

EXPOMAFE

Brazil International Machine Tool and Industrial Automation Exhibition

MAY, 7-11 | 2019

10AM TO 7PM - SATURDAY 9AM TO 5PM

SÃO PAULO EXPO
EXHIBITION & CONVENTION CENTER



SÃO PAULO
BRAZIL

**UPDATED BRAZILIAN ECONOMIC
INDICATORS: INFORMATION TO
SUPPORT YOUR DECISION TO
BE AT THE MAIN TRADE SHOW
IN LATIN AMERICA**

10 KEY REASONS for investing in Brazil

1 LEADING REGIONAL ECONOMY

Brazil is a global powerhouse, ranking among the top 10 economies in the world and the largest in Latin America, with a GDP of USD 2 trillion in 2017.

2 GLOBAL DESTINATION FOR INVESTMENT

Brazil continues to be among the top 10 recipients of FDI in the world and the only Latin American country on that list. Inward FDI flows in Brazil totaled over USD 1.1 trillion from 2008 to 2017, averaging USD 110 billion per year, according to data from the Brazilian Central Bank.

Brazil is open to foreign direct investment and continues to attract leading and innovative international businesses thanks to profitable opportunities underpinned by robust domestic investor protection rules enforced by an independent, credible judiciary and a fair regulatory environment, providing security for investors.

3 RESILIENT DOMESTIC MARKET

Brazil has one of the largest consumer markets in the world, with more than 208 million people and a strong and steady domestic demand for services, goods and agricultural products.

GDP per capita of USD 9,500 in 2017, above major emerging players such as China, India, South Africa and Mexico.

Household spending grew by 2.6% in the last quarter of 2017.

Source: APEX BRAZIL (Brazilian Trade and Investment Promotion Agency)

<http://www.apexbrasil.com.br/uploads/Investment%20Guide%20to%20Brasil%202018.PDF>

4 DIVERSIFIED ECONOMY: WE HAVE IT ALL

Brazil's economy doesn't rely on a small number of key industries, but rather on a wide range of economic sectors. The country is home to a competitive industrial sector, including Latin America's largest aerospace, automotive, oil and gas, mining, capital goods, medical equipment, chemical and technology industries, among others.

5 ENERGY POWERHOUSE

Brazil has one of the largest petroleum reserves and is home to one of the biggest oil discoveries made in the Western Hemisphere in the past 30 years: the ultra-deepwater oil found off Brazil's southeast coast known as 'pre-salt' oil.

Brazil is one of the top producers and exporters of ethanol biofuel in the world.

Renewable sources are now responsible for over 80% of Brazil's energy matrix, one of the highest levels in the world. With Brazil's large supply of water, hydroelectric power provides over 60% of Brazil's electricity needs. Wind, biomass and solar energy continue to grow in importance.

6 LARGE POOL OF WORKERS

With an active working age population (15-64 years old) of around 64%, which is above the world average, Brazil's domestic market offers good opportunities for companies seeking to hire.

Young, dynamic workforce supported by government professional training programs that can be implemented in partnership with businesses.

7 EXTENSIVE RAW MATERIALS

Brazil's natural resources are abundant, making the country a major supplier of raw materials. It is one of the biggest producers and exporters of agricultural and mining products (especially iron ore), to name but a few. Its biodiversity is also a vast source of wealth.

The country is also water rich, estimated to hold the world's biggest freshwater reserves.

Source: APEX BRAZIL (Brazilian Trade and Investment Promotion Agency)

<http://www.apexbrasil.com.br/uploads/Investment%20Guide%20to%20Brasil%202018.PDF>

8 CAPACITY TO ENDURE

Brazil is resilient and steadfast, capable of withstanding an adverse international economic scenario.

In 2010, Brazil became a net external creditor, paying off its debt to the International Monetary Fund, and has accumulated international reserves ever since, totaling over US\$ 383.2 billion.

9 GLOBAL PLAYER, THE B IN BRICS

Brazil has been a constant global player, always active and engaged in international politics, coordinating trade, policies and human rights advocacy, earning the respect of its peers in the process. With a large economy, sound political and judicial systems and active engagement in foreign affairs, Brazil plays an important role in the international community.

