

Investment Opportunities in the State of São Paulo, Brazil

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*Investment
Promotion
Agency*



About Investe São Paulo



Mission

*Being the gateway to new investments
or expansion of existing businesses,
generating innovation, employment and income,
in addition to the continuous improvement
of the competitive environment and
of the image of the State of São Paulo*



Areas of Activity

I – Investment Projects *(All services are free of charge)*

- Technical support and orientation to investors
- Contact with public and private institutions aiming as investment facilitation

II – Business Prospection

- Identification of sectors and companies with investment potential

III – Actions for the Promotion of Competitiveness

- Labor training, Taxation, Innovation, Infrastructure and Licensing
- Studying and proposing public policies

IV – Institutional Activities

- Reception of foreign delegations and organization of international missions
- Support and guidance for municipal governments

V – Promotion of the image of the State of Sao Paulo

Project Stages

Project needs



Site selection



Site visit



Environmental, infrastructure and tax procedures



Announcement



Groundbreaking and construction



Opening



Aftercare

Announced Investments:
USD 6.8 billion

Direct Jobs:
22.400



Portfolio of projects

Number of projects: 62*

Potential Investments: USD 10 billion

Potential direct jobs: 40 thousand

Sectors: automotive, food, oil and gas, energy, solid waste and machinery and equipment.

Origin: United States, China, South Korea, Spain, Japan, Italy, England, France and Brazil.

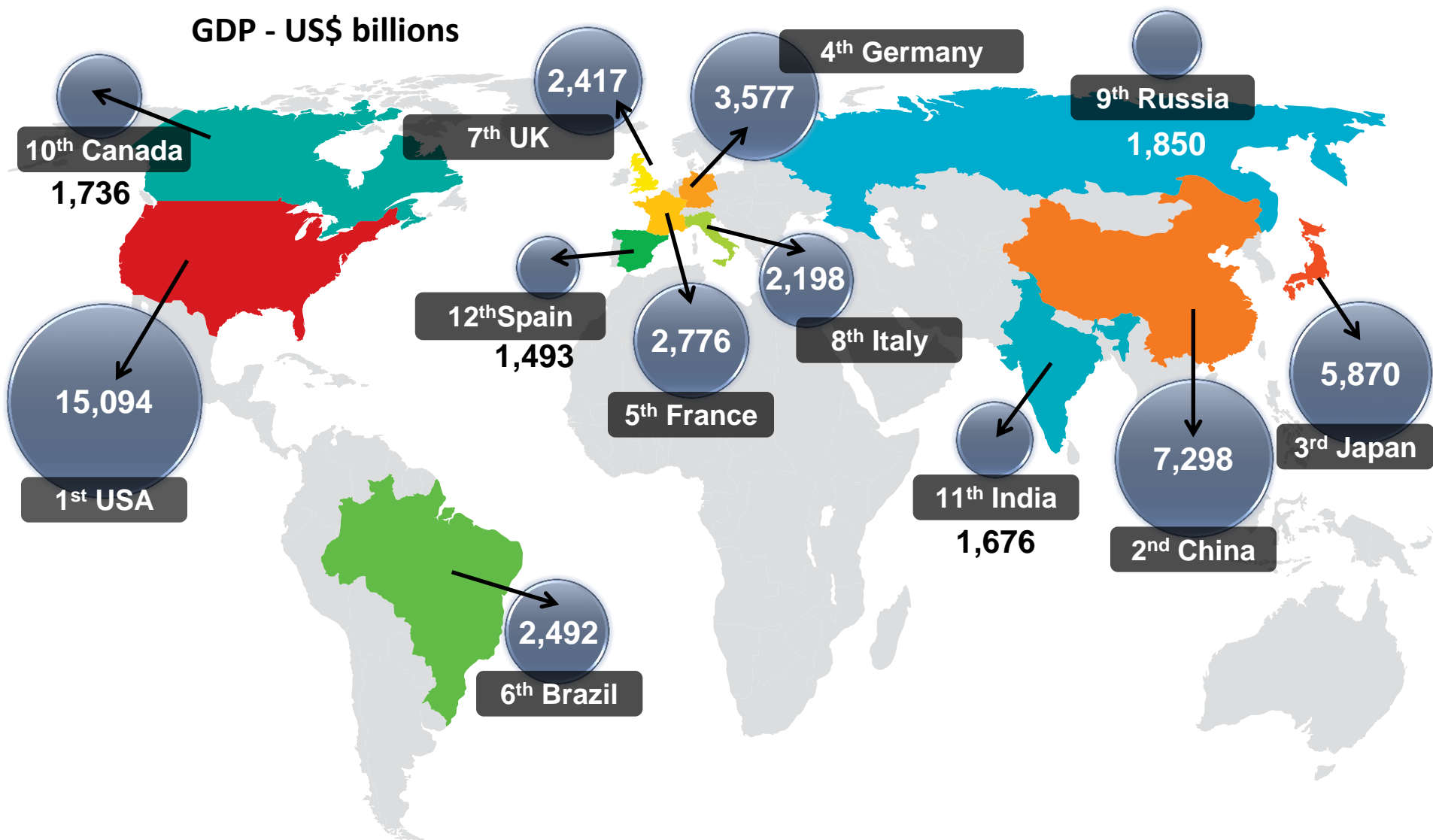
** The names of these companies are kept confidential in compliance with NDA signed with Investe São Paulo*



