Minas Gerais: a land of opportunities in Brazil

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SUMMARY

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3. Advanced Engineering
   » Automobiles
   » Aerospace
   » Mining
   » Metallurgy
4. Healthcare
5. Life sciences
6. Agribusiness
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MINAS GERAIS OVERVIEW

• Capital city: Belo Horizonte

• Has 853 municipalities

• 60% of Brazil’s historical heritage

• Is the birthplace of Oscar Niemeyer’s architectural work

• Belo Horizonte was recently named the bar capital of the world by the New York Times

• Host city to the British Olympics and Paralympics teams during their pre-Games training.
MINAS GERAIS OVERVIEW

**Population:** 20.6 million (2013)
Similar to Australia
2nd largest State - 10.2% of the Brazilian population

**Territory:** 586,519.7 km².
Similar to France
4th largest State - 6.9% of the Brazilian territory

**GDP (in billions of US$):**
Similar to Chile
3rd largest in Brazil

Source: IBGE e FJP
MINAS GERAIS OVERVIEW

The state area situated within a 800km radius of the centre point of the market triangle composed of BH-SP-RJ contains:

- 48% of the Brazilian population
- 63% of the national GDP
- 55% of the country’s purchasing power
- 64% of the industrial production
- 58% of the electricity consumption

In Minas Gerais:

- Infrastructure (m²) on average:
  - 45% cheaper than São Paulo
  - 63% cheaper than Rio de Janeiro
- Living costs on average:
  - 40% cheaper than São Paulo
  - 38% cheaper than Rio de Janeiro
- Employment – monthly wage on average:
  - 40-50% cheaper than São Paulo and Rio de Janeiro

Source: FIEMG e INDI
MINAS GERAIS INFRASTRUCTURE

• Has the largest road network in Brazil - 13% of the national total - 28600 km
• 2nd largest railway network – 59741 km

• The Tancredo Neves International Airport is one of the biggest five in Brazil
  » One Hour flight to São Paulo, Rio de Janeiro and Brasília
  » International flights straight to Europe and the USA

• Five dry ports

Source: FIEMG e INDI
EDUCATION

• Minas is a reference in corporate education

• 10.26% of the national students enrolled in university

• 2nd State in the country in enrolments

• 2nd best university in Brazil (UFMG)

• 10% of Brazilian researchers

• 15% of engineering students in Brazil

• 11 Federal Universities
  » Highest number of Federal Universities in Brazil
• 45 Private Universities
• 2 State Universities

• More than 1800 patent requests

Source: FIEMG e INDI
IMPORTS AND EXPORTS

- 2nd largest export State: Minas Gerais represents 11.5% of Brazilian exports

- The largest Brazilian exporter of:
  - Ferroniobium: 90.2%
  - Ferroalloys: 78.1%
  - Coffee exporter: 75%
  - Gold in semi-manufactured goods: 65.3%
  - Wire rod and iron-steel bars: 53.1%
  - Uncut precious stones: 46.9%
  - Iron ore: 44.8%

Sources: Governo do Estado de Minas Gerais, IBGE e FIEMG
**UK Trade & Investment**

### Exports in Minas Gerais

**Main buyers**
- Other products: 38.2%
- Sugar: 3.6%
- Gold and precious stones: 5.5%
- Iron alloy, cast iron and its products: 6.5%
- Coffee: 16.7%
- Iron ore: 29.4%

*China, China, United States, Germany, China*

### Imports in Minas Gerais

**Main suppliers**
- Composites or fertilizers: 6.5%
- Automobiles and its parts: 6.3%
- Fuel and mineral oils: 6.3%
- Articles of iron or steel: 5.6%
- Organic chemical products: 3.8%
- Other products: 71.5%

*Canada, Argentina, Australia, China, China*

Source: ExportaMinas
Minas imports from UK

- Nuclear reactors, boilers, machinery and mechanical appliances; others: 21.48%
- Electrical machinery and equipment and parts thereof; others: 10.46%
- Optical, photographic, cinematographic instruments; others: 6.14%
- Miscellaneous chemical products: 8.41%
- Pharmaceutical products: 10.11%
- Others: 10.11%
- Others: 10.46%
- Others: 43.39%

Minas exports to UK

- Natural or cultured pearls, precious or semi-precious stones, others: 21.48%
- Ores, slag and ash: 10.15%
- Coffee, tea, maté and spices: 14.26%
- Inorganic chemicals; organic or inorganic compounds of precious metals, others: 8.58%
- Others: 3.50%
- Others: 63.51%

Sources: AliceWeb
BRITISH COMPANIES WITH PRESENCE IN MINAS GERAIS

AngloAmerican

BT

bp

smiths detection

HSBC

BUNZL

GE Healthcare

G4S

cATAPULT

Future Cities

KING’S College LONDON

University of Strathclyde

PEARSON
Advanced Engineering
ADVANCED ENGINEERING

Automobiles

• 2\textsuperscript{nd} largest producer of automobiles - around 25.8\% of the national production

• In 2011 roughly 3,6 million units were produced including cars, trucks, light vehicles and busses.

• 8.3 \% of all vehicles exported nationally in 2008

• Minas Gerais has the 2\textsuperscript{nd} largest plant in the world – FIAT Chrysler

Sources: Governo do Estado de Minas Gerais, IBGE e FIEMG
ADVANCED ENGINEERING

• Has the only helicopter manufacturing company in Latin America – Helibrás

• Minas Gerais is becoming a benchmark for investment in the airline industry.

• 2nd largest consumer market in Brazil for executive aviation, turbo helices and jets.

