

A competitive territory

BRAZIL

Minas Gerais



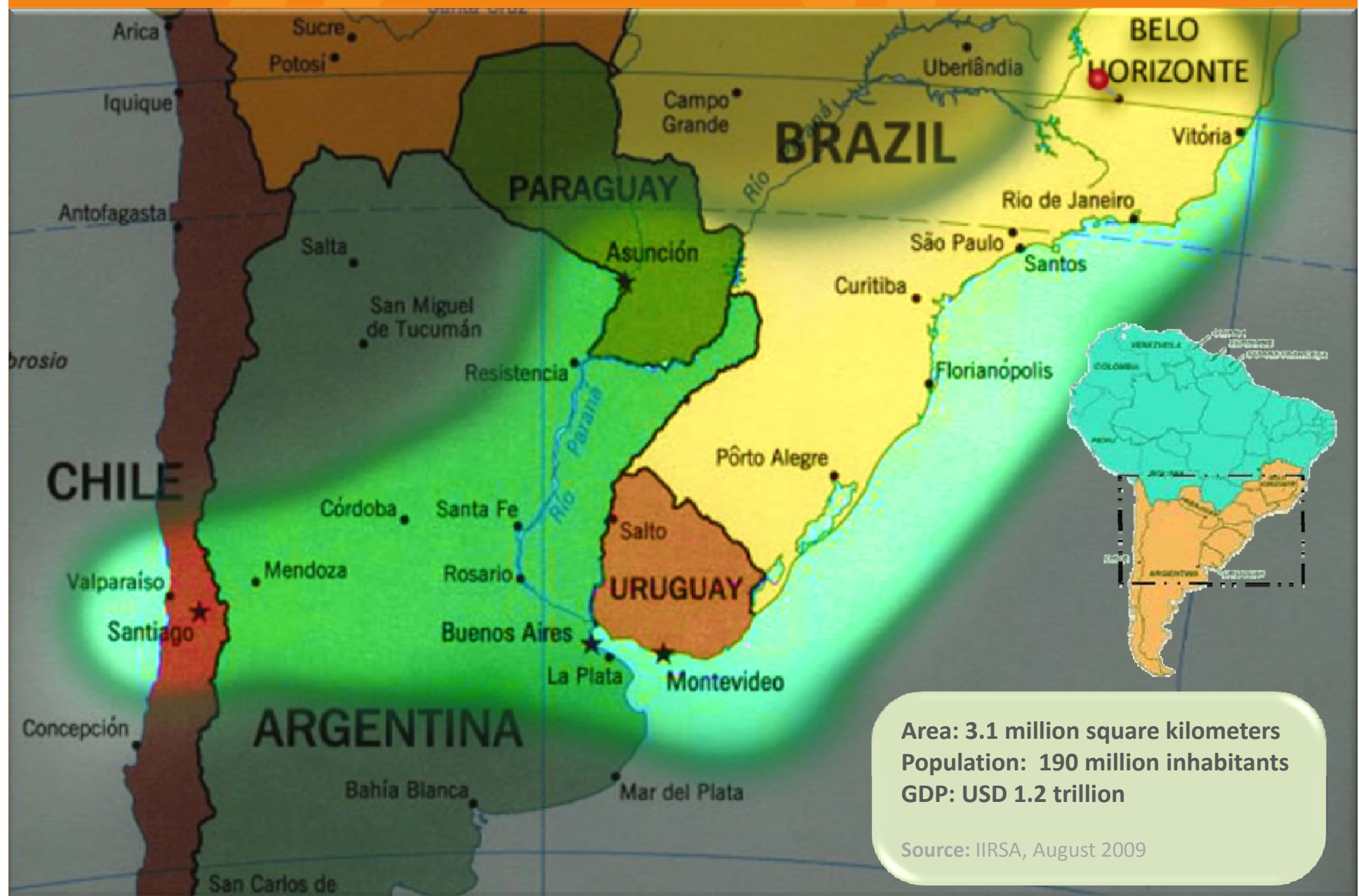
The state of partnerships in Brazil

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Minas Gerais and the Mercosul – Chile Axe

