

Brazilian News

compiled by Fastener World



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 era 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 at 597,700 units, up 1.99% compared to Q1 2020 (585,900 units) but down 13.35% compared to Q1 2019 (697,800 units) and down 14.64% compared to Q1 2018 (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

Eduardo Lopes, in front of Inox-Par Company



With more than 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 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 Inox-Par Industry and Commerce Ltd. was founded. Currently, Inox-Par hires more than 70 direct employees and 30 indirect ones. Its operation (incl. industrial and storage units) measures more than 5,000 m² 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 supply 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, we can 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.

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 tax 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.



Yih Tieng Machinery, model from Spirafix show room, Brazil

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

Brazilian Fastener Trade - 2020 in Summary

In 2020 the fastener export and import of Brazil generated US\$ 636.13 million in value and 130,989.11 tons in volume respectively. This result was 22.01% less than the US\$ 815.58 million and 14.67% less than the 153,499.58 tons recorded in 2019. No surprise about the drop due to the pandemic.

It is also not surprising that the fastener import is predominant over the fastener export in Brazil. In 2020, the share of imported fasteners was 78.50% of the total value (US\$ 499.27 million) and 79.43% of the total volume (104,052.1 tons). In 2019 it was 76.22% of the total value (US\$ 621.65 million) and 80.74% of the total volume (123,923 tons).

The share of Brazilian fastener export in 2020 was 21.50% of the total value (US\$ 136.86 million) and 20.57% of the total volume (26,937.01 tons). In 2019 the result was 23.78% of the total value (US\$ 193.93 million) and 23.86% of the total volume (29,576.18 tons).

		Export	Export Share	Import	Import Share	Export + Import
2020	Value (US\$ million)	136.86	21.50%	499.27	78.50%	636.13
	Volume (ton)	26.937,01	20.57%	104,052.10	79.43%	130,989.11
2019	Value (US\$ million)	193.93	23.78%	621.65	76.22%	815.58
	Volume (ton)	29,576.18	19.26%	123,923.40	80.74%	153,499.58

One of the sources, the Ministry of Industry, Foreign Trade and Services (MDIC) of Brazil does not provide data on volume by country, both in import and export.

Last year China maintained its leadership, taking up 25% of Brazilian fastener import (US\$ 127 million). The USA followed at 16% (US\$ 77.5 million); Japan, 10% (US\$ 51.9 million); Germany, 10% (US\$ 51.6 million) and Taiwan, 5.6% (US\$ 27.7 million).

Among the top five export destinations for Brazilian fasteners were the USA taking up 36% (US\$ 49.9 million); Argentina, 17% (US\$ 23.7 million); Paraguay, 11% (US\$ 11 million); France, 4.5% (US\$ 6.21 million) and Germany, 3.5% (US\$ 4.76 million).

Regarding the average price per kilogram, among the fasteners exported in 2020, the price was US\$ 5.08 (US\$ 6.55 in 2019), higher than the US\$ 4.79 (US\$ 5.01 in 2019) of imports.



Top 5 Partners Involved in Brazilian Fastener Trade

(Unit: US\$ Million)

Export Destinations in 2020	Share	Import Origins in 2020	Share
1. USA: 49.3	36%	1. China: 127.0	25%
2. Argentina: 23.7	17%	2. USA: 77.5	16%
3. Paraguay: 11.0	8.0%	3. Japan: 51.9	10%
4. France: 6.21	4.5%	4. Germany: 51.6	10%
5. Germany: 4.76	3.5%	5. Taiwan: 27.7	5.6%
Total Export Value: 136.86	---	Total Import Value: 499.27	---
Export Destinations in 2019	Share	Import Origins in 2019	Share
1. USA: 79.7	41%	1. China: 130.0	21%
2. Argentina: 22.6	12%	2. USA: 95.5	15%
3. Paraguay: 13.0	6.7%	3. Germany: 72.9	12%
4. France: 7.86	4.1%	4. Japan: 72.0	12%
5. Germany: 6.07	3.1%	5. Taiwan: 33.4	5.4%
Total Export Value: 193.93	---	Total Import Value: 621.65	---

Source: www.mdic.gov.br

Status in Q1 2021

The Brazilian currency depreciation could have been the cause for 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.

