Fiscal barriers for promoting cycling in Brasil

Daniel Guth
Velocity, 2018
VELO-CITY 2018
ACCESS TO LIFE
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Access to cycling

#1 – Having a bicycle

- Mobility as a human right (inclusion)
- Bicycle industry development/policies
- Fiscal policies
- Urban agendas and infrastructure
- Active mobility promotion and advocacy
Access to cycling

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In the early twentieth century, in Brazil, bicycles cost the same as grand pianos. Until 50’s, bikes were considered a luxury item, from the elite.
Caloi factory, 1948 (Brooklin, São Paulo)
1950’s, 1960’s and 1970’s: Three decades of fast and intense access to bicycle and its popularization as a mean of transportation in Brasil.
297
Unidades
Fabris

7.028
EMPREGOS
DIRETOS

5.178.356
BICICLETAS
PRODUZIDAS

40.544.797
PEÇAS E ACESSÓRIOS
PRODUZIDOS

R$ 728.320.000
RESULTANTES DA FABRICAÇÃO DE BICICLETAS

R$ 134.006.000
RESULTANTES DA FABRICAÇÃO DE PEÇAS E ACESSÓRIOS
Manufacturing units in Brasil
Bicycle production in Brasil (2005-2015)
Brazil plays an important role in bicycle production

- Young Market
- Only 0.12% of all bicycles are exported
- Almost 100% domestic destination
- 95.3% are manufactured and 4.7% are imported
- Production and manufacturing units spread throughout the territory
- 80 to 100 million bicycles accumulated
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Huge growth potential
In order to increase access to bicycles, it is important to have fiscal policies and subsidies.

On average, 72.3% of the cost of a bicycle in Brazil is taxes.
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<table>
<thead>
<tr>
<th>Taxes</th>
<th>National bicycles w/ imported parts (PIM)</th>
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<th>National bicycles rest of Brasil</th>
<th>Imported bicycles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import tax</td>
<td>4,20%</td>
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<td>17,60%</td>
<td>35%</td>
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<tr>
<td>IPI (industrialized)</td>
<td>4,20%</td>
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<td>10,00%</td>
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<td>PIS/COFINS</td>
<td>14,20%</td>
<td>7,90%</td>
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<td>ICMS (circulation)</td>
<td>18,00%</td>
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<td>TOTAL</td>
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Brazilian cyclists, on average, have incomes lower than the national average.

Fonte: IBGE (2010)
Conclusions

- For complex problems there are no simple solutions. We have to use a set of policies to stimulate urban cycling.
- Access is a strategic issue.
- Fiscal policies could be an important vector for stimulating access and promoting cycling, specially between those who need more.
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