South America global competition area



Minas Gerais main figures



Estimated investments
(public and private)
in Minas Gerais from
2003 to 2010

US\$ 103.2 billion

Estimated new jobs

400,799 jobs

TERRITORY

- . 587,000 Km²
- . Larger than countries such as France, Sweden, and Spain

ECONOMY

- . In 2008, increase is estimated in 5,8% - (FJP)
- . GDP: US\$ 122 billion
- . Exports: 2008 - US\$ 24,4 bi – 2009 – US\$ 19,5 bi
- . Second largest industrial park of the country
- . A leader in Brazil for mining, metallurgy, coffee, dairy, biotechnology, engineering, management consultancy, etc.

SOCIAL

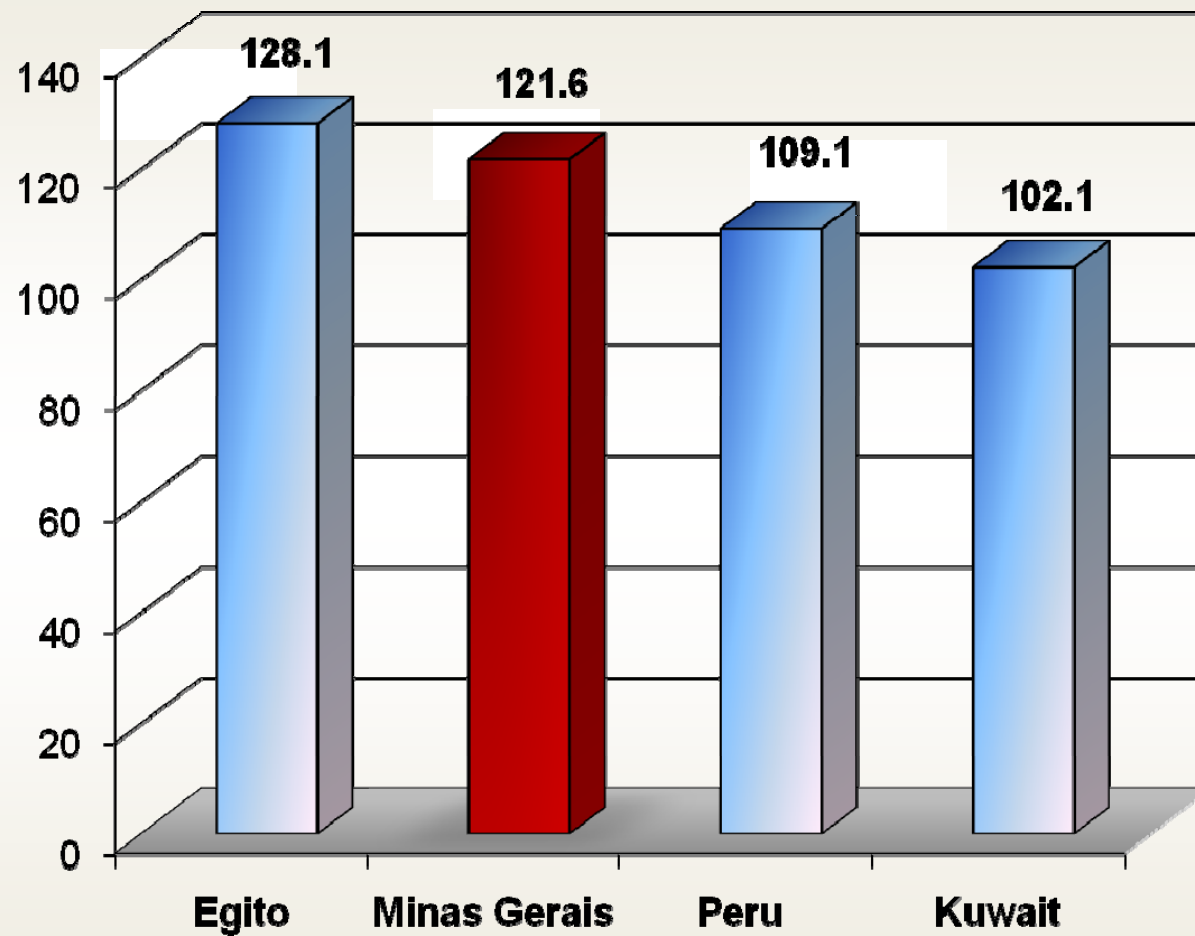
- . Population: around 20.0 million inhabitants
- . Children at school: 2,6 million
- . 18 thousand elementary schools
- . 289 faculties/universities