• Embraer engineering centre

• First industrial airport in Brazil

Sources: Governo do Estado de Minas Gerais, IBGE e FIEMG
ADVANCED ENGINEERING

• Defence – main sector companies

Sources: Governo do Estado de Minas Gerais, IBGE e FIEMG
Aerospace Complex
ADVANCED ENGINEERING

Mining

- 53% of the Brazilian mineral production (US$ 25.5 billion)

The balance of minerals (exports minus imports) of Minas Gerais represents 55.79% of the Brazilian balance

- Brazil’s largest producer of:
  » Niobium: 91.64% (world’s largest producer)
  » Iron ore: 46.52%
  » Gold: 63.86%
  » Steel: 72.4%
  » Silicon: 80.85%
  » Zinc
  » Phosphate

- Bauxite – 2nd largest producer
- Nickel – 3rd largest producer

- Largest pig iron hub in the country
ADVANCED ENGINEERING

• Reserves:
  » 20 billion tons of iron ore.
  » Niobium: Brazil holds 98.43% of world reserves. Minas Gerais has 75.08%.

• Mineral production has increased significantly with the investments of companies interested in exploiting reserves of:

<table>
<thead>
<tr>
<th>iron ore</th>
<th>gold</th>
<th>diamonds</th>
</tr>
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<tbody>
<tr>
<td>phosphate</td>
<td>zinc</td>
<td>aluminium</td>
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<tr>
<td>silicon metal</td>
<td>limestone</td>
<td>lead</td>
</tr>
<tr>
<td>ornamental rocks</td>
<td>niobium</td>
<td>rare earths</td>
</tr>
</tbody>
</table>
ADVANCED ENGINEERING

• 34% of the total Brazilian production of crude steel
  » In 2014, the Brazilian production was 33.9 million (9th largest world producer of crude steel),
  » Minas Gerais it was 11.8 million tons.

• The metal and steel industry in Minas produces 1/3 of the total produced in Brazil.

• 3/4 of the industries in Minas Gerais correspond to transformation industries.
HEALTHCARE

- The newly opened first phase of the Metropolitan Hospital is a starting point for second and third phases and future similar initiatives by the City of Belo Horizonte, other cities of the metropolitan area of BH and other cities of the State of Minas Gerais.

- A state-wide Primary Care PPP programme is currently being developed by a SPV and the State of Minas Gerais and is seen as a reference for future programmes in other states of Brazil.

- FHEMIG is planning a modernisation process of most of their 12 hospitals by means of a new PPP.

- MEDICAL CITY BH is a private initiative by a developer to be built in the greater Belo Horizonte, combining hospitals, clinics, medical schools, research centres, manufacturing facilities and support developments.

- Unimed-BH is one of the largest and most innovative private health insurance providers, part of the national Unimed system, among the 5 largest in the world.
Life sciences
LIFE SCIENCES

- Biggest Brazilian Life Sciences and Biotechnology hub
- World’s largest Zebu genetic hub
- 105 companies in Minas Gerais
  - 64.7% Belo Horizonte metropolitan area
  - 12.3% Triângulo Mineiro
  - 10.4% Zona da Mata
- Life science companies:
  - Healthcare: 44.8%
  - Biotechnology: 46.7%
- 41.9% have a revenue of over R$1 million
- Another 8.38% have a revenue higher than R$ 4 million
Agribusiness
AGRIBUSINESS – Minas Gerais/Brazil

1. Coffee (50%)
   Brazil/World: 1st (35%)

2. Cattle herd (24.2%)
   Brazil/World: 2nd (22%)

3. Milk (27.5%)
   R$6.7 billions
   Brazil/World: 5th (6%)

4. Horse herd (14.4%)
   R$7.3 billions

5. Poultry flock (9.5%)

   Pig herd (13.3%)
   Brazil/World: 4th

   Rabbits (7.2%)
AGRICULTURE

**Milk**: the Country’s largest dairy producer. 1/3 of the total produced in Brazil.

**Beef**: responsible for the production of 551 thousand tons of meat, with 22.5 million heads of cattle, the State has the second largest cattle herd in Brazil.

**Fruits**: the largest area of irrigated agriculture in South America and Brazilian largest producer of market garden seeds.

**Ethanol**: Minas Gerais is the second producer of ethanol in Brazil (2.6 billion liters)

**Coffee**: the largest producer in Brazil.

**Corn**: the second largest producer in Brazil

**Charcoal**: largest reforester in Brazil with 870 thousand hectares

**Soybean**: the fifth largest producer in Brazil
UK Trade & Investment

AGRIBUSINESS

Cargill

3 Corações

Bunge

Itambé

Embrapa
ICT
UK Trade & Investment

ICT

Biggest Information and Technology (IT), Nano and Microtechnology hub in the country

5,000 IT companies present in the state

Revenues of R$2.3 billion (approximately £355 million) = 1.6% of Minas Gerais

Projects and Initiatives:
ICT

Innovation clusters

• Almenara
• Araçuaí
• Diamantina
• Janaúba
• Januária
• Pirapora
• Salinas
• Teófilo Otoni

Science and Technology Institutions

Technologic Parks
ICT – Main companies

- Google
- accenture
- axxiom
- csem brasil
- IBM
- Infosys®
- GE
- Unitec
- Hitachi
- Cadence™
- Hexagon
ENERGY

- Has the biggest integrated electric energy company in South America (CEMIG)
- Third largest ethanol producer
- Plans for alternative methods
- Smart grids
- Bus running on electric energy
- Mineirão – Solar energy project

- Plans to invest:
  - R$4 billion in solar energy
  - R$20 billion in wind energy in the next 5 years
Other sectors
OTHER SECTORS

• Transportation and Distribution

• Sports

• Advertising/Marketing

• Hospitality/Tourism

• Real Estate

• Consulting

• Retail/Fashion – Minas Trend Preview
Questions & Answers
Thank you for joining our webinar

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