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CHAMPHAI MANUFACTURING JOINT VENTURE

The Right Honourable Joe Clark, Secretary of State for External Affairs, today in Bangkok officially opened the Champthai manufacturing plant. This enterprise is a joint venture, 49 percent owned by Champion Road Machinery Group Ltd. of Goderich, Ontario and 51 percent owned by ItalThai Group of Thailand.

Initially the plant will manufacture parts for some components used in motor graders which are built at Champion's Canadian plant. In the near future the plant in Thailand will be expanded to produce complete motor graders using components made in Canada. The finished motor graders from the Bangkok Plant will be sold in Thailand and throughout Southeast Asia, resulting in additional employment and export earnings for both Canada and Thailand. Champion undertook this joint venture to meet head-on stiff competition for world grader markets, particularly from Japanese firms.

Minister Clark remarked, "I am convinced that the overall lower production and lower transportation costs will allow Champion to expand sales in the fast-growing Asian markets. Lower production costs resulting from the incorporation of the Thai-manufactured parts in its Goderich equipment will also allow Champion to maintain and expand established markets in North America, where half of the world's graders are sold." The joint venture in Bangkok results from Champion's careful analysis of the world market for graders over the long term and Minister Clark congratulated the firm for its timely launching of a production strategy to meet this challenge.