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AB Volvo Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

[Operator Instructions] the first question comes from the line of Mr. Fredric Stahl from UBS. Please go ahead with your question sir.

Fredric Stahl - UBS

Hi, good afternoon. Can I just clarify did you say in the earlier call that you are taking out 30% of your blue collar staff or did I get that wrong.

Leif Johansson

If you take a casual number and it is very different in different parts of the truck group and it's different in different parts of the [CE]. But if you wanted a catch-all number and someone did then you can say somewhere between 20% and 30%.

Fredric Stahl - UBS

Okay. And then can I ask, do you have any order book coverage for the rest of Q4 or is it more on a day-to-day basis that we are back to the good old days when you booked an order and got delivery reasonably quickly?

Leif Johansson

No, we have quite an order book and we said on truck side, is actually back to normal and normal now means two to three months lead time still on trucks.

Fredric Stahl - UBS

So, you have two or three months, yes.

Leif Johansson

Yes.

Fredric Stahl - UBS

And then on R&D expenses, you mentioned that we will see what happens with that, are you contemplating a move pushing forward project or delaying project, so to speak and to delay it and to negate the negative impact from R&D?

Leif Johansson

Yes, sure. We are taking a look at that, if when the market comes down as dramatically as they have here, there should be [sacred cows]. So, we are taking a look at all types of cost, we have high ambition when it comes to, in connection with the emission standard changes, to also make good changes in the rest of our product ranges.

And we have said internally here, no sacred cows and therefore we are going to take a look at that also. But our basic inclination at this point in time at least is to make sure that we deliver competitive product to our customers.

Fredric Stahl - UBS

And then a final question on construction equipment maybe for Tony. You generate about a third of sales in construction equipment from emerging market, Asia and the other. Have you seen any increased presence there from the Chinese. So, what I understand is that the domestic market in China is weak and you have some very big players. Have you seen that coming into a greater extent now?

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