



BANCO ESPIRITO SANTO

ESPIRITO SANTO RESEARCH

RESEARCH SECTORIAL



BRAZIL

APRIL 2013

**INTERNATIONAL
SUPPORT
KIT OF
OPPORTUNITIES**



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The Country's Economic Context

Industry Structure

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BES Group's Internationalisation Support: International Premium Unit

BES Group's International Offering

Contacts



ISKO Brazil

International Premium Unit / ES Research – Sectoral Research



Business Environment

Ease of doing business 130/185

(Doing Business 2013 ranking)

Investor protection 82/185

Cross-border trade 123/185

Contract fulfilment 116/185

Economic Freedom 100/177

(Economic Freedom 2013 ranking)

Competitiveness 48/144

(Global Competitiveness Index 2012-2013 ranking)

Basic Requirements 73/144

Infrastructure 70/144

Institutions 79/144

Efficiency Enhancers 38/144

Innovation and Sophistication 39/144

Cosec (Risk group) 3

Grade 1 (lowest risk) to 7 (highest risk)

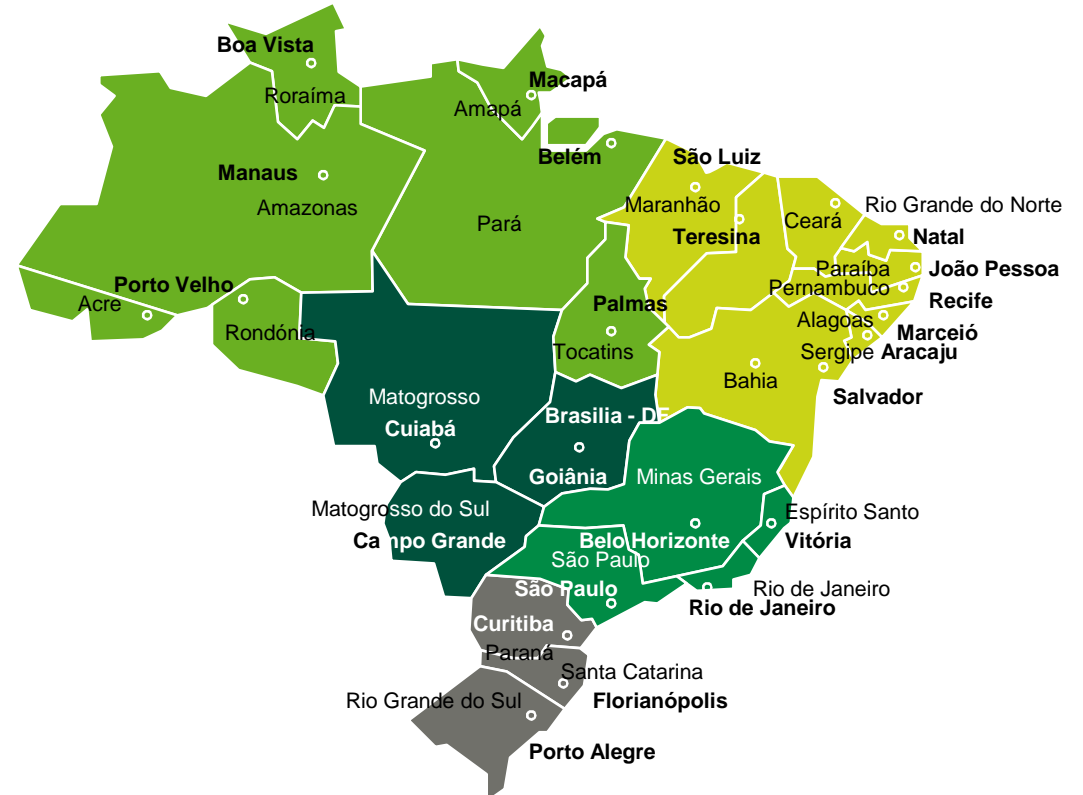
Standard & Poor's (Rating)

(AAA rating (lowest risk) to D (highest risk, default))

Long term debt in local currency **A-**

Long term debt in foreign currency **BBB**

Outlook **Stable**



Capital: Brasilia

Population (Millions): 198.4 (2012)

