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## After Sluggish Year, Brazilian Graphic Arts Betting on 5% Growth in 2007

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The graphic arts sector in Brazil is expected to grow from 4% to 5% next year. A significant share of this growth should come from exports, according to estimates by the Brazilian Association of the Graphic Arts Industry (Abigraf).

The Brazilian graphic arts sector manufactures products such as packages, labels, envelopes and notebooks, and prints fiscal and promotional material, books and cards. Books account for the largest portion of the production, followed by labels and packages.

In 2006, the Brazilian graphic arts industry growth should be 2.7%, according to Abigraf. Exports have ensured the sector's better performance this year as well. The graphic arts sector is expected to accumulate US\$ 7.5 billion in sales until the end of the year.

Last year, total revenue for companies active in the sector was US\$ 7.3 billion. Foreign sales during the first ten months of 2006 amounted to US\$ 228.53 million, representing a 55% increase over the same period last year.

The most exported product was notebooks. Foreign sales of notebooks reached US\$ 78.95 million during the period. The second most exported item was packages, with sales amounting to US\$ 61.34 million. Graphic arts product imports reached US\$ 168 million between January and October this year, generating a US\$ 60.52 million surplus.

The Brazilian graphic arts sector is comprised of more than 19,000 companies. Most of these companies are in the southern Brazilian states of São Paulo and Rio de Janeiro, in the southern state of Paraná, and in Minas Gerais, also in the southeast.

The vast majority - 90.5% - consist of micro and small businesses. These companies, though, account for only 5% of the sales revenue for the sector, and for 38.6% of jobs. Mid-sized and large companies account for 95% of the revenues.

Up until October, the Brazilian graphic industry employed 188,000 people. In 2005, according to data from the Ministry of Labor, the sector had 183,000 employees. Approximately 5,000 jobs were generated this year. Among the workers in the sector, 41% have completed secondary school, and 25% earn from two to three minimum wages.