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International Truck and Engine Corporation to Raise Heavy Truck Output To Align Schedules With Retail Demand

WARRENVILLE, Ill., July 31 -- In a move designed to align production schedules with retail demand, International Truck and Engine Corporation announced today that it will boost production of Class 8 heavy trucks at its Chatham, Ontario assembly plant to 60 units per day from the present 43 units per day. The new schedule is effective September 4 and will result in the recall of nearly 200 workers.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19991207/CGTU007>)

The company said the increase puts production at a level that more closely matches current retail demand. For the past year, International has been producing below retail demand and dealer inventories have reached a level that will allow this increase.

In making the announcement, the company emphasized that the production boost and employee recall does not signal an end to the severe weakness in demand for new commercial trucks. In addition to general economic conditions and high diesel fuel prices, one of the causes of the market weakness has been a glut of good late model used trucks on the market and the oversupply has not diminished. A new industry volume forecast will be provided when market conditions clarify.

International Truck and Engine Corporation is the operating company of Navistar International Corporation (NYSE: NAV). Headquartered in Warrenville, Ill., a suburb of Chicago, Navistar reported 2000 sales and revenues of \$8.5 billion. International Truck and Engine is a leading producer of mid- range diesel engines, medium trucks, school buses, heavy trucks, severe service vehicles, and parts and service sold under the International® brand. The company also is a private label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. Additional information can be found on the company's web site at www.InternationalDelivers.com .