



Investing in Brazil

Trade and Promotion Department .
Consulate General of Brazil in Chicago



Country Facts and Key Data

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- Population: 200 million of people (2010Census)
- Share Borders with 10 countries.
- Largest cities: São Paulo (11,3 million habitants) and Rio de Janeiro (6,4 million).
- 12% of the earth's fresh water reserves.
- Iron ore: world's second largest reserve (29 billion metric tons).
- Host to the 2014 World Cup and the 2016 Olympics.

Country Facts and Key Data

- 3rd main market for biodiesel.
- 3rd main aircraft producer and top producer of models seating up to 120 passengers.
- 4th largest market for cell phones, automobiles and TV sets.
- 5th largest market for medical equipment.
- 60% of all R&D investment in Latin America is allocated in Brazil.
- 161 tech parks in operation.

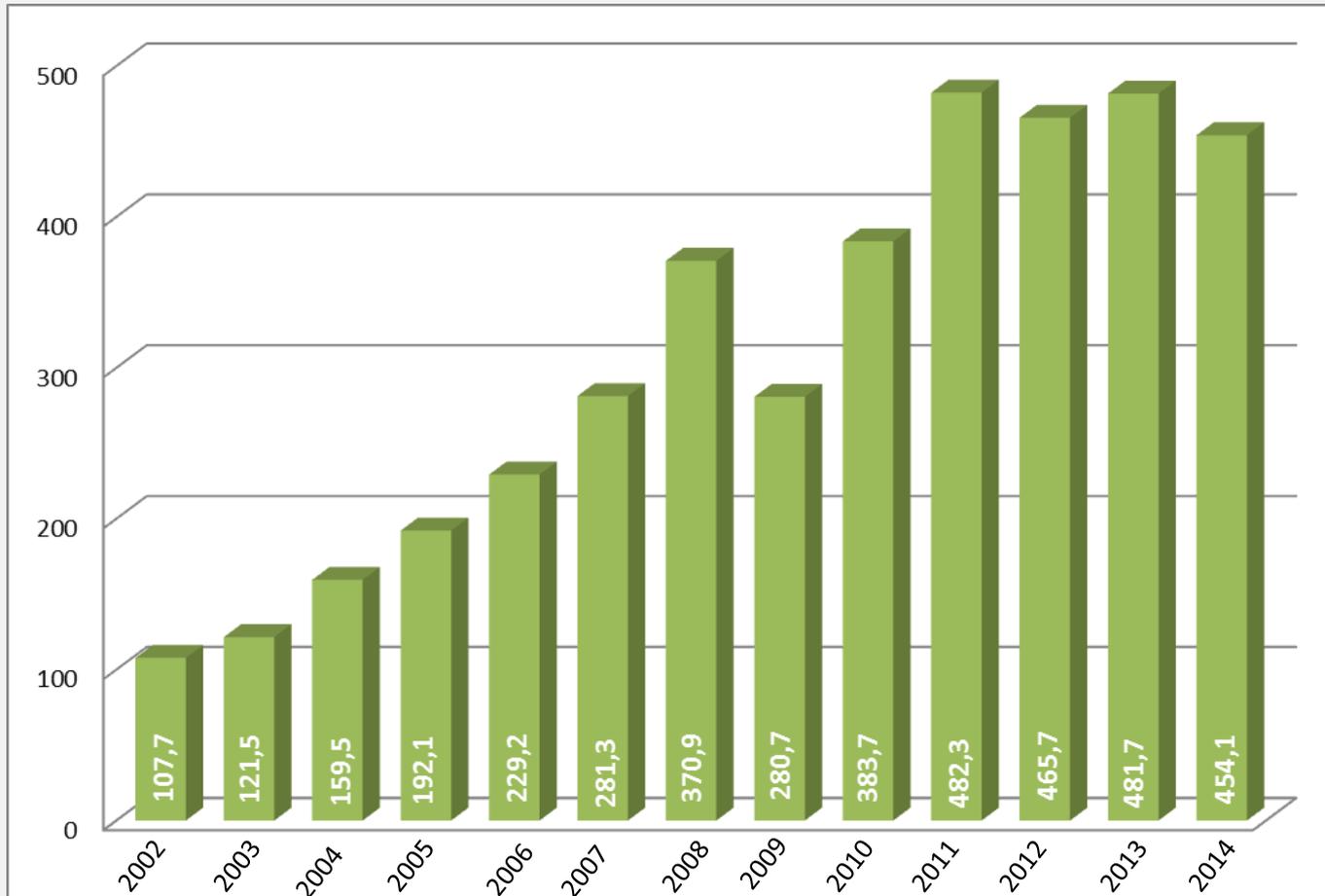


Economic and Trade Profile

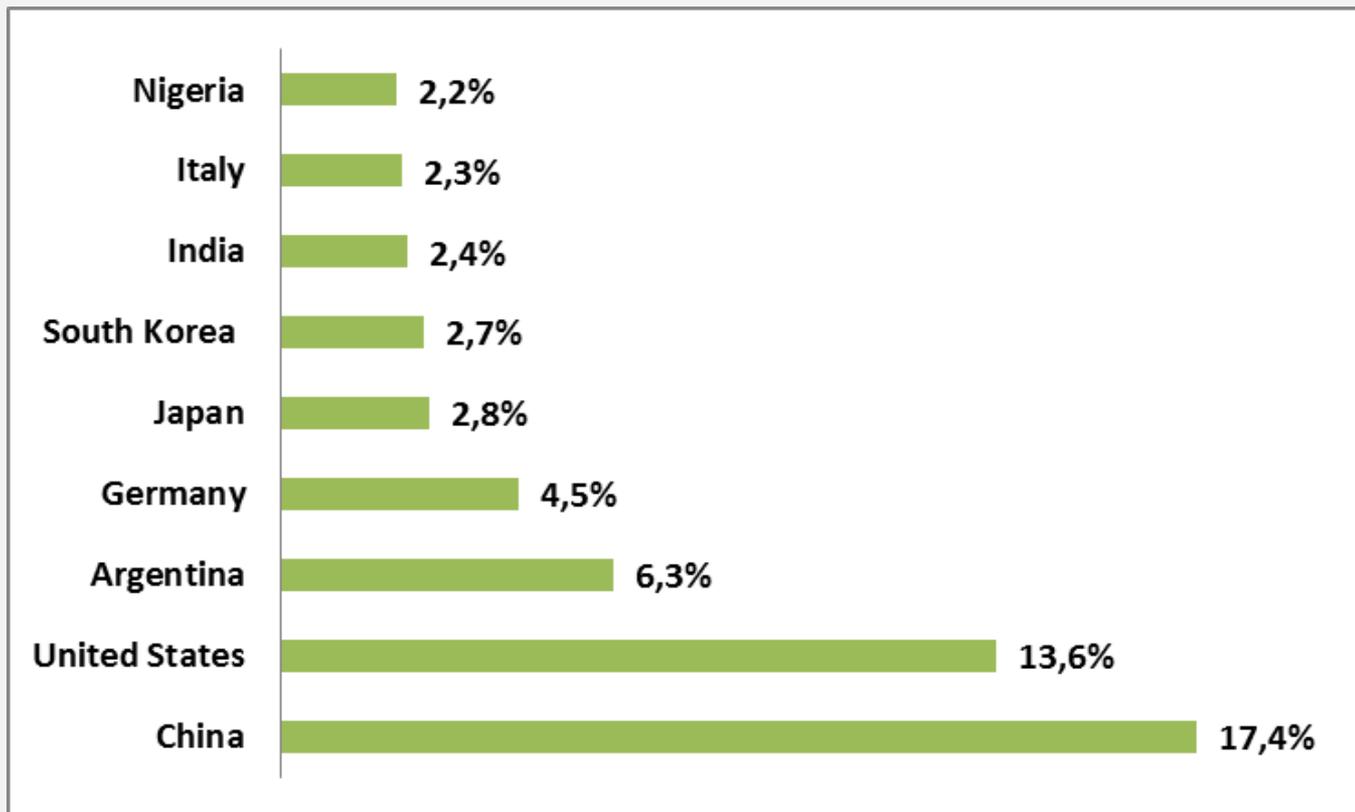
Brazil: Expanding Trade Flow

Trade Balance Evolution in USD billions

- Exports (Jan- Nov 2014) – **US\$ 225,101 billion.**
- Imports (Jan- Nov 2014) – **US\$ 229,031billion.**



Brazil: Major trading partners (2014)



Trade Products (2014)