Brazil on the World Stage



Brazil, the 6th economy of the planet



Selected Countries: Territory, Population and Economy

Territory > 3 million km²



Canada



Australia



Russia



India



China



United States



Brazil



United Kingdom



Germany



France



Netherlands



Italy



South Korea



Spain

Economy (GPD) > US\$ 750 billion

Population > 100 million



Pakistan



Bangladesh



Indonesia



Nigeria

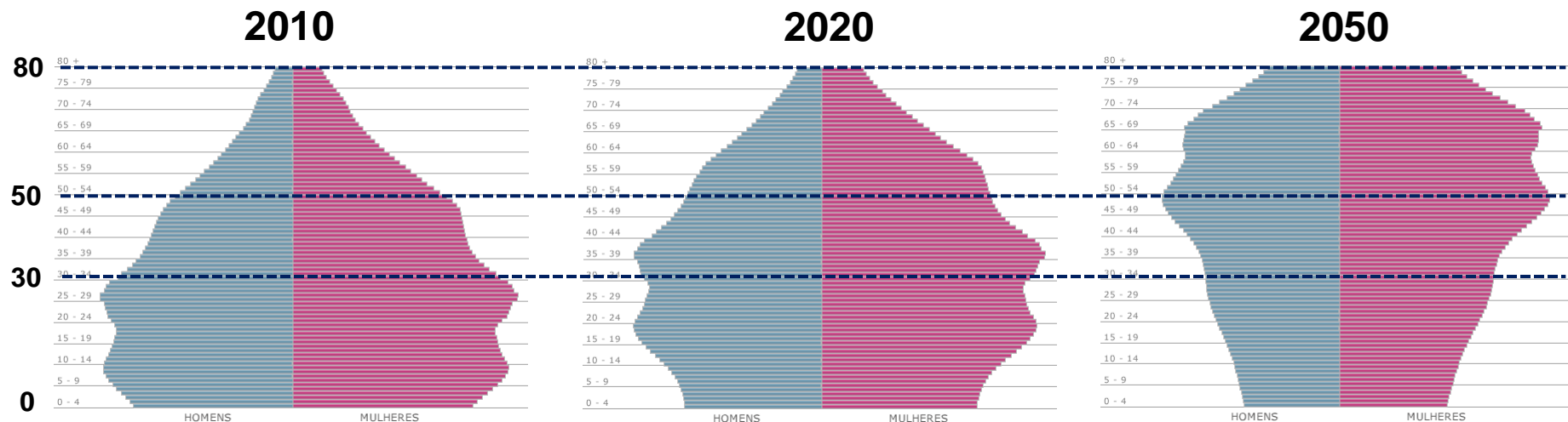


Japan



Mexico

Brazilian Age Structure



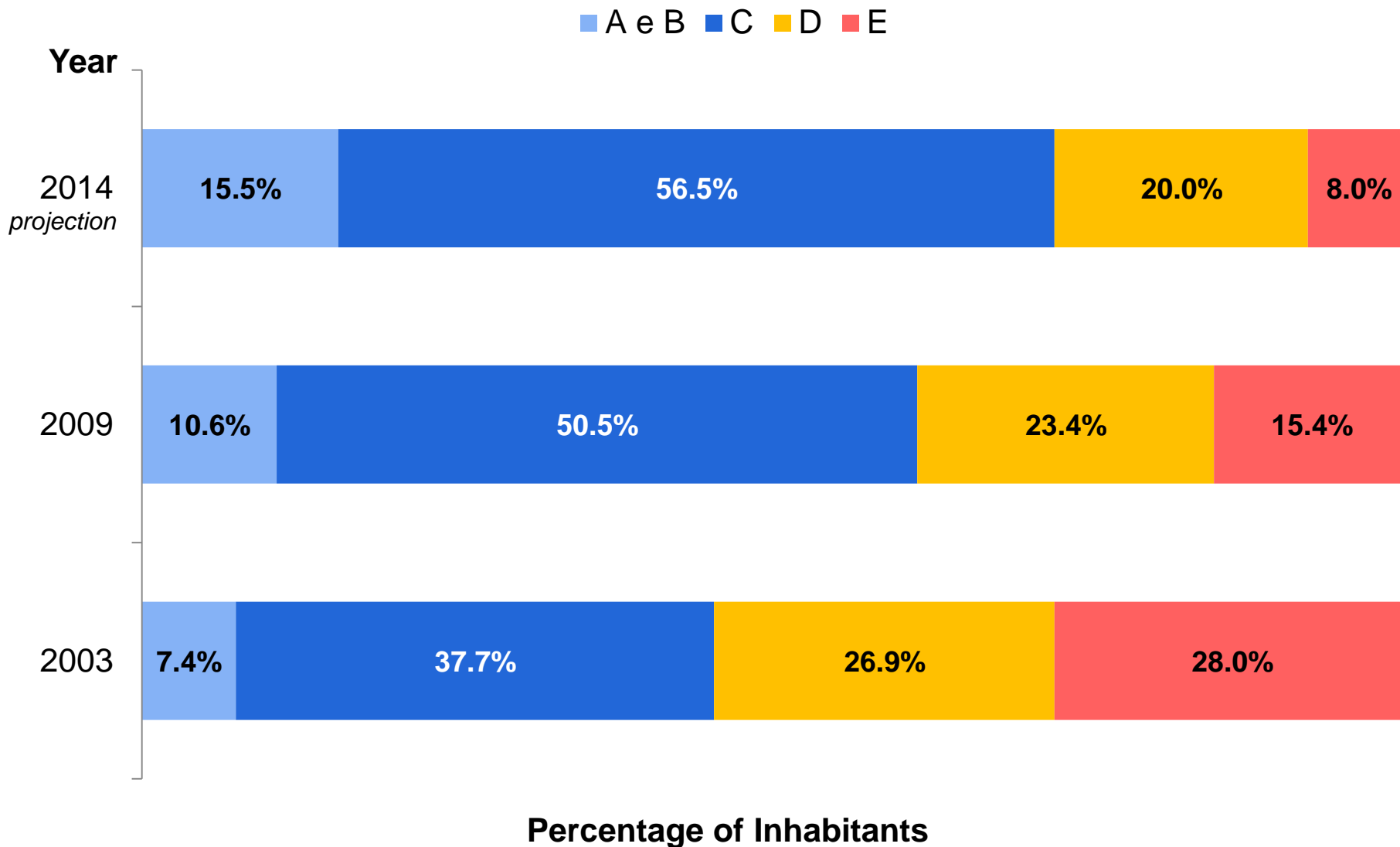
Opportunity

Larger contingent of working-age population = possibility of increasing productivity

Challenges

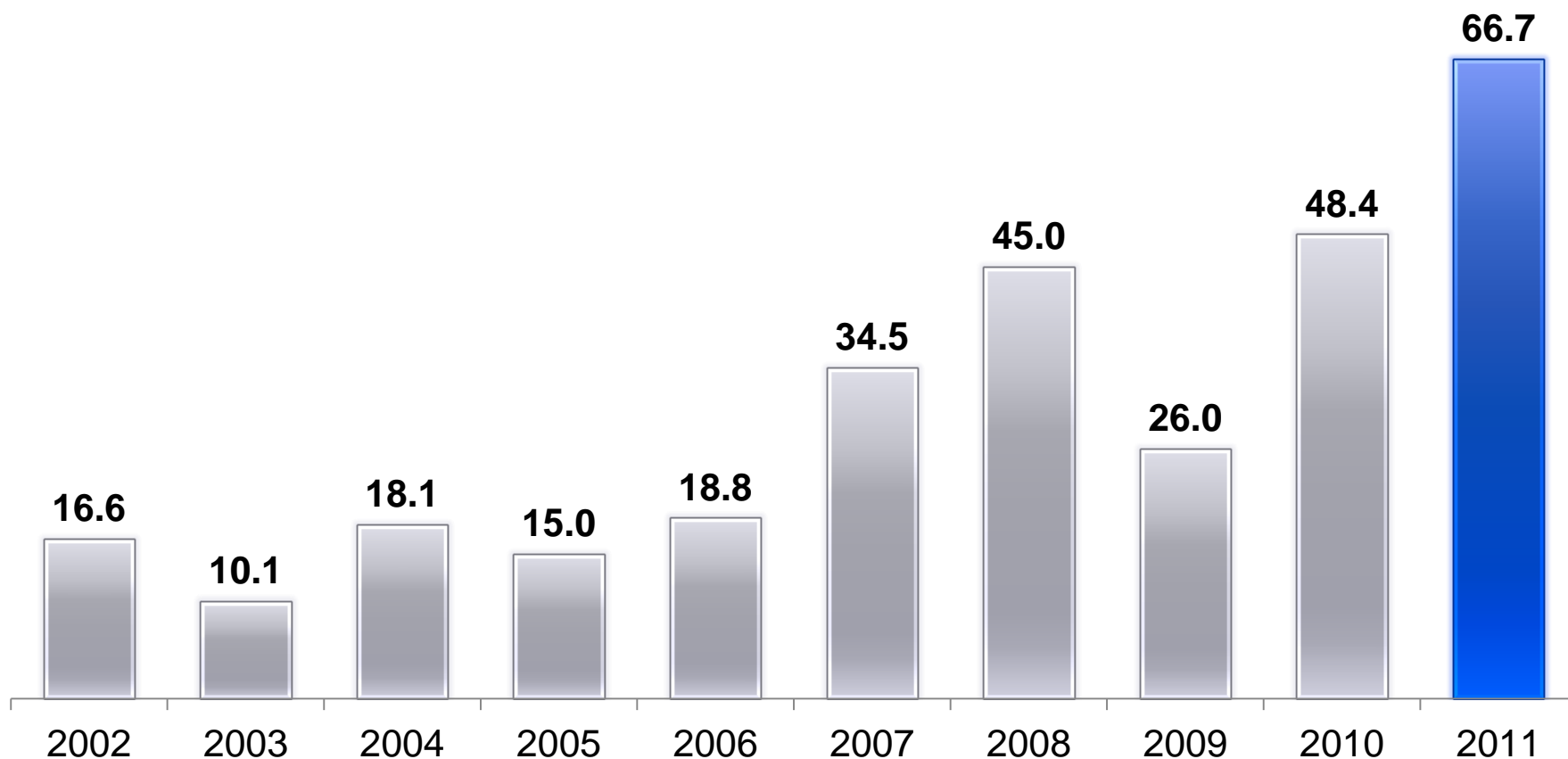
Increase on health and social security expenditures

Social Mobility



Foreign Direct Investment into Brazil

FDI in US\$ billions





Highlights of Slovenia-Brazil Relations



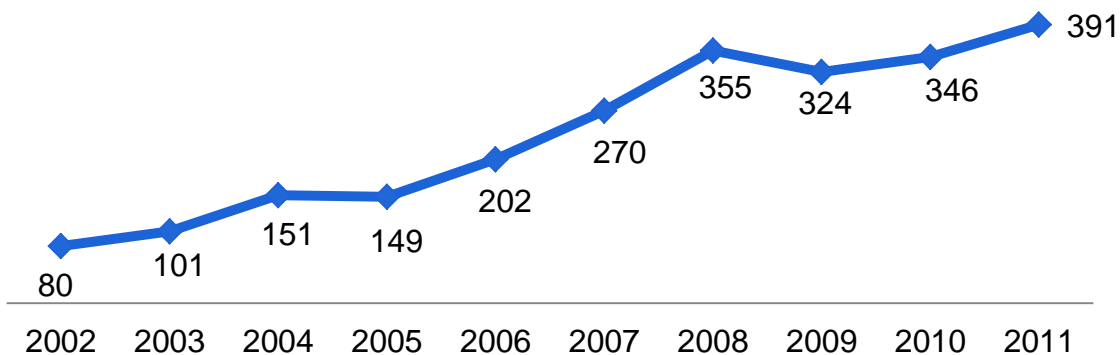
Slovenia-Brazil and SP Economic Relations



Bilateral Trade (US\$ millions) - 2011	Brazil	State of São Paulo	%
Total Bilateral Trade	391.2	57.6	15%
Exports to Slovenia	315.5	14.6	5%
Imports from Slovenia	75.7	42.9	57%

Source: Ministry of Development, Industry and Foreign Trade of Brazil

Bilateral Trade Brazil-Slovenia (US\$ millions)



Source: Ministry of Development, Industry and Foreign Trade of Brazil

Slovenia - Brazil and SP Economic Relations



São Paulo's exports to Slovenia (2011)

