

## Brazil to Export 36% More Cars in 2004

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Renault Brazil exported to an Arab country for the first time this year. According to information supplied by the company, 10% of the 10,000 cars traded outside the country between January and March went to Algeria.

Sales, of the company compact model Clio, were also the first to Africa by the multinational's Brazilian subsidiary.

This volume may rise up to the end of the year, but the company does not reveal its strategy for the market in the region, neither whether the shipping will go on in 2005.

For the time being, the main destinations for the Renault Brazil cars on the foreign market are Argentina and Chile.

Renault started producing cars in Brazil in December 1998, after inauguration of their factory in the city of São José dos Pinhais, in the metropolitan region of Curitiba, capital of the southern Brazilian state of Paraná. In the first nine months of 2004, the company produced 55,100 vehicles.

Currently, Renault has three industrial units in the city in the state of Paraná, where they produce the Clio, Clio Sedan, their Scenic minivan, and the Master van, as well as engines.

They also produce the Frontier pickup and X-Terra jeep, for Japanese carmaker Nissan.

Both companies have a world partnership. In all, Renault employs 2,650 people in Brazil and had revenues of around US\$ 770.7 million last year (in current figures).

### Other Carmakers

Although sales to Algeria are the first Renault Brazil experience in the Arab world, this is not the first time that Brazilian carmakers export to that market. Volkswagen, for example, has great experience in the region.

In the 1980's, for example, the company based in the city of São Bernardo do Campo, in the Greater São Paulo, sold thousands of units of the old version of their Passat vehicle to Iraq, many of which are still in operation.

Nowadays, Volkswagen Brazil does regular and occasional business with various countries in the region, like the United Arab Emirates, Libya, Lebanon, Morocco, Algeria and Egypt.

General Motors Brazil also sells to some Arab countries. The main market, however, is Egypt, to where the company Corsa Sedan and Astra Sedan vehicles are shipped in the completely knocked down (CKD) regime, for assembly at the company plant in the country.

In all, GM has established a target of exports of US\$ 1.5 billion up to the end of the year by its subsidiaries in Brazil and Argentina.

Mercedes-Benz Brazil has also included the Arab countries in its list of destinations.

Last year the company sold buses and trucks to Egypt, Saudi Arabia, Kuwait, Bahrain, Oman, and the United Arab Emirates.

For this year, the company forecast is to ship 2,000 vehicles, for the value of US\$ 120 million, to Morocco, Tunisia, Algeria, Saudi Arabia, Egypt, Jordan, Bahrain, Oman and the Emirates.

The Brazilian subsidiary of Ford does not yet export to the Arabs, but according to its press department, the company is currently negotiating with the region and may start selling in future.

Between January and August this year, Ford Brazil exported 66,585 units and had revenues of US\$ 656.7 million with export. The figure, according to the company, is 50% greater than that registered in the same period in 2003.

#### Balance

The National Association of Vehicle Manufacturers (Anfavea) estimates that the Brazilian auto industry is going to end the year with 2.1 million vehicles sold, against 1.8 million units in 2003.

Between January and September, a total of 1.6 million vehicles were produced in Brazil, against 1.3 million in the same period last year.

The sector, according to the Anfavea, had revenues of US\$ 5.8 billion with export in the first nine months of 2004, a growth of 49% with regard to the same period in 2003, when shipping generated US\$ 3.9 billion.

Up to the end of the year, the Anfavea forecasts that Brazilian export should generate US\$ 7.5 billion, against US\$ 5.5 billion in 2003. In case this forecast is confirmed, the increase will be 36%.

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