INFRA-STRUCTURE

- . 265.000 km of roads (23.000km paved)
- . 5,329 km of railways
- . 66 airports – 1 international and industrial
- . 18,5% of total energy generation in Brazil
- . Broad telecom network: 4,15M fixed lines and 8,8M mobile lines

GDP comparison among countries – 2008

US\$ Billion



Source: World Bank -1 July 2009

Source: *The Economist Intelligence Unit- Estimated values

** Fundação João Pinheiro - Estimated values

The Triangle Belo Horizonte/RJ/SP: Economic Potential

- Around the axis BH-SP-RJ, in a 800km circle distance radius, concentrates:
 - 50% of the Brazilian population
 - 65% of the national GDP
 - 65% of the retailer purchase in Brazil
 - 65% of the industrial production
 - 73% of the national market of electric energy
- Minas Gerais State
- 2nd most important State in:
 - exports
 - agribusiness
 - industrial production



Minas Gerais: The business environment to nurse great companies

- Investor friendly attitude
- Proactively minded people
- Foreign investment welcomed
- High standard ethical behavior
- Export driven economy
- Private investment as preferential way to finance economic development
- Private investor Partnership with the State as an alternative way to assure infrastructure investment

Belo Horizonte, Capital of the State

2.5 million inhabitants

BH Metropolitan Area – 5.2 million inhabitants



State's economic highlights

- The world's biggest producer of iron-niobium
- Biggest Brazilian producers of iron ore
- Biggest Brazilian producers of milk and coffee
- Biggest Brazilian producers of steel
- Biggest Brazilian producers of cement
- Second biggest automotive region of the country
- Second biggest foundry region of the country
- Second biggest cow herd of the country

Minas Gerais: economic information

- ❑ The Minas Gerais transformation industry is ranked number two in the Country: **9.7%** of the Brazilian industrial GDP (2008).

Physical industrial production - products selected - 2008

Specification (thousand t)	Brazil	Minas Gerais	% MG/BR
Beneficiated iron ore	354,674	258,175	72.8
Pig iron	35,571	15,760	44.3
Rolled and semi-finished products	31,549	10,548	33.4
Cement	46,406	10,849	22.3
Vehicles (units)	2,815,931	726,188	25.8

Source: IBGE and João Pinheiro Foundation

Highlights of Minas Gerais Exportation

- The biggest exporter of iron-niobium
- The biggest exporter of iron alloys
- The biggest exporter of coffee
- The biggest exporter of gold in semi-manufactured shapes
- The biggest exporter of wires-machines and iron/steel bars
- The biggest exporter of gemstones in the rough
- The biggest exporter of iron ore

Minas Gerais – Exports Main Group of Products - 2008

<i>Groups of products</i>	<i>US\$ million</i>	<i>%</i>
Mining products	7,219.00	29.5
Metallurgical products	6,630.00	27.1
Coffee	3,030.00	12.4
Transportation materials and vehicles	2,259.00	9.2
Chemical Products	715.00	2.9
Metals, precious stones and jewelry	702.00	2.9
Meat	674.00	2.8
Forest Products	636.00	2.6
Sugar and ethanol	475.00	1.9
Soy	272.00	1.1
Other groups	1,832.00	7.5
Total MG Exports	24,444.00	100.0

