

## **Foundry Brazil promotes national foundry and expands export base**

*A Cocktail organized by Apex-Brasil and ABIFA promotes the start of the business round tables, providing the first contact among national and international companies.*

Apex-Brasil (The Brazilian Agency for the Promotion of Exports and Investments), in a partnership with ABIFA (The Brazilian Foundry Association), gathered national and international companies, which are interested in supplying and acquiring products in the foundry sector, in a cocktail held on September 21st, at the Casa das Rosas (the House of the Roses), in São Paulo.

The event was a debut about the possibilities for new businesses because of the busy week, which had in its agenda the 13th FENAF (The Latin-American Foundry Fair), held jointly with the 14th CONAF (the Foundry Congress), from September 22nd to 25th of this year. During the cocktail, entrepreneurs of the sector were able to strengthen the commercial relations and met the potential clients and buyers and thus taking an important step towards the materialization of the Foundry Brazil Project (Project for the Promotion of Exports of Cast Products), created due to a technical and financial cooperation covenant between Apex-Brasil and ABIFA, enabling the management and financial support to the participating companies.

In addition to the foundries in Brazil and abroad, the entrepreneurs' meeting had the participation of ABIFA's president, Devanir Brichesi, and FENAF's president, Remo de Simone, who presented some figures of the sector, signaling an improvement of the economy and the start of a recovery that was already visible in March this year, and prior to that the foundry sector had experienced a downfall of 40% in production.

### **Production x Installed Capacity:**

In 2004, the sector had a production of 2.830 tons, and going into 3.355 tons in 2008. The installed capacity, in its turn, has gone from 3.100, in 2004, reaching 4.350 tons, according to the data presented by ABIFA during the cocktail in which Foundry Brasil was introduced.

The country's exports in the foundry sector have its focus on NAFTA, with a market share that is equivalent to 59,4%, and Europe performs 22,1% of imports coming from Brazil. Mercosul participation shows 9,5%, while the other continents account for 9% of the recipient export destinations in the country. According to data collected by ABIFA during the business meeting, Brazil is the 7th largest producer of casting in the world, with average revenues of US\$ 2,16 billion and with the creation of over 10 thousand jobs, a highly positive performance for a sector that is not regarded by the Federal Government as strategic or competitive, according to Devanir Brichesi, President of the Association.

In addition to the Brazilian and international companies, the journalists Thomas Fritsch, from the Foundry-Planet portal, Germany, and the North-American Shea Gibbs, from

Modern Casting Magazine, were also present, hosted by ABIFA to participate in and to get to know the national foundries, as well as their products in order to promote the Brazilian companies worldwide.

### **Foundry Brazil at FENAF 2009**

The Foundry Brazil project had its debut this year at the 13th FENAF (Latin-American Foundry Fair), with the purpose of attracting buyers by means of commercial stimulus – with meetings – and with the agreement of the image of the Brazilian companies, as a form of changing the stereotype which shows Brazil as a power only for export in the commodities sector. According to ABIFA estimates (The Brazilian Foundry Association), the project shall bring between US\$ 8 to 10 million within the next 12 months.

The business round tables enabled the holding of 232 meetings, with 50 national companies and 17 international companies, coming from countries like the United States, Mexico, Argentina, Russia, Slovenia, and South Africa. According to Janaina Calongo, the person in charge of the organization of the meetings among entrepreneurs, the guest companies were selected as they are among the five largest companies in the sector in their countries of origin, and this extends the chances for new businesses due to a first contact with the Brazilian groups. Among the international companies that participated in the event we can mention Anglo-American, Beroe, Cimos, EMG, FER-MIN-ORE, Haldex, Modine, Pertrak, Ruselprom, Sandvik, TitanX, Emerson and Zaiyer. “The business round tables had a considerable positive impact. For example, a North American company, a supplier of the automotive sector, met on the very first day of the fair three Brazilian companies that fulfill its needs. And from then on, it will be able to begin new foreign trade relations”, Janaina mentions.

To Luís Zoltan Toth, Akalman director and a member of ABIFA Aluminum Committee, Foundry Brazil has a management system that allows the small and mid-size companies to enter the export market. “Akalman has been trying to export for 20 years. But as we do not have a specific department to do so, there are difficulties and hindrances in this regard. “We need someone to intermediate and this project makes this action possible”, Zoltan says.

To the entrepreneur, Brazil is still seen as a large exporter of raw materials, such as steel, aluminum, but it has no tradition to export the finished product. If this scenario is reverted, there will be a significant expansion with the generation of new jobs. “The good performance in this regard would bring benefits in several areas. With the increase in the job posts, there will be strengthening in the economy as a whole and the strengthening of the middle class. Everyone would win, highlights Toth.

The initiative to gather national and international companies in the business round tables enabled the scheduling of meetings that would take years to happen in real conditions, if that depended on the unique effort of a company interested in marketing its products or services or to acquire new partners and suppliers. “Brazil is a country of big possibilities for the industries. We have high quality, infrastructure, specialized workforce, a large supply of raw materials and abundant energy. Apex initiative – to stimulate the exports – is a

measure that should be kept beyond the governments, he says”.

The positive impact of the business round tables, however, did not remain only in the perception of the national companies. To the Mexican entrepreneur Isauro Castro Albarran, of Zaiyer, his view regarding the Brazilian economy has changed drastically with Foundry Brazil. “I envision great possibilities to make future businesses with Brazilian groups, due to the contacts made here at FENAF, during the business round tables. The Brazilian companies have competitive prices. The country’s economy will gain much terrain, from this moment on”, estimates Albarran.

Also, according to Albarran, the efforts of the Brazilian Federal government are impressive when they promote the marketing of the exports in the country. To him, the performance at ABIFA to enable a possible expansion in the export base, notably for foundry, is perfect. “The initiative enabled the dismantling of paradigms in countries from abroad, like Mexico, that they had about Brazil. I must say that the size of the fair and Foundry Brazil has gone beyond my expectations. I was made told about the excellent projects of Brazilian companies and I could, at the same time, meet the companies from different countries, which were also in the Foundry meetings, and my view of business expanded, Zaiyer Company’s Mexican entrepreneur mentions.