



Development
and Investment
Department



Rio Grande do Sul State

Washington, DC, March 2013

Ivan De Pellegrin - CEO

Rio Grande do Sul Development Agency - AGDI

- I. Rio Grande do Sul overview
- II. RS Development System and Industrial policy
- III. Demand for investments in the proprietary sectors

Rio Grande do Sul overview

- Population: **10,695,532** inhabitants (2010)
- Strong European immigration
- Average age: **34.9** years²
- Area: **281,749** km²
- GDP in 2011¹: **US\$ 160 billion**
- GDP per capita in 2011¹: **US\$ 14,448**
- State capital: Porto Alegre



*Source: FEE and IBGE. Note: (1) Preliminary data.
Converted using the exchange rate for sale US\$/R\$
1.71, equivalent to exchange rate in February 14,
2011 – source: BCB (2) IBGE, Censo 2010*

Political Context

BRAZIL



2003 -2006 : Luiz Inácio
"Lula" da Silva (PT)



2007 -2010: Luiz Inácio
"Lula" da Silva (PT)



2011 -2014: Dilma
Rousseff (PT)

RS



1998- 2002: Olívio
Dutra (PT)



2003 -2006:
Germano Rigotto
(PMDB)



2007 -2010: Yeda
Crusius (PSDB)



2011 -2014: Tarso
Genro (PT)

Government's role in state development

“establishing an active role for the government in the development of the State, with sustainability and income distribution”

**Rio Grande do Sul's
Governor Tarso Genro* (PT)**

Governor Tarso Genro*
RS Federal Representative
2 x Mayor of Porto Alegre
Coordinator of the SEDC (Lula)
Minister of Education (Lula)
Minister of Institutional Relations (Lula)
Minister of Justice (Lula)



Rio Grande do Sul Industrial Highlights

- 2nd most diversified and
- 1st center for agricultural equipment
- 1st center for transport equipment
- 1st center for electrical-electronic and automation
- 2nd center for industrial equipment
- 2nd center for metal-mechanical products
- 1st producer of biofuels (biodiesel)
- 3rd center of wind power farms
- 2nd health and hospital cluster in Brazil
- 1st producer of leather and footwear
- 2nd center for furniture
- 2nd center for chemical products
- 2nd center for rubber and plastics
- 1nd center for beverages (1st wine producer)
- 1st producer of rice and 4th in food processing



Main Markets

Mercosur (2011)