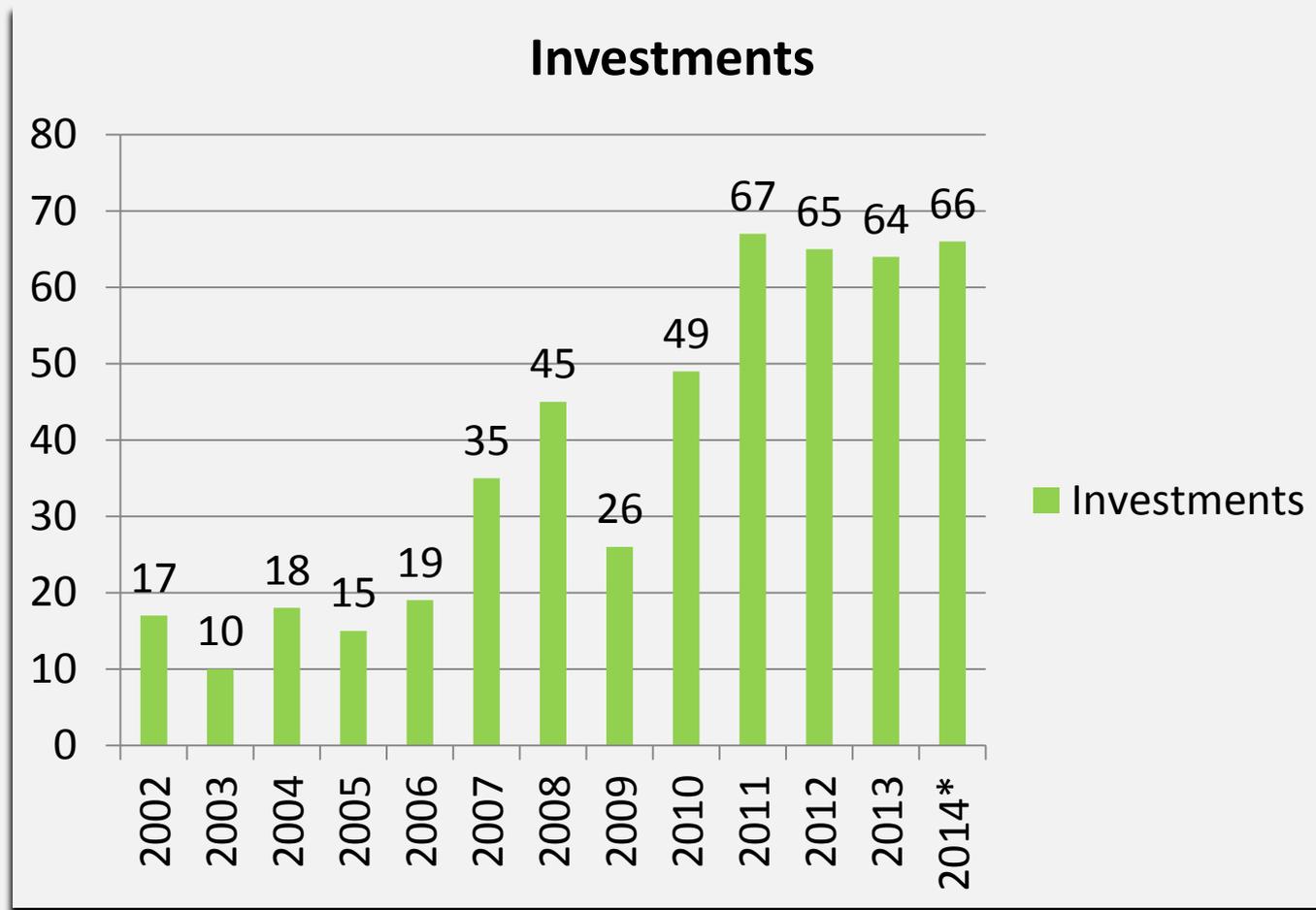
Main Import Products

| Product | % |
|------------------------|-------|
| Mechanic Machinery | 19,5% |
| Fuel Oil | 18,8% |
| Electric Machinery | 7,9% |
| Organic Chemicals | 6,4% |
| Plastics | 6,1% |
| M Precision Instrument | 5,8% |

| Product | % |
|--------------------|-------|
| Fuel Oil | 14,7% |
| Iron & Steel | 12,7% |
| Mechanic Machinery | 11,7% |

Brazilian FDI (2014)

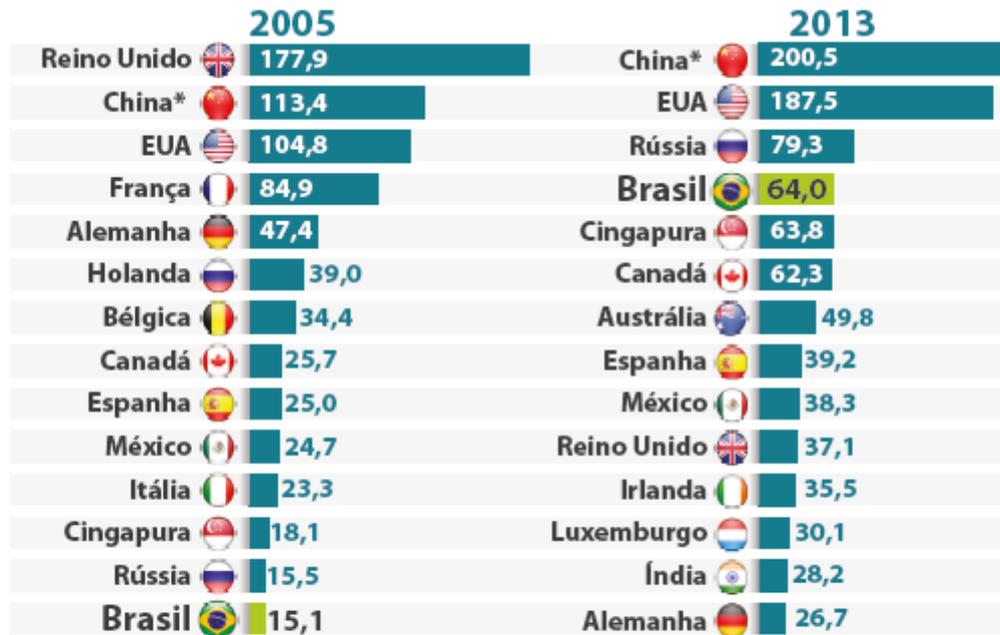
Foreign Direct Investment, in USD billion.



