

Brazil's Wookworkers Get a Coat of Technology

Contributed by Isaura Daniel
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The main entities in Brazil's furniture sector want to increase the technology access of the small companies in the southern states of Rio Grande do Sul, Santa Catarina and Paraná.

A project called 'Marceneiro' - meaning 'woodworker' in Portuguese - will take, free of charge, about 1,000 small businessmen from the three states to the International Exhibition of Machinery, Raw Materials and Accessories for the Furniture Industry (Fimma).

The fair will take place in March next year, in the city of Bento Gonçalves in Rio Grande do Sul.

The Fimma sponsors will pay for the journey. The Bank of Brazil (BB) will provide financing to the entrepreneurs who go to the fair through this project.

"They will receive a card with a credit limit to spend at the trade show," said Fimma president Volnei Benini.

The participating factories have between 5 and 6 employees. The value of the loan will vary according to each company's paying capacity, and will only be made if the entrepreneurs have no credit restrictions.

The card they will receive is from the Brazilian Development Bank (BNDES), with payment due in 12 months and current interest at 1.39%.

The trade show organizers have already asked the exhibitor companies to bring lower cost products, directed at these small buyers.

The Fimma was created with the objective of taking state of the art technology closer to the furniture manufacturers in the hub in the south of Brazil.

Last year, out of the 621 exhibitors, 196 were from international markets, according to the organisers. This year, once again, 620 exhibitors are expected from more than 20 countries.

The southern region of Brazil has the two greatest furniture exporter states in the country: Santa Catarina and Rio Grande do Sul.

During the first eight months of the year, the factories in the state of Santa Catarina had revenues of US\$ 286.2 million with exports, and Rio Grande do Sul US\$ 179.2 million.

Together, the three southern states (the third state being Paraná) are responsible for 82% of Brazilian furniture exports.

The three states showed an increase in sales between January and February this year.

Santa Catarina, the greatest hub, had a 34% increase in revenues with foreign trade, Rio Grande do Sul increased by 62%, and Paraná by 46%.

According to Benini, the trade show, which started in 1993, collaborated for the companies' update in raw materials and equipment, allowing them to manufacture products according to international standards.

"Our companies don't have to go to Europe to buy machinery anymore," says the Fimma president.

The organisers are expecting business amounting to US\$ 276 million to be negotiated during the five days of the fair. Last year, the purchases at the trade show reached US\$ 250 million.

The value is an increase in relation to the first year, which was of US\$ 110 million.

The number of visitors also increased, from 17,000 in the first edition, to 33,604 people last year. This year 38,645 people are expected to visit the trade show.

Buyers from the Arab countries are also expected, since the region is growing as a destination of Brazilian furniture exports.

Fimma maintains a project called 'Importer', through which potential foreign buyers are brought, free of charge, to the trade show.

They are indicated by the Brazilian exporting industries and then go through a selection process. The selected companies - 25 this year - will have transportation and lodging costs covered.

Last year 23 importers from Colombia, Germany, Chile, the United States, Mexico, Peru, Hong Kong, Norway, Israel, Costa Rica, Bolivia, Canada and France participated at the trade show through the program. This year's list has not been settled yet.

Cash in Hand

At the fair there will be various financing options for the furniture manufacturers. The BB, for example, will offer plans to buy equipment and machinery, as well as for exports and plans directed at tourism, for enterprises such as hotels.

As well as the furniture industry, the mountain region in Rio Grande do Sul is also strong in the tourism sector.

According to legal entity market manager at the BB in Rio Grande do Sul, Luiz Pedro Piano, the bank branches are already getting in touch with the exhibitors' clients to offer lines of credit for purchases at the fair.

The aim is to let them arrive at the fair with financing at hand, to speed up the business deals.

The Fimma is promoted by the Rio Grande do Sul State Association of Furniture Industries (Movergs).

The entity is composed by 4,000 companies in the sector, which generate about 50,000 direct jobs. The furniture industry in the state had revenues of US\$ 2.64 billion last year.

FIMMA

15 to 19 of March, 2005

From 10:00 am to 07:00 pm

Parque de Eventos, in the city of Bento Gonçalves - Rio Grande do Sul

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