

Brazil Boosts Machinery Exports by 12%. US Is Main Buyer

Contributed by Newsroom
Friday, 09 February 2007

Brazilian machinery exports generated US\$ 9.6 billion in 2006, a 12.4% increase compared with 2005, according to data released today, February 9, by the Abimaq (Brazilian Machinery Manufacturers Association).

According to the organization, foreign sales increased by nearly 160% in five years. In 2002, they amounted to US\$ 3.7 billion.

But the president of Abimaq, Newton de Mello, stated in a press release that the growth rate decreased in 2006, since exports in 2005 saw a 40% increase compared with 2004.

In Mello's assessment, the appreciation of the Brazilian real against the dollar has been detracting from the competitiveness of Brazilian industries, because it makes domestic products more expensive abroad.

Mello ascribes the positive performance, despite the exchange rate, to businessmen's efforts to sell their products in foreign markets.

According to Abimaq, Brazil ranks 20th in the list of the world's premier exporters of machinery and equipment, the leaders being Germany, the United States, Japan, Italy and the United Kingdom.

The main importers of Brazilian products are the United States, which spent US\$ 2.7 billion in 2006, a 12.5% increase compared with 2005, Argentina (US\$ 1.2 billion, a 19.5% increase), Germany (US\$ 610 million, a 12% increase), Mexico, the United Kingdom, Venezuela, Chile and China.

Brazilian imports of machinery and equipment, on the other hand, stood at US\$ 9.8 billion in 2006, a 15.9% increase compared with 2005. The trade balance for the sector recorded a deficit again, whereas in 2005 it had a US\$ 100 million surplus, according to data provided by Abimaq. The main suppliers of Brazil in 2006 were the United States, Germany, Italy, Japan and China.

Overall, the sector had a revenue R\$ 54.8 billion (US\$ 26.1 billion) last year, 1.9% less than in 2005. The number of jobs in the machinery sector was 207,938 on December 31st 2006, a 2% decrease compared with December 31st 2005.

Anba