Main Products and percentage of Brazil's total

- Coffee, tea, mate and spices (5%)
- Residues and waste from the food industries (2%)
- Essential oils and resinoids; perfumery, cosmetic or toilet preparations (100%)
- Pulp of wood or of other fibrous cellulosic material (100%)
- Inorganic chemicals; organic or inorganic compounds of precious metals (23%)



São Paulo's imports from Slovenia (2011)

Main Products and percentage of Brazil's total

- Electrical machinery and equipment and parts thereof (69%)
- Nuclear reactors, boilers, machinery and mechanical appliances (45%)
- Pharmaceutical products (41%)
- Iron and steel (91%)
- Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof (55%)



State of São Paulo Competitive Advantages



São Paulo Competitive Advantages



Brazil and São Paulo



Brazil

Territory (1,000 km ²)	8.515
Population (million)	192
GDP nominal (US\$ bi)	2.475
GDP per capita (US\$)	12.866



São Paulo

Territory (1,000 km ²)	248
Population (million)	42
GDP nominal (US\$ bi)	792
GDP per capita (US\$)	19.049

21% of the population

32% of GDP nominal

1,5X of GDP per capita

São Paulo Highlights

- **1st largest cargo airport** in Latin America
- **1st largest producer of sugar cane ethanol** in the world
- **2nd largest helicopter fleet** in the world
- **One of the five largest stock exchange** in the world (BM&FBOVESPA)
- **3rd largest producer of aircraft** in the world
- **42% of domestic production of vehicles**
- Capital: **sixth largest metropolis** in the world
- Agribusiness:

Orange – 53% of juice world production

Sugar – 23 million tons/year

Beef – US\$ 2.18 billion in exports



One of the Most Important Economic Regions of the World

Rank	Region	Country	GDP (PPP) US\$ mi
1	California	USA	1.897
2	Texas	USA	1.205
3	New York	USA	1.157
4	Guangdong	China	1.156
5	Jiansu	China	1.040
6	Shandong	China	1.001
7	Tokyo	Japan	767
8	Florida	USA	746
9	São Paulo	Brazil	715
10	Zhejiang	China	692

High Quality Infrastructure

- 19 out of the 20 best highways in Brazil
- Largest port in Latin America (Santos)
- 2,400 km of waterways
- 5,400 km of railways
- 6,000 km of gas pipeline
- Around 50 million air passengers per year

And it is getting better...

Investment in public transport (trains and subway)

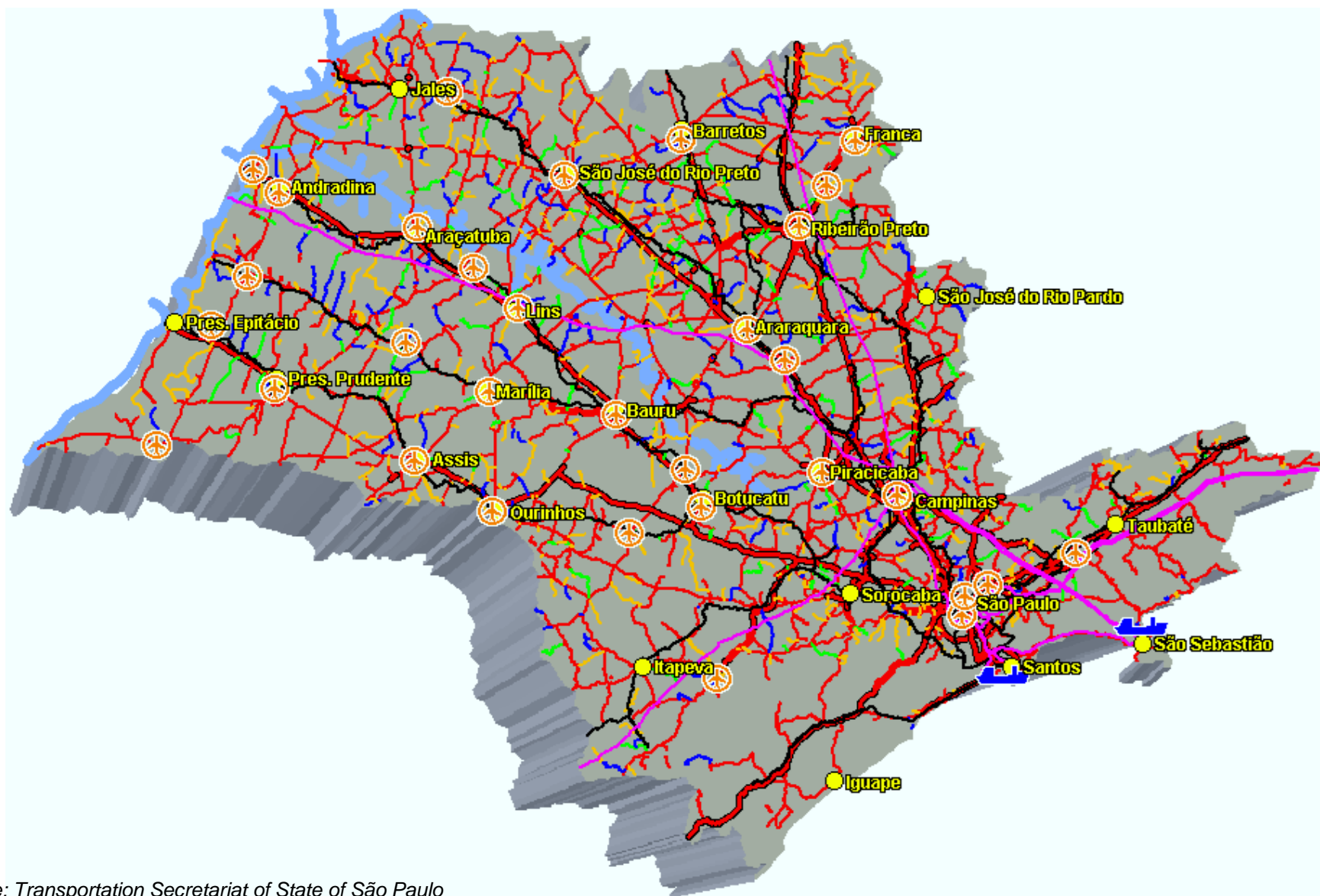
São Paulo Highway Ring

Expansion of the ports of Santos and São Sebastião

Expansion and modernization of 30 regional airports



High Quality Infrastructure



Source: Transportation Secretariat of State of São Paulo

Environmental Responsibility

- Energy matrix with 57% renewables (2010)
- Competitive advantages for energy production from biomass
- New opportunities in environmental technology markets
- Brazil's most advanced structured conservation system



- **17.5% State area is native vegetation**
- **10.8% State area is rainforest**
- **14.8% State area is nature protection reserves (full protection and sustainable use)**

Index of Municipal Development

The best ranked Brazilian municipalities are in the State of São Paulo

IFDM Ranking		UF	IFDM Ranking BRAZILIAN MUNICIPALITIES - YEAR 2009	IFDM	Employment & Income	Education	Health
National	State						
1°	1°	SP	Barueri	0,9303	0,9184	0,9206	0,9518
2°	2°	SP	Paulínia	0,9290	0,8954	0,9675	0,9240
3°	3°	SP	Araraquara	0,9281	0,9035	0,9600	0,9207
4°	4°	SP	Ribeirão Preto	0,9239	0,9299	0,9213	0,9207
5°	5°	SP	São José do Rio Preto	0,9202	0,8704	0,9546	0,9356
6°	6°	SP	Indaiatuba	0,9164	0,8631	0,9393	0,9469
7°	7°	SP	Marília	0,9125	0,8463	0,9615	0,9297
8°	1°	MT	Lucas do Rio Verde	0,9046	0,8849	0,8650	0,9640
9°	8°	SP	Taubaté	0,8985	0,9013	0,8951	0,8992
10°	9°	SP	Itupeva	0,8942	0,8979	0,8921	0,8925
11°	10°	SP	São Paulo	0,8930	0,8799	0,9121	0,8870
12°	11°	SP	Santos	0,8924	0,8318	0,9312	0,9143

39 out of the 50 best ranked
Brazilian municipalities are in the State of São Paulo

**521 college level institutions all over the State
24% of Brazil's total**

The State Government is responsible for three of the best universities in Brazil:

- USP - São Paulo University – 88,962 students
- UNICAMP – Campinas State University – 36,801 students
- UNESP – São Paulo State's University – 46,634 students



UNICAMP



Largest program of technical education in Brazil

Technological education - Fatecs

- 55 thousand students
- 51 technology colleges
- 60 courses in the fields of industry, services and agriculture



Technical Schools - Etec's

- 216 thousand students
- 203 technical schools
- 101 courses in the fields of industry, services and agriculture



Workforce Training

- Centro Paula Souza's structure may be used for workforce training at no cost to companies



More than **13%** of the São Paulo State revenue is used in high quality education, research and development. The State also hosts federal universities and research institutions.



