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## MANUFACTURING - CONSTRUCTION SECTOR

Brazil has been less seriously affected by the global recession than many other parts of the world and has a growing domestic market for construction equipment. Many global OEMS such as JCB, Komatsu, Perkins Engines and Caterpillar have a strong, and in many cases growing, manufacturing base in Brazil. The Brazilian government both nationally and at state level is responsible for the financing of many infrastructure projects. However, there is an increasing trend towards PPP (public private partnership) and BOT (build, operate, transfer) projects. The 2016 Olympics and the 2014 World Cup will both require a huge investment in infrastructure.

Major contractors include Odebrecht, Andrade Gutierrez, and Caenge Ambiental. The Brazilian army is responsible for the implementation of much of the infrastructure development in Brazil away from the metropolitan areas - especially in remote areas - and is therefore a major purchaser of construction equipment. Its activities include highways, railroads, airports, bridges and viaducts, tunnels, telegraph lines, wells, schools and residences, barracks, weirs and dams, and ports.

SOBRATEMA ([www.sobratema.org.br](http://www.sobratema.org.br)) is the Brazilian Association for Equipment and Maintenance Technology. It carries out regular, detailed studies and forecasts for the Brazilian market for construction equipment; the latest study covers 2008-2013 and is published in full on the website. Consecutive studies indicate continuing strong growth in the sector: 77,000 units of construction equipment were sold in Brazil in 2011; the forecasts are for 85,000 units in 2012, increasing to 119,000 units for 2015. These units include backhoe loaders, track-type tractors, compactors, hydraulic excavators, wheel loaders, power- graders, skid steers, off-highway trucks, trucks for construction, heavy wheel tractors, tower cranes, cranes, aerial work platforms, compressors, carrying shovels and derricks. 44% of these units are used for infrastructure projects, 37% for civil construction, 14% in mining, 5% in agriculture.

The leading manufacturers of machinery used for road construction and other urban infrastructure projects belong to CSMR, the Sector Chamber for Road Building Machinery of ABIMAQ. All members have industrial plants in Brazil, located in the South and Southeast, with concentration in the states of São Paulo, Paraná, Minas Gerais and Rio Grande do Sul; together these companies employ over 10,000 people.