10 GATEWAY TO LATIN AMERICA

Brazil's largest cities are consolidating their position as global investment destinations not only for Brazil but for the entire Latin American region.

Brazil shares land borders with Argentina, Bolivia, Colombia, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela, as well as the French Overseas Region of French Guiana.

Brazil has free trade agreements with the largest markets in Latin America and is a member of the South American Common Market (Mercosur).

Source: APEX BRAZIL (Brazilian Trade and Investment Promotion Agency)

<http://www.apexbrasil.com.br/uploads/Investment%20Guide%20to%20Brasil%202018.PDF>



CHARACTERISTICS Brazil

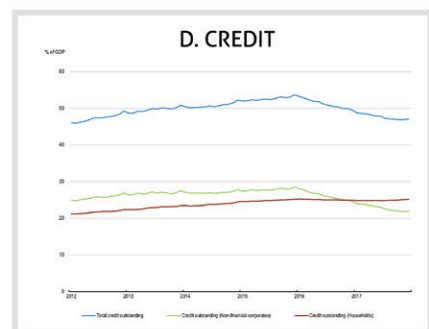
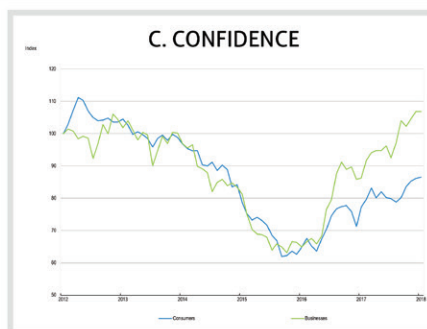
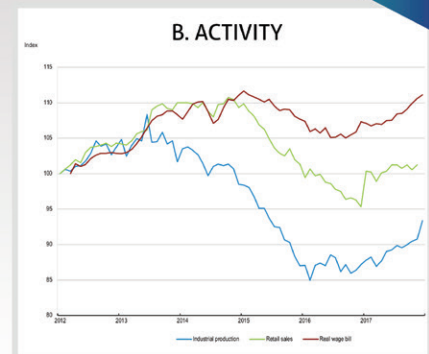
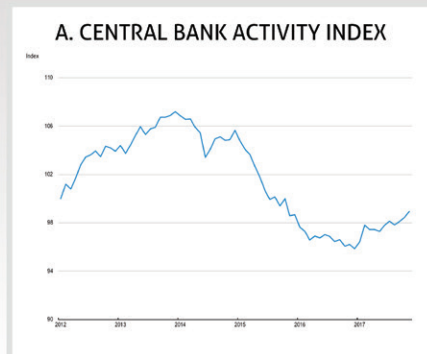
Ranking	Country Name	GDP (current US\$) 2017	Ranking	Country Name	Population, total 2017
1º	United States	19,390,604,000,000.00	1º	China	1,386,395,000.00
2º	China	12,237,700,479,375.00	2º	India	1,339,180,127.00
3º	Japan	4,872,136,945,507.59	3º	United States	325,719,178.00
4º	Germany	3,677,439,129,776.60	4º	Indonesia	263,991,379.00
5º	United Kingdom	2,622,433,959,604.16	5º	Brazil	209,288,278.00
6º	India	2,597,491,162,897.67	6º	Pakistan	197,015,955.00
7º	France	2,582,501,307,216.42	7º	Nigeria	190,886,311.00
8º	Brazil	2,055,505,502,224.73	8º	Bangladesh	164,669,751.00
9º	Italy	1,934,797,937,411.33	9º	Russian Federation	144,495,044.00
10º	Canada	1,653,042,795,255.04	10º	Mexico	129,163,276.00