Fundação de Amparo à Pesquisa Científica e Tecnológica (Fapesp)

US\$ 616 million
annual budget

3 universities among the ones that most develop scientific research in Brazil

USP, Unicamp and Unesp

19 research institutes

IPT
international
recognition

30 initiatives of
Technology Parks

All over
the state

R&D - Examples of Companies

Examples of companies carrying out R&D in the State of São Paulo





Brazilian Investment Competitiveness Ranking

Dec. 2011

Economist Intelligence Unit

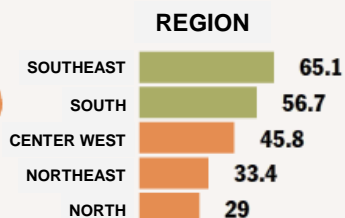
The Economist

General Ranking

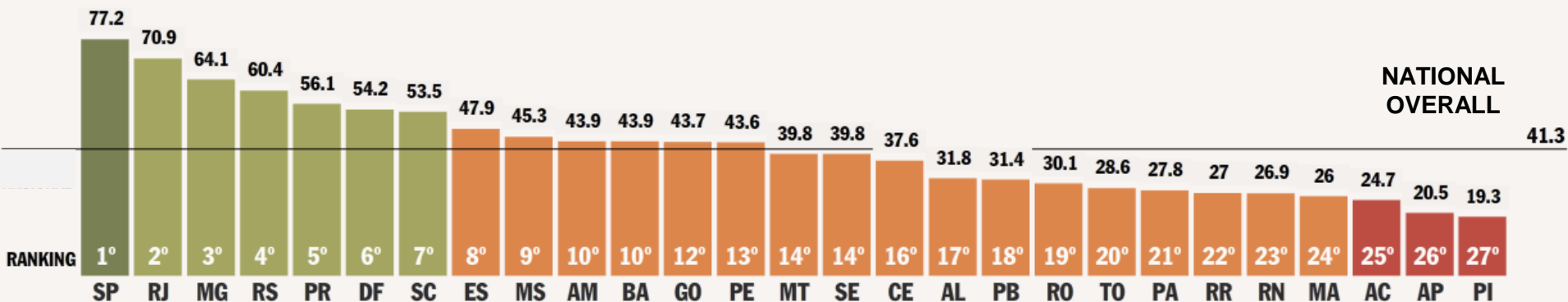
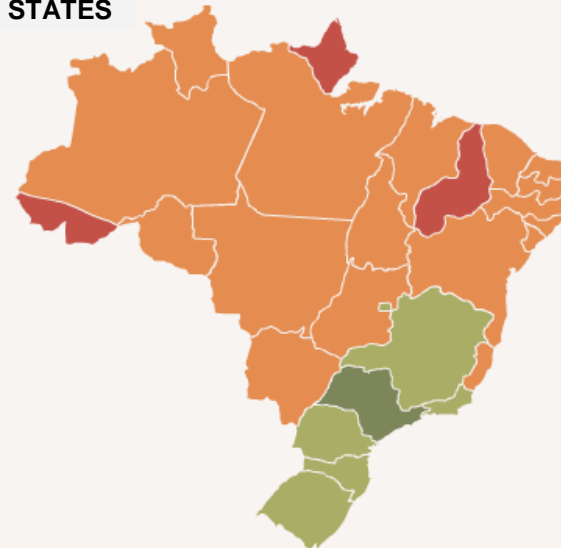
Scale – 100 for best, 0 for worst



CLASSIFICATION



STATES



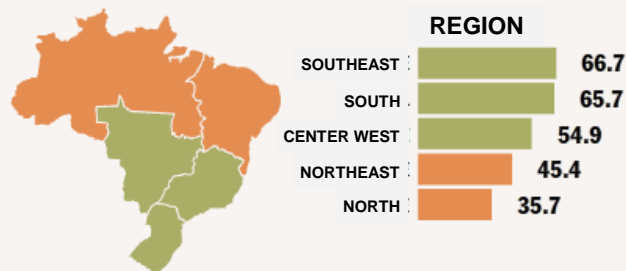
1. Political Environment

Scale – 100 for best, 0 for worst

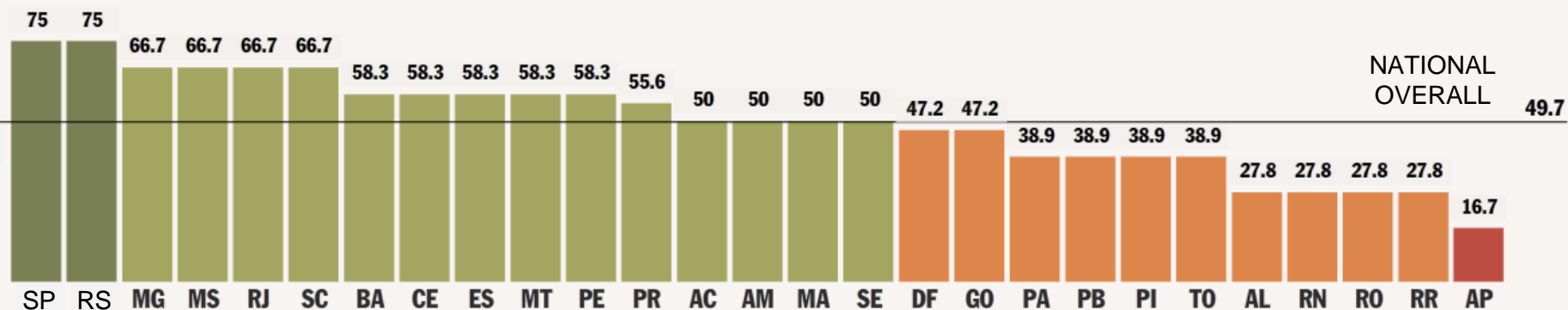
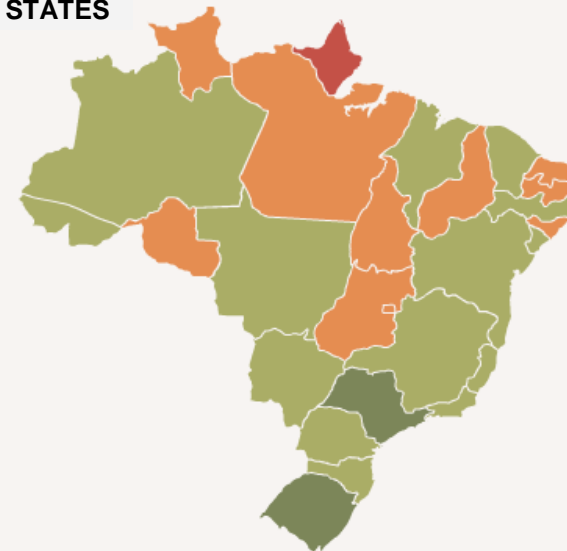


1/4 1.0 Ranking

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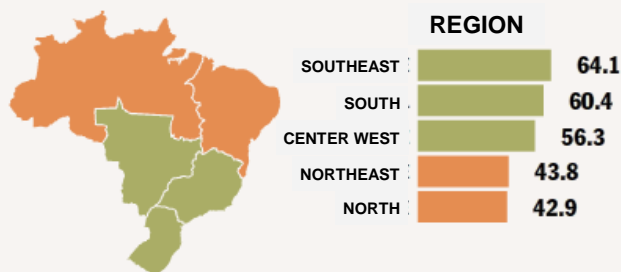
2. Economic Environment

Scale – 100 for best, 0 for worst

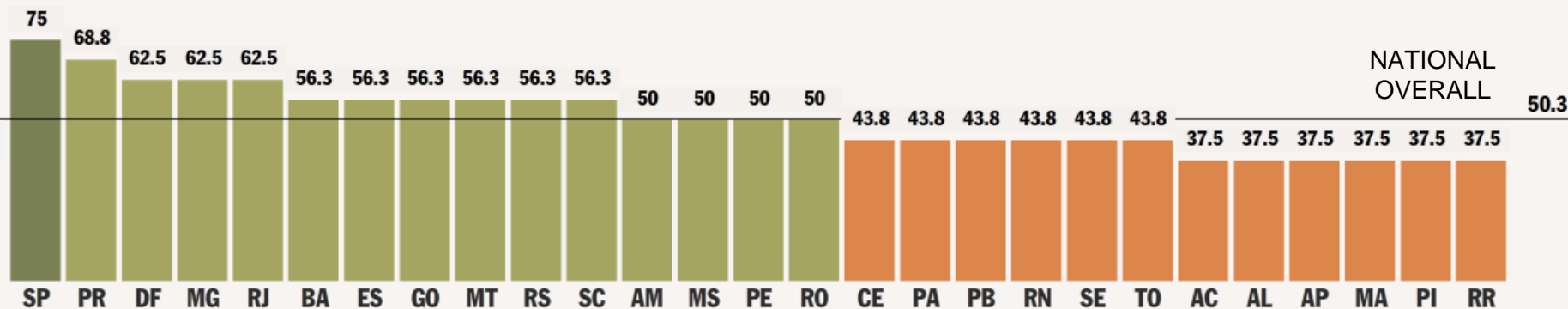
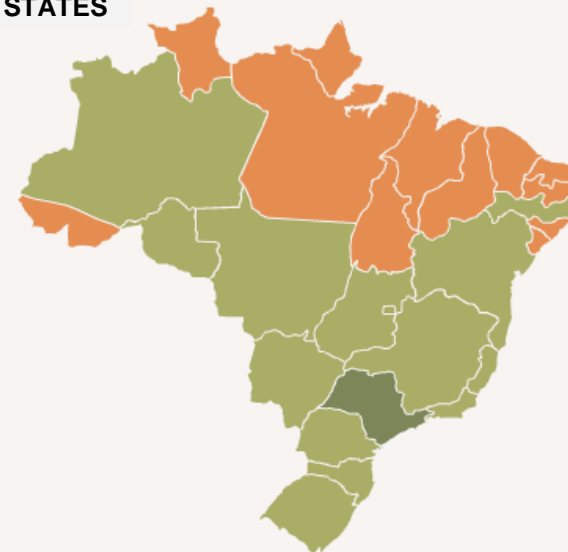


