



STATE GOVERNMENT OF
RIO GRANDE DO SUL

STATE DEPARTMENT OF ECONOMIC
DEVELOPMENT, SCIENCE AND TECHNOLOGY

Doing Business in Rio Grande do Sul

April 2015



MERCOSUR

Rio Grande do Sul

VENEZUELA
URUGUAY
PARAGUAY
ARGENTINA
BRAZIL

TOTAL
GDP
US\$ 3,38
TRILLION

POPULATION
295 MILLION
INHABITANTS

Source: <http://www.mercosur.int> e Banco Mundial



RIO GRANDE DO SUL'S STRATEGIC POSITION

- **IN THE CENTER OF SOUTH AMERICA'S MAIN MARKETS**
- **LATIN AMERICA'S BIGGEST POPULATIONAL CONCENTRATION**
- **INTEGRATION WITH MERCOSUR THROUGH HIGHWAYS, RAILWAYS, WATERWAYS AND INTERNATIONAL FLIGHTS**



RIO GRANDE DO SUL'S STRATEGIC POSITION

IMPORTANT CITIES



Population: 140 million



OUTLOOK OF RIO GRANDE DO SUL

11 million inhabitants

(5.43% of Brazilian population)

Multicultural Immigration

(Japanese, German, Italian, Polish, Portuguese and many more)

2nd most

diversified

**industrial park of
Brazil**



GDP (2013): US\$ 136.8 billion

(6.91% of Brazilian GDP)

GDPpc (2013): US\$ 12,256

State Capital:

Porto Alegre

**(4 million inhabitants including
metropolitan region)**

**Nation's 4th most
populated region**

Sources: FIRJAN; FEE; IBGE

Converted using the exchange rate for sale US\$/R\$ 2.280, equivalent to average exchange rate between July and December of 2013



DIVERSIFIED INDUSTRY

1st INDUSTRIAL PARK IN BRAZIL FOR

**Transport equipment
(buses, tractors and road
implements)
Agricultural equipment
Biodiesel
Automation equipment
Leather and footwear**

3rd INDUSTRIAL PARK IN BRAZIL FOR

Wind power generation

2nd INDUSTRIAL PARK IN BRAZIL FOR

**Electro-electronics
Metal products
Rubber & plastics
Machines & equipment
Furniture
Beverages
Chemical products**

4th INDUSTRIAL PARK IN BRAZIL FOR

**Vehicle production (cars
and chassis)
Foodstuff**

Rio Grande do Sul



GLOBALIZED INDUSTRY



JOHN DEERE



FOTON



MELCO ELEVADORES DO BRASIL S.A.