* 2014 data: Jan to Oct.

Brazilian FDI (2014)

Foreign Direct Investment: Rank with other countries in USD billion.



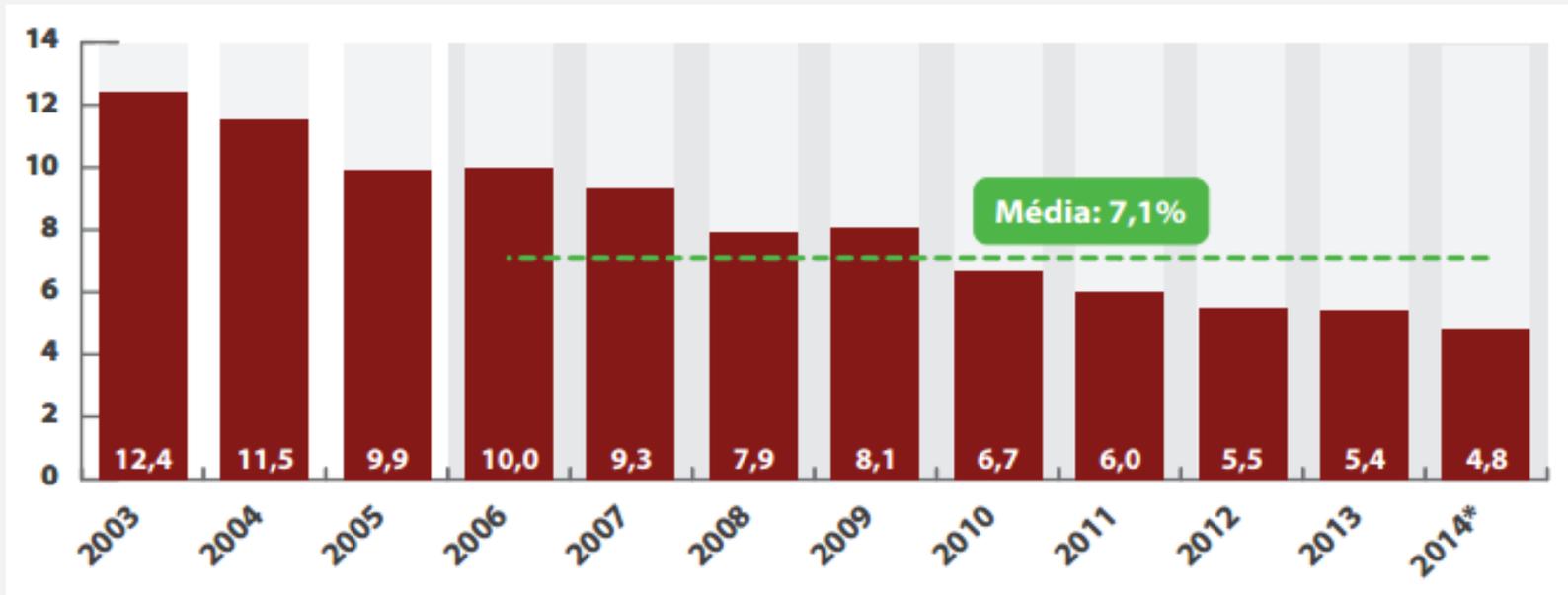
* Inclui Hong Kong

** Não inclui Ilhas Virgens Britânicas

Fonte: UNCTAD

Elaboração: Ministério da Fazenda

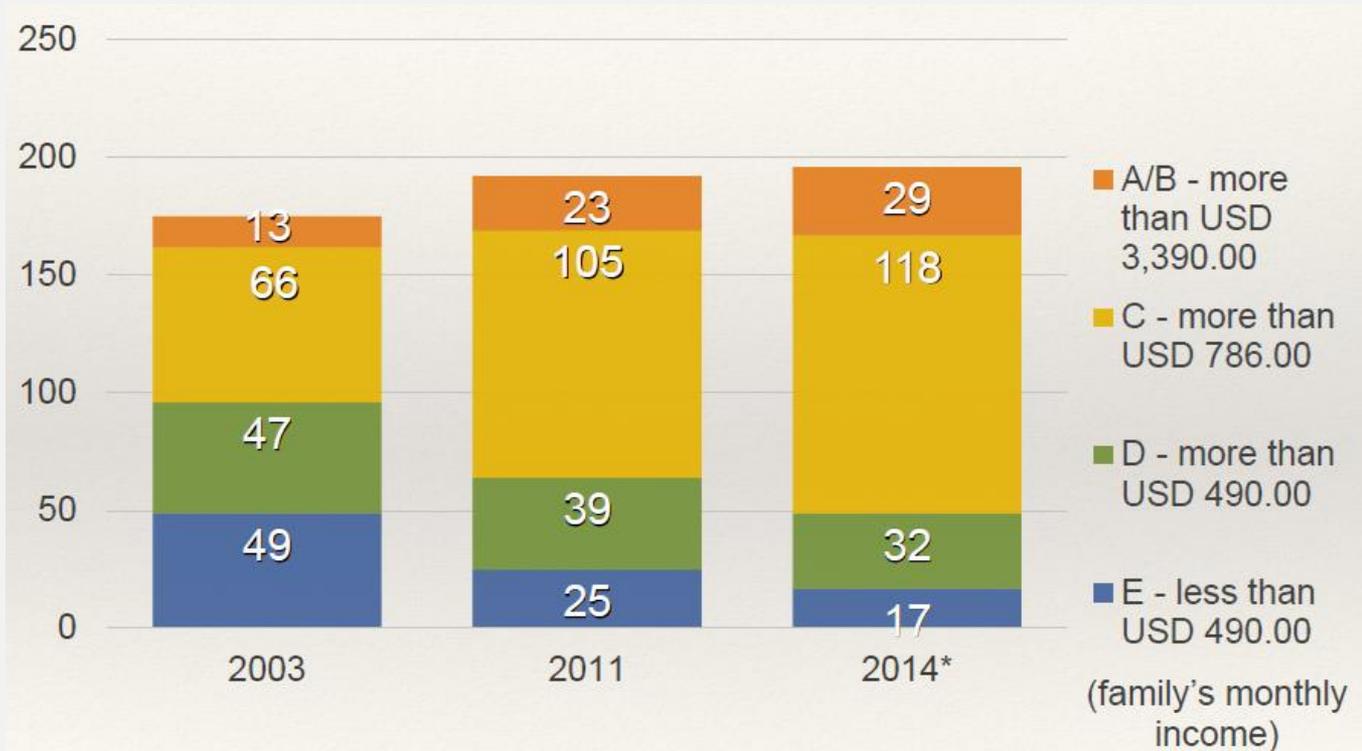
Unemployment Rate at historic lows (%)



* 2014 data: Jan to Oct.

A growing middle class

Growing middle class, in million people.

