

Brazilian News

Brazilian Automotive Production Dropped by 32%

Originally expected to reach the production mark of over 3 million units in 2020, Brazil actually finished the year of 2020 with the 3rd worst decline margin on the top 20 global automotive producers list.

After the recession in 2015-2016, an economic recovery in Brazil appeared and lasted for 3 years. Unfortunately, the Covid came later. However, the pandemic did not just affect Brazil.

To analyze the automotive sector, one of the main boosters for fastener manufacture, Brazil once had a better economic moment in 2019. During the year of 2019, the production of Brazil reached 2,984,988 units of motor vehicles, a rise of 2.2% from 2018. To view by percentage, its result was the biggest among the top 20 countries, while the other 17 countries respectively produced more than one million units in 2019.

To Brazilians, all perspectives were to finally break the “3 million units” barrier and get closer or break the 2014 result (which recorded the production of 3,146,386 units of vehicles).

Last year, China (top 1 among the top 20) also got a negative result in automotive production, but just down 2% to 25,225,242 units, while Iran (top 18) showed the highest growth of 7% to 880,997 units. However, Brazil (top 9) showed a decline of -32%, one of the worst. Also, Indonesia showed a fall of -46% to 691,286 units.

At the writing of this article, the local automotive production of Brazil in Q1 2021 closed with 597,700 units, up 1.99% compared to Q1 2020 (recording at 585,900 units) but down 13.35% compared to Q1 2019 (recording at 697,800 units) and down 14.64% compared to Q1 2018 (recording at 700,200 units).

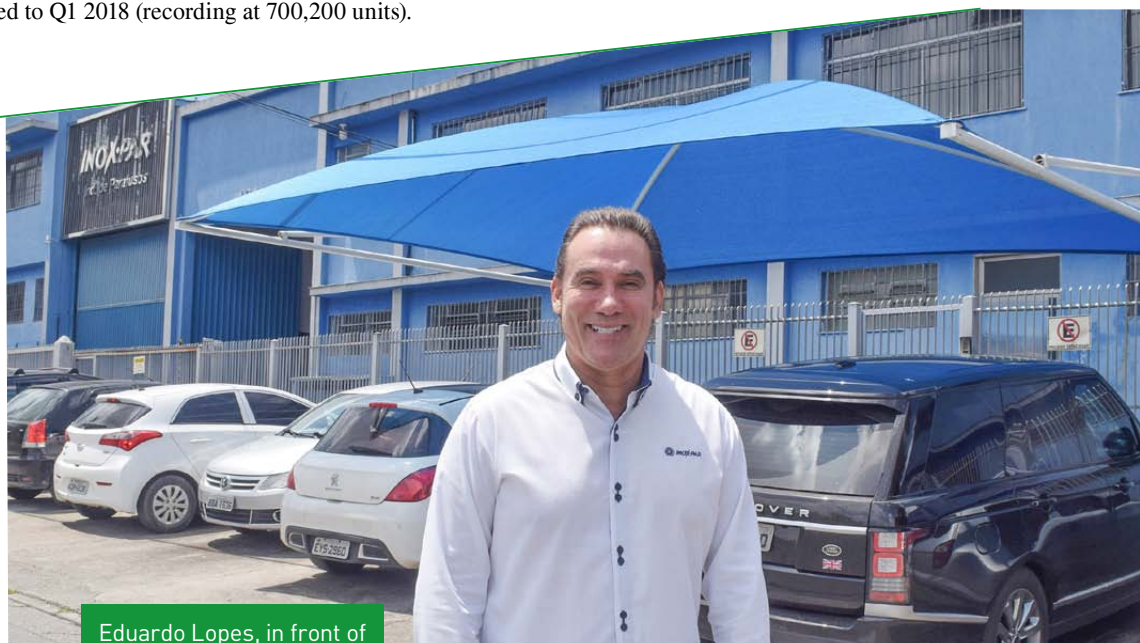
World Automotive Production - Top 20			
Countries	2019	2020	Variation
1° China	25,720,665	25,225,242	-2.00%
2° USA	10,880,019	8,822,399	-19.00%
3° Japan	9,684,298	8,067,557	-17.00%
4° Germany	4,661,328	3,742,454	-24.00%
5° India	4,516,017	3,394,446	-25.00%
6° S. Korea	3,950,617	3,506,774	-11.00%
7° Mexico	3,986,794	3,176,600	-21.00%
8° Spain	2,822,355	2,268,185	-20.00%
9° Brazil	2,944,988	2,014,055	-32.00%
10° Russia	1,719,784	1,435,335	-17.00%
11° Thailand	2,013,710	1,427,074	-29.00%
12° Canada	1,916,585	1,376,623	-28.00%
13° France	2,202,460	1,316,371	-39.00%
14° Turkey	1,461,244	1,297,878	-11.00%
15° Czech	1,433,963	1,159,151	-19.00%
16° UK	1,381,405	987,044	-29.00%
17° Slovakia	1,100,000	985,000	-11.00%
18° Iran	821,060	880,997	7.00%
19° Italy	915,305	777,165	-15.00%
20° Indonesia	1,286,848	691,286	-46.00%

