

Grupo Elektra May Begin Selling Motorcycles in Brazil Next Year

Bloomberg News
2008-09-10
By Hugh Collins

Sept. 10 (Bloomberg) -- Grupo Elektra SA, Mexico's largest electronics retailer, plans to begin selling motorcycles in Brazil next year and may build an assembly plant there by 2010 or 2011, the chief executive officer of its motorcycle unit said.

Italika plans to sell 225,000 motorcycles in Mexico this year and may increase its market share by 3 percentage points to 53 percent, Chief Executive Officer Alberto Tanus said today.

Elektra, based in Mexico City, has plans to open 1,500 stores in Brazil over the next five years to make the country its largest market. Beginning motorcycle sales there would expand the company's offerings beyond stereos, televisions, refrigerators and other home appliances.

Tanus said today that an Italika assembly plant in the city of Toluca, northwest of Mexico City, will produce 100,000 motorcycles this year and 150,000 next year.

The 500 workers at the \$16 million Toluca plant, in operation since March, assemble parts made by China's Loncin Group Co. into motorcycles. Italika also imports fully assembled motorcycles from Loncin's factories in China.