

# Is Brazil Making a Comeback?

## A Short View About the Local Fasteners Market in 2024

Article by Sergio Milatias, editor of 'Revista do Parafuso' (The Fastener Brazilian Magazine)

Although written in November – and therefore with incomplete data throughout 2024 – the aim of this article is to show a summary of what happened in Brazil over some industrial sectors, where a lot of fasteners are consumed and therefore are very representative for the players in the supply chain that involves screws, bolts, nuts, washers, rivets, and others, in addition to technological services, coatings, and final application.

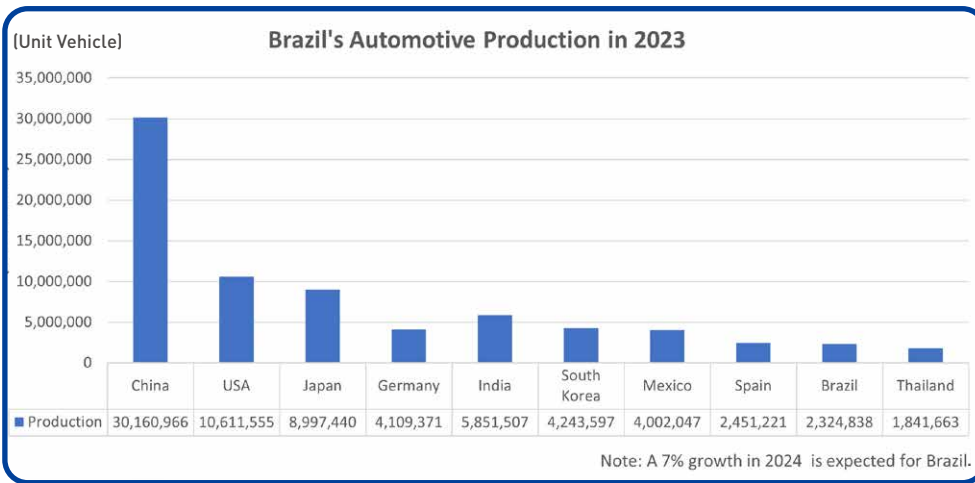
First, it is important to mention that the production volume of the domestic steel sector in Q1 and Q3 2024 was 25.2 million tons of steel, 4.26% higher than the same period in 2023, which in turn closed the year with 32 million tons.

**Partially following the Brazilian industrial production, among automobiles, motorcycles, home appliances and electronics products, the scenario is of very robust performances, reflecting a great end to 2024, and even better for 2025, 'if nothing breaks along the way' over the economic and political macroenvironment, nationally and internationally.**



### Automobiles

On global automotive production ranking, Brazil was among the top 10 in 2023:



It is estimated that each passenger car (not electric) requires 30 kg of fasteners, which indicates **an apparent annual consumption around 7.4 million tons of screws, bolts, nuts and similar products, produced in and outside of Brazil.** In addition, there is robust consumption in the aftermarket, currently with 122,259,745 vehicles (editor's note: including all types) in circulation in the country. (Editor's note: for automobiles, the number of circulation is 62,718,052 vehicles, according to the Brazilian Transport Ministry)

Brazil and other countries have not yet recovered to the levels produced in 2019. On the other hand, the car prices have risen significantly. By comparison, until 2020 in the US there were 17 car models priced under US\$ 20 thousand, and today there are only six models, according to <https://jalopnik.com/>

Added to this, car purchases by young people are falling, who in turn increasingly choose to use public transportation and app-based taxis. It is also worth noting that the drop attributed to high prices is significant in Brazil, where the average income is low, currently at US\$ 10.3 thousand per capita, even though it is the 8th largest global economy in absolute numbers, with US\$ 2.173 trillion in GDP in 2023.



### Motorcycles

Unlike the segment of 4-wheeled or more vehicles, the 2-wheeled sector, motorcycles, is living its golden years. After producing 1.573 million units in 2023, surpassing 1.511 million units in 2014 (namely before the 2015-2017 recession), between Q1-Q3 2024 more than 1.323 million units were assembled, 11% higher than the same period in 2023, an expansion apparently driven by the growth of delivery services in the country. **Projecting to the end of this year with 1.745 million motorcycles, and multiplying 6 kg of fasteners used per vehicle, apparent fastener consumption in assembly lines should be around 10 thousand tons,** excluding the aftermarket involving 33,896,833 motorcycles in circulation in the country.



### Home Electronic Appliances

Between Q1 and Q2 2024, sales of home electronic appliances in Brazil increased by 34% compared to the same period in 2023. This is the highest level historically, according to Association of Electronics Manufacturers (Eletros) on Forbes Brazil website.

On average, 12.9 million units have been sold per year, specifically among washing machines, stoves and refrigerators, and in the recent Q1 and Q2 2024 there were 7.3 million more units, 16% more than the same period in 2023. Represented by 33 companies, this sector is equivalent to 3% of the national GDP, with 200 thousand direct jobs shared among 51 factories in the country.

In short, all these sectors are strong consumers of fasteners, and note that we have not mentioned the construction and renovation sector of residential, commercial and industrial properties, which represents around 10% of the GDP, as well as oil & gas, energy from hydroelectric, wind power, and solar sectors. ■