Time Zone: UTC - 3

Type of Government: Presidencialist Federal Republic

Regional organization: 26 federated states and one federal district

Official Language: Portuguese

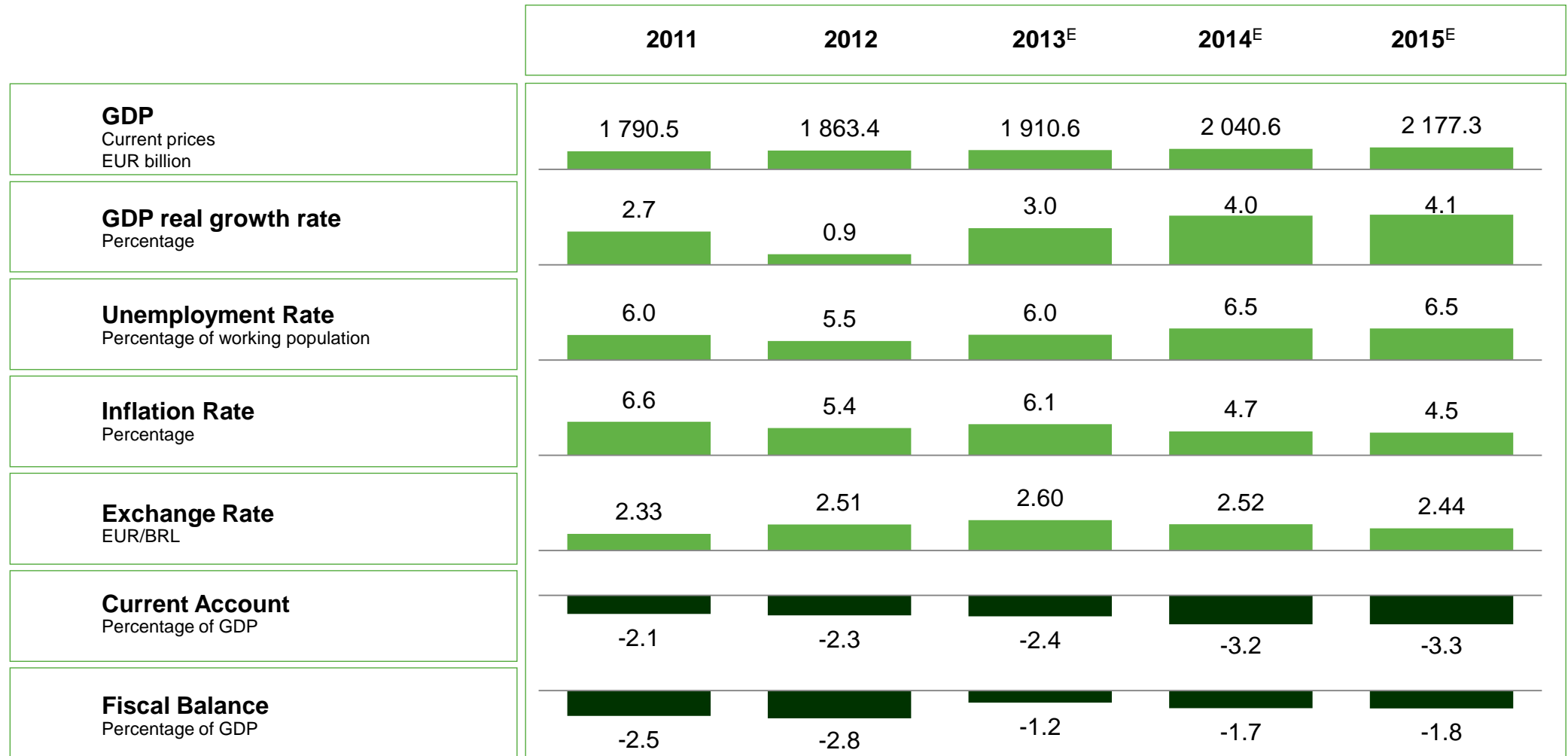
Area: 8 515 mil km²

Currency: Real (BRL)

Religion: Catholic majority (74%)

Sources: IMF, World Bank, COSEC, Bloomberg, World Economic Forum, Global Heritage.





^E Estimate

Sources: Banco Central do Brasil, Instituto Brasileiro de Geografia e Estatística (IBGE), ESIB Brasil.



Brazil is one of the BRIC¹ countries, the world's sixth largest economy², the largest economy in Latin America and is expected to become the fifth largest consumer market by 2030.

