



Development
and Investment
Department



Rio Grande do Sul State

Washington, DC, March 2013

Ivan De Pellegrin - CEO

Rio Grande do Sul Development Agency - AGDI



Summary

- 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)



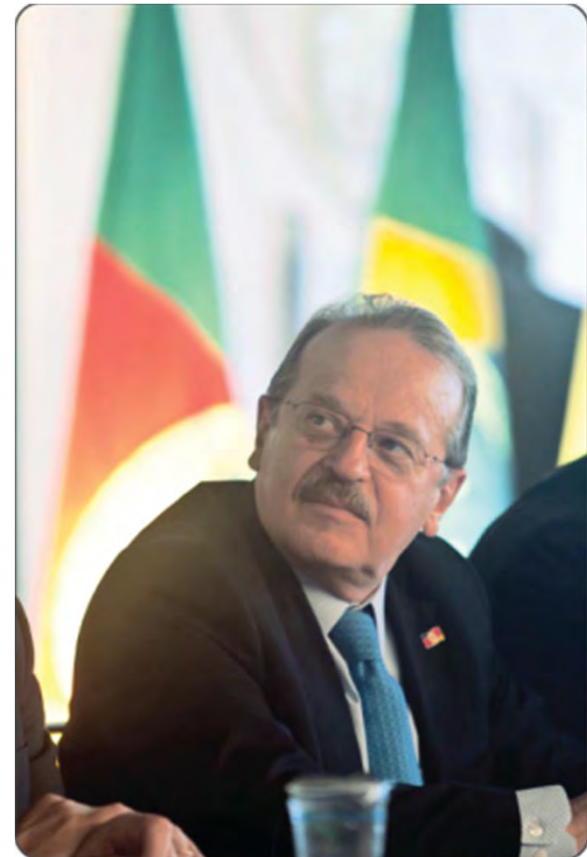
Government's role in state development

“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

Paraguay

GDP: US\$ 18.5 billion


Population: 6.5 million

Argentina

GDP: US\$ 370.3 billion

Population: 41.8 million



 Radius of 1.4 thousand km

Brazil

GDP: US\$ 2,172 billion

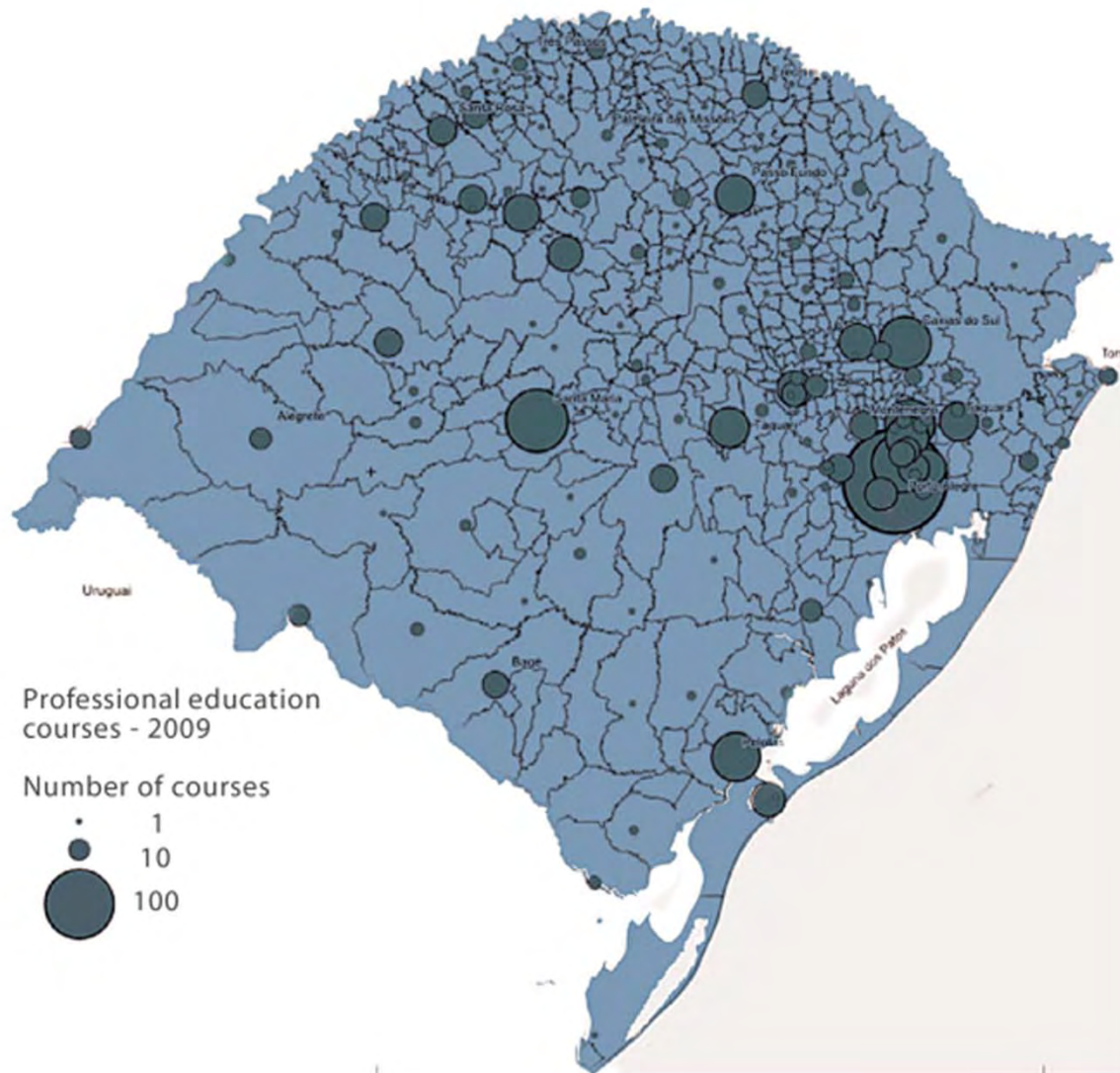
Population: 195 million

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)