GDP: US\$ 2,608.8 billion

Population: 244.6 million



Radius of 1.4 thousand km

Paraguay

GDP: US\$ 18.5 billion

Population: 6.5 million

Argentina

GDP: US\$ 370.3 billion

Population: 41.8 million

Brazil

GDP: US\$ 2,172 billion

Population: 195 million

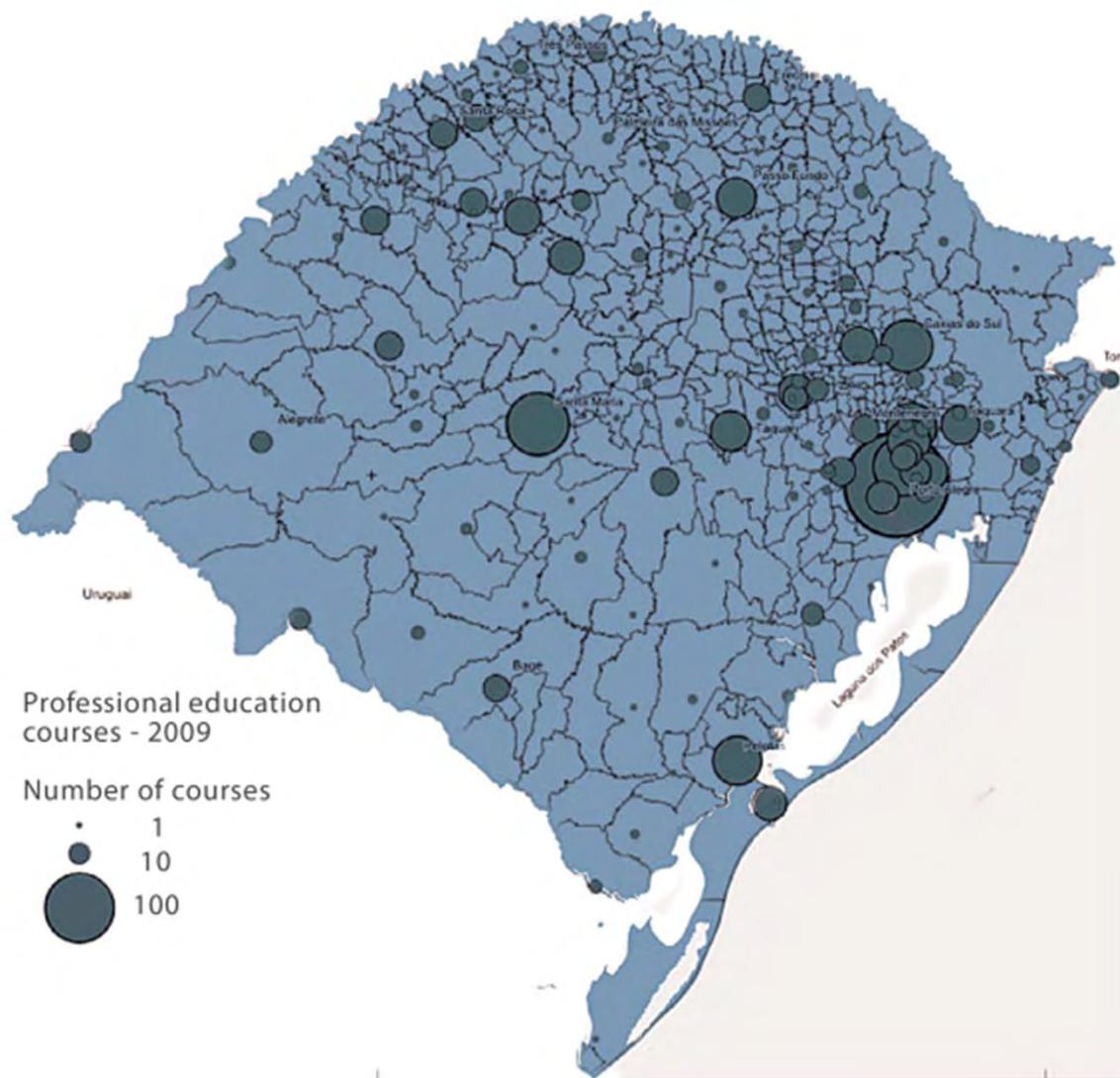
Uruguay

GDP: US\$ 48 billion

Population: 3.3 million



Human resources: education



- 23 Universities
- 113 Technical education institutions

Human resources: Universities

- **3 of the 8 best** private and public universities of Brazil are in the RS:
 - Federal University of Rio Grande do Sul (UFRGS)
 - Catholic University of Rio Grande do Sul (PUCRS)
 - Vale dos Sinos University (Unisinos)



