

Toyota Gets into the Flex-Fuel Business in Brazil

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Toyota is launching cars that run on ethanol and gasoline in Brazil amid growing popularity of fuel-flexible vehicles in the nation. The leading car maker's unit in Brazil said this week it will unveil two flex-fuel Corollas in Brazil. These models can outperform gas-fueled Corollas on the Brazilian market.

The cheapest option, the XLi, will start at 56,565 reais (US\$ 29,055) while the top of the line SEG, will start at 79,676 reais (US\$ 40,927). The car's engine suffered several changes including the introduction of resin to prevent corrosion and a new program for the electronic module that controls the car.

Monthly sales are expected to target about 2,500 Corolla Flex and 750 of the Corolla Fielder Flex model. The models underscore Toyota's plan to adapt to regional markets. This is the first time the automaker is selling cars that run on 100 percent bio-ethanol.

The new models come amid a booming ethanol producing industry that has sprouted in Brazil a couple of years ago. Automakers are scurrying to get into the flex-fuel market.

Ethanol is produced from corn, sugar cane, and other crops; it costs about half as much as gasoline. The production of ethanol from sugar cane has been lauded for its environment-friendly process that is used in manufacturing.

Currently, Brazil is the largest maker of sugar cane because sugar cane flourishes in sunny Brazil. It is replanted every five years and it is the cheapest ethanol available worldwide.

Most drivers in the South American nation prefer to drive cars that use ethanol as it allows them to choose fuel dependent on local prices. Not surprisingly, eight out of ten cars sold in Brazil are flex-fuels. Honda Motor Co. has already begun marketing its flex-fuel Civics and Fits models in the country.

Flex-fuel cars were initially introduced to Brazil in 2003.

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