

Enlarging the Business in Latin America

A wide variety of AC and DC trigger switches (right) are marketed globally to power tool manufacturers such as Black and Decker, Makita, Milwaukee Electric Tool, Porter Cable, Ryobi and S-B Power Tool. Eaton sells approximately 20 million power tool switches annually. Eaton's diverse variety of automotive controls include power lumbar seat switches and door-lock switches (top middle). The headlamp switch (inset) is manufactured for the Ford Contour and Mercury Mystique, and the window

including the manufacture of automotive controls as well as engine valves and precision-forged gears. Eaton seeks opportunities in India and other Asian countries to increase market share for hydraulic products, including motors and steering units.

Brazil—a dynamic economy For 40 years, Eaton has been a participant in the Brazilian automotive industry. During that period, the company has broadened its product lines and markets. Today, Brazil's dynamic economy is important not only as a production source to help satisfy Eaton customers, but also as a market for key components.

With a population exceeding 150 million, Brazil's per capita income is roughly 20 percent of that in the U.S. at purchasing power parity. And while Brazilian GDP growth in 1996 is estimated to have been less than 3 percent, growth prospects are outstanding.

In 1996 Eaton purchased CAPCO, a manufacturer of light- and medium-duty truck transmissions in Brazil. With the addition of CAPCO, Eaton sales in Brazil now exceed \$200 million.

Eaton also manufactures engine valves for a number of customers in Brazil, including Ford and Fiat. Other automotive components that Eaton intends to begin manufacturing in Brazil include viscous fan drives and locking differentials.

Utilizing technologies from Europe, Eaton is expanding its Brazilian automotive controls business. A high proportion of the vehicles assembled in Brazil and other emerging markets are models designed in Europe. Since Eaton's automotive controls businesses have strong market positions in Europe, the company is well-positioned to participate in the growth of its European customers in Brazil.

Eaton Controles Ltda. in São Paulo, which is part of the company's Appliance Controls Operations—World-wide, manufactures components such as appliance timers, pressure switches, water valves, and drain and circulation pumps—making Eaton a leading supplier of these components in Latin America. Sales have been growing in this business at more than 15 percent a year.

up-down module (above inset) is manufactured for GM. Through the use of an electronic memory, the seat switches (upper left) automatically bring the driver's seat into one of two positions previously entered when drivers depress button "1" or "2." The control module (center left) is for Chrysler's Jeep Grand Cherokee, which has multiplexed components that substantially reduce vehicle wiring.