

Trade Agreement Stimulates Growth in Mexico

Eaton has two operations manufacturing Cutler-Hammer products in Brazil, with sales exceeding \$50 million. Cutler-Hammer São Paulo is the leading Brazilian supplier of human interface devices and manufactures complementary

Cutler-Hammer 38 kilovolt switchgear (inset and right) controls electrical power in institutions, factories and utilities. Similar equipment is being installed at the new sports stadium in Shanghai, China. The Digitrip OPTIM programmable electronic trip unit (top right) uses microprocessors to monitor and adjust settings on installed circuit breakers, increasing productivity and reducing downtime and costs. The IQ Analyzer (top center) monitors a range of electrical parameters, such

industrial control components. This operation has become the worldwide source for the company's 22.5 mm pushbuttons which are supplied to European and North American markets in addition to Latin America.

Cutler-Hammer Rio de Janeiro is a leading manufacturer of miniature and power circuit breakers as well as distribution assemblies. Its products are sold to Brazil's residential, commercial and industrial markets. This business finished 1996 with record bookings of distrib-

ution assemblies sold to targeted industrial market segments. Forecasted market growth for electrical equipment in Brazil is expected to average at least 10 percent over the next three to five years.

Mexico — NAFTA sparks growth Since the devaluation of the peso in 1994, Mexico has been recovering from deep recession. The market for many products, including truck components, remains depressed. The adoption of the North American Free Trade Agreement (NAFTA) is stimulating economic growth in both the U.S. and Mexico as tariffs on goods and services are gradually reduced. GDP growth, estimated to have been about 4 percent in 1996, is expected to strengthen in 1997.

Eaton's truck components facility in Toluca manufactures brakes and medium-duty drive axles and steering axles for both medium and heavy trucks and buses. Mexican truck manufacturers are supplied with components from Eaton's Mexican and U.S. plants. The Mexican truck market has begun a slow recovery from recession.

Significant improvement is expected in 1997. In anticipation, Eaton has reorganized its truck operations in North and South America to rationalize production and better serve Mexican, Canadian and

U.S. markets.

In 1996, Eaton completed the consolidation of the former Westinghouse facility at Cuernavaca into the Cutler-Hammer facility in Mexico City. The combined facility generated a sales increase of 34 percent in 1996 for a broad range of electrical distribution and control products.

as current, voltage, power and energy demand and power quality, including sags and harmonics, which can be harmful to power distribution systems. It is perfectly suited to locations such as computer facilities, commercial sites and industrial plants, where power quality is crucial.