

Brazil Plans on Taking on the World with Baseball Caps

Contributed by Marina Sarruf
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Brazil's baseball cap capital, which is how the city of Apucarana is known, located 370 kilometers from Curitiba, capital city of the southern state of Paraná, plans on becoming an exporter hub of the accessory.

Currently only 3% of the local production is sold on the foreign market. The state government's aim is to direct 30% for exports up to the end of 2006.

According to Santiago Gallo, coordinator for international matters in the State Secretariat for Industry, Trade and Mercosur Affairs (SEIM), the city of Apucarana manufactures about 4 million baseball caps per month, which corresponds to 50% of the country's total production.

In the city, the sector generates a turnover of US\$ 3.85 million per month and the place is considered to be a Local Productive Arrangement (APL), with about 200 baseball cap manufacturing companies.

For the local manufacturers to manage to increase external sales, a program for Local Baseball Cap Productive Arrangements was created, which is being developed for one year now by the local entrepreneurs. Up to the moment, more than half of the companies in Apucarana have joined the program.

According to Maria Isabel Lopes, a businesswoman and participant of the APL, there are 26 representatives of companies, banking institutions, universities, unions, city hall and associations that are part of the Arrangement's management team.

"The aim of the program is to prepare the businessmen, improve the product and workforce quality. We wish to improve the sector in general," she stated.

The entrepreneur said that baseball cap exports from the city happen sporadically and most of the sales take place in an indirect way.

"I have exported baseball caps for the brands Drop Dead, General Motors, Mitsubishi, Fiat, and others, but I didn't sell directly to the companies. I sell to a company that distributes to them," explained Maria Isabel, who has manufactured baseball caps for 8 years and has a monthly production of 100,000 units.

In order to qualify the companies to increase exports, the APL program will count on courses for managerial competence, administrative capacitation and also aims on bringing designers from abroad.

According to Gallo, the program should receive this year about US\$ 192,000 in cash from the city, state and federal government for investments and another US\$ 192,000 in consulting services.

One of the priorities at the APL is the elaboration of a census, to raise precise information about the sector, such as how many factories exist in Apucarana, the number of employees and the annual revenues. According to Gallo, it is estimated that currently 3,000 employees work directly in this sector.

Markets

The textile sector in Paraná exports to 14 countries, such as Argentina, which corresponds to 34% of the sales, Angola, with 28%, Mexico, the United States and others.

The state is responsible for 15.4% of the sector's external sales in Brazil, behind São Paulo and Santa Catarina. The baseball caps from Apucarana also have Argentina and Angola as their main markets, with US\$ 9,000 and US\$ 15,000 exported, respectively.

The SEIM coordinator says that France, the Caribbean, the Mercosur countries and Arab countries are amongst the new markets the sector plans on conquering this year.

He also confirmed that the state government will take about 20 companies from Apucarana to participate at the Year of Brazil, in Paris, France. In the month of July, the baseball cap manufacturers will count on an exclusive stand for the state of Paraná at the event.

"The state government is motivating the companies to participate in events abroad. We are interested in participating in a mission to the Arab countries too," stated Gallo.

He believes that the baseball cap is a matter of fashion and that the design and quality of the product has to be innovated. "The Arab countries are very hot and the sun is strong, which could help the consumption of baseball caps," he said.

According to Gallo, at the last edition of the National Winter Trade Fair (Fenin), which took place in January, in the city of Gramado in the southernmost state of Rio Grande do Sul, importers from the United Arab Emirates were interested in buying baseball caps to sell in the country. "The United Arab Emirates may be the port of entry to the other Arab countries," he stated.

Translated by Silvia Lindsey
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