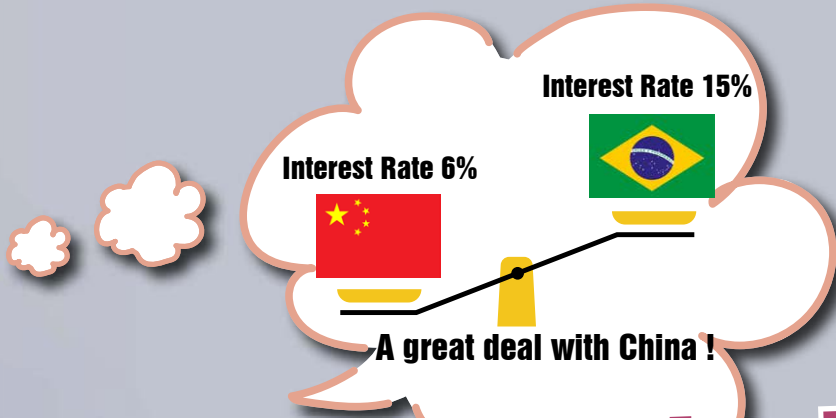




Money, but 'Made in China'

Since almost all manufactured goods come from China, Brazilian entrepreneurs could potentially import Chinese capital, paying interest rates as low as 3% per year.

This article aims to highlight the subtle challenges faced by Brazilian industrial production, especially in the context of Brazil's high interest rates. The market we operate in—companies and professionals involved, directly or indirectly, with mechanical fastening systems—projects that 2026 will be quite similar to 2025, with a lukewarm outlook due to persistently high interest rates. Notably, 2026 will be an election year, including the presidential vote. One of the most significant markets demanding fasteners is the automotive sector, covering both two-wheelers and other vehicles. Comparing local production volumes for Q1 through Q3 of 2024 versus 2025, as well as the total figures from the previous year, reveals some insights. The domestic motorcycle industry has no reason to complain. With year-on-year growth, production is projected to exceed last year's 1.748 million units, reaching 1.8 million motorcycles in 2025. Assuming an average of 6 kg of fasteners per motorcycle, the total apparent fastener consumption should exceed eleven thousand tons annually—similar estimates apply to other vehicle categories in the following paragraph.

In 2024, production of all types of vehicles totaled 2,549,595 units (Table 1). Considering an average of 28 kg of fasteners per car, light passenger and commercial vehicles generated an apparent fastener consumption of around 66,000 tons. Trucks, with an estimated 141,252 units at 180 kg of fasteners each (regardless of body type), accounted for approximately 25,000 tons. Buses, averaging 200 kg per unit, consumed about 5,500 tons across 27,197 units.

Table 1. Brazil's Production (Unit: Vehicle; All Vehicle Types)

Production Period	2024 (Q1-Q3)	2025 (Q1-Q3)	2024 (Full Year)
Motorcycles	1,233,327	1,496,169	1,748,317
Automobiles	1,986,625	1,874,204	2,549,595
Passengers/ Commercial light	1,750,396	1,863,963	2,380,594
Trucks	98,632	102,611	141,252
Buses	24,030	21,197	27,749

The freight vehicle sector experienced a 3.9% decline from Q1 to Q3 2025 compared to the same period in 2024. Light commercial vehicles declined by 5.2%, while heavy trucks faced a steep 16.7% drop, likely due to sharply rising interest rates of 15% per year. One key point is that domestic fastener production is surviving in a challenging environment, paying significantly more for everything it consumes—including capital. Brazil's annual bank interest rate is the highest among the world's top ten countries by gross domestic product (GDP) per capita (Table 2), as noted in a recent article by Ricardo Castelhana, CEO of Jomarca Industrial de Parafusos. Coincidentally, these ten countries are also the largest global automotive production hubs.

Brazilian fastener imports are expected to hit a record of about US\$1.3 billion by the year-end.

Table 2. Top 10 Global Economies in 2024
(Ranking by Annual Interest Rate)

Country	Annual GDP (Trillion USD)	Annual Interest Rate (%)
Brazil	2.17	15.0
India	3.88	5.0
USA	29.16	4.5
UK	3.33	4.2
China	18.27	3.0
France	3.04	2.4
Germany	4.71	2.1
Canada	2.17	2.7
Italy	2.18	2.1
Japan	4.07	0.5

Given that Brazil's interest rates starting at 15% per year make purchasing cars, motorcycles, or even modern machinery for fastener production nearly prohibitive, the economy remains sluggish as a result. Since we import nearly everything from China, why not consider importing money "Made in China"? This may sound absurd, but with Chinese banks charging as low as 3% interest, even after additional fees doubling that amount to 6% per year, such a rate would still be a bargain for both Brazilian and Chinese banks. This would truly be a "Negócio da China" (a popular Brazilian term meaning a great deal).

If this scenario became reality, it would dramatically boost the competitiveness of Brazil's national industry, surprising many—including China itself. ■

Sources:

www.anfavea.com.br, www.abraciclo.com.br and <https://www.calameo.com/read/006171191226bc0e91bca> ['Anuário do Parafuso' , 2021 issue]

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