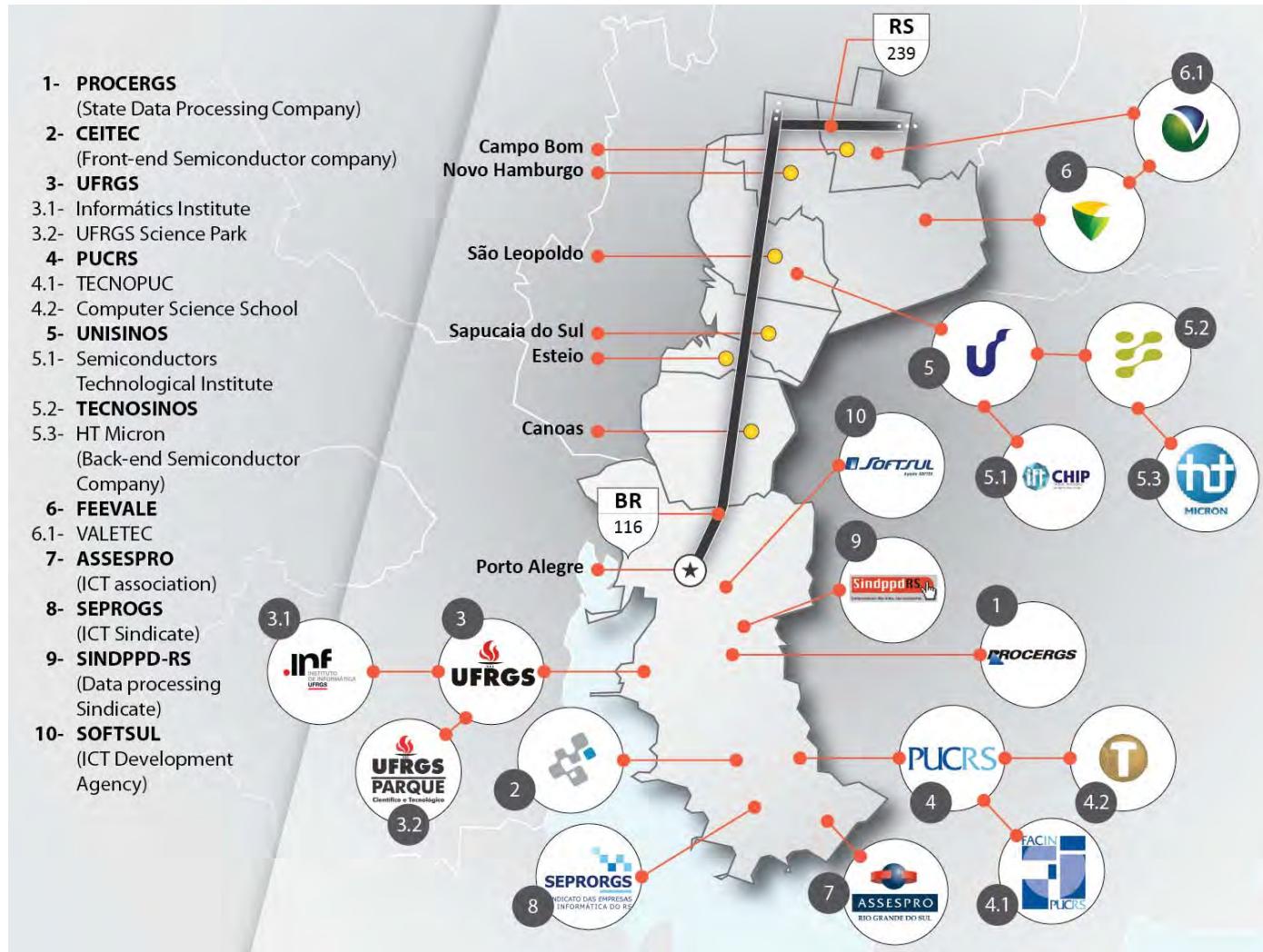


Technology Parks

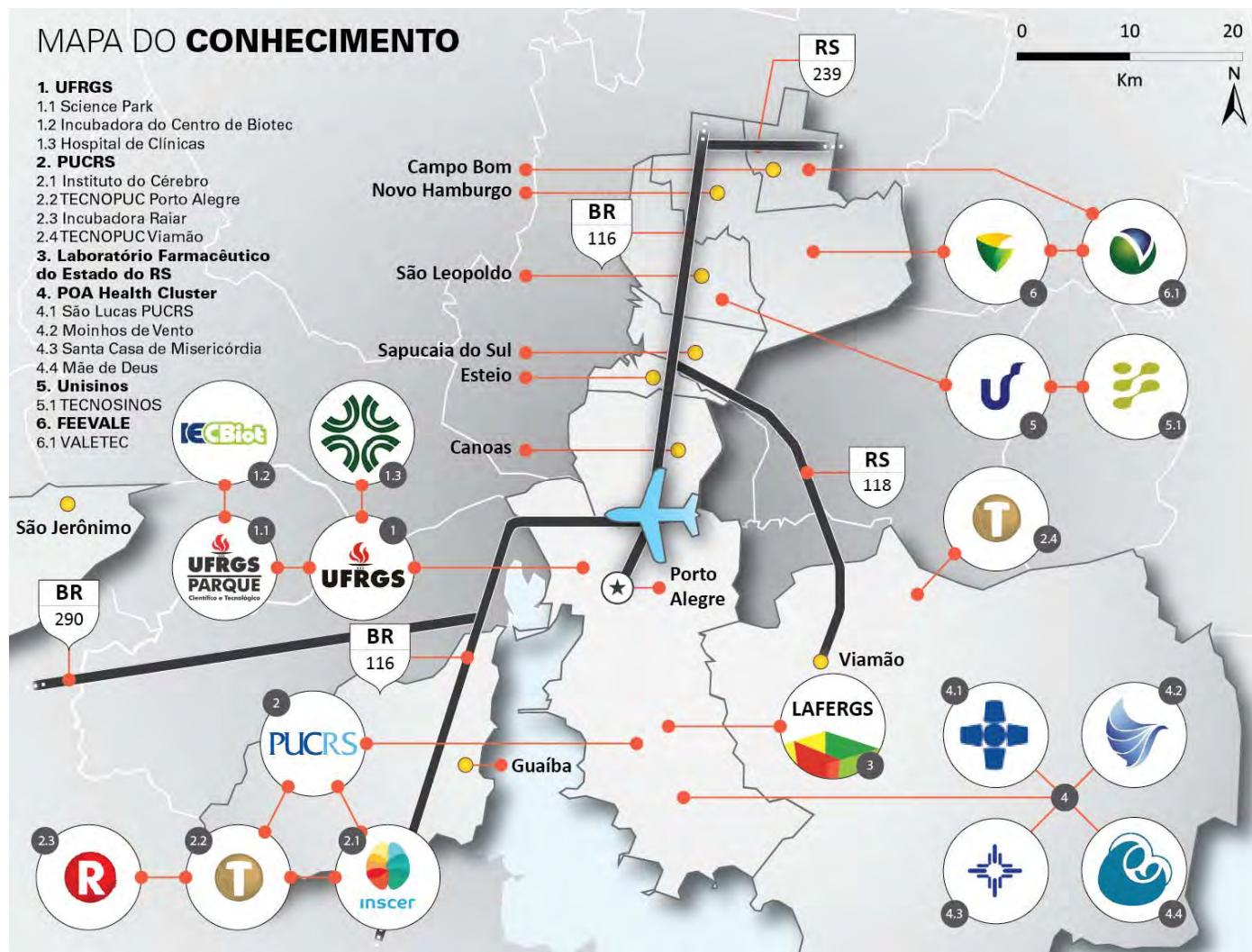
- **10,000 people in the three main parks of the Porto Alegre metropolitan area:**
 - PUC - Tecnopuc (60 companies)
 - UNISINOS - Tecnosinos (52 companies)
 - FEEVALE - Valetec (21 companies)
- **11** other technology parks being implemented