Source: Banco Mundial; Preparation: DEEE/ABIMAQ

DEEE - Departamento de Competitividade, Economia e Estatística

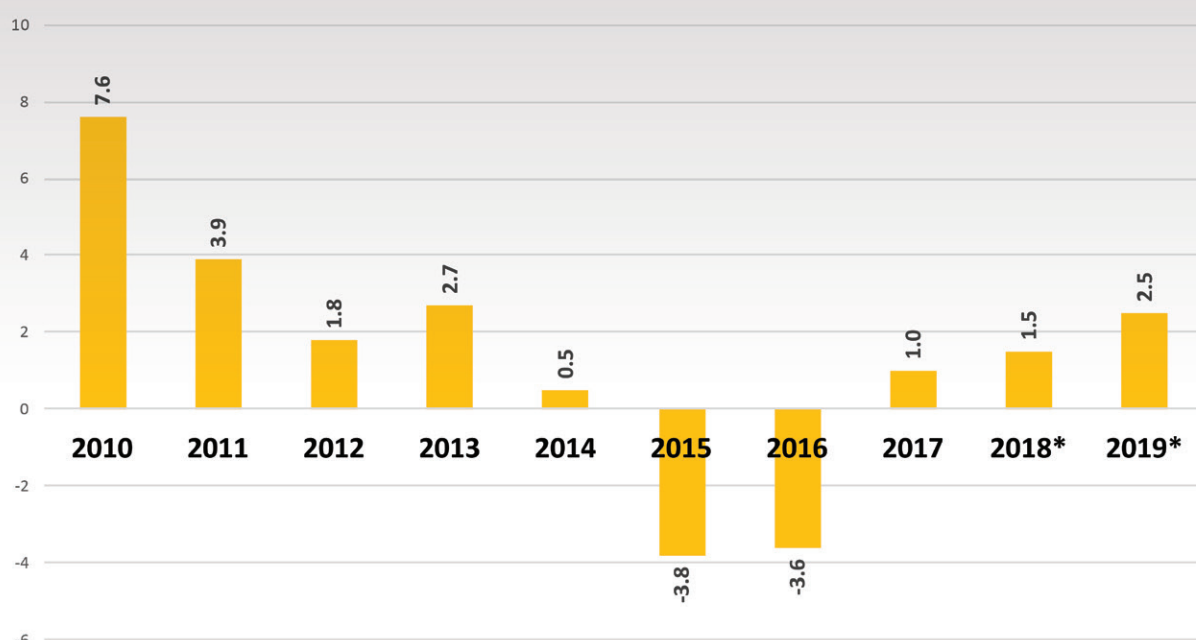
THE ECONOMY IS GRADUALLY EMERGING FROM THE RECESSION

After falling for eight consecutive quarters, growth returned in early 2017. The government's increased commitment to fiscal sustainability and various structural reforms have improved short-term confidence indicators. Unemployment began to fall, after reaching a peak of 13.3%. Total credit to the private sector is still contracted on a year-on-year basis, but credit to families has recovered significantly.