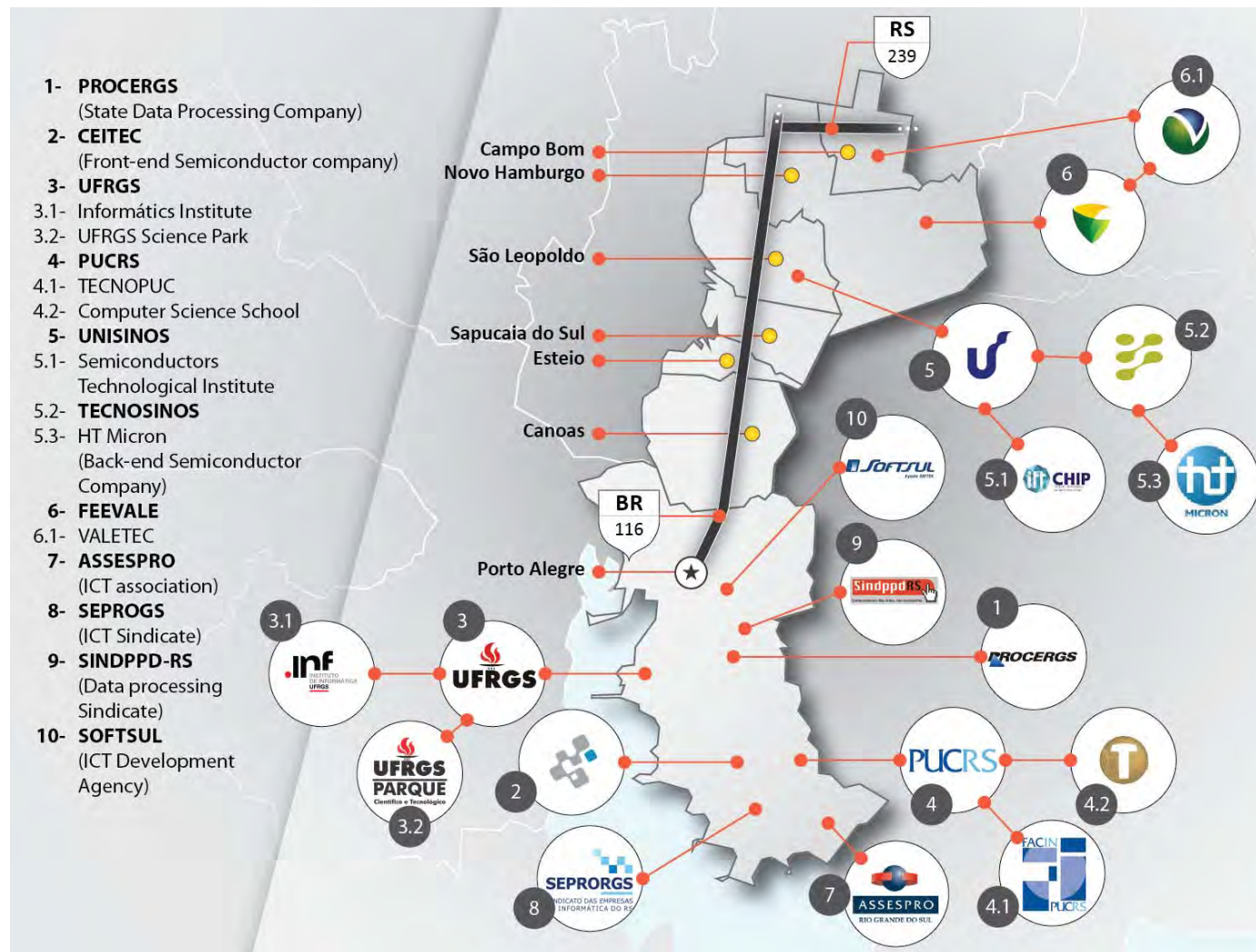


Technology Parks

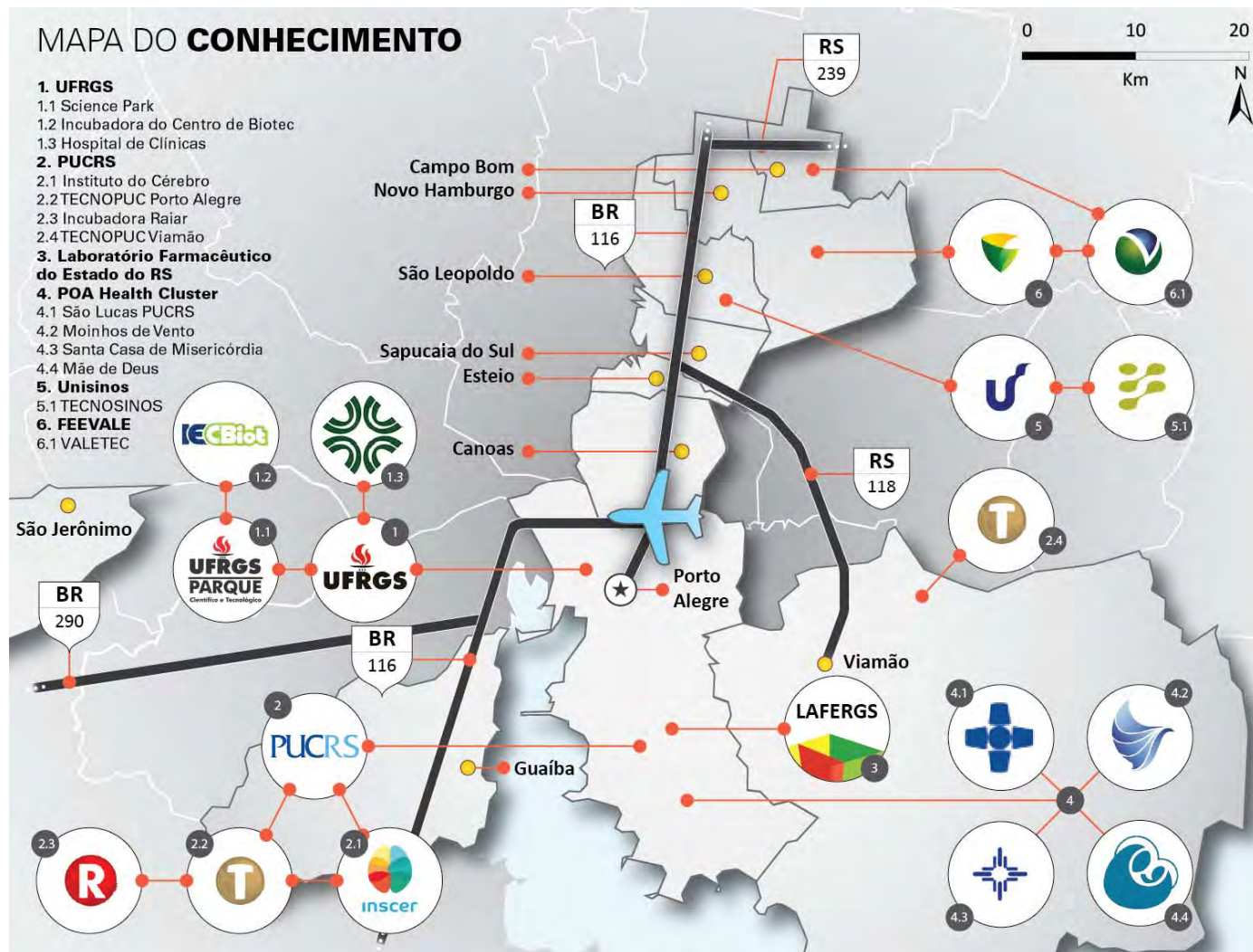
- 10,000 people in the three main parks of the Porto Alegre metropolitan area:
 - PUC - Tecnopuc (60 companies)
 - UNISINOS - Tecnosinos (52 companies)
 - FEEVALE - Valetec (21 companies)
- 11 other technology parks being implemented



