2nd. BRICS FOUNDRY FORUM

TRENDS FOR THE BRAZILIAN FOUNDRY INDUSTRY

Brazilian Foundry Association – ABIFA

Devanir Brichesi – President

Beijing – China *May/2012*

MAIN TOPICS

1) *Brazil in figures*
2) *Infrastructure*
3) *Cast Metal in Brazil and Worldwide*
4) *Cast Metal - Characteristics*
5) *Exports – Evaluation*
6) *Trends of Brazilian Industry*

BRAZIL

POPULATION: 192 MILLION

AREA: 8.5 MILLION km^2.

GDP: 2.47 TRILLION US$ (2011)

Economy: The largest in Latin America and 8th. in the world

Car fleet: 32.1 million (2010)

Export 2011: 256 billion US$

Import 2011: 226 billion US$

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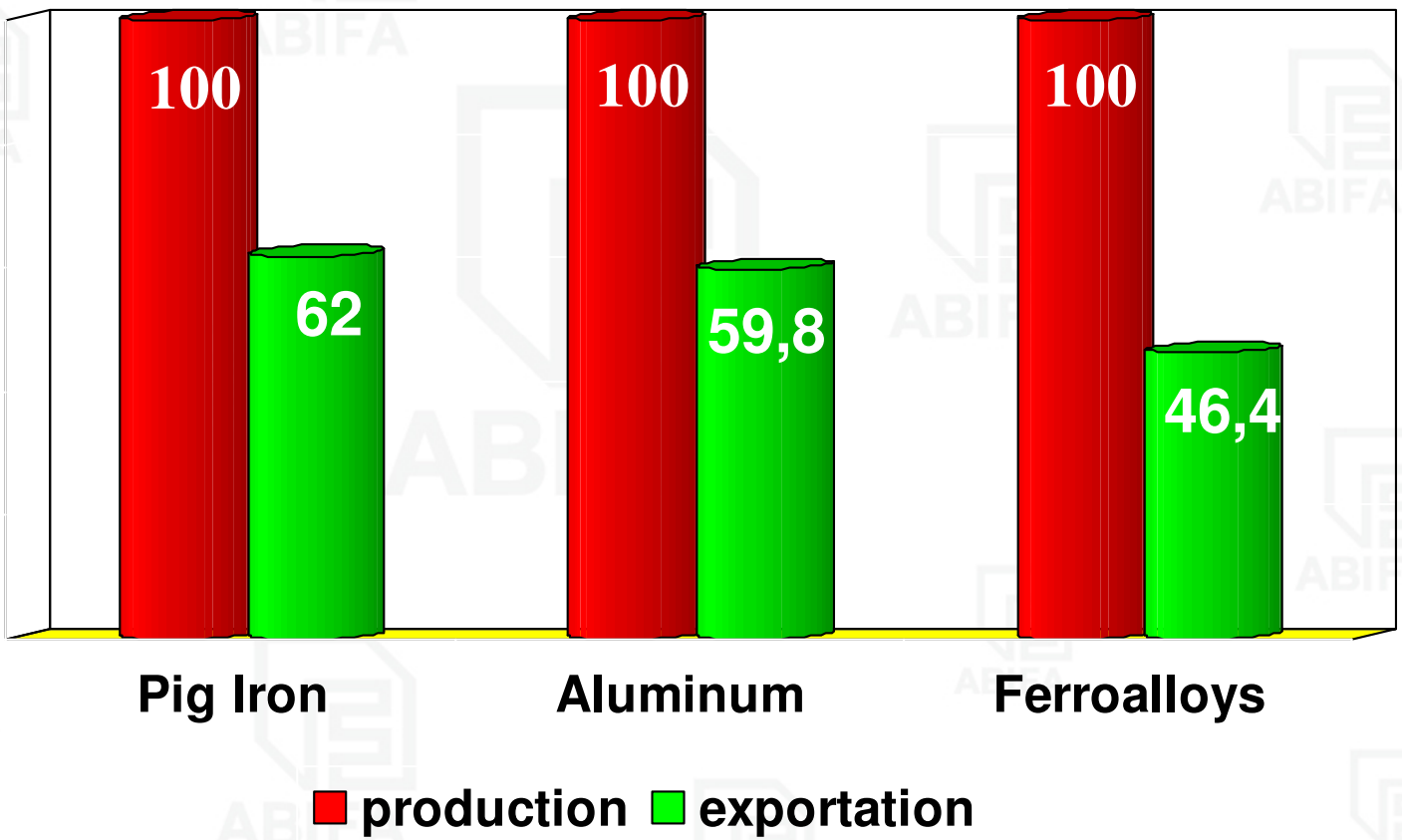
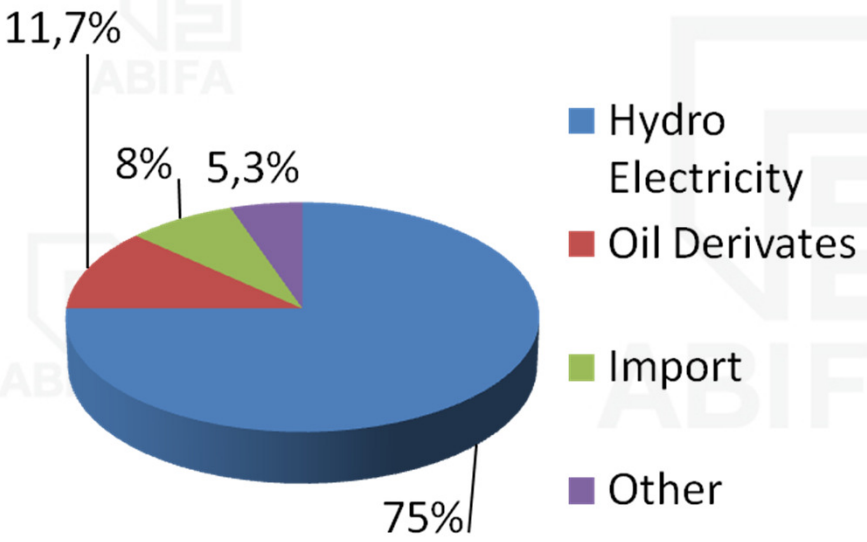
Foundry Industry