1 / 5 2.0 Ranking

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Source: The Economist, Centro de Liderança Pública and Veja

<http://veja.abril.com.br/infograficos/clp/>

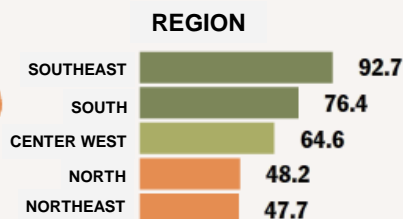
3. Policies for Foreign Investments

Scale – 100 for best, 0 for worst

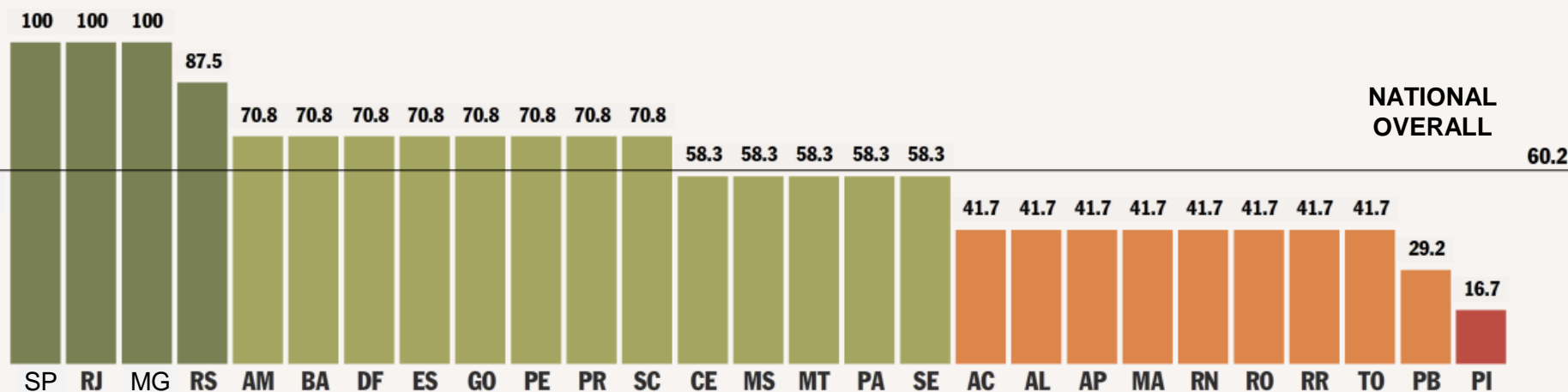
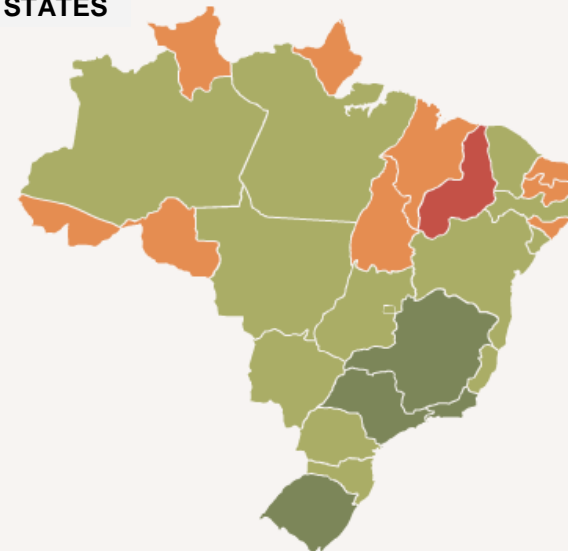


1 / 3 4.0 Ranking

CLASSIFICATION



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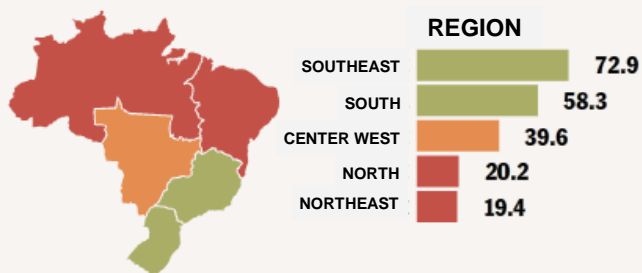
4.Human Resources

Scale – 100 for best, 0 for worst

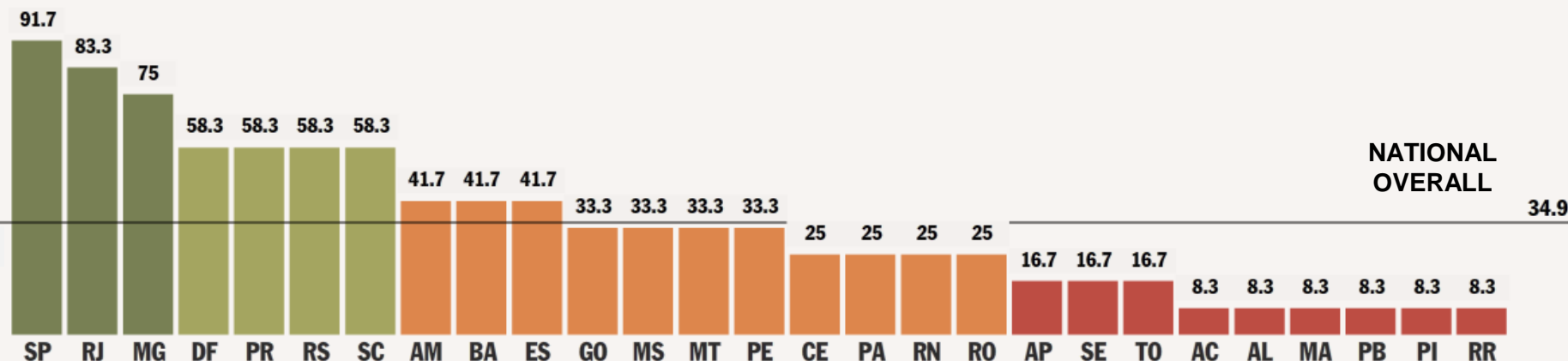
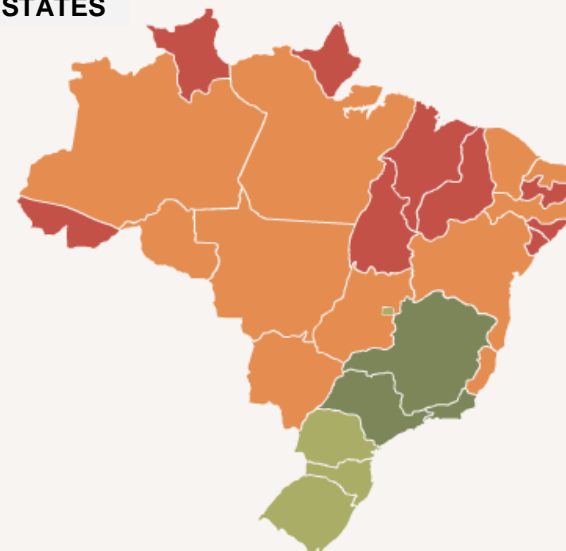


1/4 5.0 Ranking

CLASSIFICATION



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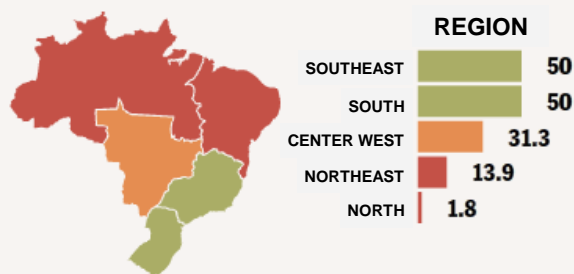
5. Infrastructure

