

Mercedes-Benz Invests Close to US\$ 1 Billion in Brazil

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Bus body maker Mercedes-Benz is going to invest 1.5 billion Brazilian reais (US\$ 928.9 million) to expand its production of trucks, buses and parts in Brazil, at its plant in São Bernardo do Campo, in the ABCD region of the Greater São Paulo in southeastern Brazil. The funds should be invested in expanding capacity at the unit, upgrading manufacturing processes, improving logistics and increasing the level of nationalization of the products.

Daily production should grow 25%. According to information disclosed by the company, the first phase of the expansion will be concluded early next year. Currently, the plant is operating near its total capacity. The measure aims to cater to the strong demand for vehicles in Brazil and abroad, according to Mercedes.

"This announcement clearly reinforces our commitment to the country (Brazil)," said the president at Mercedes-Benz Brazil, Gero Herrmann. The plant in São Bernardo do Campo currently has 12,000 employees and will hire new ones after the expansion. The investment of 1.5 billion reais will be made over the next three years.

Mercedes-Benz is the Brazilian market leader for trucks. From January to July this year the company sold 22,778 units, with a market share of 31%. Last year the company also led sales, with a 31% share and 31,166 trucks sold.

The company also leads bus sales in Brazil, with 9,211 units sold in the accumulated result for this year up to July, and 50% of the domestic market.

In 2007, Mercedes-Benz sold 12,600 vehicles in the segment, representing a market share of 52%. Products by Mercedes-Benz Brazil are sold in more than 50 countries. The leading foreign markets include Argentina, Chile, Peru, Egypt, Nigeria, South Africa and Jordan.

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