HUAWEI



MASSEY FERGUSON



15 TECH PARKS IN RS

15,000 EMPLOYEES IN THE THREE MAIN TECH PARKS

TECNOPUC: 120 companies
TECNOSINOS: 75 companies
VALETEC: 35 companies

SEVERAL NEW PARKS ARE BEING BUILT

HIGH LEVEL OF EDUCATION

23 UNIVERSITIES

113 TECHNICAL EDUCATION INSTITUTIONS



TOP UNIVERSITIES IN BRAZIL



Federal University of Rio Grande do Sul

1st PUBLIC



University of Vale do Rio dos Sinos

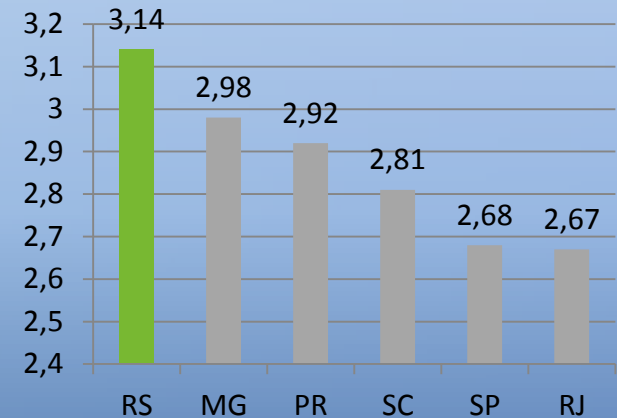
2th PRIVATE



Pontifical Catholic University of Rio Grande do Sul

3rd PRIVATE

Weighed IGC - Universities



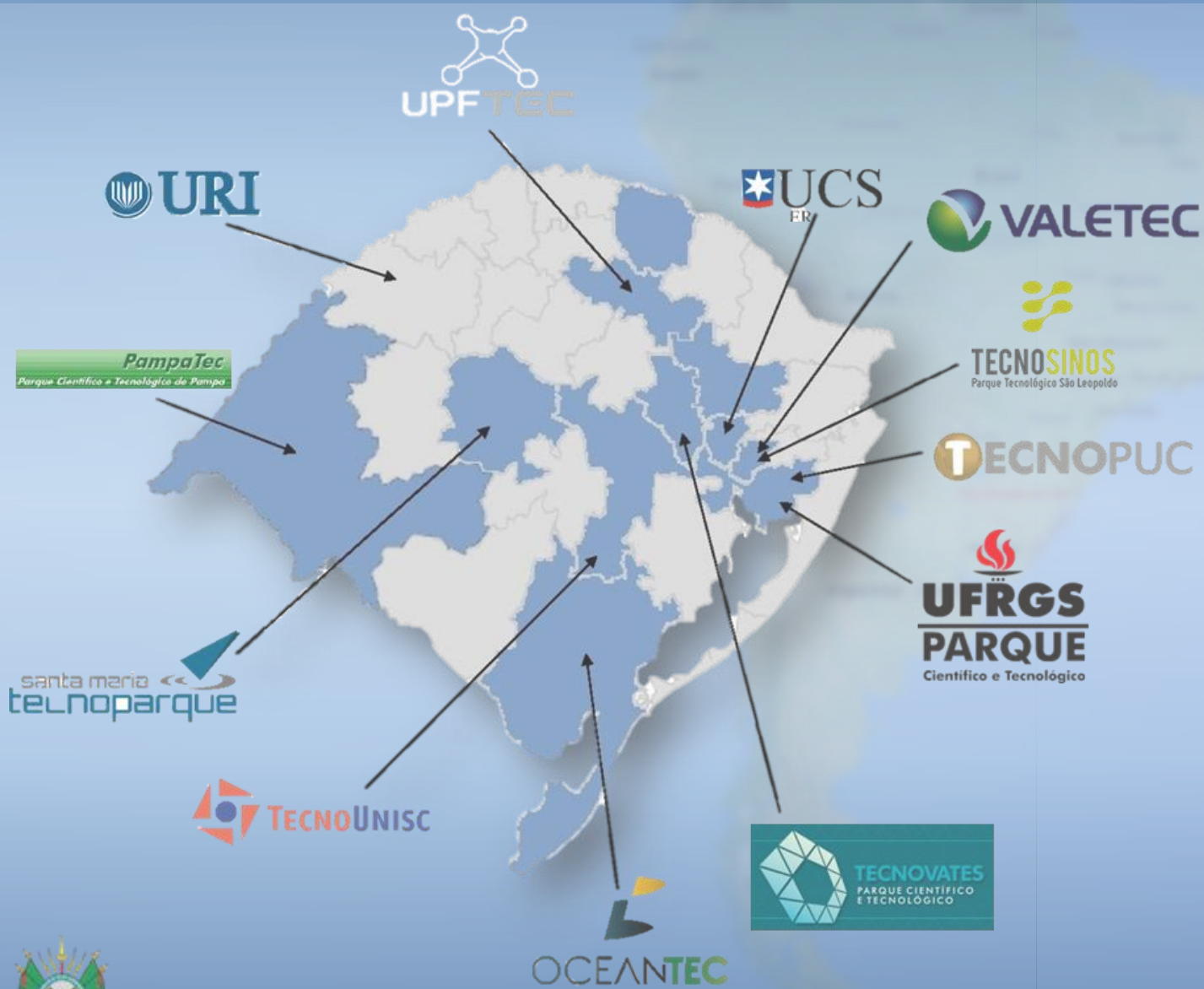
IGC – General Index for Programs

Source: MEC/INEP – Censo da Educação Superior

Source: MEC, 2014



TECH PARKS IN RS



**SOME
PLAYERS
ALREADY
HERE**



Microsoft

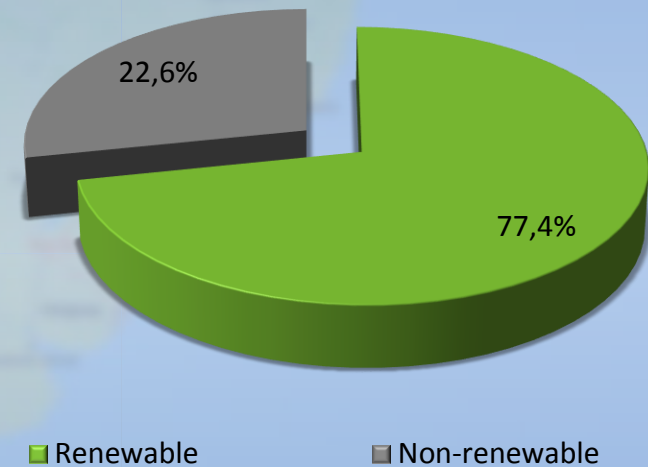


ELECTRICAL INFRASTRUCTURE

THE INSTALLED GRID IS TOTALLY CONNECTED TO THE REST OF BRAZIL

- **MOST ENERGY USED IN RS COMES FROM HYDROELECTRIC PLANTS: 71.4%**
- **RENEWABLE ENERGY RESPONDS FOR 77.4% OF THE INSTALLED CAPACITY**

Electric Energy Generation – Installed Capacity (%) - 2013