The metropolitan area Technology cluster



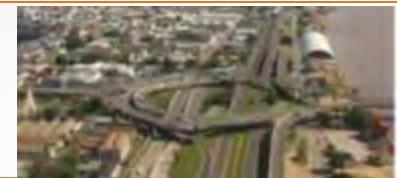
The metropolitan area Life Science cluster



Infrastructure: a wide net of transportation



The roads, waterways and railway network are connected to the main State airports. One of the advantages is lake navigation.



The State has 12,896 km (87.2%) of paved roads, besides construction in progress for the paving of another 1,531 km

Entertainment

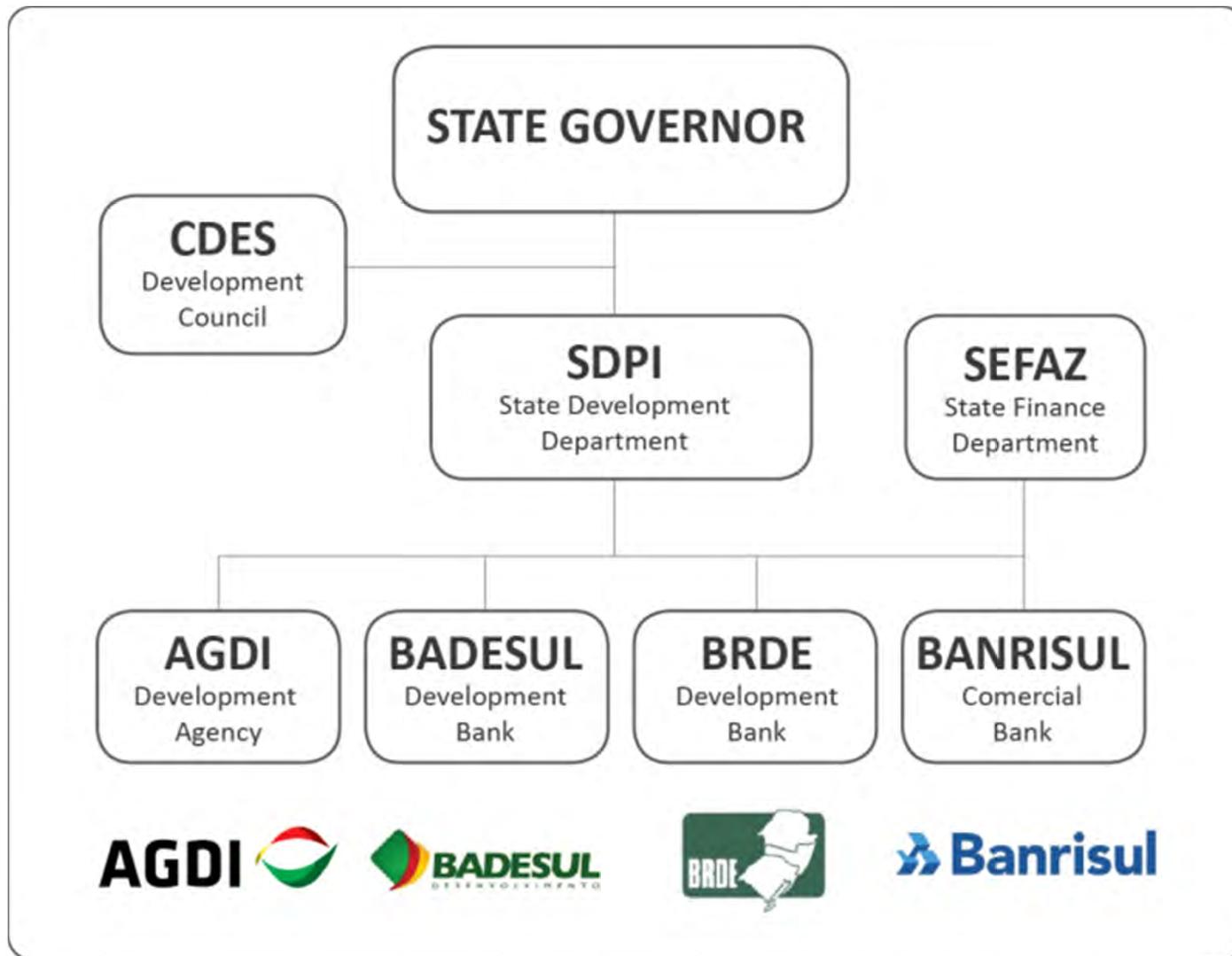
Diversity and quality of life





SD-RS

Development System of RS



The RS Industrial Policy includes five main strategies:

- **I: Sectoral Policy**
 - Sectoral programs
 - International action program
- **II: Cooperation Economy Policy**
 - Clusters program
 - Cooperation networks program
 - Tech Parks program
- **III: Companies Policy**
 - Investors room
 - Support for Innovative Companies program
 - Productivity and Quality Training Program
- **IV: Cross-cutting instruments**
 - Fundopem
 - Industrial areas
 - RS Financial System (BANRISUL, BADESUL and BRDE)
- **V: Infrastructure for development**
 - Logistics programs
 - Energy programs
 - Communication programs

Industrial Policy

Strategic Sectors

SECTORS OF THE NEW ECONOMY

Priority

- Offshore Industry and Ship building

Preferential

- Recycling and Waste Treatment
- Wind Industry

Special

- Biofuels (Ethanol and Biodiesel)
- Semiconductors
- Advanced Health Care And Pharmaceuticals
- Creative Industries

SECTORS OF THE TRADITIONAL ECONOMY

Priority

- Agricultural Industry
 - Beef Cattle
 - Pork
 - Wine and Grape Juice
 - Grains - Rice
 - Milk and Dairy
 - Poultry Raising
 - Grains - Corn and Soybean