The metropolitan area Technology cluster



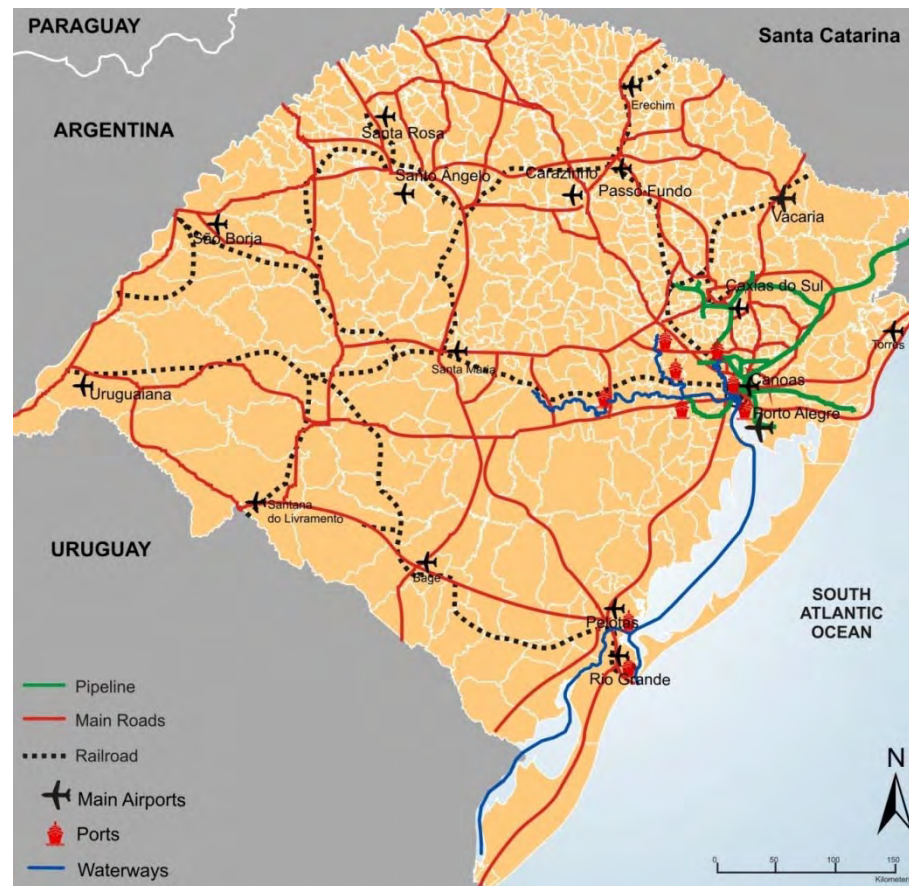
The metropolitan area Life Science cluster



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.

