

LAST DECEMBER, NEWS of the collapse of Halla Group, South Korea's 12th largest conglomerate and parent corporation of Belleville's Halla Climate Control Canada Inc., rocked the Asian nation.

But, as the corporate giant crumbled half a world away, more than 200 employees and their families danced and toasted a projected year of prosperity at the company's annual Christmas party at the Greek Community Hall in Belleville.

Yong Hwan Park, managing director of HCC Canada Inc.'s Belleville operations, told The Intelligencer on the night the Korean parent shocker hit news wires that despite the massive failure of Halla in Korea, the Belleville plant that employs 240 will carry on with earlier announced plans to expand by 200 employees within the next two years.

"We are a division that is supported by Ford Motor Company," said Park at that time.

"There is no threat to HCC in Belleville. We are not affected by this. The rest of the Halla Group has been in trouble for some time. But, since 1986, Ford has controlled our climate control company."

Halla Group, South Korea's 12th-largest conglomerate, a shipbuilding and auto-parts maker, went under in December after defaulting on the equivalent of \$312 million Cdn in loans over the previous two days, creditor banks said.

It was the first corporate failure since the International Monetary Fund attached strict conditions to its \$60-billion US rescue package for South Korea's floundering economy Wednesday.

"Halla could obtain no more funds because banks refused to provide new loans and began calling in the loans," said Park Sung-suk, vice-chairman of Halla Group.

In explaining the corporate structure to The Intelligencer, Belleville operations director Park said there are 17 "sister groups" under Halla's corporate umbrella. Of that number, Belleville's HCC Canada Inc. is an automotive air conditioning and heating component manufacturer that joins two other divisions that are safe from the Halla collapse.

"Halla Electronics Corporation, which makes electronic dashboard components for Ford, and KAMCO, a company that makes starter motor components and is owned by the German company, Bosch, are subsidiaries that are not affected by the problems of the Halla Group," said Park.

Company officials said, last November, the Belleville Halla plant expansion is required to meet new contracts the company has won to supply air conditioning and heating components for GM and Ford sport utility vehicles. The contracts are for vehicles including GM's Tahoe/Yukon and Jimmy/Blazer sport utility trucks, and for the Ford Explorer into the year 2000.

In an interview earlier this month, controller Michael Allen said the com-

pany's Belleville plants are "still on track for expansion."

"We plan on breaking ground in early April and hope to have the building work complete by October. After that, it will be a matter of moving in equipment and bringing things up to production capability."

He said Halla is buoyed by the fact "orders are still going well."

"We've been awarded some new business (contracts) in the past month and that means we have more good, long-term contracts."

Those contracts include work producing "scroll clutches — part of a compressor" for Ford vehicles. They're good on a variety of models, so it's not specific to one or two cars or trucks.

The Belleville operation was recently awarded QS 9000 ratings at both its plants.

"It's quite an accomplishment — one we're quite proud of and one which is reassuring to our customers."

Halla, said Allen, is "working at capacity in plant one (on College Street East) and plant two has the space for the expansion we need. We're in good shape."

Story by Chris Malette, photos by Frank O'Connor/The Intelligencer

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