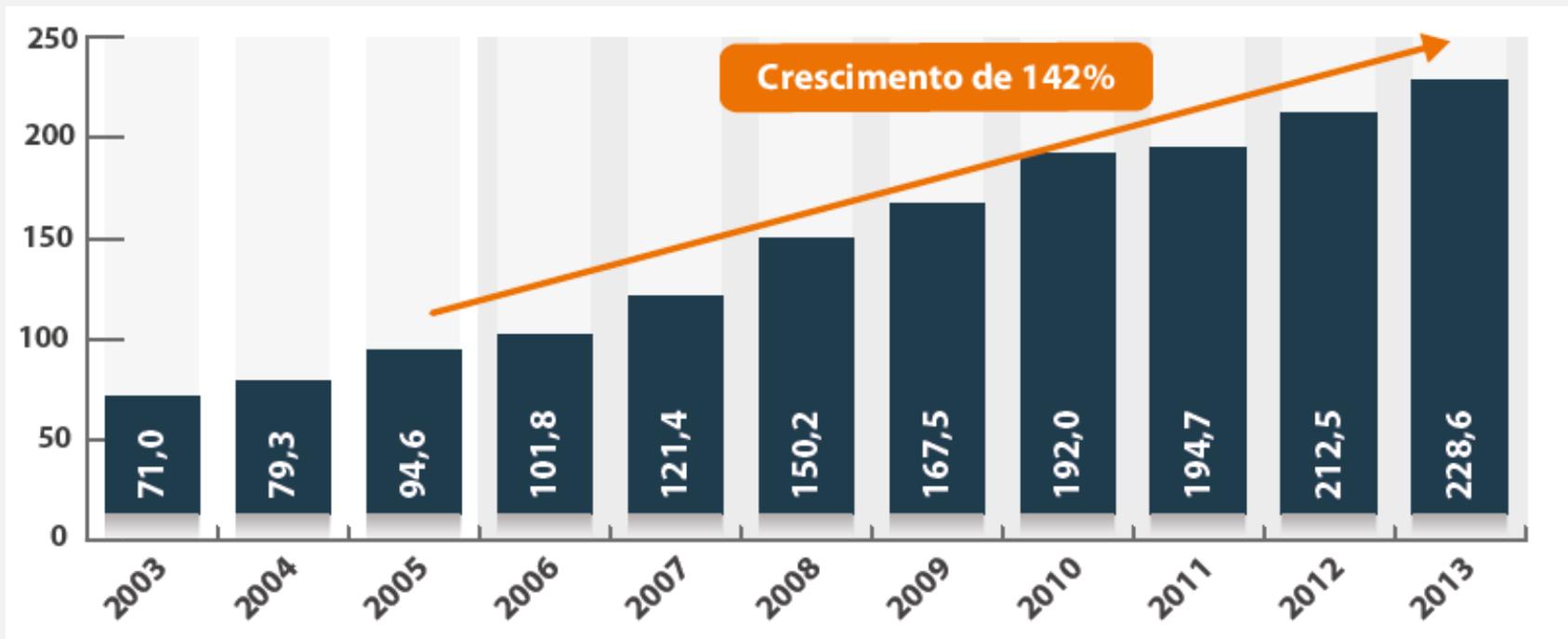


Brazil will be the 5th largest consumer market in 2020, with a forecast of USD 18,8 trillion in household consumption, and will be among the top three markets of automobiles and motorcycles, food and beverage, clothing and cosmetics.



Investments in Brazil: new demands, new opportunities.

Investment in infrastructure (R\$ billion)



Brazil Scientific Mobility Program

Development of the science, technology and innovation sectors

Launched in 2011.

Budget: US\$ 1,5 billion.

Scholarships in 2014 (Jan- Nov): **75.168**.