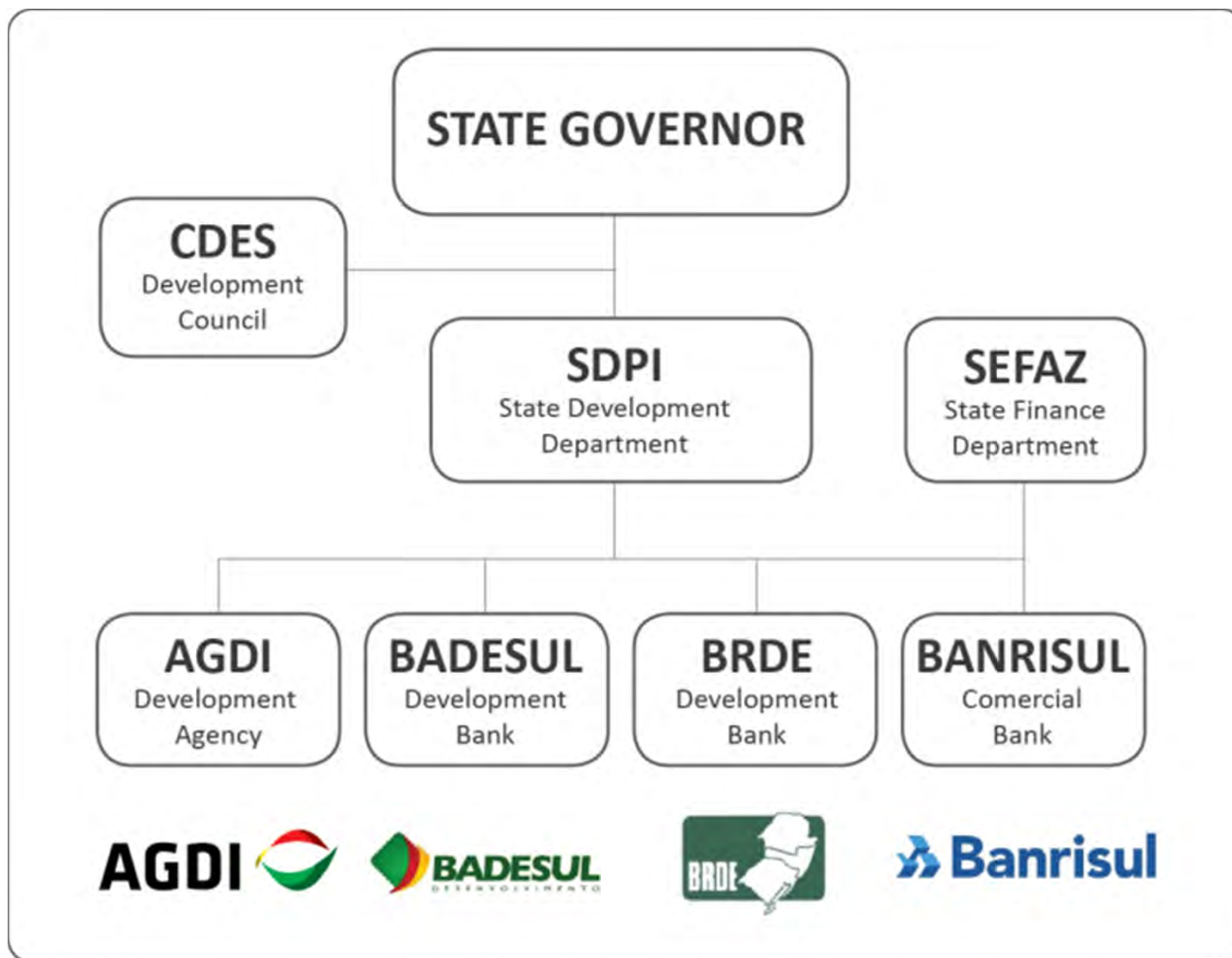


The State has 12,896 km (87.2%) of paved roads, besides construction in progress for the paving of another 1,531 km

