

## Cheap Dollar Makes Electronics Imports Grow 36% in Brazil

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A study by the National Association of Manufacturers of Electronic Products (Eletros) shows that Brazilian imports of electronic products are rising.

The volume grew 36% in the first quarter of this year when compared to the same period last year. The appreciated Brazilian real against the United States dollar is one of the reasons for the increase in purchases.

In the white line, imports in the first quarter totaled US\$ 20.38 million, 173% more than in the same period in 2005. Regarding image and sound products, imports grew 16.7%, totaling US\$ 115.79 million.

Imports of these products are being powered by televisions with modern technologies. Portable electronic equipment had imports rising 130.83% when compared to the first quarter of last year. In this case, Chinese products are the most purchased.

Despite the growth of imports and 31.58% of the Brazilian companies in the sector having cut export investment, the sector should remain competitive. According to forecasts by Eletros, sales in 2006 are not going to fall when compared to 2005.

In the first three months of 2006, however, Brazilian exports of electronic products dropped 7.7% when compared to the same period last year, totaling US\$ 165.8 million.

The reduction was powered by the image and sound line, whose exports dropped 43.41%, to US\$ 40.31 million, and by the portable product line, whose sales dropped 7.24% with exports reaching US\$ 18 million.

The white line area, in turn, represents the greatest volume of sector exports, with foreign sales growing 20%, to US\$ 107.55 million in the first quarter.

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