22.016 just in USA universities. (Jan – Nov 2014).



Start-up Brasil

Federal Government to support technology-oriented projects from conception phase until reaching the market.

How does Start-Up Brasil work?

Each Edition has 1 year duration.

Organized in 3 phases:

Phase 1 : Qualify and habilitate accelerators.

Phase 2 : Global start-up selection process (25% of start-up can be foreign).

Phase 3: Execution of the projects. Star-ups receive support from the accelerators.

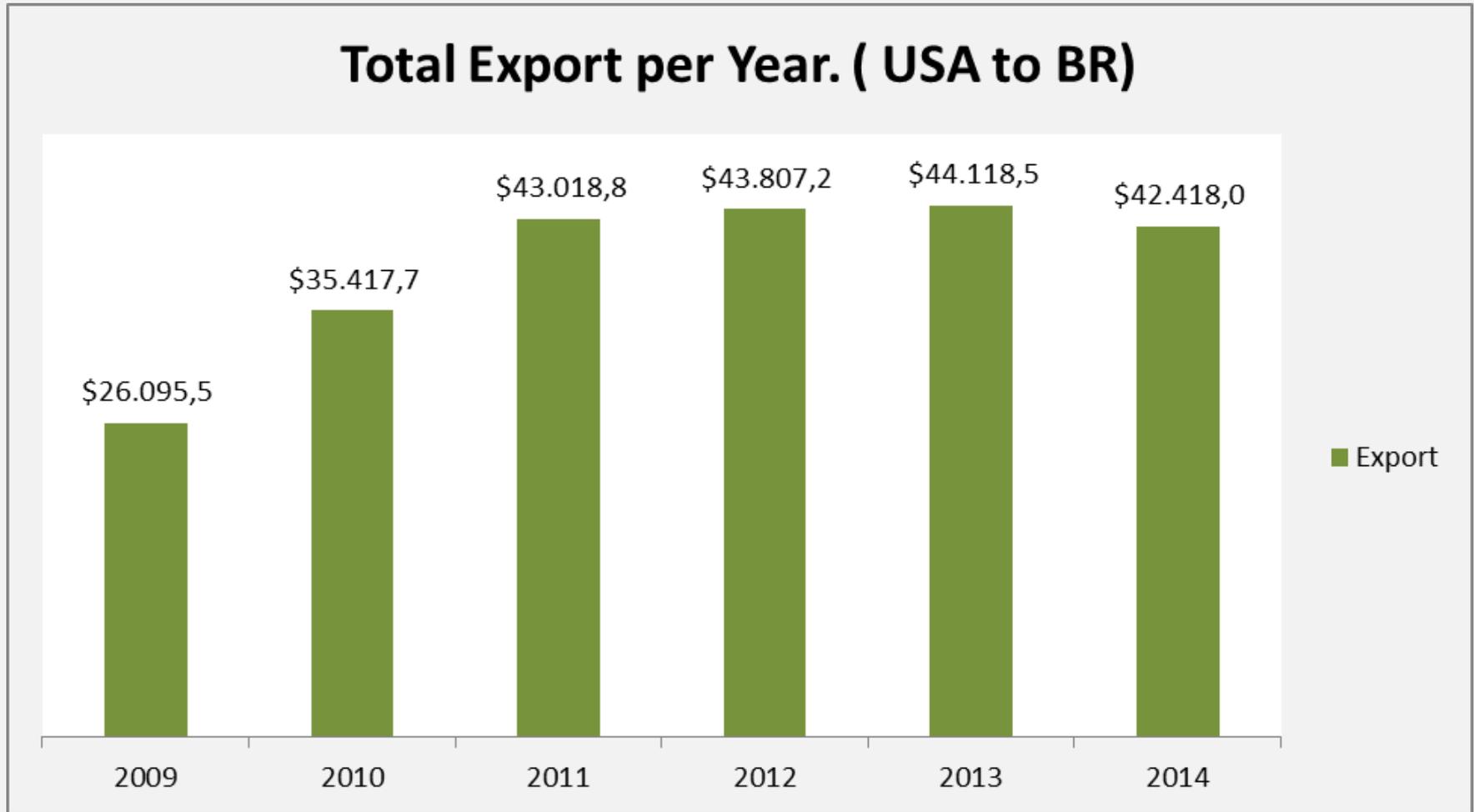
R\$ 200 ,000 in resources and financial investment from the accelerators