Diversity and quality of life



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**

Prioritary

- 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**

Prioritary

- 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

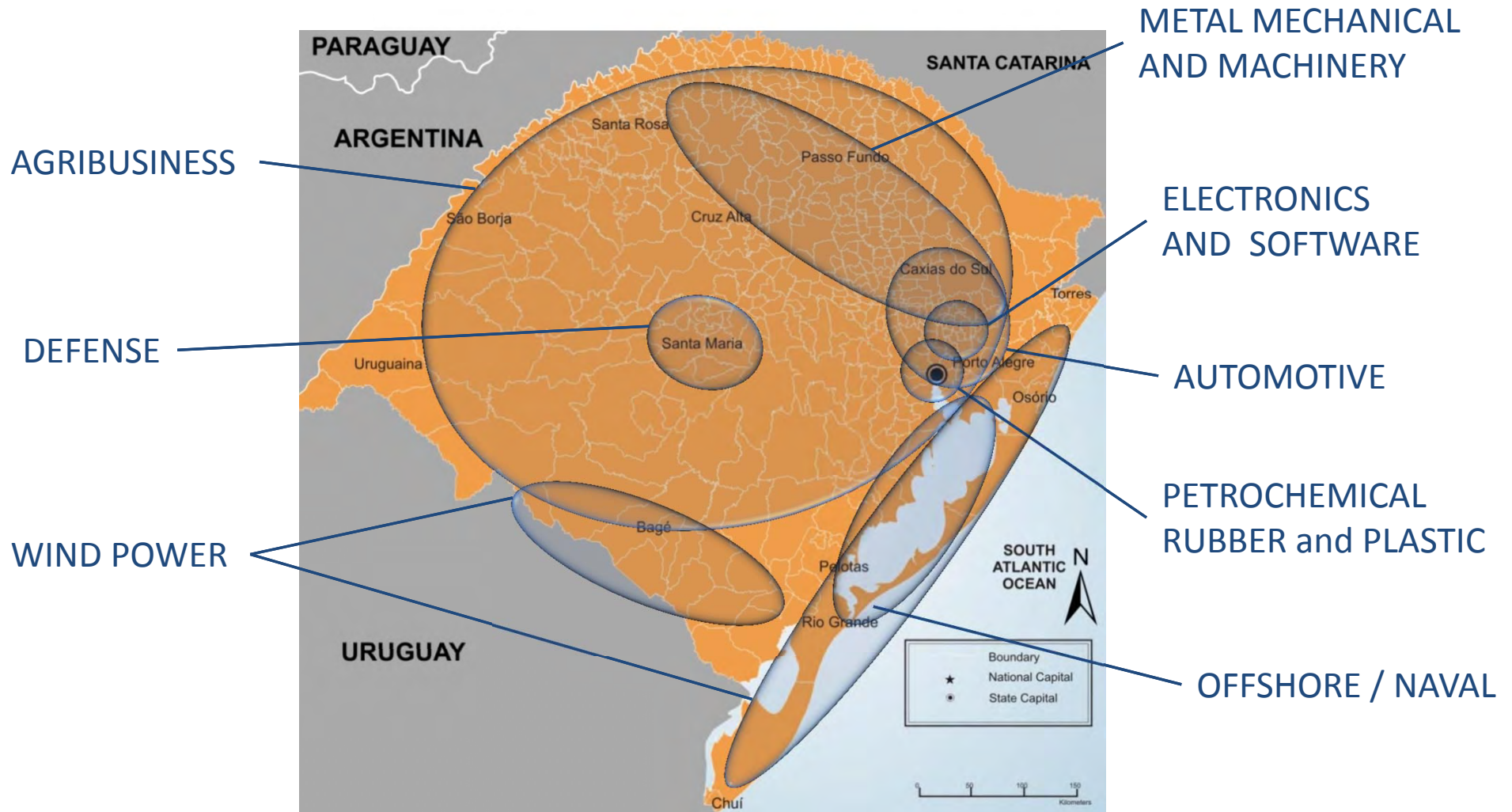
Preferential

