Brazilian News

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The South Korean Success Model

Brazil, which was wealthier than South Korea in the 1950s, now has a GDP per capita at only about 25% of South Korea's US$35,500.

In 1950, Brazil's per capita income exceeded that of South Korea. Today, however, the situation has reversed dramatically. Brazil's income level stands at only about 20% of that of the United States, while South Korea has reached approximately 70%, with a per capita GDP nearly four times higher than Brazil's.

This widening gap reflects Brazil's longstanding challenges with macroeconomic stability. Despite maintaining high levels of public spending, the country has struggled to translate this expenditure into meaningful gains in infrastructure, education quality, or productivity. Persistent fiscal deficits continue to drive up public debt and increase financing costs.

Economists argue that simply raising taxes is no longer an effective solution. Instead, they advocate reducing mandatory expenditures and subsidies. In addition, low domestic savings—further strained by fiscal imbalances—limit Brazil's capacity for investment and long-term growth.

As a result, **Brazil faces a pattern of high spending, low efficiency, and constrained growth, effectively "aging before becoming wealthy," in stark contrast to South Korea's development trajectory.** Nevertheless, significant opportunities remain for structural improvement.

Source: Carlos Rodolfo Schneider, President of Ciser, one of the most important fastener manufacturers in South America

FEIMEC 2026: Over 70,000 Visitors

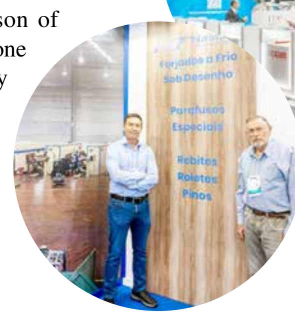
A major platform for machinery, tools, equipment, and technology sectors, drawing participants from more than 40 countries.

FEIMEC (International Machinery and Equipment Fair), the successor to the former "Feira da Mecânica" which ceased operations after 2016, held its fifth biennial edition in May in São Paulo, Brazil.

Marking its continued consolidation, the event attracted over 70,000 visitors, featured more than 1,100 exhibiting brands, and welcomed professionals from over 40 countries. Over five days, the exhibition showcased advanced technologies, fostered strategic connections, and highlighted solutions aligned with Industry 4.0.

Although Brazil does not host a dedicated fastener exhibition, FEIMEC provided solid representation from mechanical sector exhibitors, including fastener manufacturers and distributors. Among them was Naschold, a family-owned company founded in 1980 and currently managed by its first and second generations.

"FEIMEC plays a crucial role in networking, business development, and building partnerships across our various sectors," said CEO Rolando Naschold, son of founder Ricardo Naschold. "Within just one month after the event, we have already seen tangible results through new contacts and follow-up visits."



Images: FEIMEC Press Office; by Enio Piotto

EV Expansion May Reduce Fastener Demand in Automobiles

Brazil's annual production of light vehicles has remained relatively stable at around 2.5 million units. However, recent developments indicate a shift in market dynamics. In the week this article was prepared, **Chinese automaker BYD—having only begun local production in Brazil in 2025—rose to fourth place among the country's top-selling automotive brands.** This ranking includes both imported and locally assembled vehicles, with current production still heavily reliant on imported component kits (CKD and SKD).

In May 2026, BYD sold 21,700 units, ranking behind Fiat (49,609 units; local production since 1976), Volkswagen (42,985 units; since 1953), and Chevrolet (27,363 units; since 1925), while slightly surpassing Hyundai (20,239 units; since 2007).

Fuel Type	Percentage (%)
Gasoline	3.0%
Electric	5.8%
Hybrid	5.7%
Plug-in Hybrid	5.1%
Flex Fuel	70.6%
Diesel	9.7%

From a fastener industry perspective, **this trend may signal a potential decline in demand for high-value components such as bolts, screws, and nuts.** Battery electric vehicles (BEVs), in particular, eliminate traditional powertrain systems—including engines and transmissions—thereby reducing the need for many high-precision fasteners.

BEVs have become especially popular in Brazil's metropolitan areas, particularly among ride-hailing drivers due to their cost-saving potential.

At the same time, Brazil benefits from alternative energy solutions, most notably sugarcane-based ethanol, which offers environmental advantages comparable to electric mobility. **The country's automotive market is still dominated by flex-fuel vehicles capable of running on gasoline, ethanol, or any combination of the two.**

Current market share distribution is as follows: flex-fuel vehicles account for 70.6%, diesel 9.7%, battery electric vehicles 5.8%, hybrids 5.7%, plug-in hybrids 5.1%, and gasoline-only vehicles 3.0%.

Sources: www.autoindustria.com.br / www.anfavea.com.br / www.detran.sp.gov.br/detransp ■