Source: MDIC / INDI

5 Inland Ports

Uberaba Inland Port



Inland Port
Uberlândia



Triângulo

The largest dry port in Brazil



South Minas Inland Port - Varginha

Noroeste
de Minas

Norte de Minas

Jequitinhonha
Mucuri

Alto Paranaíba

Rio Doce

Central

Centro
Oeste de Minas

Sul de Minas

Mata

Inland Port
Juiz de Fora

The 1st industrial
park accredited by
the Federal Customs
Authority



Granbel Inland Port
BH Metro Area

Infrastructure

ELECTRIC PLANTS IN MINAS GERAIS

Type of Plant	Quantity	Power (GW)	%
Hydroelectrics	166	17,10	94.88%
Windpower	1	0,01	0.01%
Thermoelectrics	43	0,92	5.12%
Total	210	18,03	100%

Generation capacity in Brazil: 103 GW

- . 335 PCHs (potential) will add up 3,6 GW
- . Potential co-generation of sugar cane plants: 50 plants X 0,025 GW = 1,25 GW

In 2008: 26% of Brazil's Industrial consumption of electric power



Transportation Network

Minas Gerais compass Brazil's largest highway and railroad networks

The largest PPP (public – private partnership) program for highways is underway in Minas Gerais.



“Green Line” – the highway connecting the International Airport to downtown Belo Horizonte

The State's 5.200Km railroad network is privately operated and is the largest in the country.



Centro-Atlântica (FCA) Railroad

Mining

- Iron ore
- Gold
- Diamond
- Zinc
- Phosphate
- Limestone
- Colored Gemstones
- Slates
- Niobium
- Marble
- Granite
- Pig iron
- Nickel
- Manganese
- Copper
- Bauxite
- Coal
- Cobalt
- Platinum
- Aluminum



- ✓ World's largest niobium producer
- ✓ Brazil's largest iron ore producer and exporter
- ✓ Largest pig iron hub in the country

Minas Gerais responds for 45% of the mineral production in Brazil



Steel



- ✓ 37% of Brazilian raw **steel** production
- ✓ Brazil's leading flat **steel** company
- ✓ MG has five of Brazil's largest **steel** plants

Source: INDI 2007

USIMINAS 

 GERDAU


ArcelorMittal


VALLOUREC & MANNESMANN TUBES
V & M do BRASIL S. A.


Magnesita S.A.

Cement

- ✓ MG is Brazil's largest cement producer
- ✓ 12 plants / 8.8 million tons per year
- ✓ Extensive private investments in mineral exploration



Holcim plant in Minas Gerais



Automobile and Auto Parts



The largest FIAT plant in the world



Mercedes Benz plant
Producing class C cars to US market

- ✓ 2nd largest car manufacturer in Brazil
- ✓ 8,3% of all vehicles exported nationally in 2008
- ✓ 21.7% of all domestic vehicle production

Automobile and Auto Parts



- ✓ 2nd largest car manufacturer in Brazil
- ✓ 8,3% of all vehicles exported nationally in 2008
- ✓ 21.7% of all domestic vehicle production
- ✓ The whole chain is well established in the State

IVECO

**MAGNETI
MARELLI**

Teksid

FPT
POWERTRAIN TECHNOLOGIES



CNH

Gems and Jewelry

- ✓ Brazilian jewelry exports reached US\$ 1.3 billion in 2006
- ✓ Minas Gerais – leads national exports with excellence in design:
 - 63% **exports** of gold bars, gold strings and gold sheet
 - 43% **exports** of colored gems
 - 72% **production** of diamonds



MG Gemstone Association - AJOMIG



Jewelry company - Talento



Biotechnology

- ✓ 85 companies in the area of pharmaceutical compounds and research materials
- ✓ Largest concentration of biotechnology firms in Latin America



The largest insulin plant in the world



Laboratório Químico LTDA.