- 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

Population: 1,000,000
Universities: 2
Technology education centers: 4

Metal-mechanic industry
North-western Region
300 companies

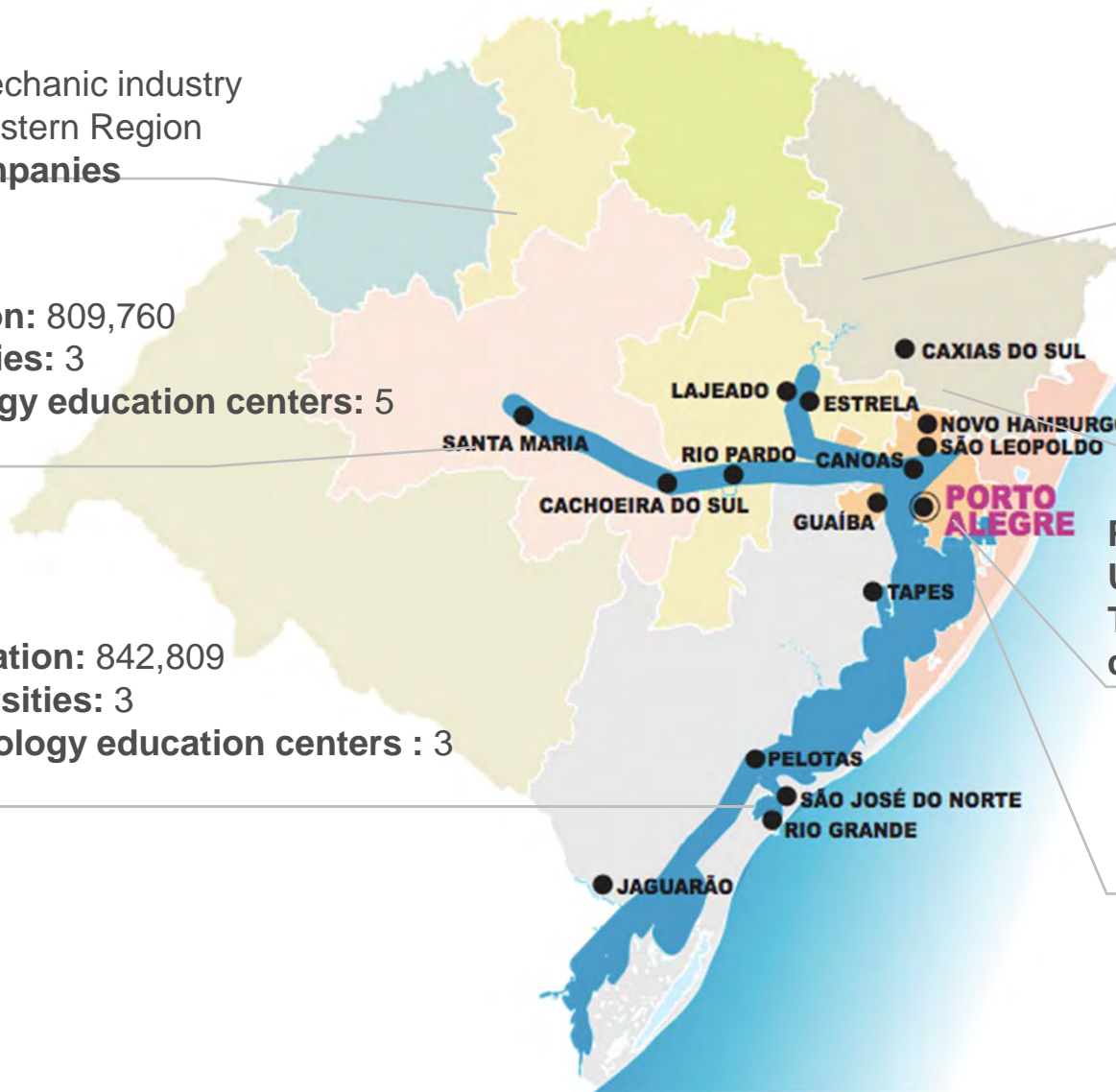
Population: 809,760
Universities: 3
Technology education centers: 5

