

BRAZIL

OVERVIEW

Market size: The total domestic retail market for furniture (1992) was down 30% from the previous year (1991), and is estimated at C\$ 3.52 billion. Of this market, the office furniture market occupies 20% of this market. This translates into an estimated C\$ 700 million.

The only projected area of growth is in Brazilian exports, as the local market for office furniture has contracted with the ongoing recession.

SOURCES OF SUPPLY

The domestic industry is very strong in Brazil; an estimated 5% of the total market is devoted to imports. These imports fall into two categories - high-priced specialty furniture and ultra cheap plastic items; office furniture imports are minimal.

For wood office furniture, total value of imports was approximately C\$ 120,000. 60% of the imports came from Sweden, followed by U.S., China, Japan, Argentina, Germany, and Portugal.

Metal office furniture imports totalled approximately C\$ 20,000. 50% of this came from imports from the U.S., followed by Argentina, Germany, Taiwan, and Italy.

Parts of furniture dominate the furniture imports market, at an estimated C\$ 300,000. 40% of this import market comes from the U.S., 30% from France, followed by Italy, Germany, Sweden, and Argentina.

BUSINESS ENVIRONMENT

In Brazil, agents/distributor contacts are very fragmented, and vary according to the product. The mission in Sao Paulo will provide contacts on demand those Canadian exporters interested in the Brazilian market.

The language of business and promotional material is Portuguese. In the absence of Portuguese, English and Spanish are used.

There are considerable tariff barriers for importing goods: an import tax of 20% as well as 7 other taxes and charges can greatly increase the cost of imported items.

There are no local certification requirements, although there is a preference for furniture-making machinery that meets ISO 9000 standards.

Joint ventures with local manufacturers, who are always interested in new models and/or production technologies, could be explored. Many Italian designers are switching to local