

Brazil's Artefacto Furniture Takes International Road

Contributed by Geovana Pagel
Tuesday, 23 November 2004

The Artefacto chain of stores, with offices and factory in the state of São Paulo, in southeastern Brazil, is going to inaugurate its first franchise in North Africa in March 2005. The city chosen was Casablanca, the main Moroccan port.

But the company plans with regard to the Arab market are even more ambitious. The company is after commercial partners to establish a large store, with an area of five thousand square meters, in Dubai, in the United Arab Emirates.

"I have recently been in Dubai and was amazed. The city has a very interesting local market and is building hotels and resorts, all mega investments. For this reason, we want to build a megastore," stated Albino Bacchi, the owner of Artefacto. The necessary investment, estimated Bacchi, is around US\$ 5 million.

"Once we have established the partnership, we will be ready to establish everything in six months," he guaranteed.

"I think there is also space for another store in Abu Dhabi," he added. Apart from the Emirates, the businessman believes that there are also good opportunities in Kuwait, Lebanon, Saudi Arabia, and Egypt.

"The current potential of the Arab market is immeasurable as it is an immense market and has a tendency for expansion. We currently only need our partners," he guaranteed.

According to Bacchi, one of the characteristics of Artefacto products is modernity, but within the company line of products there is an infinite number of combinations. "It is very easy to adapt colours and models," he pointed out.

Internationalization

The Artefacto brand internationalization process started three years ago.

From then on, five stores have been inaugurated abroad: Miami (USA), Mexico City, Santo Domingo (Dominican Republic), Palm Beach (Florida, USA) and Porto (Portugal).

Next year, Artefacto will be entering Casablanca (Morocco), Fort Lauderdale (USA), Washington (USA) and maybe even Dubai and Abu Dhabi (United Arab Emirates). Investment in each of these stores, covered by the partner, is around US\$ 1.5 million.

Artefacto's owner explained that the internationalization process also includes the installation of nine other stores, from Washington to Boston, and 20 other local representatives.

"Our target is to reach revenues of US\$ 100 million a year in up to five years," he explained.

Stores

An important player in the Brazilian high quality furniture market, Artefacto currently has 14 stores in some Brazilian capitals (São Paulo, Rio de Janeiro, Brasília, Belo Horizonte, Salvador, Maceió, Recife, Goiânia, Manaus and Curitiba).

The group has revenues of around US\$ 1.5 million a month with its foreign stores. The company does not make its revenues on the domestic market public.

It all began in 1976, with the opening of a store on Teodoro Sampaio, a street where many furniture stores are established in the city of São Paulo, the largest business center in Brazil.

The factory currently covers an area of 40,000 square meters, in the city of Iperó, in the countryside of São Paulo state, and generates around 1,000 direct jobs, with monthly production of around 12,000 products, however production may immediately be multiplied by three. "If products are sold, we produce," stated Bacchi.

Contact

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