As a result of progress achieved through economic reform, favourable conditions in international markets and implementation of social policies, the Brazilian economy has enjoyed high rates of growth in recent years, significantly higher than those achieved in the previous three decades. Despite the global economic and financial crisis, the pace of growth of the Brazilian economy merely abated in 2009, posting a sharp rise in 2010 (7.5%), the fastest pace in the last 25 years.

The new economic and social development model, implemented in 2003, combines economic growth with income redistribution, helping to reduce poverty and create millions of jobs for Brazilians. This model has given rise to a middle class which now represents more than 50% of the country's population³ – over 100 million people – and has become a true engine for growth.

As a result of its economic policy, the government has succeeded in stabilizing the economy, creating a favourable environment for investment (in 2011, Brazil attracted USD 65.5 billion in foreign investment, taking fifth place in world league tables in terms of attraction of FDI⁴ – in 2006, the country was 17th) and increasing Brazil's share of international trade – in the 2006-2011 period, exports grew at an average annual rate of 10.9%, whilst imports rose 17.4%.

¹ A group of emerging economies comprising Brazil, Russia, India and China, which are together expected to overtake the major western economies by 2032.

² Having overtaken the United Kingdom in 2011.

³ In 2011, the middle class in Brazil represented 54% of the population, as compared with 34% in 2005.

⁴ Surpassed only by the USA, China, Hong Kong and the United Kingdom. The number of projects increased 40% compared to 2010, reaching a record number.

Sources: IMF, AICEP, UNCTAD, Fecomércio, Ernst & Young, ES Research – Sectoral Research.





In 2011, the Brazilian economy grew 2.7%, reflecting the performance of agriculture (3.9%; favourable weather conditions resulted in record production of some crops, such as cotton, tobacco, rice and soya), industry (1.6%; with noteworthy performances in construction and mining) and services (2.7%; with growth in IT services, financial intermediation, insurance and retailing worthy of mention).

Brazil's trade surplus reached record levels in 2011, growing 47.8% year on year. Exports (EUR 198 billion) rose 26.8% and imports (EUR 175 billion) expanded 24.5%.

Job creation, real wage increases and ease of access to credit should sustain growth in private consumption, in foreign investment, which is expected to grow at twice the pace of the economy as a whole, and in public investment in various fields, whilst the World Cup, in 2014, and the Olympic Games, in 2016, are seen accelerating the pace of economic growth. These two events will create about 3.6 million jobs in the country.

Sources: IMF, AICEP, ESIB Brasil, MDIC, Brazilian Government, ES Research – Sectoral Research.





MERCOSUL – Southern Common Market

Seeks to promote economic and social progress amongst member states, through the gradual formation of a Common Market. The founding members are: Brazil, Argentina, Paraguay and Uruguay. Venezuela has signed an accession treaty and awaits ratification. www.mercosur.int/

ALADI – Latin American Integration Association

Seeks to gradually and progressively establish a Latin American market by means of the implementation of a Preferential Regional Tariff system. It comprises: Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. www.aladi.org/

SELA – Latin American and the Caribbean Economic System

Comprising 27 Latin American countries, SELA seeks to accelerate economic and social development among member states through intra-regional cooperation and the establishment of a permanent system of consultation and coordination in relation to economic and social issues. www.sela.org/

CPLP – Community of Portuguese-Speaking Countries

Comprising Portugal, Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe and East Timor, it seeks to harmonize political and diplomatic relations in terms of international foreign policy, namely in the defence and promotion of common interests and in relation to specific issues, promote cooperation, particularly in economic, social, cultural, legal, technical and scientific fields, and implemente programs to promote and spread the Portuguese language. www.cplp.org/



Sources: AICEP, ES Research – Sectoral Research.