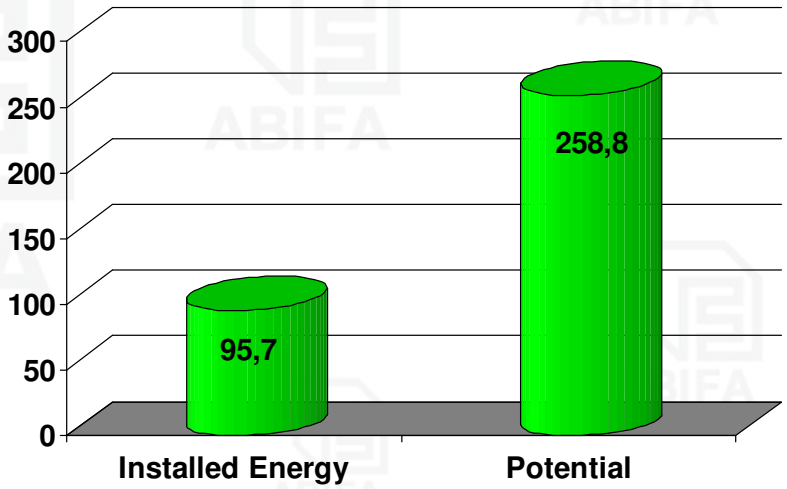
Raw Material (%)

Surplus to export



Foundry Industry
Electric Power
Hydro Generation is the main source





Foundry Industry
Well-Trained Manpower

- **Foundry Technical Courses**
- **Metallurgical Engineering**
- **Foundry MBA**
- **Foundry Engineering**

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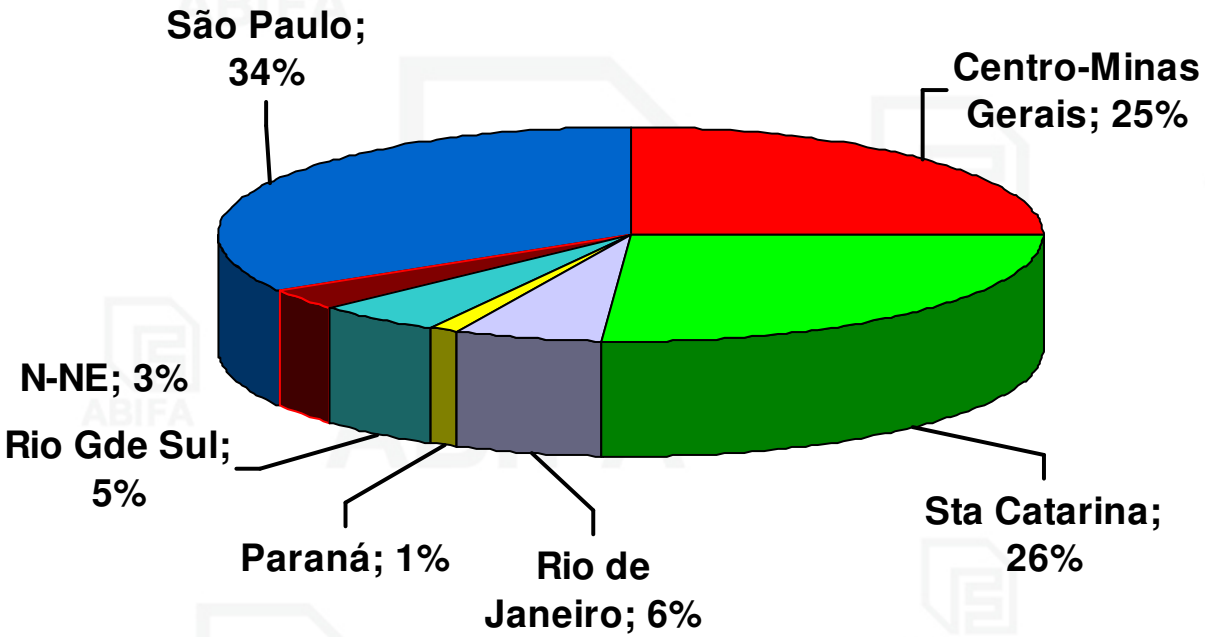
Foundry in BRAZIL
Regional Production



South + Southeast = 91%

Foundry Industry
World Production

	2010*
• 1 º CHINA	39.600.000
• 2 º INDIA	9.050.000
• 3 º USA	8.232.233
• 4 º GERMANY	4.794.179
• 5 º JAPAN	4.757.999
• 6 º RUSSIA	4.200.000
• 7 º BRAZIL	3.240.978
• 8 º KOREA	2.233.600
• 9 º ITALY	1.970.662
• 10 º FRANCE	1.956.966
• 11 º MEXICO	1.651.679
• 12 º TURKEY	1.300.769

* Source: Modern Casting/Dec 2011

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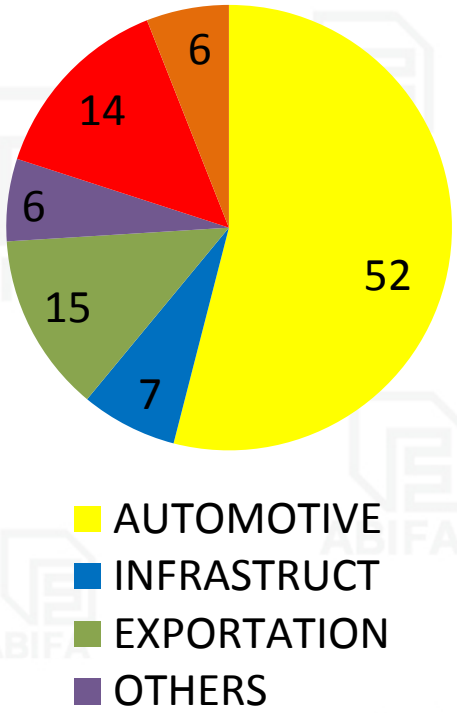
Foundry Industry
Iron Casting – Characteristics

