Rio Grande do Sul State

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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** years
- 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)
“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

**Brazil**
GDP: US$ 2,172 billion
Population: 195 million

**Argentina**
GDP: US$ 370.3 billion
Population: 41.8 million

**Paraguay**
GDP: US$ 18.5 billion
Population: 6.5 million

**Uruguay**
GDP: US$ 48 billion
Population: 3.3 million

Radius of 1.4 thousand km
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

1. PROCERGS
   (State Data Processing Company)
2. CEITEC
   (Front-end Semiconductor company)
3. UFRGS
   3.1. Informatics Institute
   3.2. UFRGS Science Park
4. PUCRS
   4.1. TECNOPUC
   4.2. Computer Science School
5. UNISINOS
   5.1. Semiconductors
   Technological Institute
   5.2. TECNOSINOS
5.3. HT Micron
   (Back-end Semiconductor
   Company)
6. FEEVALE
6.1. VALETAC
7. ASSESPRO
   (ICT association)
8. SEPROGS
   (ICT Syndicate)
9. SINDPPD-RS
   (Data processing
   Syndicate)
10. SOFTSUL
    (ICT Development
    Agency)
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

Entertainment
SD-RS Development System of RS

AGDI

State Governor

CDES
Development Council

SDPI
State Development Department

SEFAZ
State Finance Department

AGDI
Development Agency

BADESUL
Development Bank

BRDE
Development Bank

BANRISUL
Commercial Bank
Industrial Policy

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

**Preferential**
- Automotive and Road-related Industries
- Agricultural Machines and Implements
- Wood, Pulp and Furniture

**Special**
- Gas and Oil Equipments Industry
- Petrochemical Industry, Rubber and Plastic Products
- Software
- Electro-electronics, Automation and Telecommunications
- Footwear and Leather Articles
Industry Geography

- AGRIBUSINESS
- METAL MEchanical AND MACHINERY
- DEFENSE
- ELECTRONICS AND SOFTWARE
- WIND POWER
- AUTOMOTIVE
- PETROCHEMICAL
- RUBBER and PLASTIC
- OFFSHORE / NAVAL
Vision of the Offshore Industry

- **Metal-mechanic industry**
  - North-western Region
  - 300 companies

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

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

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

- **Metal-mechanic industry**
  - 2,011 companies

- **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
• 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
• **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
Thank you!

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