More information at: OECD Economic Surveys: Brazil 2018 - © OECD 2018

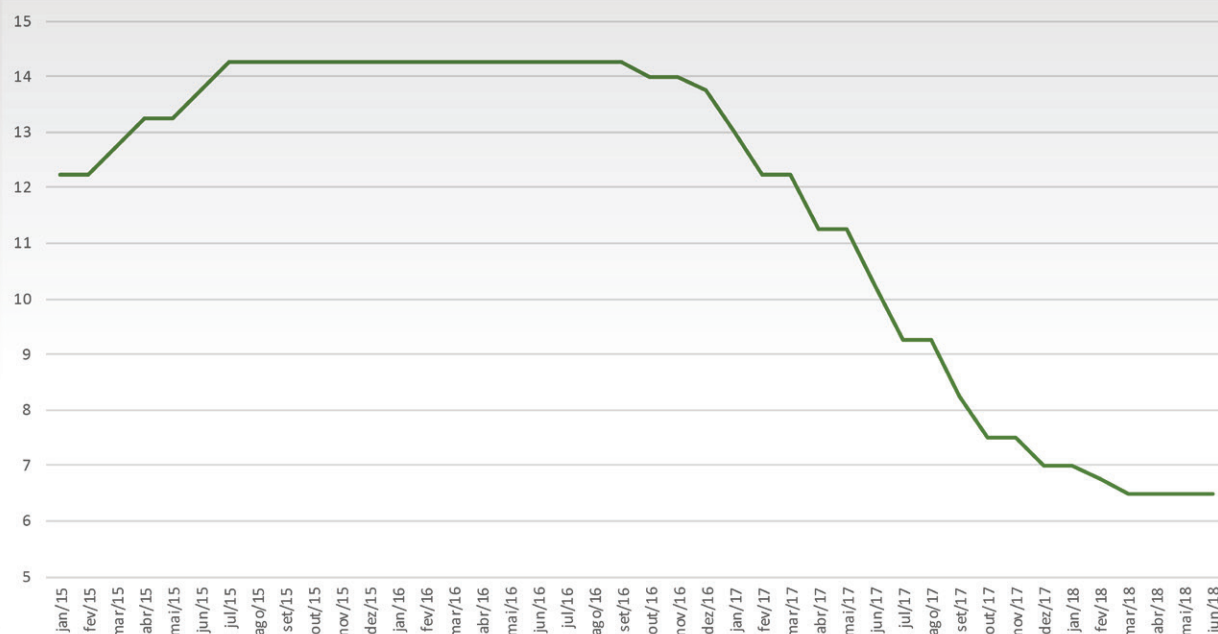
GDP Annual % Change



Source: BCB ; Preparation: DEEE/ABIMAQ. (*) Market Estimates
DEEE - Departamento de Competitividade, Economia e Estatística

SELIC RATE - TARGET

Basic Interest Rate



Source: BCB ; Preparation: DEEE/ABIMAQ. (*) Market Estimates

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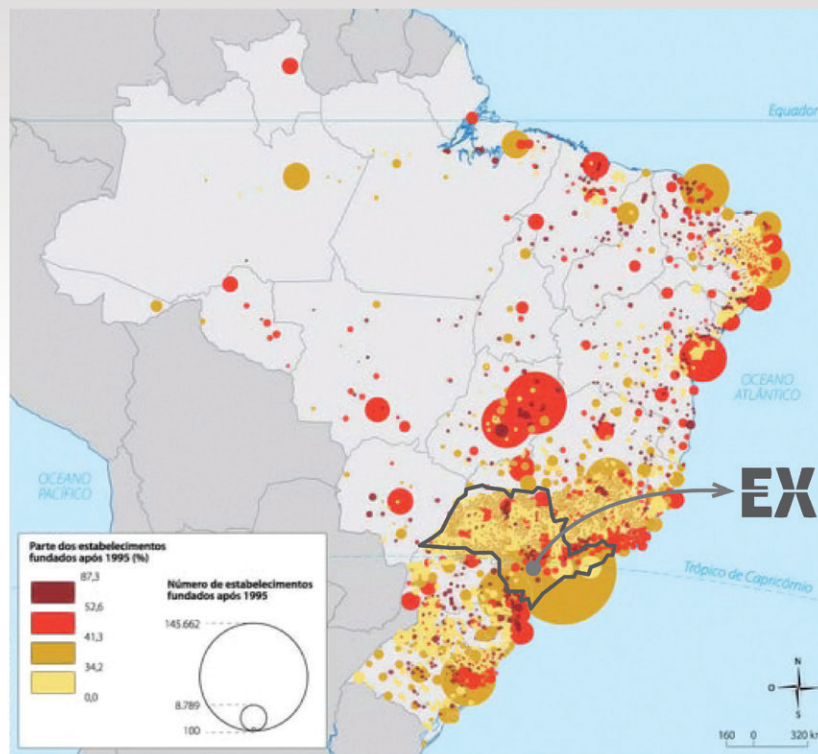
BRAZIL GLOBAL RANKING