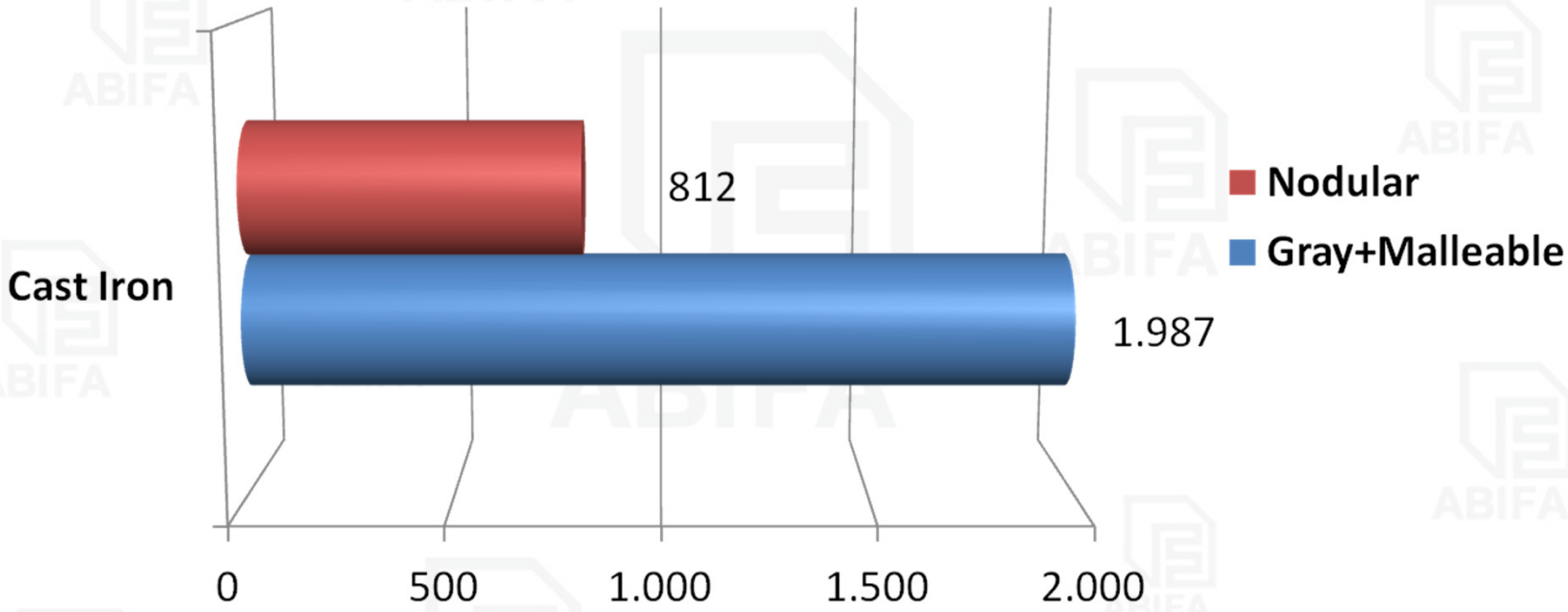
BASE YEAR	2011
Sales Revenue billion	US$ 7.07
Direct Jobs (thousand)	48.14
Production t/year	2.8Million
Installed Capacity t/year	3.9Million
Nb. of Companies	521 – 95% Small/Medium

Distribution of the Production



7th. World Production

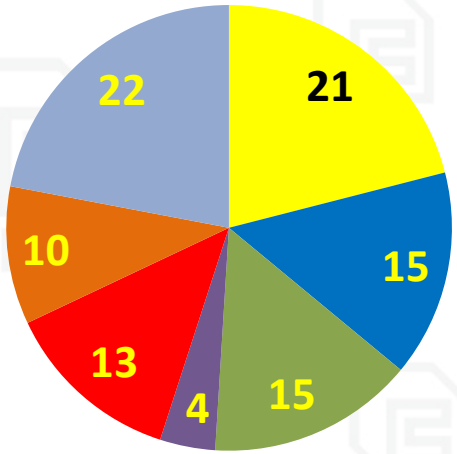
Foundry Industry
Gray Iron + malleable / nodular (2011)
unit: thousand ton



Foundry Industry
Steel Casting - Characteristics

BASE YEAR	2011
Sales Revenue billion	US$ 1.96
Directs Job (thousand)	4.28
Production thousand t/year	270.0
Installed Capacity (th) t/year	420
Nb. of Companies	192 – 95% Small/Medium

