



## Regional Tier One Original Equipment Component Supplier

### Diversifying Markets and Products

MHG Asia Pacific is a privately/family owned tier one original equipment automotive component supplier founded in 1970.

Our vision is ***“Manufacturing a better tomorrow than today”***.

MHG Asia Pacific has three manufacturing sites:

- Melton, Victoria, Australia (moulding, paint and assembly)
- North Geelong, Victoria, Australia (glass fabrication and assembly)
- Rayong, Thailand (moulding, paint and assembly)

Our strategy is to maintain our current range of products known for their excellence and value within the automotive market while expanding to new markets and introducing new products.

MHG AP employs 190 people in Australia. Currently the majority of production is dedicated to the local automotive industry. Aside from being a tier one supplier of glass and plastic components MHG Asia Pacific also employs engineering staff who work collaboratively with design engineers at Ford, Toyota and GM Holden. The results of these partnerships are improved part designs which function better, are more durable and more cost effective in production.

Our core competencies are:

**Glass:** Extremely accurate and repeatable glass bending, toughening and laminating to automotive standards. MHG Asia Pacific’s glass facility in Geelong is the sole original equipment component supplier of automotive glass in Australia.

**Plastics:** High quality (A class surface) plastic parts injection moulded, painted or chromed. MHG Asia Pacific’s expertise is in decorative and structural parts which offer significant weight reduction for cars resulting in better fuel economy and less carbon emissions through the life of the component and use of the vehicle.

## The Australian Automotive Industry

MHG Asia Pacific enjoys excellent collaborative relations with all three Australian car manufacturers resulting in large scale, globally competitive component production in Australia with a high level of value-add/technology. From this, MHG Asia Pacific contributes millions of dollars to the Australian economy every year.

Critically, the ability of MHG Asia Pacific to grow into new markets and develop new products has been facilitated by assistance from the three car-makers in Australia. They have had an essential role in opening up new opportunities in the Asia-Pacific region. The decision to invest in a new plant in Thailand was actively supported by Ford Australia and Toyota. Through these manufacturers, access was provided to regional sourcing decision makers which assisted MHG Asia Pacific to build new relationships in Thailand.

A strong automotive industry in Australia is an absolute requirement for suppliers such as MHG Asia Pacific to seek new markets while continuing to employ large numbers of Australians and expanding research and development in this country.

## **Example of new market development**

MHG Asia Pacific's plant in Rayong Thailand is initially supplying painted plastic parts to Ford's new vehicle line located adjacent to our plant. The first product from MHG Asia Pacific (Thailand) - door handles - are painted in body colour and delivered on a Just in Time basis to Ford's production line.

MHG Asia Pacific commissioned a fully climate controlled automated paint line in Rayong to fill a need in the Thai original equipment component supplier market for high quality painted products. The plant has recently been expanded due to current and forecast demand requirements. By December 2013 MHG Asia Pacific will have commissioned moulding equipment to take advantage of the localisation opportunities in Thailand and to compliment the existing paint line. The next phase of our expansion in the region is China with opportunities currently under evaluation for 2014 commencement.

Importantly, all profits from off-shore plants return to Australia. There is no plan to replace Australian production with imported products. Furthermore, all R&D is carried out in Australia by Australian engineers and it is vital that the local automotive industry continues in order to continue our research and development activities.

## **Example of new product development**

In Australia MHG Asia Pacific is expanding into new markets with a concerted effort to capitalise on strengths developed in the automotive industry.

The glass facility in Geelong has commenced designing and producing specialised demisting glass for the local bus manufacturing industry. This new product has been developed from unique engineering competence within the automotive glass industry. It enhances bus safety by providing a clear view for the driver of any passengers near the bus door, especially in cold climates.

MHG Asia Pacific is seeking new opportunities with the rail industry through supply of glass windows for new train carriages that are being manufactured in Ballarat. Export opportunities are being explored in the Asia Pacific region which would produce greater economies of scale in the Geelong plant.

The plastic injection moulding facility in Melton is about to commence a program of new product development. Within the next six months at least five new product concepts will be researched and prototyped. With market research for each new product being completed at the same time, MHG Asia Pacific will be able to introduce new products in the shortest possible time and have a high confidence level of sales.

A key competency of MHG Asia Pacific's plastic facility is expertise in light-weight plastic components which are strong enough to replace steel parts. These plastic parts offer weight reduction and have been developed in conjunction with Ford Australia. In the future we are targeting the rail industry and electric vehicle industry.

**These new product developments are made possible through the skills developed in advanced automotive manufacturing. It is only through the collaborative support between suppliers such as MHG Asia Pacific and the Australian automotive industry that success will continue.**

**MHG Asia Pacific sees a bright future in new markets which value the high standards of quality and cost-effectiveness demanded by the Australian automotive industry.**