Brazil and USA relations: trade and investment

Trade Relationship: Export and Import

In USD millions.



International Companies.

US Companies in Brazil

General Motors
Cargill
3M
AbbVie
Coca-Cola
Ford
Monsanto
Wal-Mart
General Electric
Pepsico
Kraft
Dell
Microsoft.

Brazilian Companies in US.

JBS
Grupo Gerdau
Stefanini IT Solutions
Marfrig Alimentos
Votorantim Cimentos
WEG Equipamentos Elétricos
Tramontina
Odebrecht
Tigre
Vale
Minerva Foods
Embraer
Tupy American Foundry



Doing Business with Brazil.

Tax Incentives

Federal Incentives:

Incentive packages.

Regional Incentives: Coordinated by regional development bodies:

SUDAM (Amazon Region Development Agency)

SUDENE (Northeastern Brazil Development Agency)

State-level Incentives:

Investment incentive on the bases of the ICMS tax (product taxes).

Municipal-level incentives:

Tax reduction on Service Tax (ISS) and Property Tax (IPTU)

Sectors likely to get government incentives: Infra-structure, IT, oil and gas, and electronics.

Property and Land

Foreigners can buy real state in Brazil without a partner. Limitation for marine and rural lands, islands, and areas near international borders.

Foreign investors without a permanent visa cannot get a Brazilian mortgage.

Rural Land. Acquisition/ Leasing.

Who?

Only foreigners with permanent residence status and an established residence in Brazil.

Restrictions :

| NATURE OF FOREIGN PERSON | |
|---|--|
| Individuals | Corporations |
| <i>Allowed to acquire up to 50 MEI²(Indefinite Exploitation Module), which is equivalent to areas ranging from 250 to 5,000 hectares, according to the MEI's value in each municipality.</i> | <i>Allowed to acquire up to 100 MEI, which is equivalent to areas ranging from 500 to 10,000 hectares, according to the MEI's value in each municipality</i> |

| MUNICIPALITY AND NATIONALITY |
|--|
| <i>The total sum of land areas acquired by foreigners in a municipality may not exceed 25% of its territory;</i> |
| <i>Foreigners of the same nationality cannot own more than 10% of the total area of a municipality.</i> |

Transportation System

Types:

Roads:

- Most common type of transportation. Over 1,7 million Km of roads in Brazil
- Perishable, finished and semi finished products
- Limited space

Railroads:

- Over 28,190 Km of railroads in Brazil
- Coal, ore, agriculture products, fertilizers, oil derivable, etc.
- Used for transportation of high quantity of goods
- Good for long distances

Waterways:

- Brazil has a waterway network of sailing that reaches approximately 22,037 km
- Good for the transport of large quantities of goods over long distances
- Low cost of transportation and maintenance

Ports:

- 34 ports to import or export goods
- The Brazilian port complex can handle over 930 million tons of cargo
- Responsible for 90% of exportation in the country

Visas (American Citizens)

Types:

Business Visa:

Valid for 05 years. Allow maximum stay of 90 days.

Investor Visa:

Plan to invest at least \$75.000 in Brazil.

Partners, Managers and administrators of a Brazilian Company:

Request must be made by the Brazilian company to Ministry of labor in Brazil.

Work Visa:

Request must be made by the Brazilian company to Ministry of labor in Brazil. Valid for 2 years, renewable for another 2 years upon request of the Brazilian company.

* Check for more requirements before applying for the Visa.