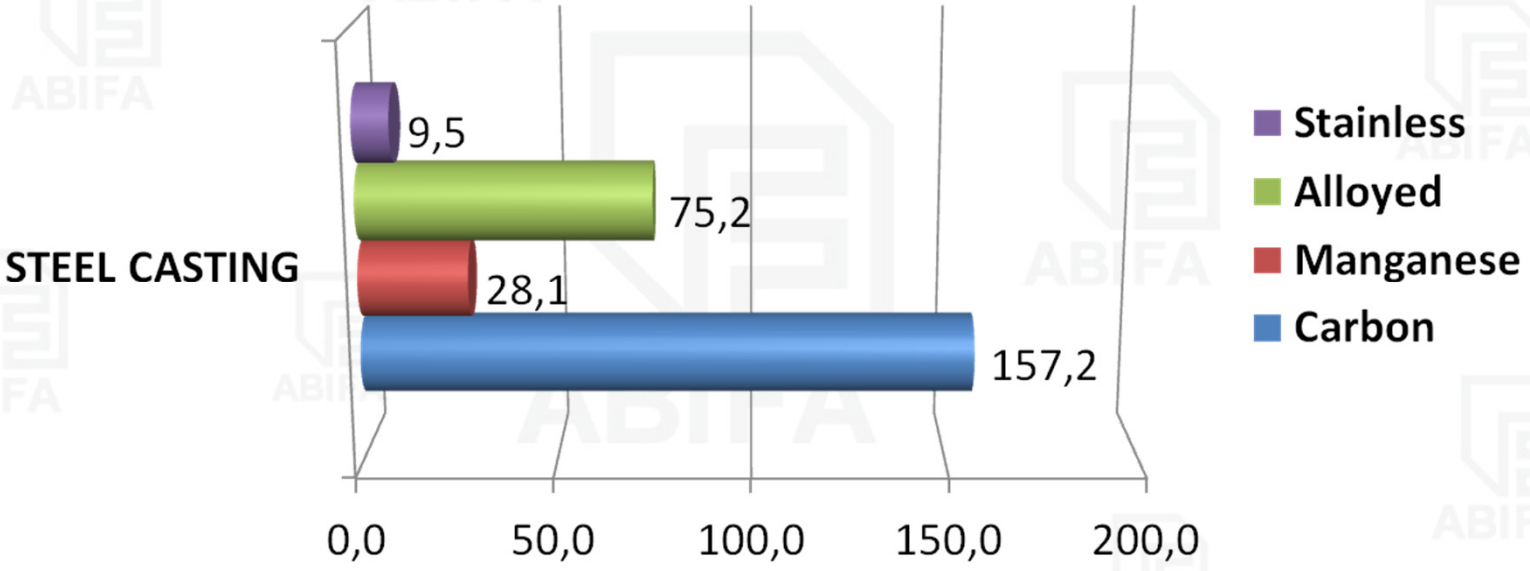
Distribution of the Production



AUTOMOTIVE
MINING
EXPORTS
OTHERS
CAP GOODS
SIDERURGY
RAILWAY

6th. World Production

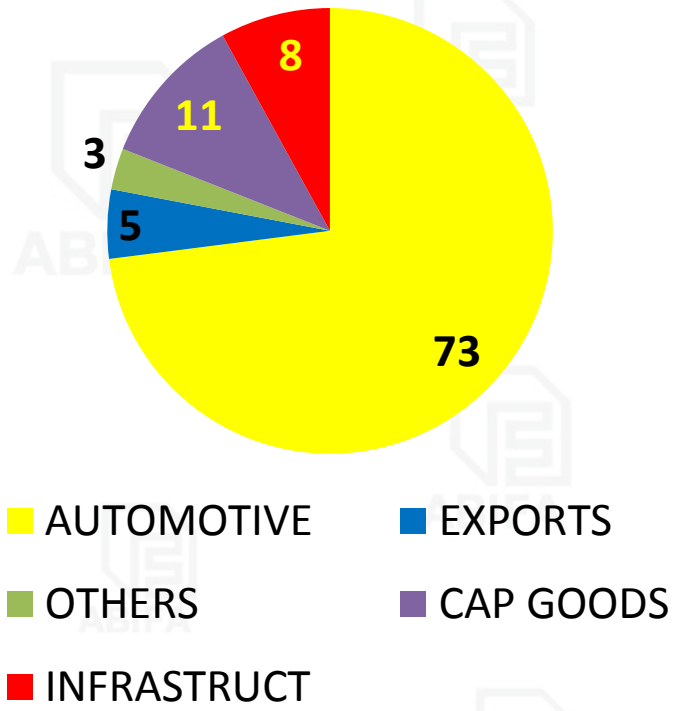
Foundry Industry
Carbon Steel Casting/Manganese/Stainless (2011)
unit: thousand ton



Foundry Industry
Aluminum Casting – Characteristics

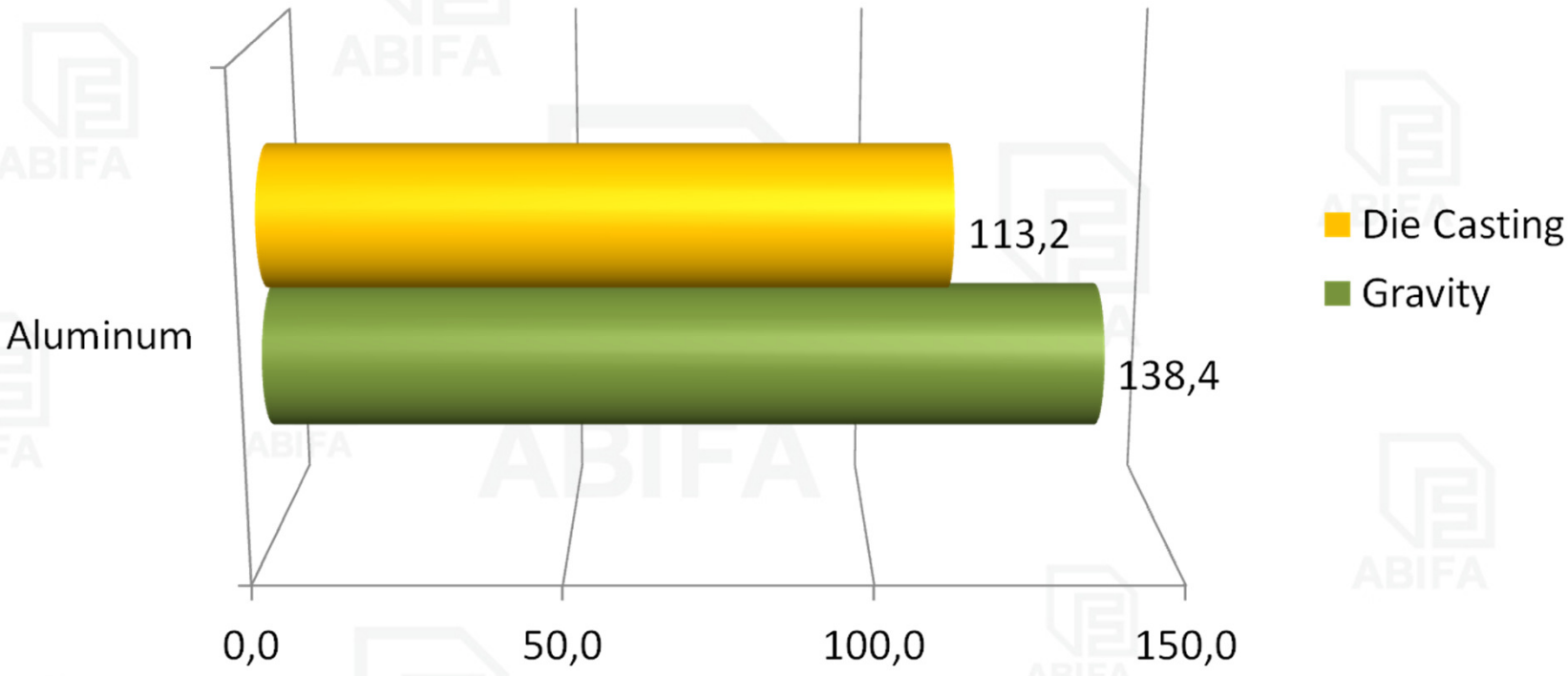
BASE YEAR	2011
Sales Revenue billion	US$3.99
Directs Job (thousand)	4.5
Production th t/year	252
Instal. Cap. th t/year	370
Nb. of Companies	334 – 95% Small/Medium