ST Jude Medical Brasil Ltda in
Belo Horizonte



IT

Qualified professionals in the field of Information Technology

High level of workforce graduating from specialized institutions and local universities.



Google's Research and Development Center in Latin America is located in Belo Horizonte



Business Consulting and strategic IT services outsourcing
From India to Belo Horizonte



Source: UFMG



Technological park

South of Minas Gerais: Aeronautical Pole of Itajubá - Helicopters



**Helibrás
(Eurocopter Group)**



Agribusiness Potentials

Grains

- Cultivated area in Minas Gerais: 6 million hectares
- Cultivated area in Brazil: 47.2 million hectares
- Minas Gerais production surpassed 10 million tons
- Brazilian production: 145.8 million tons

Farming

- Second biggest cow herd of the country
- 22.5 million animals
- It is the State with the largest number of farms that are certificated to provide beef to the European Union.
- There are 313 certificated farms in Minas. In total, Brazil has 676 certificated farms.

ETHANOL

- ✓ 56 New units will be installed until 2013
- ✓ 3rd largest national producer in 2008/2009
- ✓ 20% of the production being exported

SUGAR

- ✓ 681 thousand hectares under cultivation (2009)
- ✓ 70% of the production – 54 million tones - being exported

Source: SEAPA/CONAB , Apr 2009)



“Coruripe S/A” – a modern sugar cane plant in the *Triângulo* Region

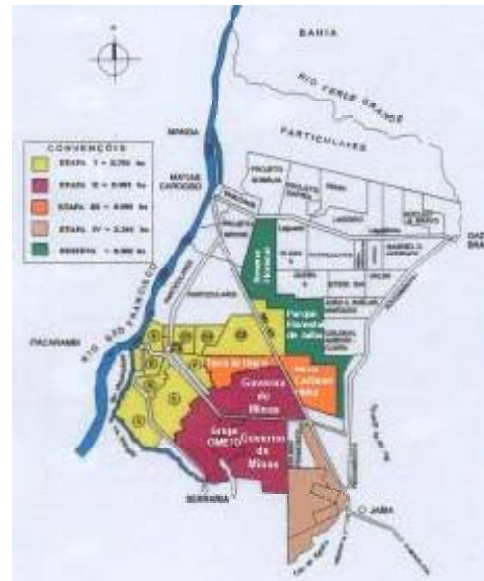
Source: SEAPA/ CONAB (April 2009) Siamig/Sindaçúcar-MG (2008)

Fruits and vegetables production

JAÍBA PROJECT

- The largest agricultural irrigation area in Latin America – 100.000 ha
- Larger producer of vegetable seeds
- Extensive variety of tropical fruits
- One alcohol plant and another one of biodiesel are in operation

The favorable climate for agriculture, the rich soil and ample water reserves support efficient and well diversified agriculture



International Shipments in AITN: Exports of Fruits Produced In Jaíba Irrigation Project - North of Minas Gerais

Beginning of shipments to Europe: June 2009

Operating airline: TAP



Skilled Workforce

Minas Gerais offers world class education

<http://www.uae.com.br>



4 of Minas Gerais universities ranked amongst the 10 best universities in Brazil in 2008.

