

Capitalizing on Growth in Asian Markets

circuit breakers in China. This is the first of several China joint ventures planned for electrical distribution and industrial control products. By 1999, Eaton expects to have five wholly-owned or joint ventures manufacturing and marketing Cutler-Hammer electrical components and assemblies in China. The company is introducing western technology

Eaton engine valves (left, large) are sold to more than 70 global engine builders. European automakers use the company's direct-acting hydraulic lifters (lower left along valve stem) in overhead-cam engines. The lifters compensate for valve lash automatically, saving time in engine assembly and rectifying variations in component size as engine temperatures rise. For Honda's U.S.-built 3.0-liter VTEC engine, Eaton manufactures lost-motion spring devices (left inset) as a key component enabling variable valve timing that improves horsepower and fuel economy. Tough and durable transmission gears (right

and product features to serve the high end of the market while improving the quality of the current Chinese-designed products.

In 1994, Eaton formed Jining Eaton Hydraulics Company Ltd. (JEHYCO), a joint venture manufacturing hydraulic components, such as hydrostatic steering units and orbit motors. Eaton is also currently negotiating a joint venture for appliance timers, which will be marketed to Chinese and multinational washing machine manufacturers such as Whirlpool and Bosch-Siemens. Opportunities are also being explored for manufacturing and marketing engine valves.

South Korea—continuing growth South Korea had estimated GDP growth exceeding 7 percent in 1996, continuing a strong trend that has led the nation to its position as a powerful global

competitor. South Korea represents the third largest semiconductor market worldwide, with 1996 sales of \$12 billion. In 1997, Eaton will begin manufacturing semiconductor production equipment in a 45,000-square-foot facility in Kyunggi-do, 60 miles south of Seoul. Production from the plant is exclusively for the South Korean market, and deliveries will begin in the first half of 1997. Customers include three of the world's top semiconductor manufacturers: Hyundai, LG Semicon and Samsung.

Eaton's Korean semiconductor equipment business is expected to reach \$100 million in sales by the year 2000. Worldwide sales of Eaton semiconductor equipment now approach \$650 million, including those of the company's two U.S. manufacturing facilities and

inset) make Eaton-Fuller truck transmissions the world's best. The FR Series heavy-duty 10-speed transmission (right), introduced in 1996, is lighter, more durable and provides easier shifting. The viscous fan drive (above engine valve) and fan (upper right) are Eaton components designed to cool automotive engines. The 5-speed light-duty transmission (upper left), a product acquired with Eaton's 1996 purchase of CAPCO, a Brazilian manufacturer, is an integral component in GM's Brazilian version of the S-10 pickup, which has been named "Pickup Truck of the Year" for the last two years in Brazil.