can be delivered. **PSR**

Southeast Asia: Indonesia Report

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

XCMG Starts Overhaul and Remanufacturing Center



Akihiro Komuro

XCMG has broken ground on a center in Balikpapan, the company's first overseas facility dedicated to overhauling and remanufacturing mining equipment components.

The planned center combines component repairs, regional parts storage, local technician training and used equipment refurbishment. It will link used-component collection with repairs, replacement parts and field service.

XCMG expects local overhaul work to reduce downtime and costs. The investment expands its after-sales support alongside manufacturing, research and development, and financing operations in Indonesia.

Source: *XCMG*

PSR Analysis: Indonesia's equipment demand is affected by government limits on mine production and slower public works. Equipment distributor and mining contractor United Tractors reported a 27% fall in Komatsu sales in the first half of 2026. Sales of large mining machines fell 55%. Its mining contracting business reported declines of 3% in coal production and 10% in overburden removal—the earth moved to expose coal. Mining operations continued, while parts and maintenance revenue edged up from IDR 5.4 trillion to IDR 5.5 trillion, helping support revenue during weak equipment sales.

I visited Mining Indonesia in Jakarta in September and spoke with local businesses. One account described large Chinese dump trucks with around 10,000 operating hours retaining usable bodies and frames while complete engines and transmissions were replaced. This allowed owners to continue using the trucks and defer buying new ones. I also heard of suppliers offering to place spare engines and transmissions at customers' sites, with payment due only when used. This reduces advanced spending on spares and the wait after a breakdown.

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Indonesia Report

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XCMG's planned center would capture more of this spending through major repairs, component remanufacturing and used equipment refurbishment. Supporting longer machine life can generate repair revenue and maintain customer relationships until replacement purchases are made. However, parts stocks, facilities and technicians carry costs. Prolonged reductions in machine use would also affect repair demand. Returns will depend on attracting enough work from equipment already in service.

Equipment sales and rental company Intraco Penta is also strengthening parts, maintenance and rental operations. Separately, an interview described a crane rental business considering selling its fleet and closing because falling rental rates could no longer cover staffing and other costs. Repairing customers' machines and owning rental fleets have different business conditions. XCMG's investment would extend Chinese competition into repair and remanufacturing services long established by Japanese and Western suppliers. Support for continued machine use could become an increasingly important part of keeping customers, alongside the price of new equipment. **PSR**

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China Report

By Jack Hao, Senior Research Manager - China

BYD Doesn't Rely on Single Heavy-Duty Truck Vehicle



Jack Hao

Since IAA Transportation Hanover opened, BYD's Hall 21, B11 booth has been a top draw for media and visitors. BYD presented a full lineup of equipment spanning 3.5 tons to 44 tons: the ETT44 battery-electric tractor, ETH28 platform vehicle, EYT2.0-yard tractor, E-VALI LCV and T35 light truck. The ETT44, the world's first battery-electric heavy tractor to earn Euro NCAP 5-star safety, also took home the City Safe Award.

To see BYD only through individual products would drastically understate its European competitive edge. Its real moat lies in systematic capabilities, not a single model: full-stack in-house tech, ecosystem-led solutions, TCO optimization via long warranties, and deep local presence — forming a short-term unreplaceable closed loop.

Unlike European OEMs relying on external suppliers for core e-parts, BYD is both tech supplier and vehicle maker, with Blade Batteries, 8-in-1 controls, integrated eAxles, hairpin dual motors and 1000V high-voltage platforms all developed in-house. Its European eTruck head, noted BYD is a tech firm, not a traditional vehicle maker, with all key EV components self-supplied.

The ETT44 delivers 750kW peak power (98%+ efficiency), far outperforming the 350–600kW of European peers. With 651kWh/434kWh Blade Batteries, it hits

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China Report

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BYD's systematic play opens tangible opportunities for Europe's heavy-duty truck market.

600km max range, supports 1.5MW MCS charging (20 mins 20%-80%, 300–400km range top-up) and is compatible with 425kW CCS2 DC fast charging.

This 1000V platform edge, transferred from BYD's passenger car tech, is a synergy no European OEM can match. BYD Executive VP Li Ke confirmed the firm will roll out passenger-car fast-charging tech to commercial vehicles, integrating solar, storage, charging infrastructure and fleet management into one-stop zero-carbon fleet solutions — positioning BYD far beyond a truck seller, as a full-scene zero-carbon fleet service provider.