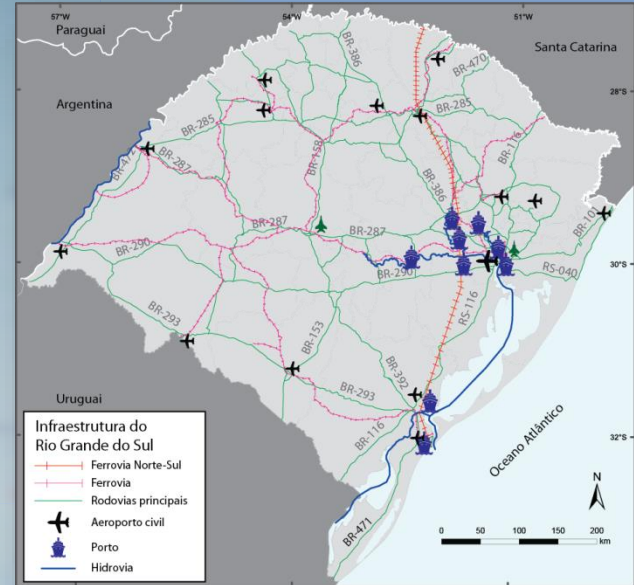
HONDA INSTALLED A NEW WIND FARM IN RS, OPERATING SINCE NOVEMBER 2014 AND GENERATING 95,000 MWH/YEAR



INTEGRATED LOGISTICS

UP TO 2018: **US\$ 1 BILLION INVESTMENTS** IN THE PORT'S INFRASTRUCTURE

PORTO OF RIO GRANDE HAS **THE BIGGEST DRAUGHT IN THE SOUTHERN CONE: 48 FEET** → DEEPER THAN SANTOS AND SUAPE



RS HAS GREAT POTENTIAL IN WATERWAYS, WITH **2,154 KM OF WATERWAYS WITH NAVIGABILITY POTENTIAL**, OF WHICH 1,100 KM ARE USED

THE WATERWAYS OF RIO GRANDE DO SUL MOVE **6.5 MILLION TONS OF CARGO PER YEAR**

Sources: SETCERGS, 2013; Quatro Rodas Magazine, 2013



PORTO DO RIO GRANDE CONNECTION WITH THE WORLD



AIRPORT AND INTERNATIONAL FLIGHTS

SALGADO FILHO AIRPORT

MAJOR AIRPORT IN THE BRAZILIAN SOUTH REGION

10 KM FROM PORTO ALEGRE DOWNTOWN AREA – EXPANSION PROJECT ALREADY APPROVED

DIRECT INTERNATIONAL FLIGHTS TO

USA: **MIAMI**

EUROPE (PORTUGAL): **LISBON**

PANAMA: **PANAMA CITY**

PERU: **LIMA**

ARGENTINA: **BUENOS AIRES AND ROSARIO**

URUGUAY: **MONTEVIDEO**

CHILE: **SANTIAGO**



Source: Salgado Filho's website, 2013.