Distribution of the Production



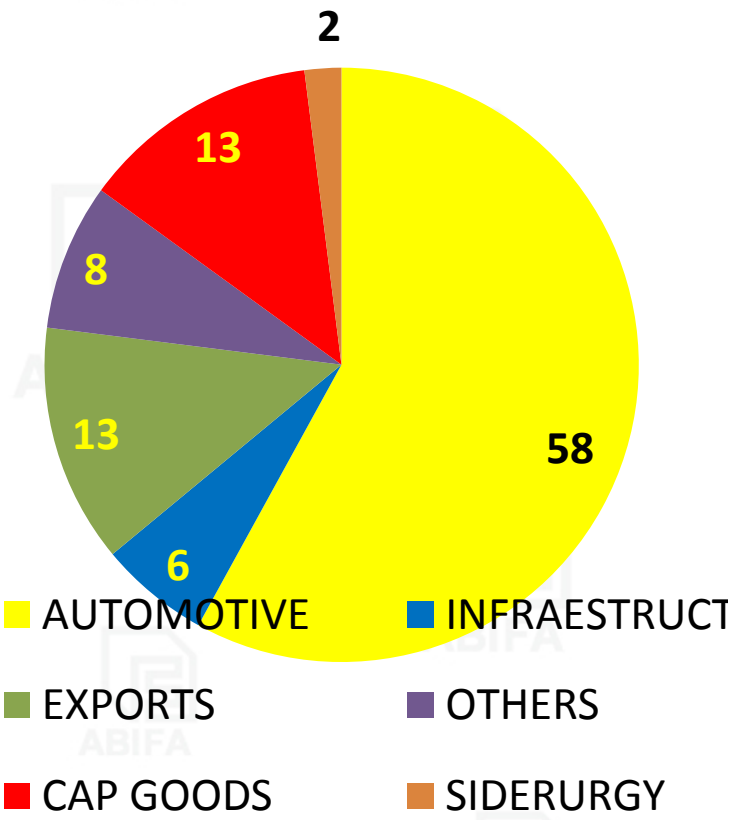
10st. World Production

Foundry Industry
Aluminum Die Casting / Gravity (2011)
unit: thousand ton



Foundry Industry
General Characteristics (Iron+Steel+Non Ferrous)

BASE YEAR	2011
Sales Revenue billion	US$ 13.3
Directs Job (thousand)	67.8
Production Million (t/year)	3.3
Installed Capacity (t/year)	4.7 million 2011
Companies	1325 95% Small/Medium