Source: ***Sohu***

PSR Analysis: BYD's systematic play opens tangible opportunities for Europe's heavy-duty truck market. Its full-stack in-house tech stack lets it move proven passenger-car solutions like high-voltage platforms and SiC controls over to commercial vehicles, delivering e-trucks that outperform local rivals.

It no longer just sells trucks but offers all-in-one zero-carbon fleet packages covering solar, storage, charging infrastructure and fleet management, filling Europe's massive megawatt charging gap and lowering the barrier for logistics firms to go electric. Backed by its proprietary Blade Battery, BYD throws in a standard 10-year/1.2mn-km warranty, prices its e-trucks at USD $252,150 – $280,160 (€225k–€250k) (30% below local peers), and cuts 5-year TCO by 12%. This makes e-trucks fully cost-competitive with diesel, speeds up Europe's heavy-duty electrification push, and forces local OEMs to step up their tech upgrades and build out the supporting new-energy ecosystem.

BYD's arrival also brings real, tangible challenges to the market. Unlike European local OEMs that mostly act as vehicle integrators, BYD's four-pronged edge — full in-house R&D, closed-loop ecosystem, TCO optimization, deep local presence — is nearly impossible for local players to copy quickly. It has already shaken up Europe's century-old heavy-duty truck market order, with brands like MAN pushing the EU to slap extra tariffs on Chinese e-trucks, raising the risk of spreading trade barriers.

Local OEMs that want to catch up on in-house e-parts and ecosystem building will have to pour huge sums into overhauling their supply chains, breaking their long-stable profit models and facing extended periods of margin pressure. BYD's upcoming local production in Hungary will also steadily eat into local brands' market share over time, further rewriting the rules of the European heavy-duty truck game. **PSR**

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India Report

By Aditya Kondejkar, Research Analyst – South Asia Operations

Hybrid-Car Push: Strategic Response To the EV Transition



Aditya Kondejkar

Indian automakers are increasingly exploring hybrid powertrains as a way to balance fuel efficiency, affordability and the uncertainty surrounding the pace of full electrification. Unlike battery electric vehicles (BEVs), strong hybrids deliver electric-assisted driving without requiring external charging, making them relevant to consumers who prioritize fuel savings but lack reliable home charging or frequently undertake long-distance journeys.

For OEMs, hybrids also provide a means to leverage existing engine-manufacturing capabilities while gradually building expertise in batteries, electric motors and power electronics.

However, current sales indicate that hybridization remains a selective opportunity rather than a broad-based market shift. India recorded 57,885 strong-hybrid passenger-vehicle sales in H1 2026, virtually unchanged year-on-year, compared with 139,065 EVs, up 65%, and 596,236 CNG vehicles, up 40%.

Toyota's Hycross and Hyryder continue to anchor hybrid volumes, while contrasting performances across Toyota and Maruti Suzuki's related SUV offerings highlight the importance of product positioning and pricing. The strategic challenge is therefore not simply to introduce more hybrids, but to make them economically compelling in higher-volume segments.

Sources: ***Autocar India***

PSR Analysis. This explains the emerging interest in smaller hybrids. Maruti Suzuki, Hyundai, Toyota and Renault are reportedly preparing compact hybrid offerings over the next 18–24 months, seeking to extend the technology beyond established premium and mid-size applications. Lower compact-car GST and tighter fuel-efficiency requirements improve the commercial rationale, but purchase-price premiums remain a critical barrier to mass adoption.

Regulation adds urgency without prescribing a single winning technology. India's notified CAFE III standards take effect in April 2027, requiring approximately 16.7% improvement in the fuel-consumption benchmark across 2027–32. The framework recognizes hybrids, plug-in hybrids and BEVs, alongside other efficiency technologies, giving OEMs flexibility to manage fleet-level compliance.

Ultimately, hybrids are best viewed as a targeted portfolio hedge, not a substitute for electrification. OEMs with technology partnerships, localization opportunities and access to high-mileage customer segments can build a profitable hybrid business. Those unable to close the cost gap risk losing to CNG on running costs and BEVs on operating economics. The decisive factor will be segment-level total cost of ownership—not technology adoption alone. **PSR**

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