

Brazilian Auto Sales Fall During 1st Half of October

SAO PAULO—Brazilian auto sales continued to decline in October from tax-cut induced purchases earlier this year, auto-dealer association Fenabrave said Thursday.

Auto sales during the first half of October declined 7.7% from the first half of September, and dropped 5.1% from the same period in October 2011, Fenabrave said on its website. Sales of 228,399 cars, trucks, buses and motorcycles fell short of expectations by MB Associados, which provides estimates for Fenabrave. It forecast sales of 236,400 vehicles during the first half of the month.

After sales slumped in the first half of this year, the government reduced taxes on car sales in May. The tax cuts, set to expire at the end of August, led to record sales that month. The cuts were extended for two months and, according to local news reports, may be extended again through the end of this year. Trade Minister Fernando Pimentel said Thursday during a radio program, however, that as economic growth improves, the country may not need as many stimulus measures as it put in place at the start of the year.

Though truck and bus sales improved on the month, they continued to drag down sales for the year, Fenabrave said. Truck and bus sales during the first two weeks of October climbed 8% from September, but were down 31% in comparison with 2011.

Sales of passenger cars and light commercial vehicles, meanwhile, slumped 10% in comparison with September, but climbed 5% from the 2011 period.

So far this year, car and light truck sales are up 5.5% from the same period in 2011, while overall sales including heavy trucks, buses and motorcycles are down 2.1%. Fenabrave expects overall sales to inch up 0.2% this year, with car and light commercial vehicle sales jumping 8.1%.