Metal-mechanic industry
2,011 companies

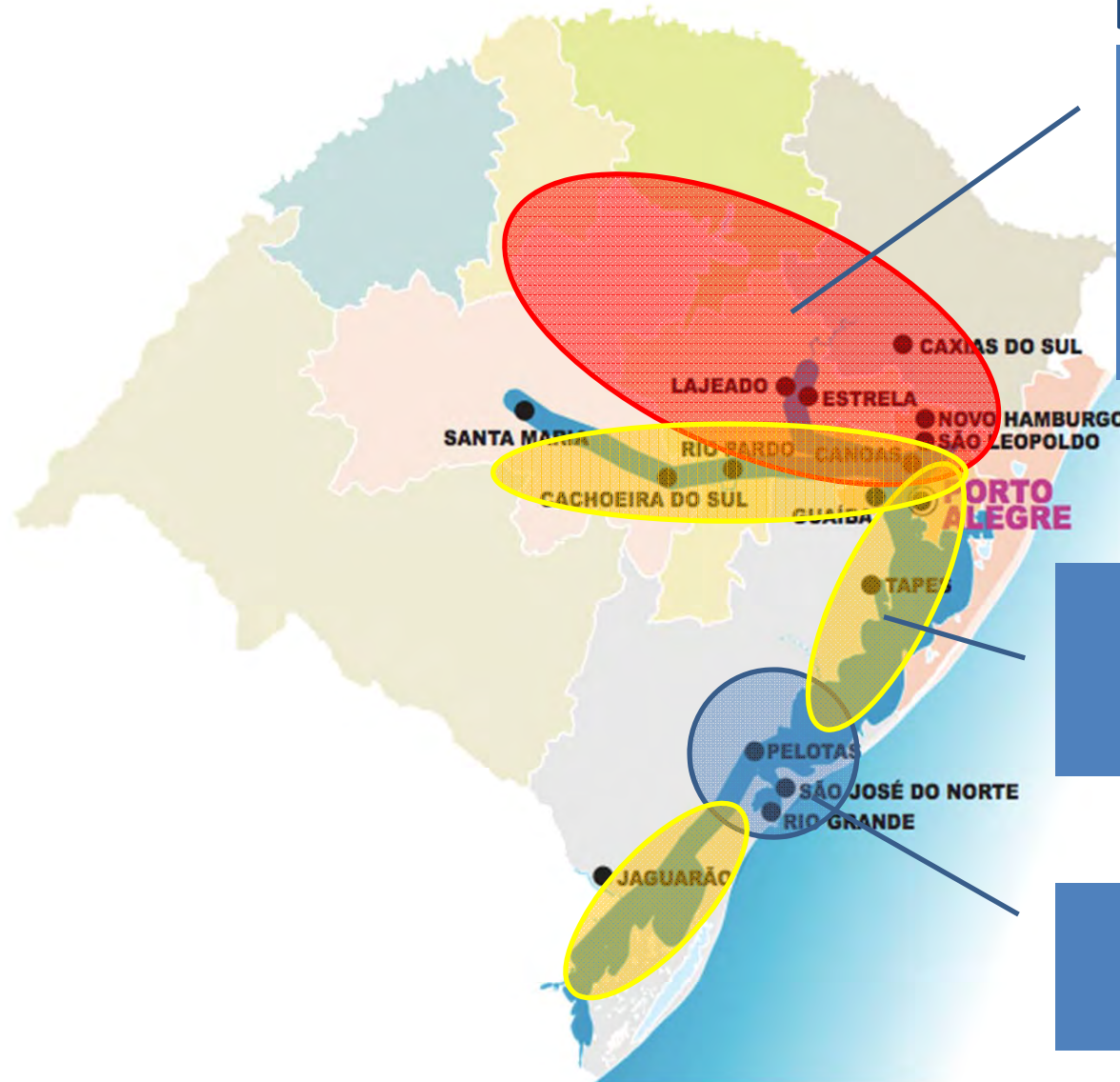
Population: 842,809
Universities: 3
Technology education centers : 3

Population: 3,979,023
Universities: 5
Technology education centers : 3

Electronic and automation industry
167 companies



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 FORGINS
 - 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



- 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

Investors Office



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Thank you!

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