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

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



Belenus factory (Vinhedo Town, SP, Brazil)

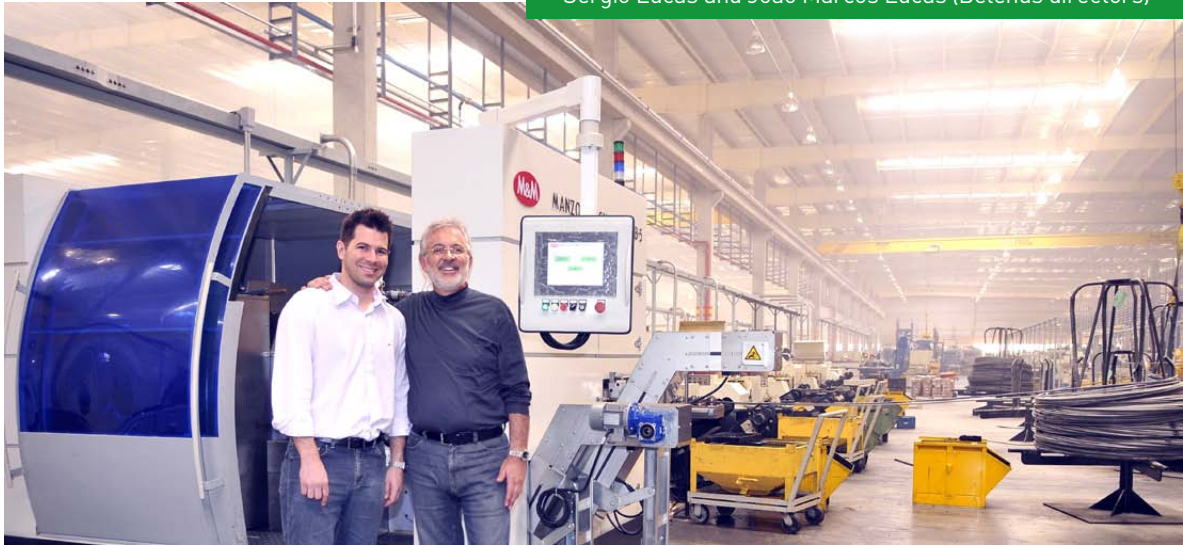
▶ Belenus Becomes the Top Fastener Manufacturer in Brazil

The company substantially increased its capacity after acquiring several machines in 2020

Founded in 2002 and led by the businessman João Marcos Lucas, Belenus Ltd substantially expanded its capacity after acquiring several used machines in 2020, especially a lot of cold forming machines, including 13 Sacma and 5 National Machinery models that are able to produce fasteners from M6 to M20.



Sergio Lucas and João Marcos Lucas (Belenus directors)



With around 1,400 employees, the company raised its capacity to 8,000 tons/month, which is 2,000 tons more than its former capacity, including the production of fasteners such as bolts, screws, and nuts, standard and special, making Belenus the top fastener manufacturer in Brazil.

Belenus also has a big trade division dedicated to distribution of more than 15,000 items for the construction industry and other relevant products, such as hardware, tools, various parts and equipment, including its own brands, such as BelEnergy (photovoltaic products), BelFit (hydraulic hoses and terminals), BelLift (cargo handling products) and Beltools (tools and hardware).

► Walsywa: Heating the Solar Energy Market

Founded in 1964 as a leader in supplying fastening products especially for civil construction, Walsywa has been expanding its portfolio since the second half of 2020, by including items for use in solar energy capturing systems, an emerging and promising business.

Made of stainless steel, 100% passivated, the Walsywa solar energy lines include terminal clamps, flat and rubber washers, flanged hexagonal nuts, screws, rods and rod sets, anchor bolts, as well as specialty fasteners.

"More than ever, the emerging solar energy system needs the best fastening options, which is a know-how that Walsywa has for more than half a century of history. We intend, then, to differentiate ourselves in this market, because we make fasteners for civil construction. Supported by a highly trained team, we have been providing the best service and efficient logistics running 24 hours in most regions of Brazil. In addition, we have our own laboratory for product development that meets stringent demands," said João Pedro Schrott, Walsywa president.



João Pedro Schrott (the Walsywa president)

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