- Automotive and Road-related Industries

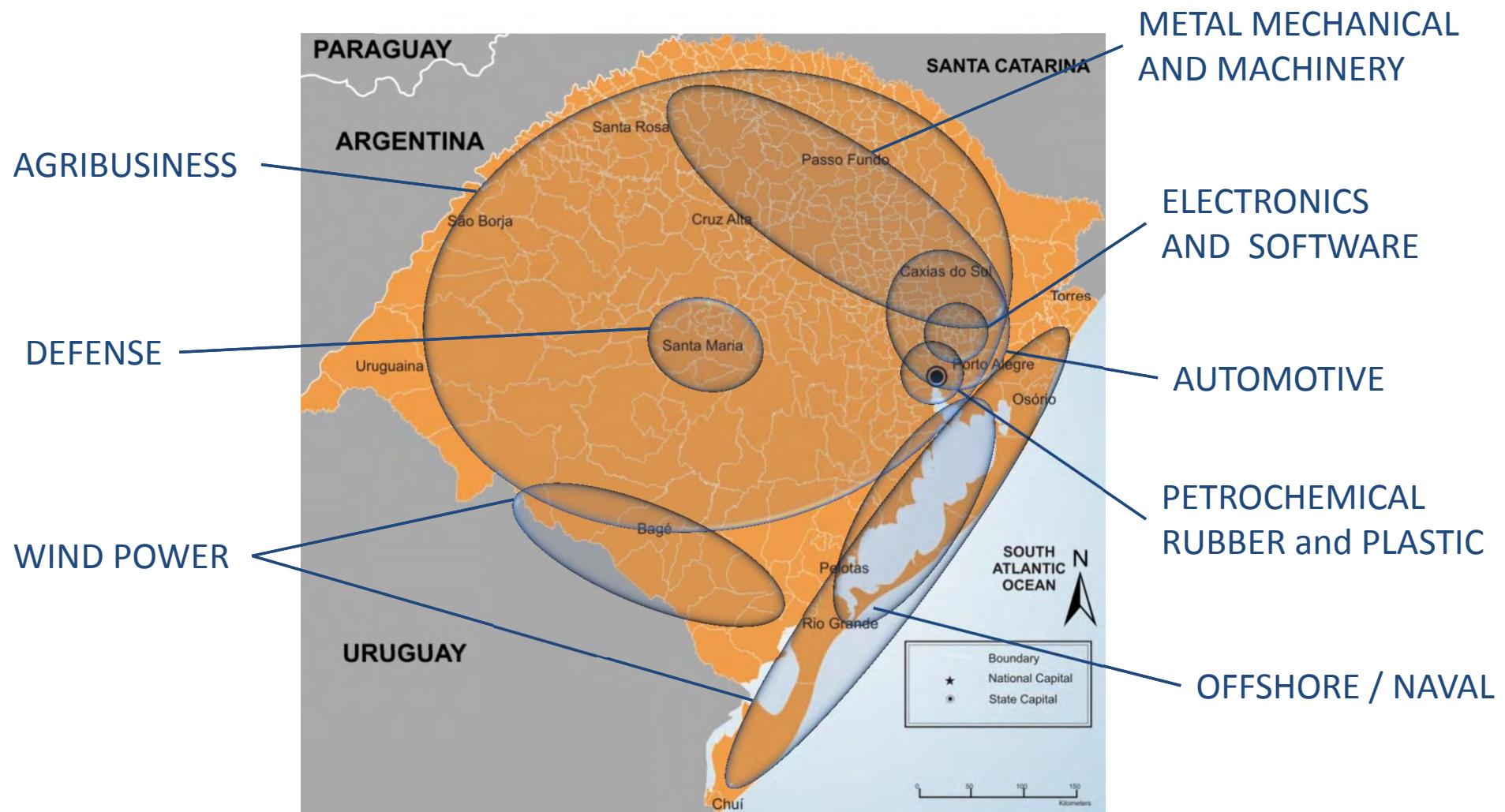
Preferential

- Agricultural Machines and Implements
- Wood, Pulp and Furniture

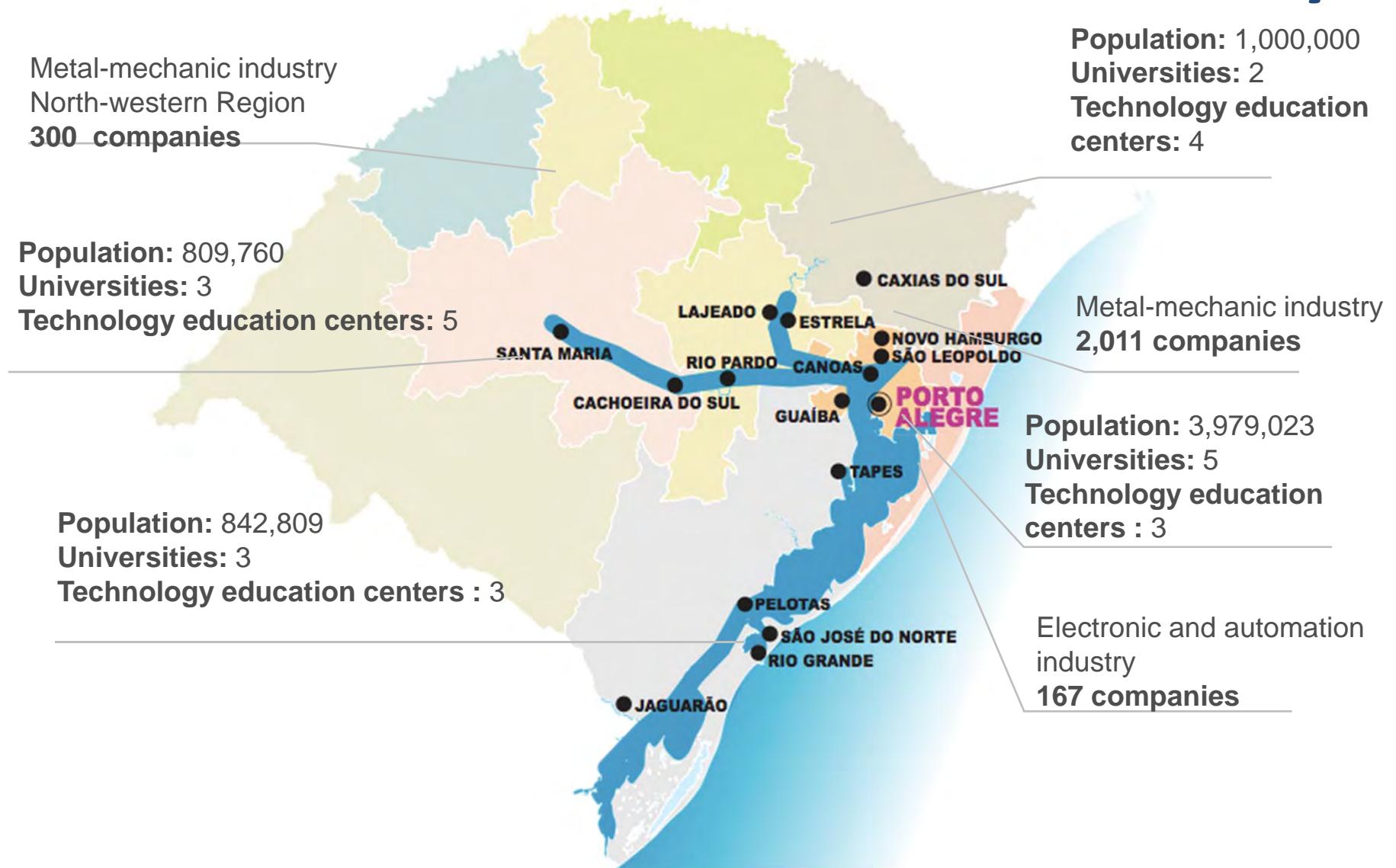
Special

- Gas and Oil Equipments Industry
- Petrochemical Industry, Rubber and Plastic Products
- Software
- Eletro-electronics, Automation and Telecommunications
- Footwear and Leather Articles