Sources: www.oica.net / www.anfavea.com.br

Inox-Par Reported 11% Average Growth and is Searching for Partners Outside Brazil

With more 35 years of activities, the company has become a stainless steel fasteners expert.

In Portuguese, “stainless steel” means “aço inoxidável”, however, it is quite common to



Eduardo Lopes, in front of Inox-Par Company



hear Brazilians pronouncing these two words simply as "inox". Normally, when someone refers to fasteners, it is quite common for Brazilians to use the word "parafuso".

Combining some of these words, in 1986 the Inox-Par Industry and Commerce Ltd. was founded. Currently, the Inox-Par hires more than 70 direct employees and 30 indirect ones. Its operation (incl. industrial and storage units) measures more than 5,000m² in total and is only a 10-minute drive from the International Airport São Paulo, Brazil.

Co-founder and Commercial Operations Director Inox-Par, Eduardo Lopes told that the company handles a mix of activities and is acting as a manufacturer and importer of fasteners, mainly made in stainless steel.

Inox-Par executives participated in many most important fastener shows around the world to search for good supplier partners for increasing the distribution of its operation through the Inox-Par efficient system on the big and diversified markets in Brazil, mainly energy, window frames, food & beverage, and pharmaceutical sectors. Solar energy, in particular, has recently represented the share of more than 35% in all Inox-Par businesses.

"We've got an average growth of 11% since last year. However, as the Inox-Par can still go further, the way for us can be to get some international companies from Asia, Europe, or North America to form alliances to let us achieve a rise in operations and good results, not just in Brazil, but also in our South American neighbours," told Lopes.



Yih Tieng Machinery, model from Spirafix show room, Brazil

Fastener Press Machines Now Subject to 0% Import Taxes in Brazil

According to the news of Brazilian Official Diary (Diário Oficial da União) published on 02/17/2021, the press machines for manufacturing fasteners and special parts are also included in the most recent import taxes reduction of Brazilian Government.

The current Brazilian economy officials have been more willing to lift barriers against certain product imports, such as machinery used by local fastener industries, mainly because of almost non-existence of similar machines directly manufactured in Brazil.

Fastener Export & Import of Brazil in Q1 2020 and Q1 2021

The Brazilian currency depreciation could have been the cause of the export rise in volume and a drop in revenue; however, the import was also on the rise.

In the first month of 2021, Brazilian fastener import reached US\$52.27 million in value or 12,293.09 tons in volume. In February, the figure was US\$ 54.31 million or 12,638.75 tons. Closing the Q1, the import in March reached US\$ 121.28 million or 25,624.64 tons.

The total import in Q1 2021 reached US\$ 227.86 million (53.81% higher than the US\$ 148.14 million record in the same period of 2020) and 50,556.48 tons, 60.66% higher than the 31,467.34 tons of import last year.

The fastener export of Brazil in January 2021 was US\$ 8.74 million, with the total volume at 2,258.77 tons; the fastener export in February was US\$ 9.19 million, with the total volume at 2,202.12 tons; the fastener export in March was US\$ 4.4 million, with the total volume at 1,491.42 tons.

The total export in Q1 2021 reached US\$ 31.07 million (4.5% less than the US\$ 32.54 million export recorded in Q1 2020) and 8,211.08 tons (56% higher than the 5,267.47 tons of export recorded in Q1 2020), which both resulted from the severe depreciation of 'real', the Brazilian currency. ■

IMPORTS	Value (million)	Volume (tons)
Q1 2020	148.14	31,467.34
Q1 2021	227.86	50,556.48
Variation	53.81%	60.66%

EXPORTS	Value (million)	Volume (tons)
Q1 2020	32.54	5,267.47
Q1 2021	31.07	8,211.08
Variation	-4.7%	55.88%

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