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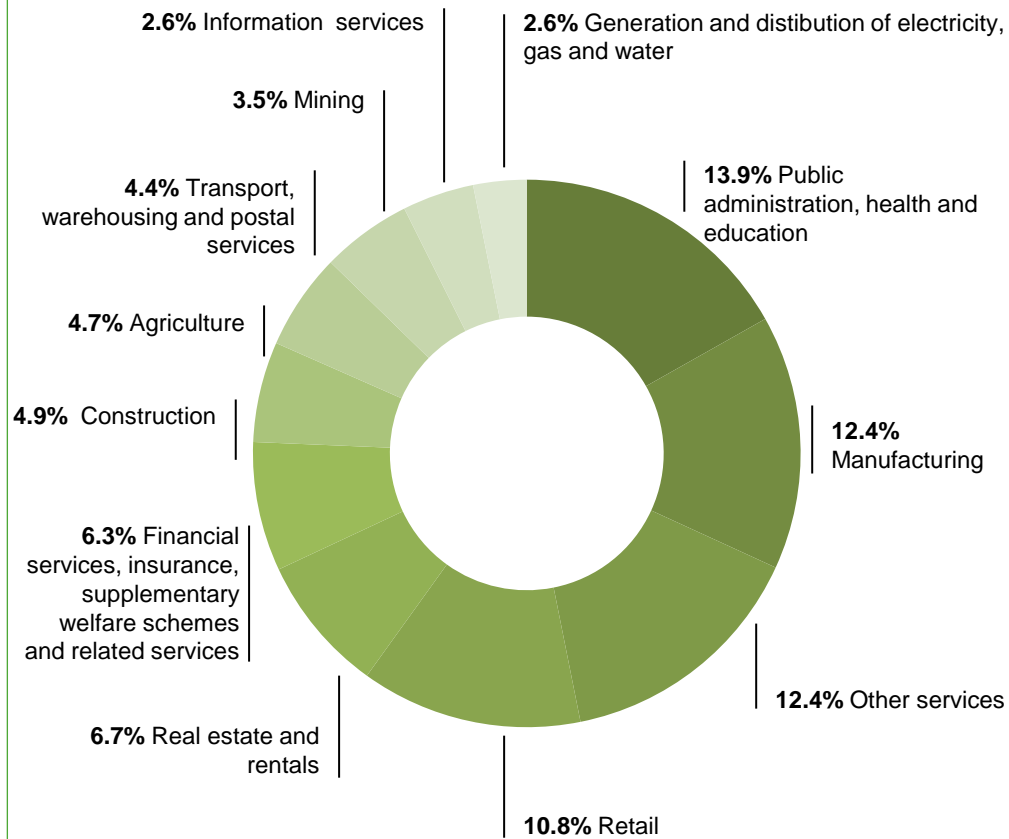
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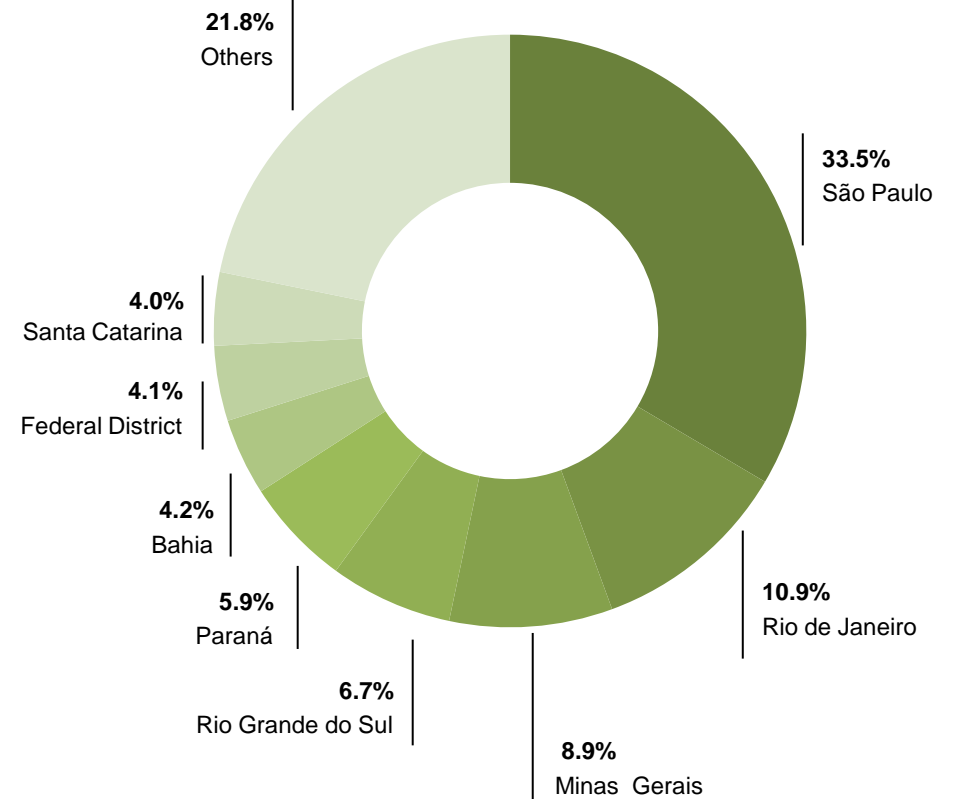


Services represent over 57% of the Brazilian economy and the State of São Paulo over a third.