Brazil ranks among the World Top in Industrial Production

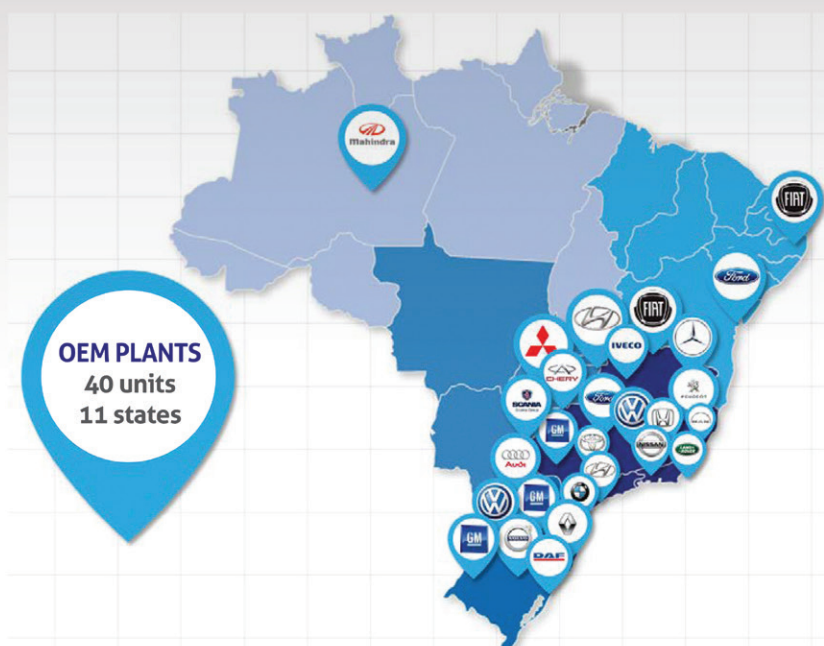
4 th in clean and renewable energy	4 th main market for biodiesel
3 rd main aircraft manufacturer	3 rd largest market for computers
5 th largest market for cell phones, automobiles and tv sets	
5 th largest market for medical equipment	Significant oil reserves
10 th largest Gross Industrial Product	
12 th largest producer of scientific articles	

Source: Apex Brazil (Brazilian Trade and Investment Promotion Agency)

Location of new manufacturing companies established since 1995



AUTOMOTIVE MARKET IN BRAZIL



- Automobile production in Brazil increased by 25.2% in 2017 (2.7 million units).
- Brazil car production should increase by 45% from 2018-2022 (reaching 3.2 million units), according to IHS Market.
- Brazil closed 2017 with an increase of 37% in the production of trucks, with strong performance in exportation.
- Production for heavy vehicles (trucks and buses) is predicted to grow by 16.2% in 2018.

Source: ANFAVEA - Brazilian Association for Automotive Manufacturers

AUTOMOTIVE MARKET IN BRAZIL

Main players quick overview

GENERAL MOTORS

- USD\$ 4 billion investment in the Brazilian manufacturing plants from 2014-2020.
- USD\$ 360 million for new technology investments preparing the facility for Industria 4.0

VOLKSWAGEN

- In April 2018, Volkswagen announced a USD\$ 625 million investment in their plant in Paraná for the local production of a new SUV, for the Brazilian and South American markets.

FIAT CHRYSLER (FCA)

- Opened a 3rd shift at their Jeep factory increased its production capacity from 179K to 250K vehicles per year (100% capacity).
- New investments of over USD\$ 2 billion in its automotive facility in Betim (Minas Gerais)

RENAULT

- With the investment of USD\$ 100 million, Renault opened its Aluminum Injection plant in Curitiba (Paraná) with a production capacity of 500,000 units per year.

TOYOTA

- Toyota announces the launching of a third shift in its plants in Sorocaba and Porto Feliz (Sao Paulo), increasing its productivity from 108,000 to 160,000 cars per year.

CHERY

- Announced in July 2018 the installation of a new production line in their Jacareí plant (São Paulo) for the Arrizo 5 sedan.
- The Caoa plant in Anápolis (Goaís) will begin producing two Chery SUVs in 2018 - T4 and T7.
- The Chery plant has the production capacity of 150,000 vehicles per year.

Source: Usinagem Brasil.

AUTO PARTS MARKET IN BRAZIL

Auto parts manufacturers in Brazil will **invest USD\$ 700 million** in their production facilities in 2018 (34% YOY increase), as part of their continued strategy to increase local production.

A map of Brazil is shown with various auto parts manufacturer logos placed over different states. The logos include Bosch, Valeo, Magneti Marelli, and others. A text box is overlaid on the map.

616 Business Units
69% Intl. Companies
Present in 10 states

Source: SINDIPEÇAS - The Brazilian Syndicate for the Auto Parts Manufacturers

AVIATION MARKET IN BRAZIL

Brazil is the third largest commercial aviation market in the world.

In 2018, **Embraer** should deliver 85-95 commercial jets, and the new line of jets (E2) is on schedule.

The first jet in this new line will be delivered to **Widerøe** (Norway) in April 2019.



Source: AIAB - Association of Aerospace Industries of Brazil

ELECTRONICS & DOMESTIC DURABLES (WHITE GOODS)

7% growth in production is expected from the electronics industry in Brazil in 2018 (USD\$ 40 billion).

