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Upturn in South Korea:

Scania commences own assembly

Scania Korea – Scania's new Korean subsidiary – commenced Monday its own assembly in Naju, close to Kwangju, of tipper bodies for the company's heavy, four-axle tipper truck. Prior to the economic crisis, Scania's sales in Korea were approaching 1,000 vehicles per year and the country was Scania's biggest market in the Asian Pacific region for several years.

The Scania investment in Naju reaches initially SEK 7 million and the new assembly will engage 10 people. Besides assembly and body workshop the plant will also be the centre of Scania Korea's driver training.

"The upturn in South Korea is already under way and business is developing satisfactorily right now," comments Staffan Sjögren, managing director of Scania Korea.

Prior to this, Scania's heavy tipper trucks were assembled locally in Korea by the company's former partner, Asia Motors. Scania Korea has now taken over both this operation and the distribution of Scania vehicles on the Korean market. Now, the company has also decided to bodywork the vehicles itself and its first trucks will be delivered at the end of June. The body working operation will also include the manufacture of tipper bodies and subframes.

During the economic crisis, Scania expanded its activities in Korea to include sales of maintenance and service contracts.

Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. With 23,500 employees and production facilities in Europe and Latin America, Scania is one of the most profitable companies in its sector. In 1998, turnover totalled SEK 45,300 million and income after financial items SEK 3,200 million. Scania products are marketed in about 100 countries worldwide and approximately 96 percent of total production is sold outside Sweden.

Scania press releases are available on the Internet, www.scania.com