Política Industrial

DESENVOLVIMENTO ECONÔMICO DO RS

RIO GRANDE DO SUL INDUSTRIAL POLICY

16 STRATEGIC SECTORS

A PERMANENT AND COLLABORATIVE DEVELOPMENT AGENDA

RS TRADITIONAL ECONOMY

- Agro industry

Rice, Wheat, Corn, Soy,
Poultry, Beef, Pork, Milk and
Dairy Products, Vitiviniculture

- Automotive

- Industrial and agro equipments

- Wood, pulp and furniture

- O&G equipments

- Petrochemical, rubber and plastic

- Electronics, automation and telecom

- Software

- Footware

NEW ECONOMY FOR RS

- O&G offshore industry and ship building

- Recycling

- Wind power

- Biofuels (Ethanol and Biodiesel)

- Semiconductors

- Life sciences

- Creative economy



room for **Investor**

Rio Grande do Sul State Government

ONE STEP ONLY

KEY PERSON (PROJECT MANAGER)

- INFRASTRUCTURE - LAND
- ENVIROMENT
- TAXES
- FINANCING

- INTERFACE WITH IMPORTANT PLAYERS

FEDERAL GOVERNMENT
MUNICIPALITIES
PRIVATE SECTOR
POTENTIAL PARTNERS
SUPPLIERS
P&D PARTNERS
UNIVERSITIES AND
TRAINING INSTITUTES



AGROINDUSTRY



AGROINDUSTRY SECTORS

RICE: RS is leader in production and productivity

WHEAT AND WINTER GRAINS: RS produces +50% wheat in Brazil

SOY AND CORN: 3rd producer SOY and 5th producer CORN in Brazil

POULTRY: 3rd national producer / 63,7% export

PORK: 2nd national producer

BEEF: Best Quality Beef in Brazil

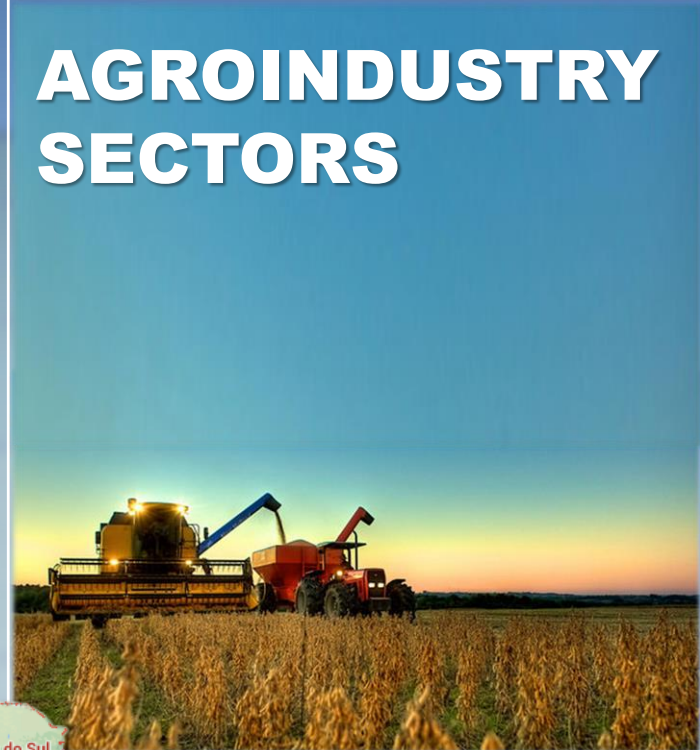
MILK AND DAIRY PRODUCTS: 2nd producer in Brazil

WINE AND JUICE: 90% production of wine, sparkling wine and grape juice in Brazil

ALSO:

Jewelry and Gemstones: 3rd in exports in Brazil

Footwear: the main exporter of Brazil



Rio Grande do Sul



WIND ENERGY



WIND POWER

RS 18%
**OF BRAZILIAN
WIND GENERATION**

GROWING INDUSTRY:
RS WIND FARMS
GENERATING 1.148,5 MW

US\$2.32 Bi

**2017 PROJECTED INVESTMENT
ON WIND POWER**

**INVESTMENT
OPPORTUNITIES:**

SUPPLY CHAIN (TURBINES,
BLADES, SMALL WIND TURBINES)
AND WIND POWER AUCTIONS

**Política
Industrial**

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**RIO GRANDE DO SUL
INDUSTRIAL POLICY**



AUTOMOTIVE



THE **4TH** AUTOMOTIVE INDUSTRY IN
BRAZIL – PASSENGER CARS AND
CHASSIS

THE **1ST** FOR BUSES, TRACTORS AND
ROAD IMPLEMENTS

MORE THAN
500 COMPANIES

MORE THAN
77,000 EMPLOYEES

63% NATIONAL PRODUCTION OF
BUS BODIES

50% OF DOMESTIC MARKET SHARE OF **ROAD
IMPLEMENTS**

48% NATIONAL PRODUCTION
AGRICULTURAL MACHINERY

12% OF THE NATIONAL PRODUCTION OF
BUS CHASSIS



RIO GRANDE DO SUL STRATEGIC POSITION



SEMICONDUCTORS



SEMICONDUCTORS IN RIO GRANDE DO SUL

DESIGN

FOUNDRY

PACKAGING

RESEARCH
AND EDUC.

UFRGS, PUCRS,
UFSM, CI-Brasil
(CT-POA)

PROVIDE
SERVICES

NSCAD-UFRGS

COMPANIES

CEITEC, SMDH

UFRGS:
PGMicro, FQSI
PUC-RS: NT Solar

CEITEC

ISC-Unisinos

ISC-Unisinos

HT Micron



ADVANCED HEALTHCARE AND PHARMACEUTICALS INDUSTRY



LIFE SCIENCE CLUSTER



Política Industrial
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RIO GRANDE DO SUL INDUSTRIAL POLICY



COAL



RS COAL CHARACTERISTICS

**89,2% BRAZILIAN
COAL RESERVES**
ARE IN RIO GRANDE DO SUL
(28 BI TONS)

CANDIOTA IS THE
BIGGEST COAL RESERVE
IN BRAZIL (**38%**)

HIGH ASH CONTENT AND
LOW CALORIFIC
VALUE



CRM PROJECT: COAL GASIFICATION

PARTNERSHIP FOR:

1. Study the potencialities for Candiota's Coal to be used in Chemical Coal Projects
2. Future Partnership for a Chemical Coal Industry

The Ideal Partner:
1. Experience and Technology for Coal Gasification;

