
Usiminas and CSN to benefit most from tax break extension

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BNamericas quoted Mr Leonardo Alves analyst with the Link financial house as saying that Brazilian steelmakers Usiminas and CSN will benefit the most from the Brazilian government's extension of tax breaks for cars and appliances.

On June 29th 2009, the Brazilian government announced that tax reductions and exemptions on automobiles and appliances would be extended.

In effect since December in order to boost demand, Mr Alves said thanks to the tax breaks Brazil's auto market will likely break sales records with an expected 1.4 million units in the first half of the year. He said that "There is no denying that the effects of tax reductions have been fantastic for the steel and auto sectors."

He said that taxes on small vehicles will return in October at 1.5% and increase in November to 3%. But the 7% that used to be taxed on passenger cars will only return at the start of 2010. Taxes on trucks and appliances will also return at the start of next year.

(Sourced from www.bnamericas.com)

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