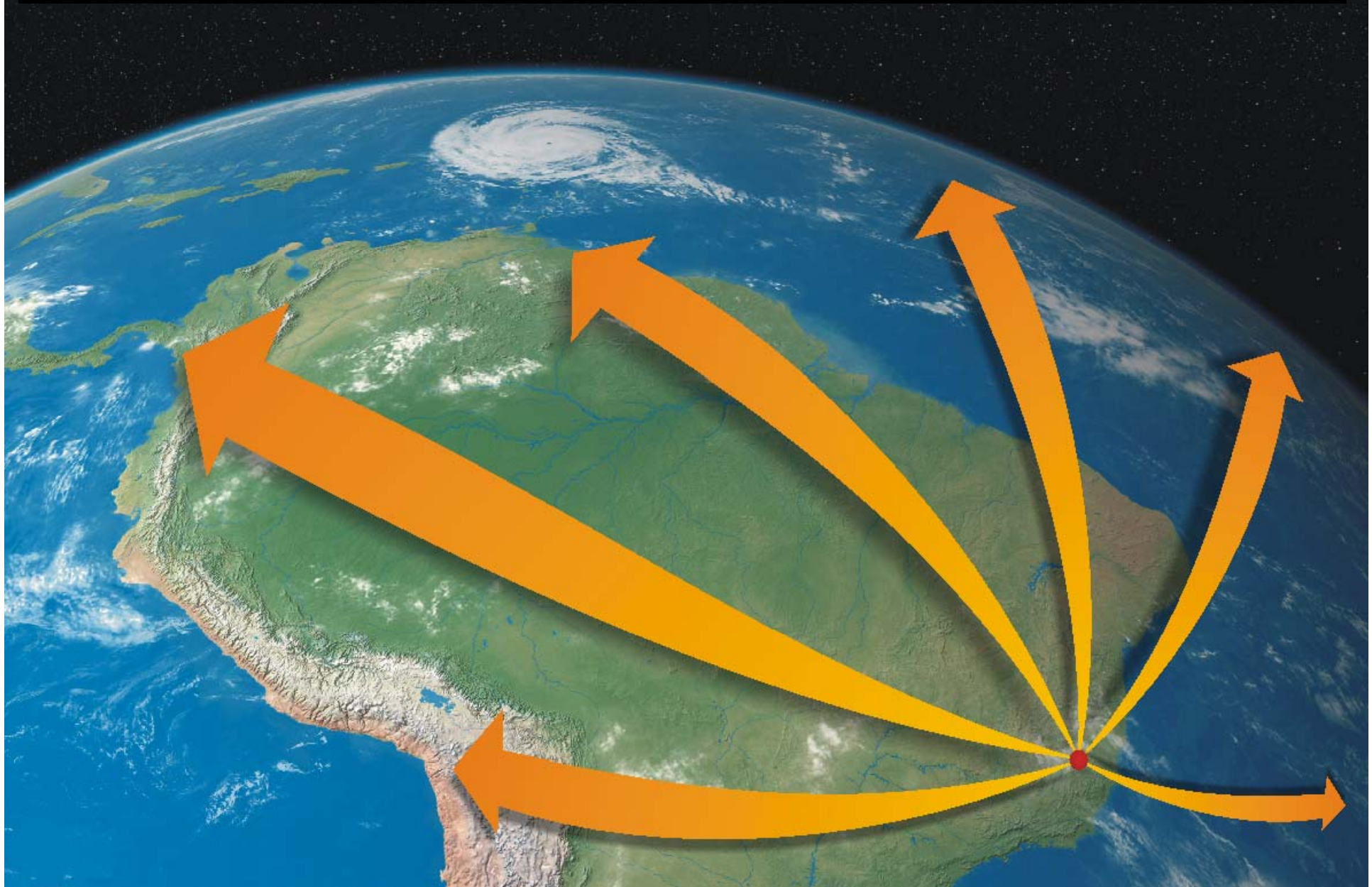


Photo: Financial Times

Dom Cabral Foundation ranks 13th among the best business schools in the world.