Trade and Promotion Depto

Each Brazilian Consulate in the U.S.A has a trade and promotion section, called Secom, that serves as a bridge between businesses in Brazil and USA.

The main goal is to promote Brazilian exports and attract foreign investment to Brazil. It also supports the internationalization of Brazilian companies.

Secom-Chicago is responsible for 10 states in the Midwest: IL, IN, Iowa, MI, Minnesota, MO, Nebraska, N. Dakota, S. Dakota, WI.

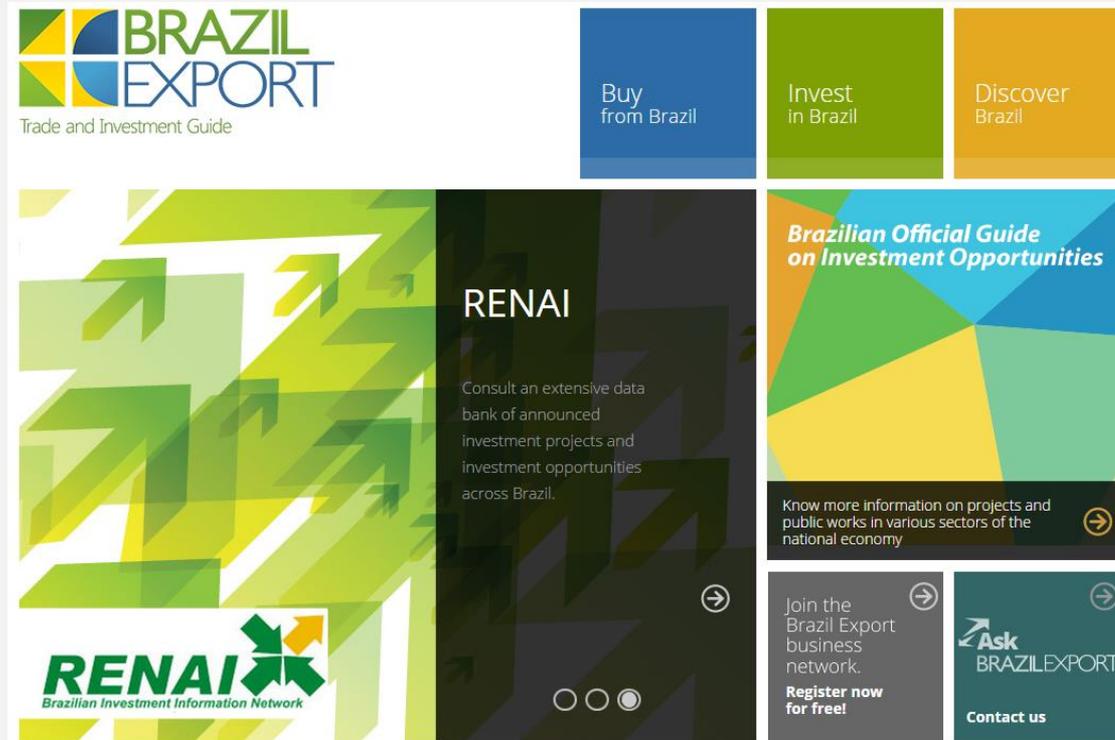
The department can offer general information on How to do Business in Brazil and connect companies to government level bodies and other associations.

BRASIL EXPORT

Trade and Investment Guide.



<http://www.brasilexport.gov.br/>



Brazil Export is a Trade and Promotion website developed by the Brazilian Government to promote international business.

It's mainly used by Brazilian and foreign companies searching for:

- List of exporters, importers and distributors.**
- Legal Guides.**
- Sector and Country Trade information.**
- Virtual gallery of products.**
- Upcoming trade shows in Brazil.**

Buy
from Brazil

Invest
in Brazil

Discover
Brazil

Why invest in Brazil?

Regions and states

Investment opportunities

Incentives

Project announcements and requests for
proposal

Guides

Supporting organizations

Get to know Brazil.

Foreign importers interested in doing business can access the virtual showroom and send their proposals directly to the participating Brazilian companies.

Business investors can access information about supporting organizations; major events, economic indicators, State information, incentives, and much more.

Register for Free and have access to all the business information.



Buy
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BUY FROM BRAZIL

Join the Brazil Export business network

Join the Brazil Export business network

Sign up now!

To register your company for free on Brazil Export - the federal government's official trade promotion and investment website - complete the form on the next page.

Registrations will be reviewed by the Trade Promotion Sector at your local Brazilian Embassy or Consulate. Once reviewed, your company will be posted on the Brazil Export website, increasing its visibility among enterprises looking to do business with Brazil and invest in the country.

Register now for free! (external link)

Thank you / Obrigada



*Consulate General of Brazil in Chicago
Trade and Investment Department*

<http://chicago.itamaraty.gov.br>

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