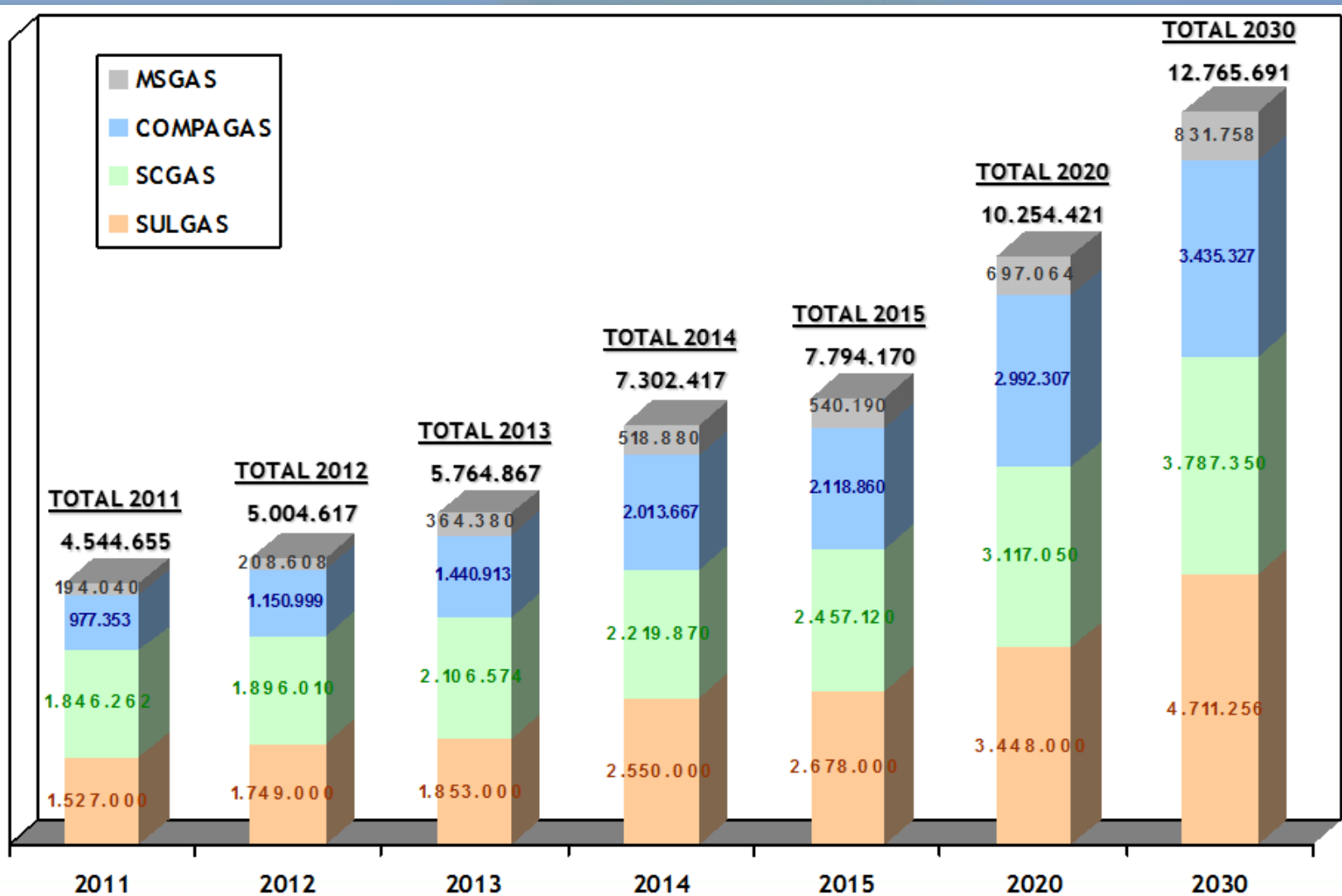
Looking for Foreign Partners (Capital and Technology)

Chemical Coal Estrategy:
Brazil is a huge Market for Chemical Coal Products

Coal is been used only for Thermal Electricity



PROJECTED DEMAND 2011 – 2030 INDUSTRIAL GAS MARKET



PETROCHEMICAL



TRIUNFO PETROCHEMICAL POLE



- ✓ Brazil's 1^o ethane petrochemical pole (1425 thousand tons/year)
- ✓ World's first industrial 'Green Ethane' plant
- ✓ Braskem's world's biggest and most important Innovation & Technological Center



* Recently announced a US\$ 300 million investment at the pole to produce synthetic rubber (SBR)



OFFSHORE INDUSTRY AND SHIPBUILDING





RIO GRANDE DO SUL
IS STRATEGICALLY
LOCATED TO BE
THE CONSTRUCTION,
REPAIR & MAINTENANCE
CENTER FOR
SOUTH AMERICA

Política Industrial

DESENVOLVIMENTO ECONÔMICO DO RS
RIO GRANDE DO SUL
INDUSTRIAL POLICY



DECENTRALIZED GEOGRAPHIC STRATEGY

**MATERIALS AND
EQUIPMENTS**
(3,900 companies)



**ELETRONICS AND
AUTOMATION**
(170 companies)



**HEAVY EQUIP. AND
MODULES**
(3 offshore shipyards)



**FPSO
PLATFORMS**
(3 shipyards)



Política Industrial

DESENVOLVIMENTO ECONÔMICO DO RS

**RIO GRANDE DO SUL
INDUSTRIAL POLICY**



THANK YOU

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