

Brazil: 14 New Auto Projects in Six Months

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The announcement of another automaker landing in Brazil – this time China's JAC – shows the strength of the Brazilian market in which sales have more than doubled in just five years. They're up from 1.5m units in 2004 to 3.1m in 2009; 3.7m is the forecast for 2011.



In the last six months, at least 14 projects have been announced, some confirmed as going ahead, others under study in different stages.

This includes both automakers new to Brazil and planned capacity increases at Ford, GM, Mitsubishi, and VW.

The Chinese alone account for three: besides JAC and Cherry, Lifan will establish a small assembly operation. Brazilian group EBX is considering joining the market. BMW will officially announce their assembly plant only when location, car model and investment are determined—news is expected in November. A positive decision has been already taken in Germany, according to sources, despite denials in Brazil.

By the end of 2014, Brazil should see sales of 4.5m vehicles a yearly and 6m by the end of the decade.

In spite of higher cost than China (+60%) and Mexico (+30%), the Brazilian market is attractive because reduced costs are expected in the future.