



A NEW GUITAR PLANT in Shanghai is a joint venture between Fender and AXL.

INTERNATIONAL

Fender Teams With AXL To Serve Chinese Market

A highly automated guitar factory in Shanghai is the culmination of a joint venture between Fender Musical Instruments Corp. and AXL Musical Instruments. Opened with great fanfare on October 18, just before the Shanghai Music Fair, the new 200,000-square-foot plant will produce Fender's Squier branded guitars that will be sold in the Chinese domestic market and in South America. Both AXL and Fender representatives were extremely enthusiastic about the new undertaking. Fender Chairman and CEO

Bill Schultz explained, "We needed to build a stronger position in the fast growing Chinese market, and this was our best option. We are excited to be working with AXL Musical Instruments and believe that this new plant will play an important role as Fender supplies the world with quality guitars and amplifiers. The immediate benefit is to gain more control over the range and quality of products manufactured for our rapidly growing China and South America markets." Alan Liu, AXL

With guitars selling for an average of \$15, Fender concludes that serving the Chinese market requires a local manufacturing operation.