

## Brazilian Auto Industry Breaks Records. 73% Are Flex-Fuel Cars.

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Brazilian vehicle assembly plants produced 198,448 units in January, 20.5% more than in January, 2005, and the largest number ever in the month of January. The data were announced Tuesday, February 7, by Brazil's National Automobile Manufacturers Association (ANFAVEA).

According to the organization, exports, responsible for US\$ 740.1 million in revenues, 16.8% more than in January, 2005, also established a new mark for the month of January.

Domestic sales, which amounted to 132.8 thousand units, registered the second largest volume on record for the month of January. Last year, domestic sales in January amounted to 106.6 thousand units.

According to ANFAVEA president Rogélio Golfarb, the sector has been experiencing "a process of acceleration" since the final quarter of 2005, reflecting the overall "improvement" in the economy, "which makes workers feel more secure about buying vehicles on the installment plan."

The data released by the organization also indicate the rising level of purchases of vehicles with flex-fuel engines, which can operate on both alcohol and gasoline. 73% of the units sold in January were vehicles of this type.

"We expect to continue growing, because domestic consumers were quick to adhere to this technology, which is characteristically Brazilian," Golfarb observed.

"Other countries are beginning to take a look at what we are doing here and see it as a green fuel alternative," he added.

According to the automobile executive, the industry hopes to maintain a rising level of exports this year, even if the pace is slower in consequence of the unfavorable exchange rate.

"The goal is to reach around US\$ 11.5 billion, a 2.7% increase," he commented.

ANFAVEA foresees a 7.1% increase this year in domestic sales, totaling 1.8 million units. Overall production is expected to grow 4.5%, to a total of 2.6 million vehicles.

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