

Brazilian Group Builds Factory for New Jeep

Contributed by Alexandre Rocha
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The idea of a group of businessmen from the southern Brazilian state of Santa Catarina of building a genuinely Brazilian car is about to come out of the oven.

The four-wheel drive jeep initially named "Project A4" will be officially released at the Car Salon, to take place in São Paulo, in October 2006.

Sales will begin in 2007, but the factory is going to start operating in April next year. With this, for the first time in history, the state of Santa Catarina will have a carmaker.

Before the release, however, there is a schedule to be followed. Up to March 2006 three prototypes will be built for testing.

The history of the project began in 2001, when mechanical engineer Adolfo César dos Santos created a prototype of a jeep from a damaged pick-up truck.

The most recent chapter took place on Friday, July 15, when Santos and the president of the Federation of Industries of the State of Santa Catarina (Fiesc), José Fernando Xavier Faraco, announced the choice of Joinville, in the north of the state, to house Tecnologia Automotiva Catarinense S.A. (TAC), the official name of the carmaker, which may be translated to Automotive Technology of the State of Santa Catarina.

The city was chosen as it is an important industrial hub and as the city hall is going to provide incentives for the purchase of a piece of land close to the BR-101 highway, where the factory will be built. The assembly line will initially cover an area of 3,000 square meters.

The A4 has the support of the Santa Catarina Automotive Project, established by the Fiesc with the objective of stimulating the sector in the state.

Despite having various auto parts factories, Santa Catarina does not yet have a carmaker. Santos himself is a director at the federation and is currently the president of the TAC.

"We have made the company official, a stock company with closed capital, but that is already born within the rules of the 'new market' for a possible opening of the capital in future," stated the engineer.

Initially, five investors started sponsoring the project, and more recently another 12 shareholders came in. Apart from that, the company has put on the market 200,000 shares for the value of US\$ 1 million, and over US\$ 680,000 in shares have already been sold.

"When we presented the model, last year, the answer was very positive, both in the point of view of investor and of suppliers," stated Santos.

Up to now, according to Santos, US\$ 6.4 million have been invested in the project. The partners are, most of them, the owners of auto parts industries.

As one of the objectives of the project is to provide incentives to the local industry, a large share of the parts will be produced in Santa Catarina.

According to Santos, 100% of the components developed especially for the car, like the chassis and body, are made in the state. The jeep for urban and off-road use will have two Volkswagen engine options: 1.8-litre dual fuel, possibly adaptable to natural gas, or 1.9-litre diesel.

Production and Export

The estimate, according to Santos, is that the assembly line should employ 30 people in the first year of production. In the third year it is expected that production may have reached 1,200 units produced per year.

Even before release of the vehicle on the market, Santos is already mentioning the possibility of export.

"Every industrial project is born considering both markets, so as to be able to live with the seasonal aspect," he said.

"The car is already born with the task of showing Brazil and the world the potential of the state of Santa Catarina," he concluded.

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