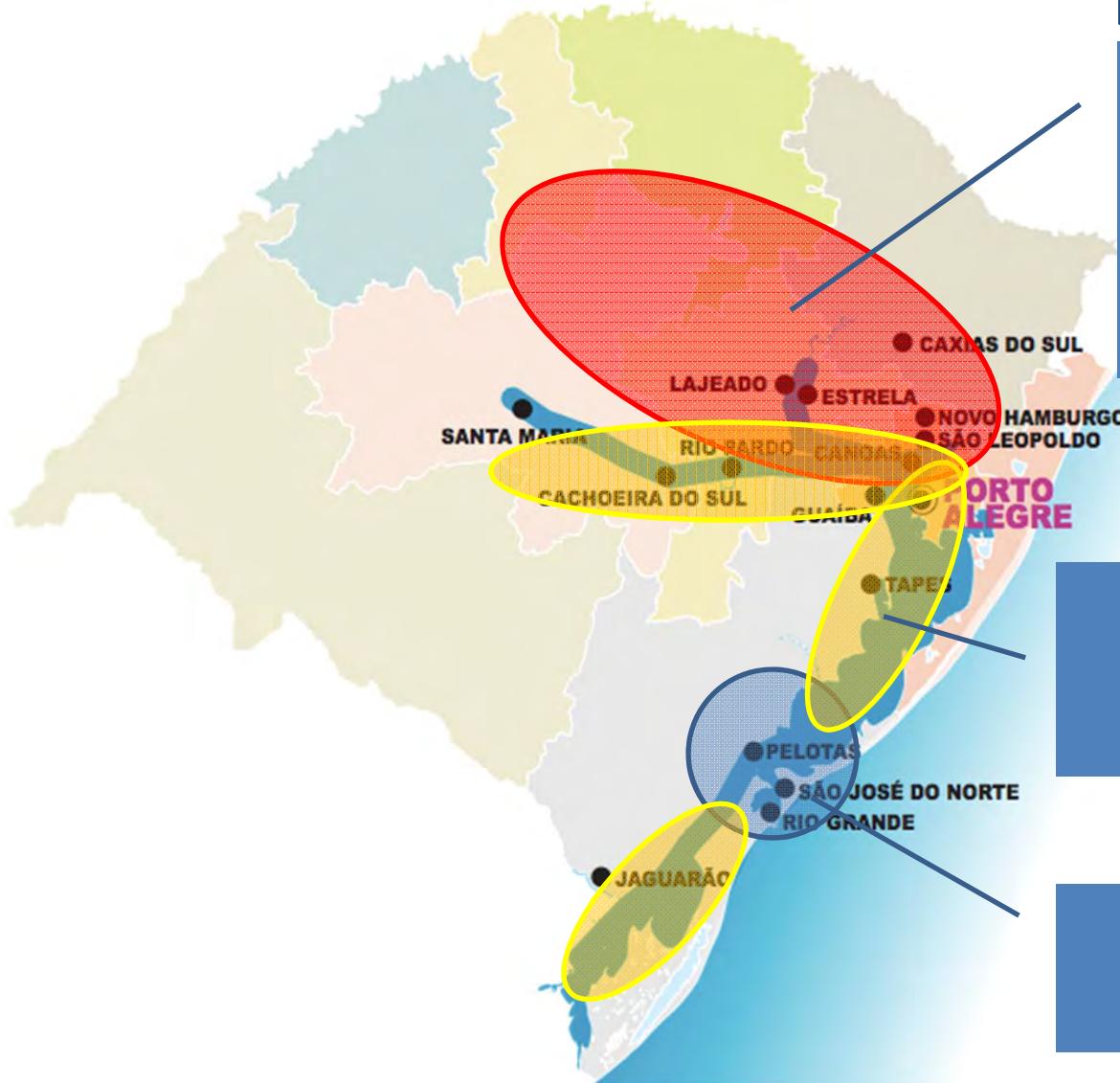
Industry Geography



Vision of the Offshore Industry



Vision of the Offshore Industry



Raw materials
Metal-Mechanic
Electrical and
Electronic products
Equipment
Automation

Offshore yards
Heavy equipment
Heavy structures

Shipyards



Investment opportunities

- **Offshore industry - Manufacture of:**

- HEAVY EQUIPMENT FOR OFFSHORE INDUSTRY IN GENERAL
- PROPULSION SYSTEMS / DIESEL ENGINES > 500 HP
- CRANES, BRIDGE CRANES AND DERRICK-CARS
- RISERS
- BIG SIZE VALVES
- PRESSURE VESSELS
- HEAVY FORGINGS
- NAVAL REPAIR YARD



Investment opportunities

- **Agroindustry / wood - Manufacture of:**
 - PAPER, PAPERBOARD, PAPER PULP, COATED
 - BOXES, BAGS, PAPER PACKAGING
 - MILK, CREAM, CONCENTRATED OR SWEETENED
 - MACHINES AND EQUIPMENT FOR MILLING INDUSTRY
 - FRESH OR CHILLED BEEF
 - FROZEN BEEF
 - MILKING MACHINES AND EQUIPMENT/ DAIRY INDUSTRY



Investment opportunities

- **Automotive and Agricultural Implements - Manufacture of:**
 - TRACTORS
 - DIESEL OR SEMI-DIESEL ENGINES
 - NEW RUBBER TIRES
 - MACHINERY/EQUIPMENT FOR USE IN AGRICULTURE, HORTICULTURE AND FORESTRY
 - HARVESTERS, EGGS AND FRUIT-SELECTING AND GRADING MACHINES & EQUIPMENT
 - TRUCKS AND VEHICLES IN GENERAL
 - TRAILERS AND SEMI-TRAILERS
 - VEHICLE PARTS/ACCESSORIES
 - CHASSIS WITH VEHICLE ENGINES AND HEADINGS
 - TRANSMISSION SHAFTS, AXLES, CRANKS, STEERING WHEELS

Investors Office

- Development and Investment Attraction
- Coordination of Government Departments
 - Infrastructure
 - Environment
 - Taxes
 - Financing
 - Land
- Interface with
 - Municipalities
 - Business Associations
 - Universities and Education
 - Federal Government
- Permanent interaction between key actors in the investment process



**sala do
Investidor**



Thank you!

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