

Brazil Boom: Agribusiness and Machinery Give Paraná State Best Year Ever

Contributed by Omar Nasser
Friday, 11 January 2008

Sales by the industry of the southern Brazilian state of Paraná, from January to November 2007 surpassed by 11%, the accumulated result during the same period of the previous year. The good performance of agribusiness, oil, vehicles, machinery, equipment and household appliances segments drove the growth.

Exports expanded 34%. The figures were supplied by the Economic Department at the Federation of Industries of the State of Paraná (Fiep).

The data suggests that 2007 was the best year for the industry in Paraná ever since track records of sales started being kept, in 1986.

"The forecast is for an increase greater than 10% in total sales by the industry of Paraná in 2007 compared with the year before," says Maurílio Schmitt, manager at the department.

Sales by the industry of Paraná to other Brazilian states grew 40% in comparison with the first eleven months of 2006. Within the state, the expansion was 36%. With regard to exports, the rise was 24%.

Exports from Paraná to the Arab countries increased 20% in the first eleven months of 2007 compared with the same period of the previous year. Foreign sales totaled US\$ 572.6 million, as against US\$ 477 million recorded between January and November 2006.

"Agribusiness had a strong influence on the good result of industry sales," says Schmitt. The expressive 2006/2007 grain crop in the state, which yielded 25.8 million tons, coupled with the good phytosanitary performance of agricultural production, raised sales of the "foodstuffs and beverages" sector by 16% in the first eleven months of 2007, in comparison with the same period of 2006.

Meanwhile, the "petroleum and alcohol production" sector grew 2.8%. One of the reasons for the growth is investment by the Brazilian state-owned oil company Petrobras in the Presidente Getúlio Vargas refinery.

Located in the municipality of Araucária, in the Greater Curitiba Region, the unit is receiving US\$ 2.1 billion, in a schedule that will last until 2011 and provides for the expansion of gasoline and biodiesel production.

Another reason is the increase in planted area and in sugarcane production, which expanded by 12.8% and 24%, respectively.

The expansion of credit for purchasing vehicles led to an increase in demand for automobiles, thus increasing sales in the "manufacturing and assembly of automotive vehicles" segment by 23.29%.

The "machinery and equipment" sector posted the greatest growth in sales: 24.17%. This increase was boosted by growth in two categories of goods: agricultural machinery (due to the good crop) and white line products (refrigerators, stoves, etc.), boosted by the expansion of personal lines of credit.

Omar Nasser works for the FIEP (Federation of Industries of the State of Paraná).