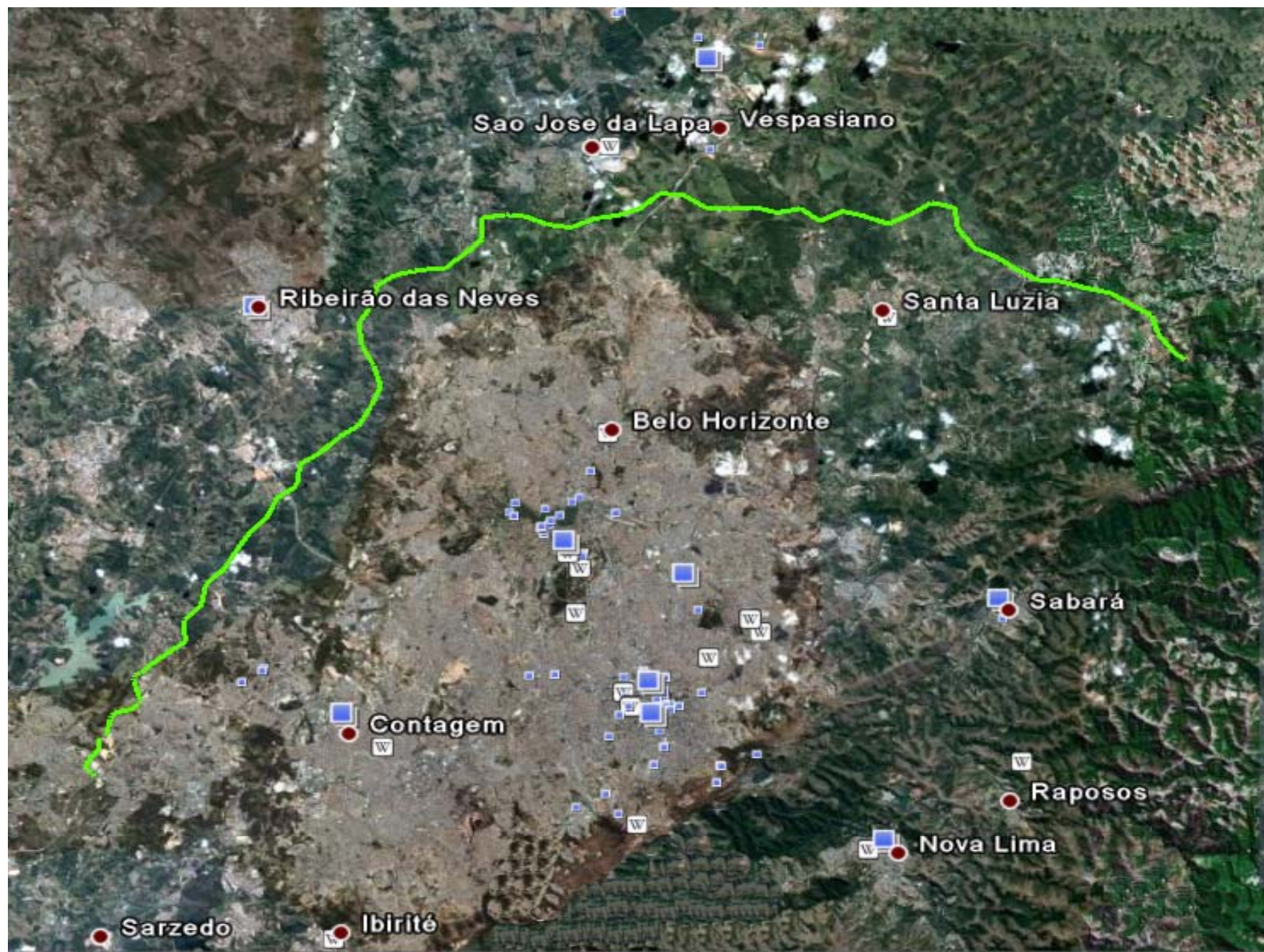
Source: Financial Times, 2009

Why implement a HUB of advanced services in the Belo Horizonte Metropolitan Region - RMBH?



Belo Horizonte – A Multimodal HUB in Brazil





Spacial localization of the main infrastructure equipments in the BHMR, with emplasys to the ringroad projection