7th. World Production

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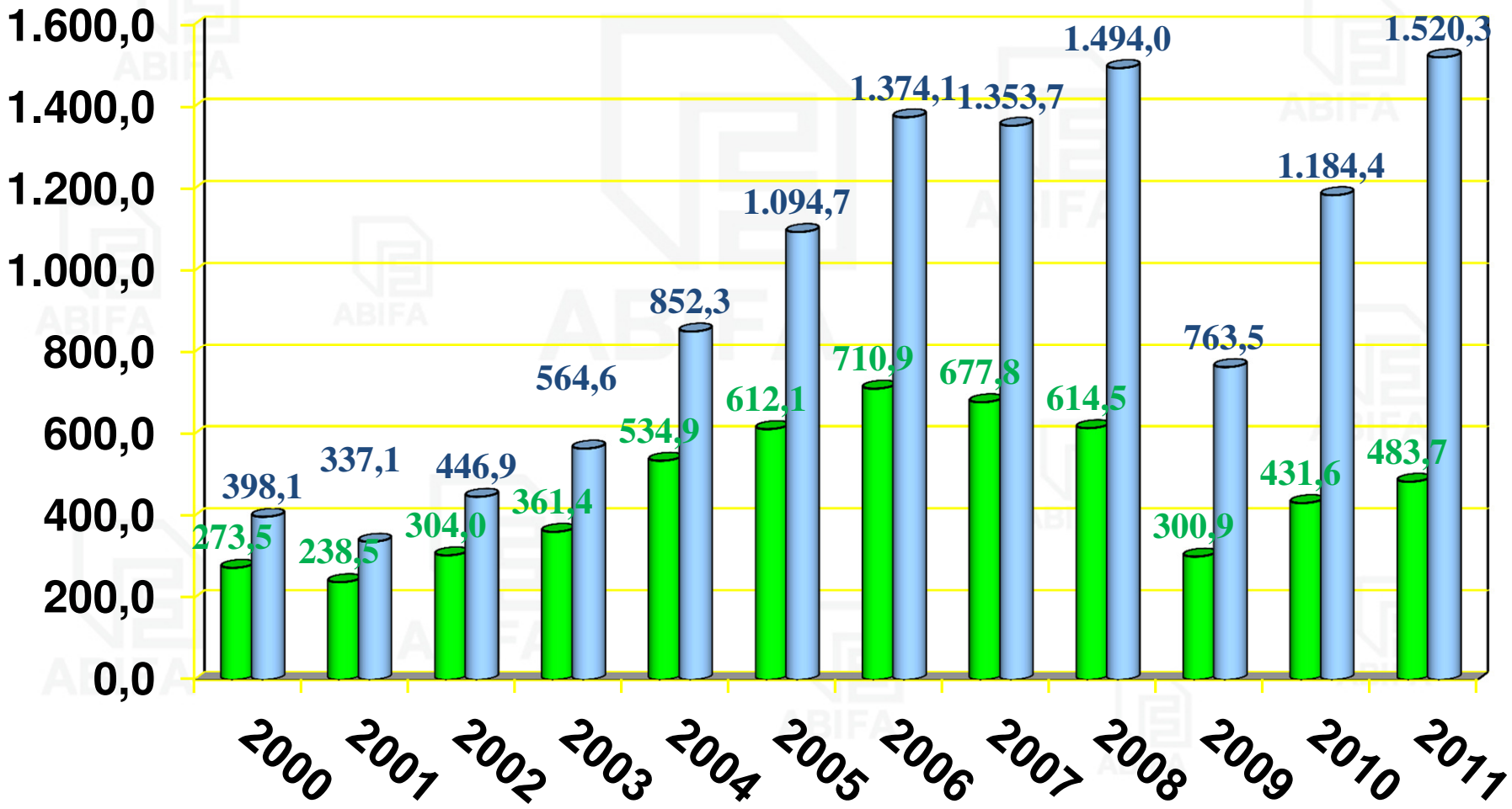
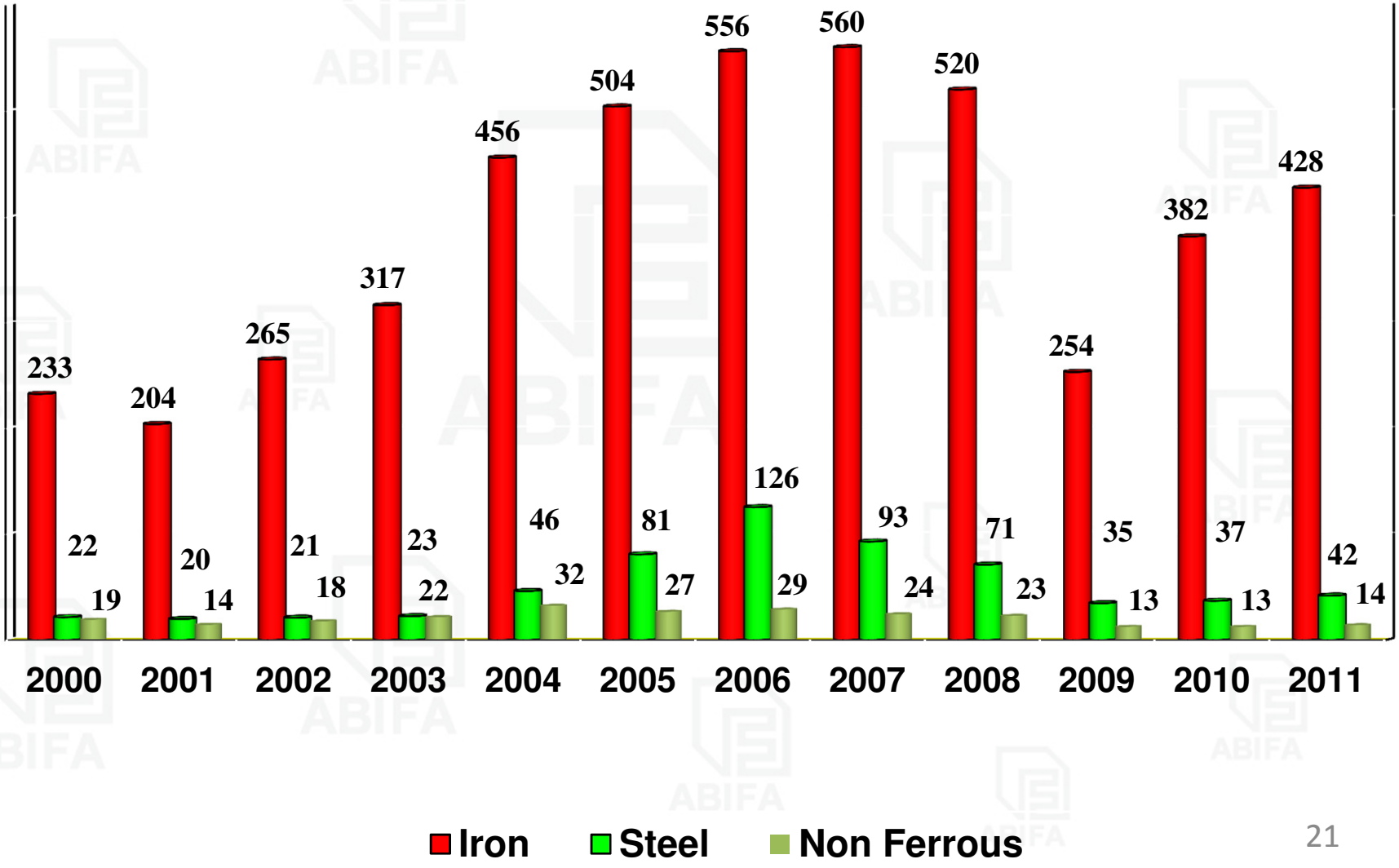
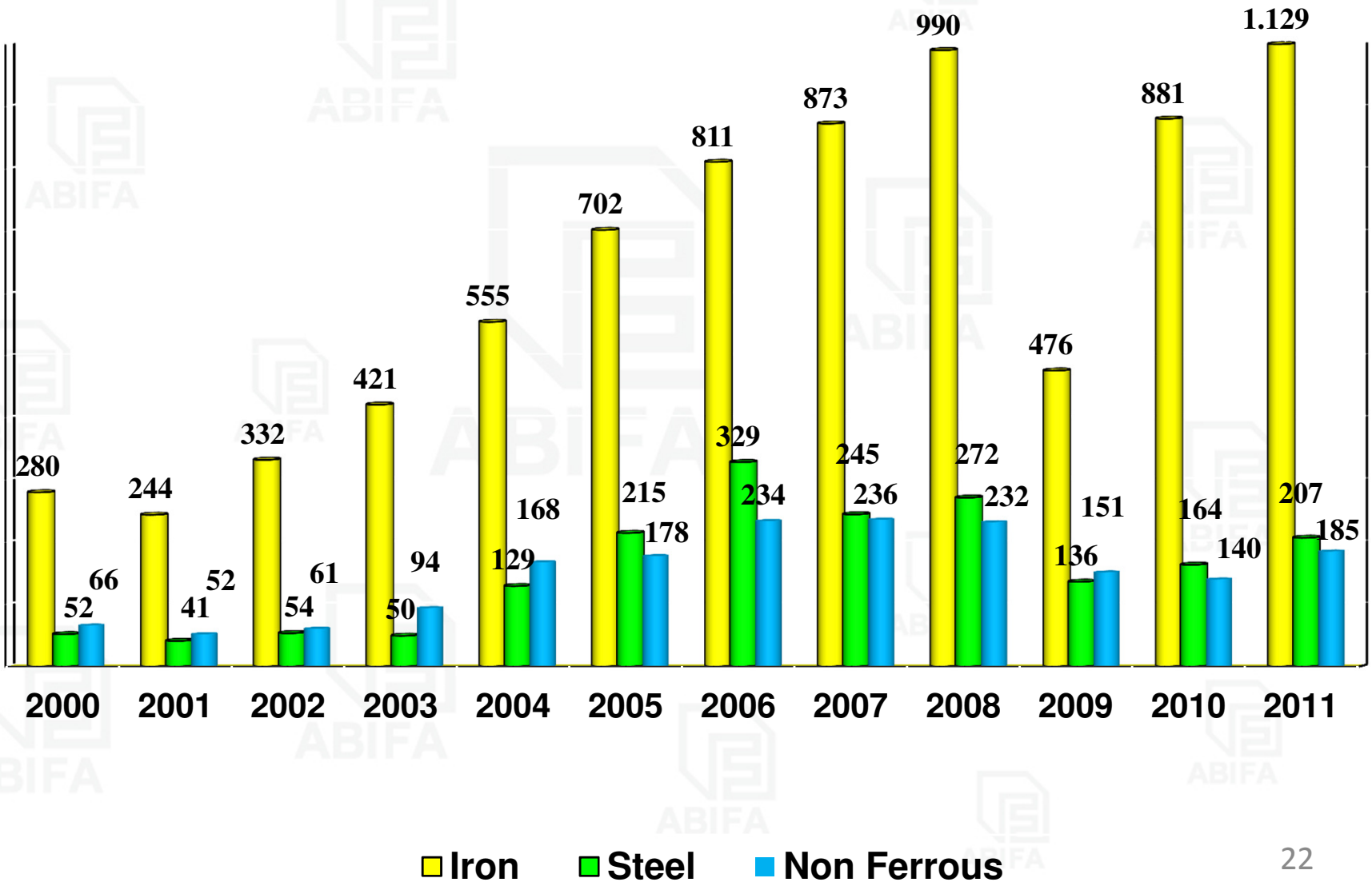
Foundry Industry
Metalcasting Exports – ton and thousand US$ (2000-11)
Iron + Steel + Non Ferrous