Scale – 100 for best, 0 for worst

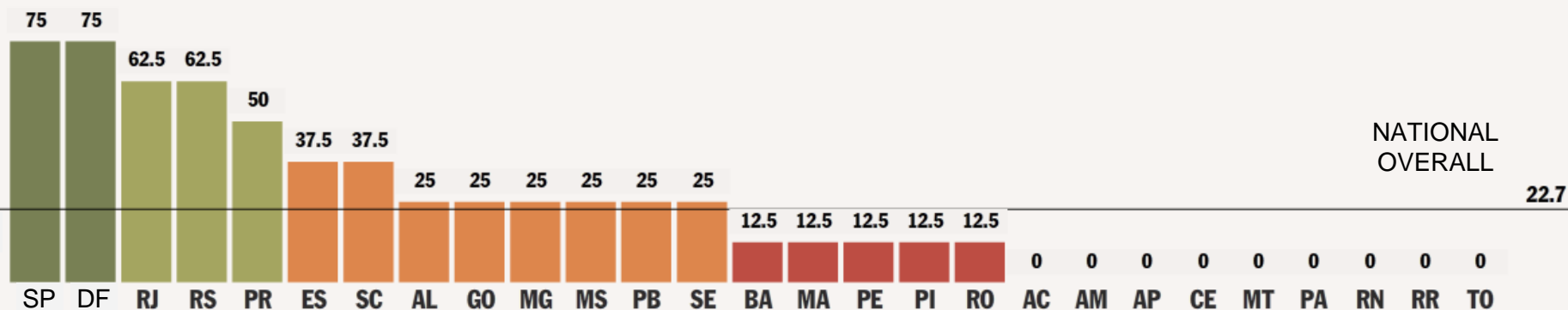
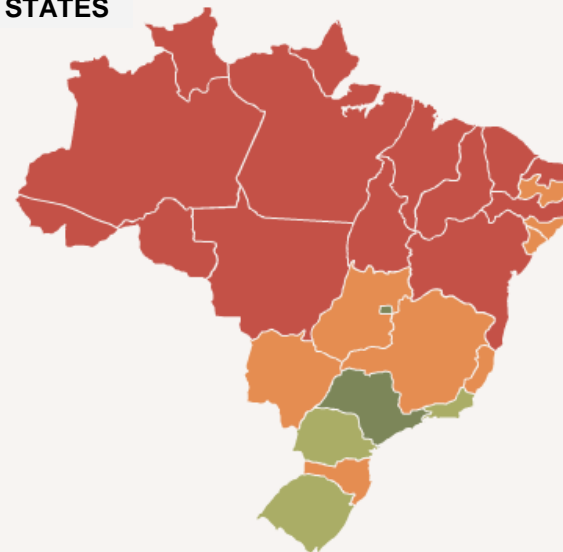


1 / 3 6.0 Ranking

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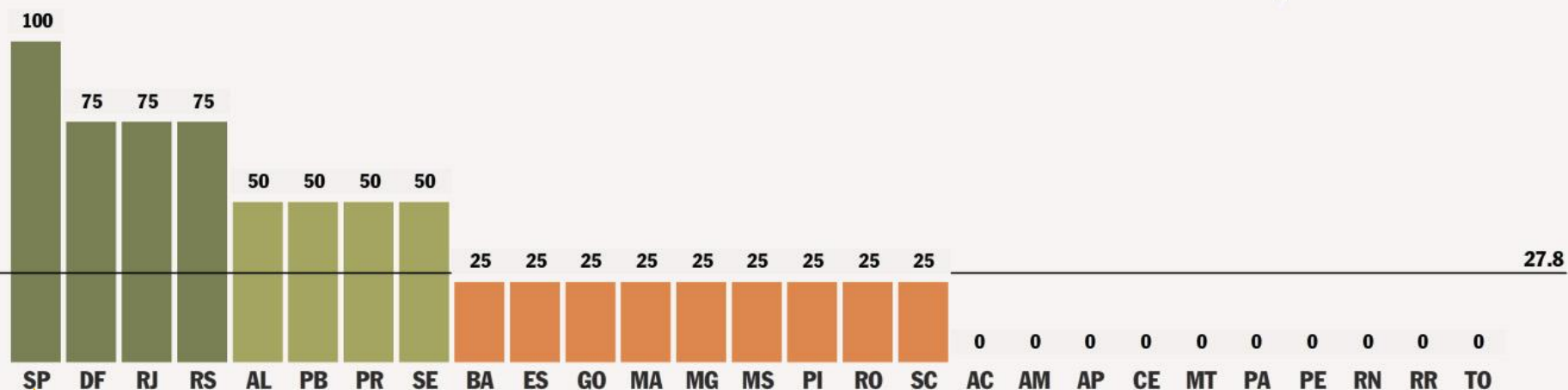
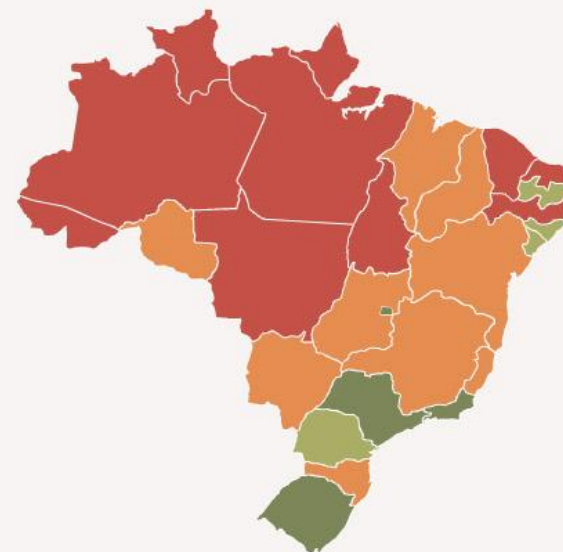
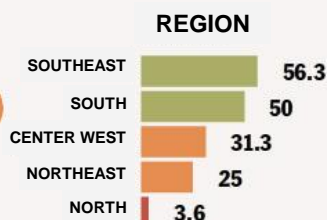
Brazil's Infrastructure – Highways Quality

Scale – 100 for best, 0 for worst



3/3 6.2 Highways quality

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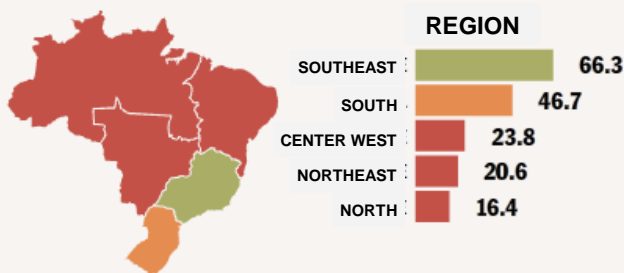
6. Innovation

Scale – 100 for best, 0 for worst

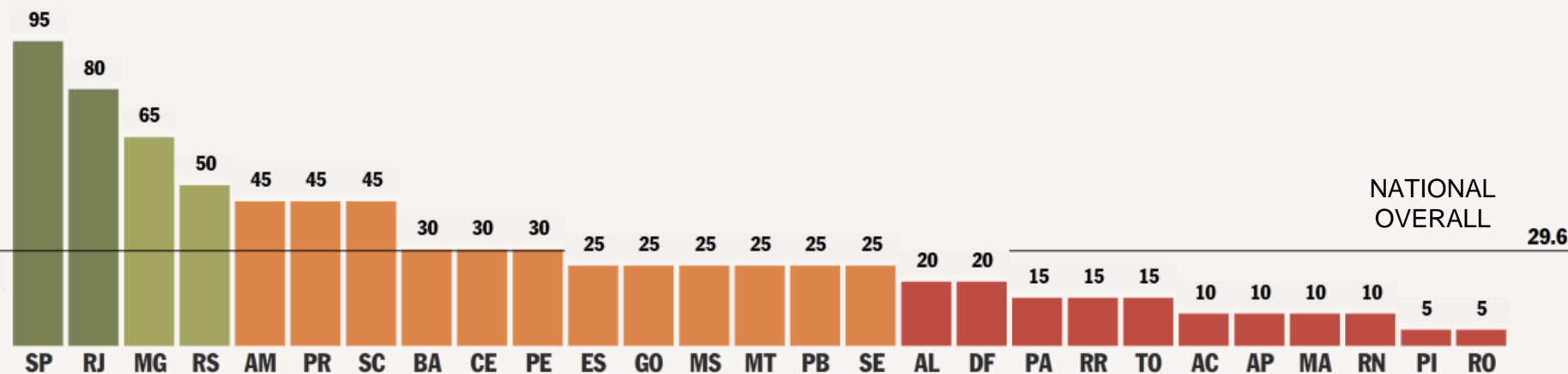
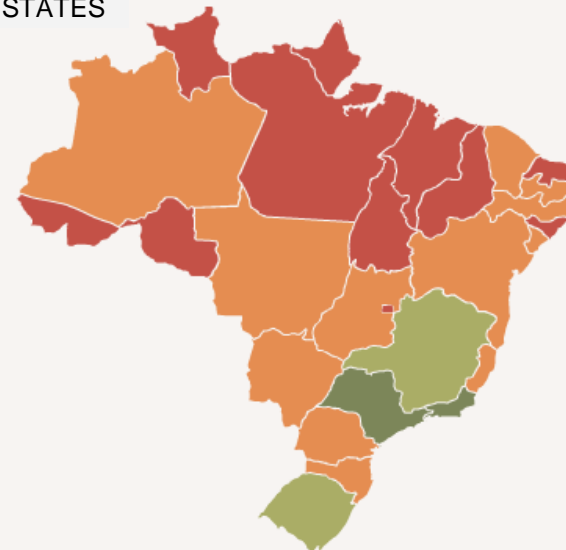