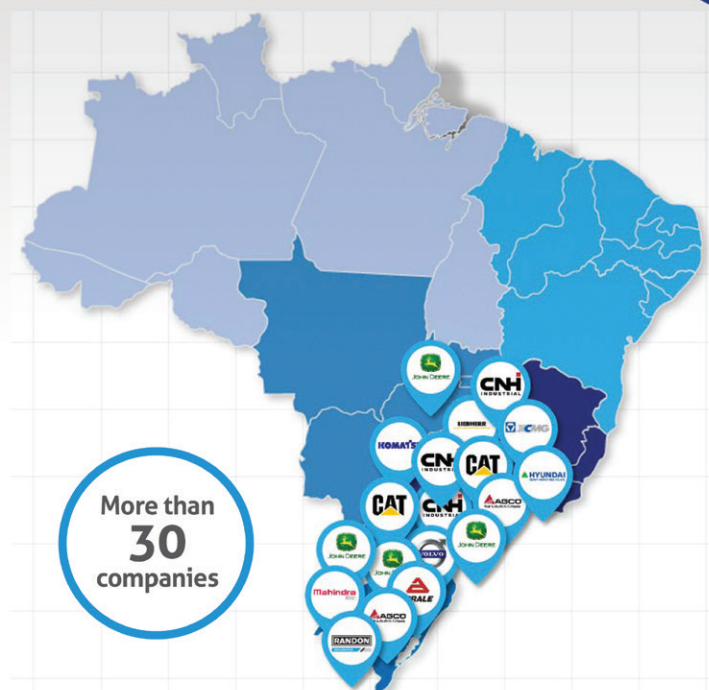


Source: ABINEE - Brazilian Association of Electrical and Electronics Industry

OFF-ROAD VEHICLES

Agriculture and Highway/Construction Vehicles (YELLOW GOODS)

Gross Production in agrobusiness is expected to **grow by 7.1%** in 2018, reaching a total volume of over USD\$ 150 billion.

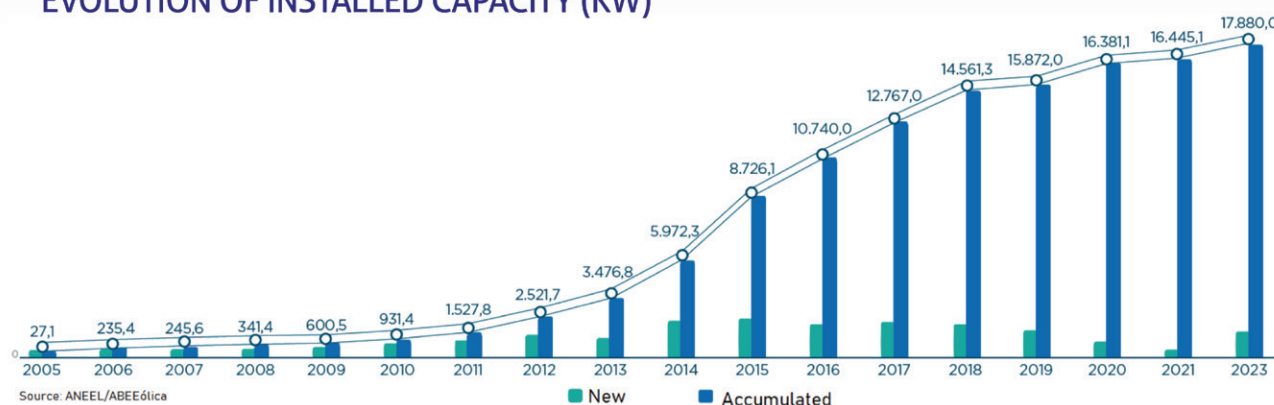


Source: ANFAVEA - Brazilian Association for Automotive Manufacturers

WIND POWER INDUSTRY

- US\$19 billion of new investment Committed through 2020
- The National Bank for Economic and Social Development (BNDES) wants to double its focus on financing projects for renewable energy.
- The A-6 generation auction scheduled for August 31, which is going to negotiate projects that will begin supplying energy in 2024, will have large wind power contracting

EVOLUTION OF INSTALLED CAPACITY (KW)



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Our internacional business development team is ready to help you improve and develop your business in Brazil and Latin America!

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