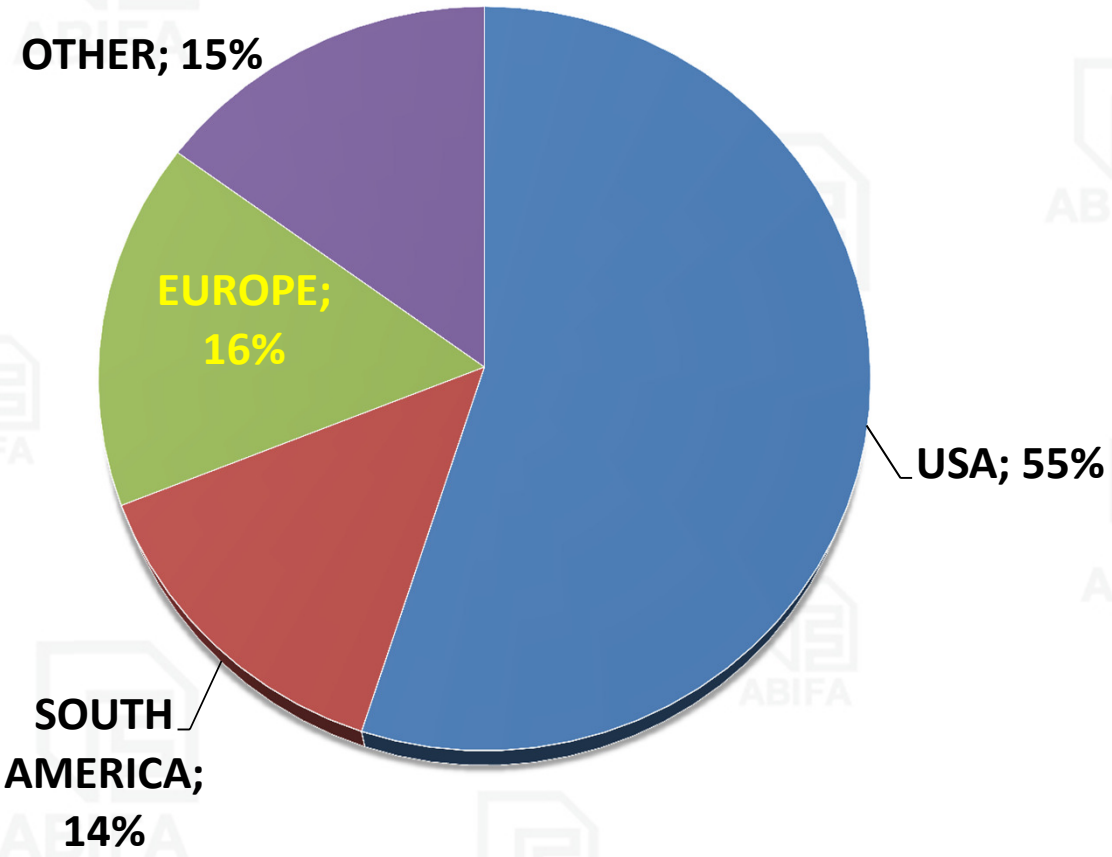
Foundry Industry
Exports by Metal – ton (2000-11)
(Iron, Steel and Non Ferrous)