1 / 6 7.0 Ranking

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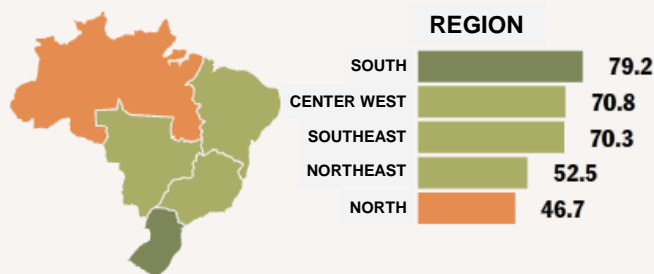
7.Sustainability

Scale – 100 for best, 0 for worst

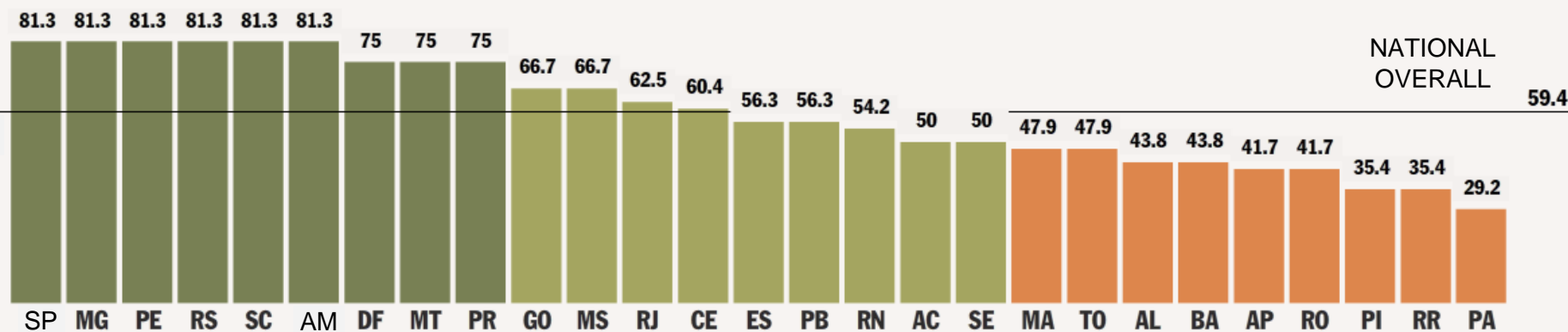
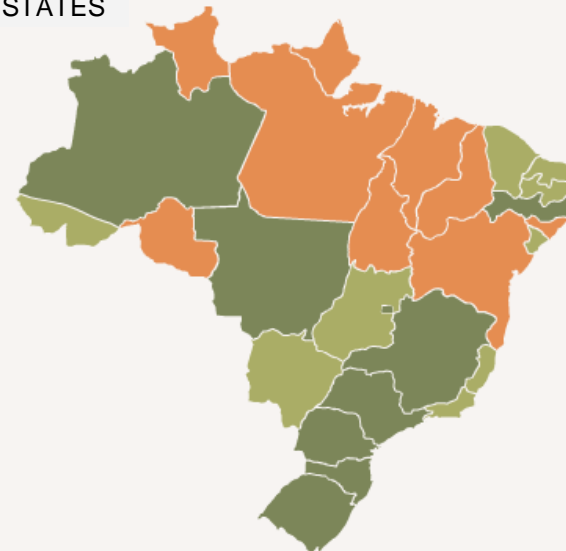


1 / 5 8.0 Ranking

CLASSIFICATION



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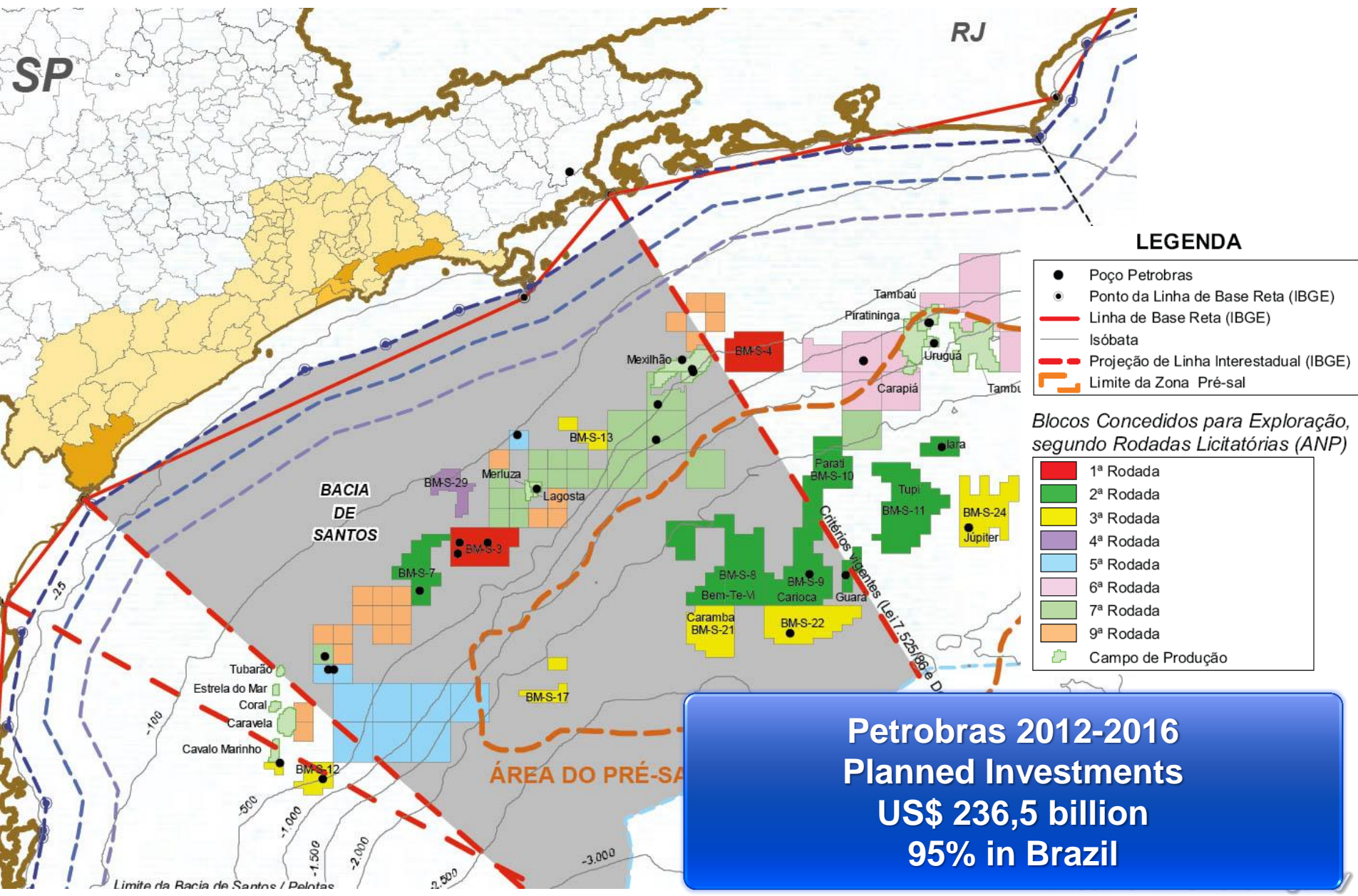
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Investment Opportunities



Pre-salt – Santos Basin



Tietê-Paraná Waterway



Profile

Navigation Extension

2,400 km total

800 Km in São Paulo State

Linking the 5 largest states in
production of grain, sugar cane and
derivatives

Estimated Investment

- Total Investment – US\$ 597 million
 - State Government – US\$ 231 million
 - Federal Government – US\$ 366 million

