

Brazilians Are Not Afraid of Chinese Competition in the Middle East

Contributed by Marina Sarruf
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So as to open the fair calendar in 2006, the Arab Brazilian Chamber of Commerce is going to participate in Khartoum International Fair, in Sudan, for the first time.

"This is a country with great potential, especially in the areas of construction and agricultural machinery," stated the president of the Arab Brazilian Chamber, Antonio Sarkis Jr.

The fair, which will take place between February 01 and 10, is a multisector event. According to the secretary general of the Arab Brazilian Chamber, Michel Alaby, the fair represents an opportunity for Brazilian businessmen to learn about the Sudanese market.

"Sudan is a country that has conditions for significant growth due to production of oil," he said.

According to Alaby, who participated in an Arab-European business forum in Sudan in November, the Arab country's oil exports are around 500,000 barrels a day, but the country government estimates that they may rise as high as 2 million barrels a day in 2008. "The Sudanese economy grew 9% due to oil," he said.

The Arab Brazilian Chamber is going to have an institutional stand at the fair which, however, may be used by Brazilian businessmen interested in learning more about the market.

"Brazilian businessmen may use the stand as a base for exploration of the fair and the Sudanese market and as a site for business meetings," explained the organization's operations coordinator, Rodrigo Solano, who will be participating in the event.

The Sudanese are especially interested in Brazilian products like powdered milk, maize, soy protein, tractors, trucks, jeeps, construction material, medical and hospital equipment, among others. According to Alaby, Sudan lacks a series of products and services.

Export to the Arabs

One of the Brazilian companies that have already confirmed presence in the fair in Sudan is Plasvale, from the southern Brazilian state of Santa Catarina, a maker of plastic household utensils, among them pots for use in microwave ovens, buckets, trays and litter baskets, among others.

"We are going to learn about the country, to prospect the market and to seek partnerships," stated the company trader, Pablo Zettermann da Fontoura.

According to him, the Plasvale target this year is to enter the Arab market. "The fair in Sudan will be the route of entry into the region," stated Fontoura, who was hired so as to prospect markets in Africa and the Middle East. Last year, company representatives visited Houseware and Homestyle, a household utensil fair in Dubai, in the United Arab Emirates.

"Brazilian exports to the Arab countries are growing constantly, and that is why we are interested in entering these countries," stated Fontoura. The plans for this year include participation in Algiers International Fair, and to visit fairs in Egypt, Morocco, Libya and Saudi Arabia.

"I believe that our product will have good acceptance on these markets, even with the strong competition with Chinese products, as we have a similar price and greater quality," he said.

China is currently one of the main competitors for Brazilian products on the Arab market. This is due to the lower cost of labor in China and to the fact that the country has an aggressive export policy.

Plasvale produces over 300 kinds of products and exports to around 40 countries. The organization has a monthly production of 500 tons, being 10% turned to the foreign market. "We want to increase exports by 30% this year and are betting on the Arab market so as to reach this," stated Fontoura.

Sudan

The Arab country is located in the northeast of Africa and has an area of around 2.5 million square kilometers. Sudan is

the largest country in Africa and has a population of 34.3 million inhabitants. Apart from the natural resources in the country, there is growing foreign participation in infrastructure, reconstruction and development projects. It is among the Arab countries that receive the greatest investment.

From January to November 2005, Brazilian exports to Sudan grew 27.8%. Sales to the country generated US\$ 61.5 million. Among the main products shipped are highway tractors, sugar, tobacco, agricultural machinery and vehicles.

Imports by Brazil totaled US\$ 70,500 in the first 11 months of 2005, a drop of 62.3% when compared to the same period in 2004. Gum Arabic and dried fruit were the main products imported.

Companies interested in participation in the fair should contact the Arab Brazilian Chamber.

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