Foundry Industry
Metalcasting Exports by Metal – (thousand US$)
Iron, Steel and Non Ferrous



Foundry Industry
Exports by Destination – US$ - %
Iron + Steel + Non Ferrous



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Necessary Investments (2012 – 2016)

Considerations:

- **Vehicle Production - Domestic Demand expected to be at 2020 = 6.3 million vehicles**
- **Considering the positive effects of it in the domestic production of machinery and other sectors of the foundry customers**
- **Considering investments in infrastructure for international events in Brazil (FIFA World Cup – 2014 and Olympic Games – 2016)**
- **Considering investments in Petrochemical Industry, pre-salt and Transports**

Foundry Industry
Necessary Investments (2012 – 2016)

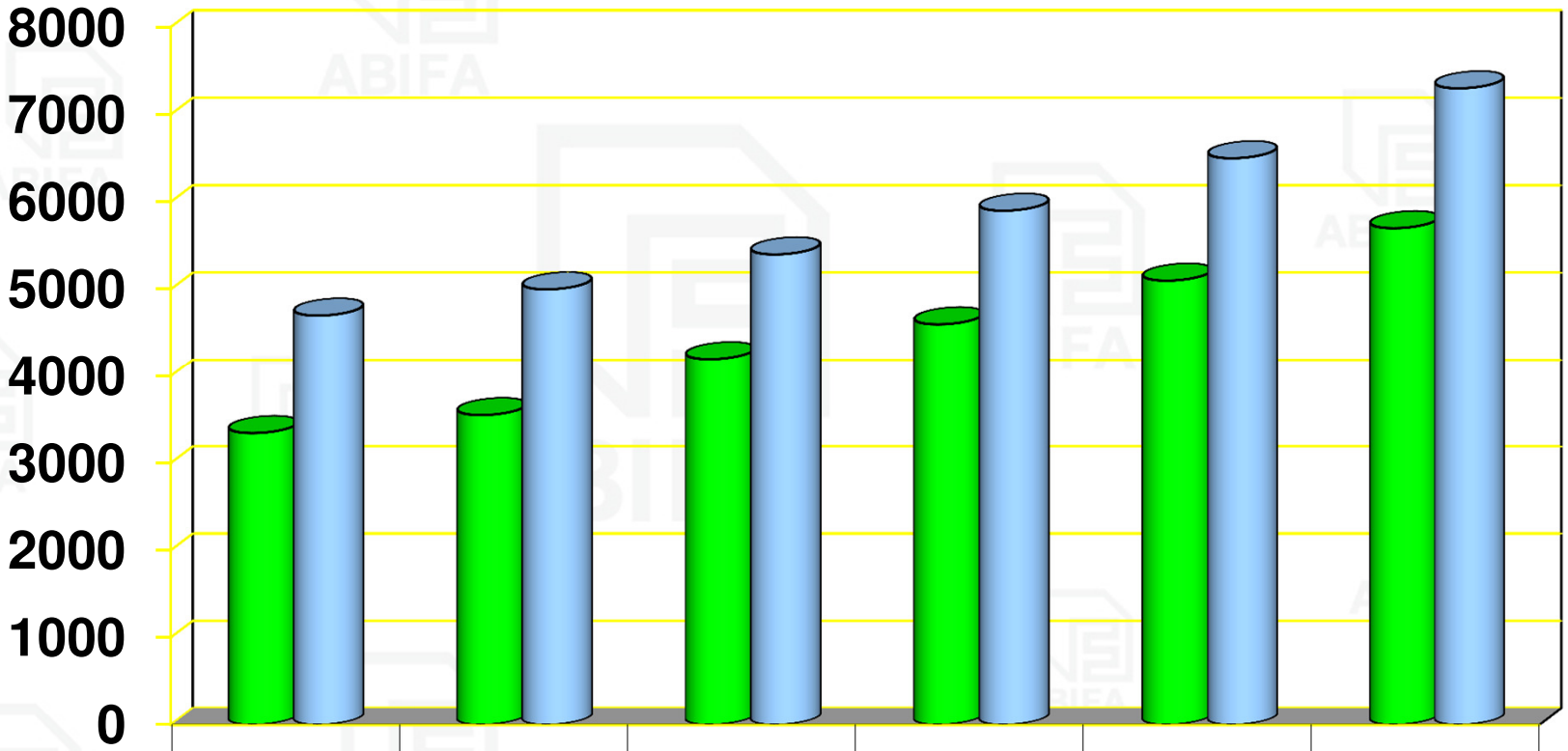
- Cast Iron : 2.7 billion US$ - > Installed Capacity + 2,100 th ton
- Steel Casting : 150 million US$ - > Installed Capacity + 110 th ton
- Aluminum : 800 million US$ - > Installed Capacity + 260 th ton
- Other Non Ferrous: 100 million US$ - > Installed Capacity + 30 th ton
- **Total : 3.75 billion US$ - > Installed Capacity + 2,500 th ton**

PRODUCTION FORCAST – 2012

METALS (t)	%	FORCAST	INSTALLED CAPACITY	OCCUPANCY RATE
IRON	5	2940	4200	70%
STEEL	15	310	420	74%
NON FERROUS	9.5	300	380	79%
TOTAL	6	3550	5000	71%

Foundry Industry

Production x Installed Capacity (ton)



	2011	2012	2013	2014	2015	2016
production	3344	3550	4200	4600	5100	5700
instal cap	4700	5000	5400	5900	6500	7300

FOUNDRY

A Brazilian vocation always presents but we rarely perceive.

THANK YOU !

謝謝

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