Summary of Investment

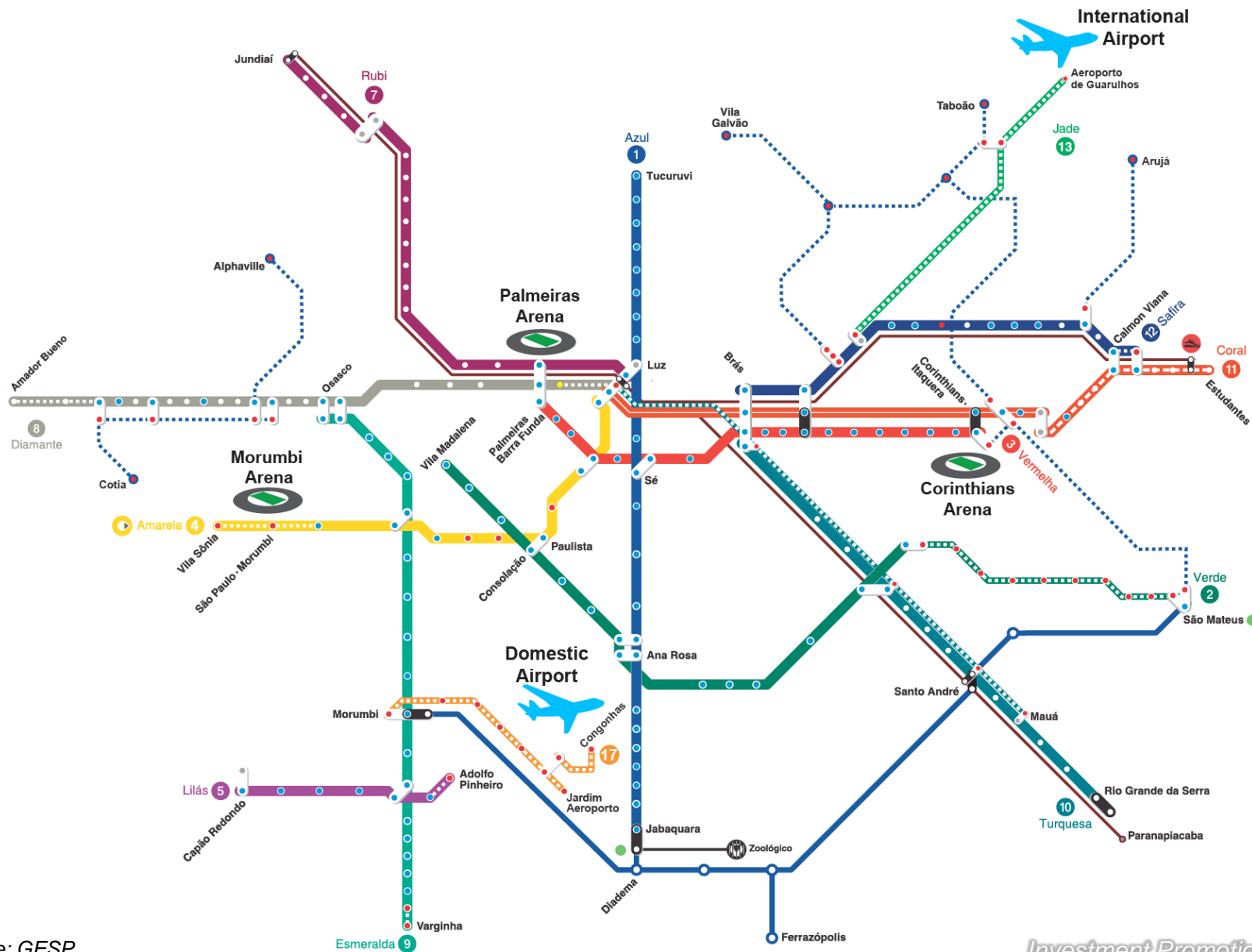
- Elimination of Bottlenecks
 - Enlargement of spans and pillars protection
 - Dredging and removal of high points
 - Locks duplication
- Extension
 - Expansion and rectification of the route
- Ports on waterway

Public and Private Investment

- **US\$ 180 million** of state investments in transport infrastructure in the stadium surroundings
- Arena for the opening of the World Cup - 65 thousand seats
- Increase from 42 thousand to 50 thousand hotel rooms until 2014
- Connection of airports to subway and trains network
- Improvement and expansion of the transportation system
- 64 training centers preselected by the Local Committee, out of 145 nationwide



Integrated Transport System in 2014





Public-Private Partnerships and Concessions



State Investment Plan, including PPP potential

**Projected investment 2012-2015:
R\$ 85.2 billion (US\$ 48.0 billion)
PPP potential 2012-2015: R\$ 33.4 billion (US\$ 19 billion)**



**SECRETARIAT OF
METROPOLITAN TRANSPORTS**

US\$ 28.8 billion



**SECRETARIAT OF LOGISTICS
AND TRANSPORTS**

US\$ 13.2 billion



**SECRETARIAT OF SANITATION
AND WATER RESOURCES**

US\$ 1.6 billion



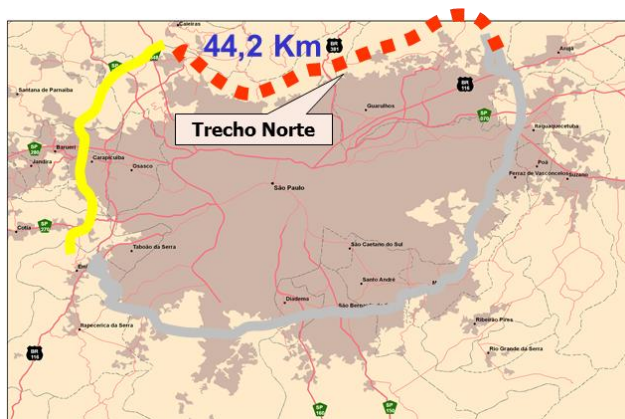
HOUSING SECRETARIAT

US\$ 1.3 billion

Highways

Potential Investment: US\$ 6.4 billion

Highway Ring – North
US\$ 3.2 billion



North Coast – Highways
US\$ 2.8 billion



Lote 2 – Litoral Sul

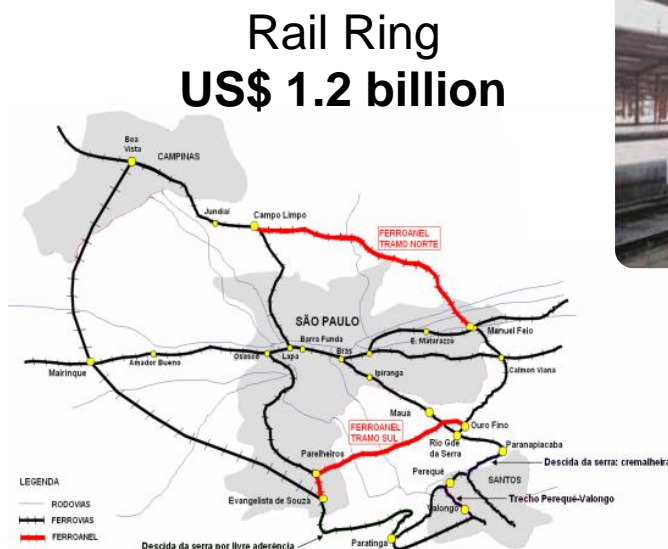
South Coast – Highways
US\$ 388 million

Railways and Metro

Potential Investment: US\$ 5.6 billion



Bandeirantes Express
US\$ 2 billion



**Airport Express and
Guarulhos Train**
US\$ 1.3 billion

Other projects: US\$ 1.1 billion

Information Technology

Potential Investment: US\$ 1.9 billion

Government Internet Network
US\$ 1.6 billion



Centralized Collection of Public
Transports Fares
US\$ 313 million



Sanitation

Potential Investment: US\$ 1.8 billion

São Lourenço – High Juquiá
Production System
US\$ 599 million



Clean Wave – North Shore Basin
Water and Sewage
US\$ 312 million



Other projects: US\$ 900 million

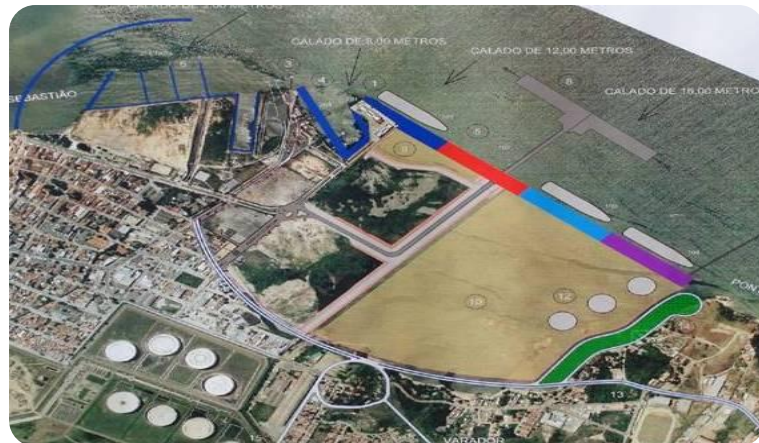
Airports and Ports

Potential Investment: US\$ 529 million

DAESP network (30 airports upgrade)
US\$ 180 million



São Sebastião Port
US\$ 349 million



Hvala!

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