

Brazil's Oil, Gas Sector Seeks Suppliers

There are "good opportunities" for Canadian suppliers to Brazil's oil and gas conglomerate, Petrobras, according to information recently received from the Canadian Consulate General in Sao Paulo.

However, says the report, despite the obvious willingness of Petrobras to source from abroad, Canada has not been a significant player in this market.

The main reason for this relatively low level of imports from Canada, the report speculates, is the lack of Canadian companies actually coming to Brazil to meet with Petrobras engineers and technicians to explain what products and services Canada has to offer.

Another reason may be the lack of offshore financing on large investment projects.

Nevertheless, the fact remains that Petrobras requires advanced technologies with competitive pricing and increasingly is going international for procurement. It is also streamlining bureaucratic sourcing procedures and attempting to create a friendlier, less-protectionist image.

One step in this direction is that individual Petrobras offices throughout Brazil now have a computerized sourcing network allowing them to draw up a pre-qualified list of suppliers (both international and domestic) and to contact them directly with invitations for tenders.

To be on the network, companies must complete registration procedures and be approved. Part of the registration process includes provision of detailed information on quality assurance programs and standards. Afterwards, any requirement for equipment and materials is sourced through the databank.

Companies seeking more information on this databank should

contact Marco Antonio Lamas de Farias, Manager, Technical Qualifications, Materials and Purchasing (Sermat), Petrobras, Av. Chile 65, Sala 613, Rio de Janeiro, RJ, Cep 20035, Brazil. Fax: (55-21) 262-0145.

Another step has been the establishment by Petrobras of a new affiliate office in Houston, Texas which is responsible for procure-

ment out of North America.

While the Petrobras head office is the final authority for all procurement, Canadian exporters should also make the Houston office aware of their interests.

The contact is Wagner Friere, General Manager, Petrobras America Inc., 10777 Westheimer Road, Suite 626, Houston, Texas 77042, U.S.A. Fax: 781-9790.

Brazil's Autoparts Market Now Open for Business

The Brazilian automobile and parts import market, which was for a long time closed or subjected to heavy duties by the government, has re-opened to international competition.

Brazilian automobile manufacturers have begun to draw up a list of parts suppliers and the time is ripe for Canadian autoparts manufacturers to enter this market, according to a January 1991 report, *Market Study on the Automotive Industry in Brazil* (#98-LA), available through Info Export (see box page 12).

There is a good opportunity for parts exports to Brazil because studies indicate that Brazilian parts are very expensive and not always of good quality — owing to taxes, the high inflation rate and the often outdated equipment.

Brazil has 1,500 auto parts manufacturers, but 550 of them account for 90 per cent of production. In 1989, these companies, which are 70 per cent Brazilian, had revenues of US\$13.9 billion and exports valued at US\$2.4 billion.

On average, Brazil manufactures 1,030,000 automobiles and 42,000 tractors annually, of which one

third are sold in Brazil and the rest exported. In 1988, automobile imports were valued at US\$695 million. There are an estimated 13,800,000 vehicles in circulation in Brazil, or 3.9 per 1,000 inhabitants.

Canadian exporters can also consider joining with Brazilian companies or studying the possibility of technology transfers through the Brazilian Institute of Intellectual Property.

The Brazilian government, recognizing that carbon monoxide pollution has reached critical levels, will oblige all producers to equip their vehicles with antipollution systems by 1993.

For further information on opportunities in Brazil's automobile parts market, contact The Canadian Consulate General, Caixa Postal 22002, 01499 Sao Paulo, SP, Brazil. Tel.: (011-55-11) 287-2122. Fax: (011-55-11) 251-5057.

Readers may also contact Francis Uy or Mr Sven Blake, Latin American and Caribbean Trade Division (LGT), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-4199. Fax: (613) 943-8806.