GDP Breakdown by sector (2011)



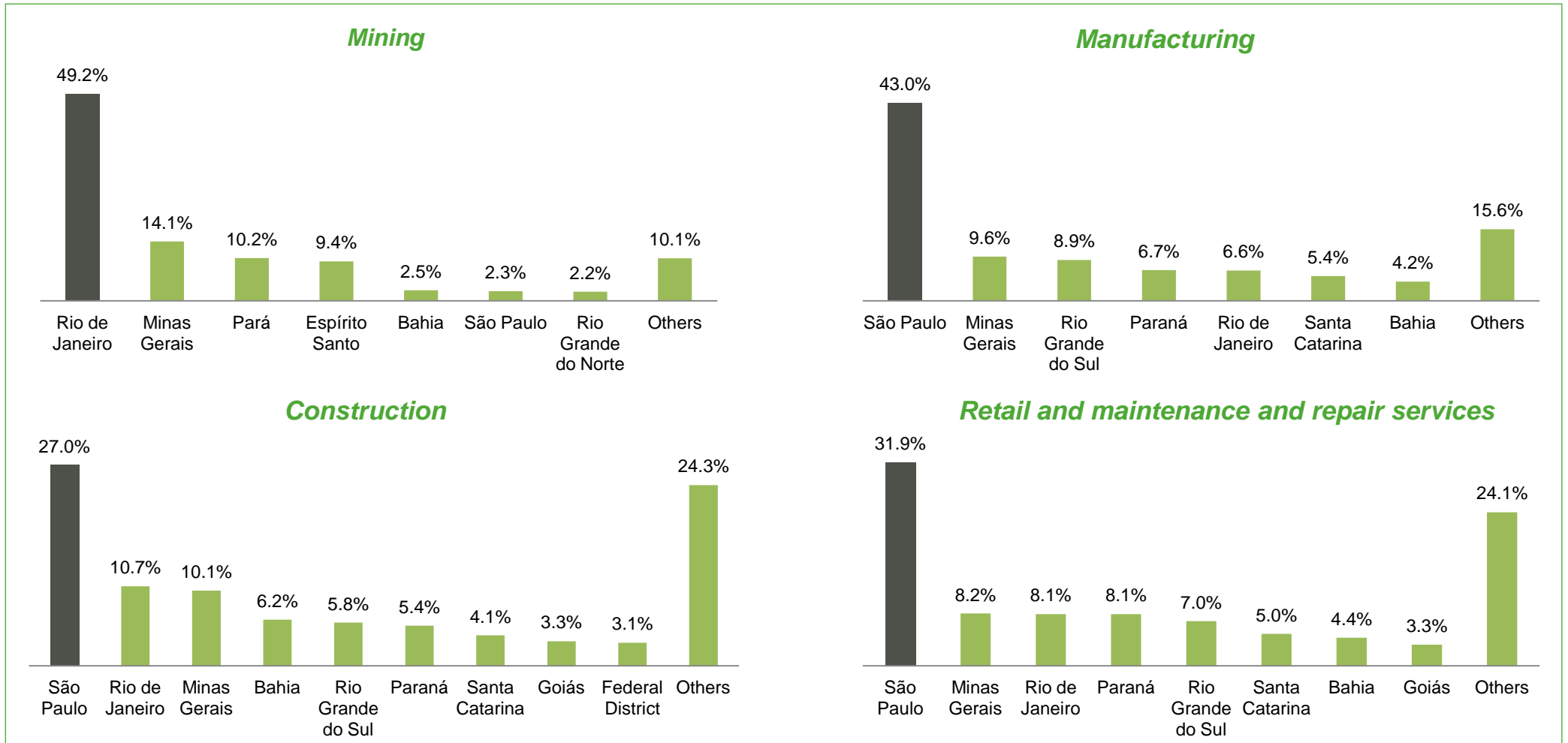
GDP Breakdown by State (2009)



Sources: IBGE.

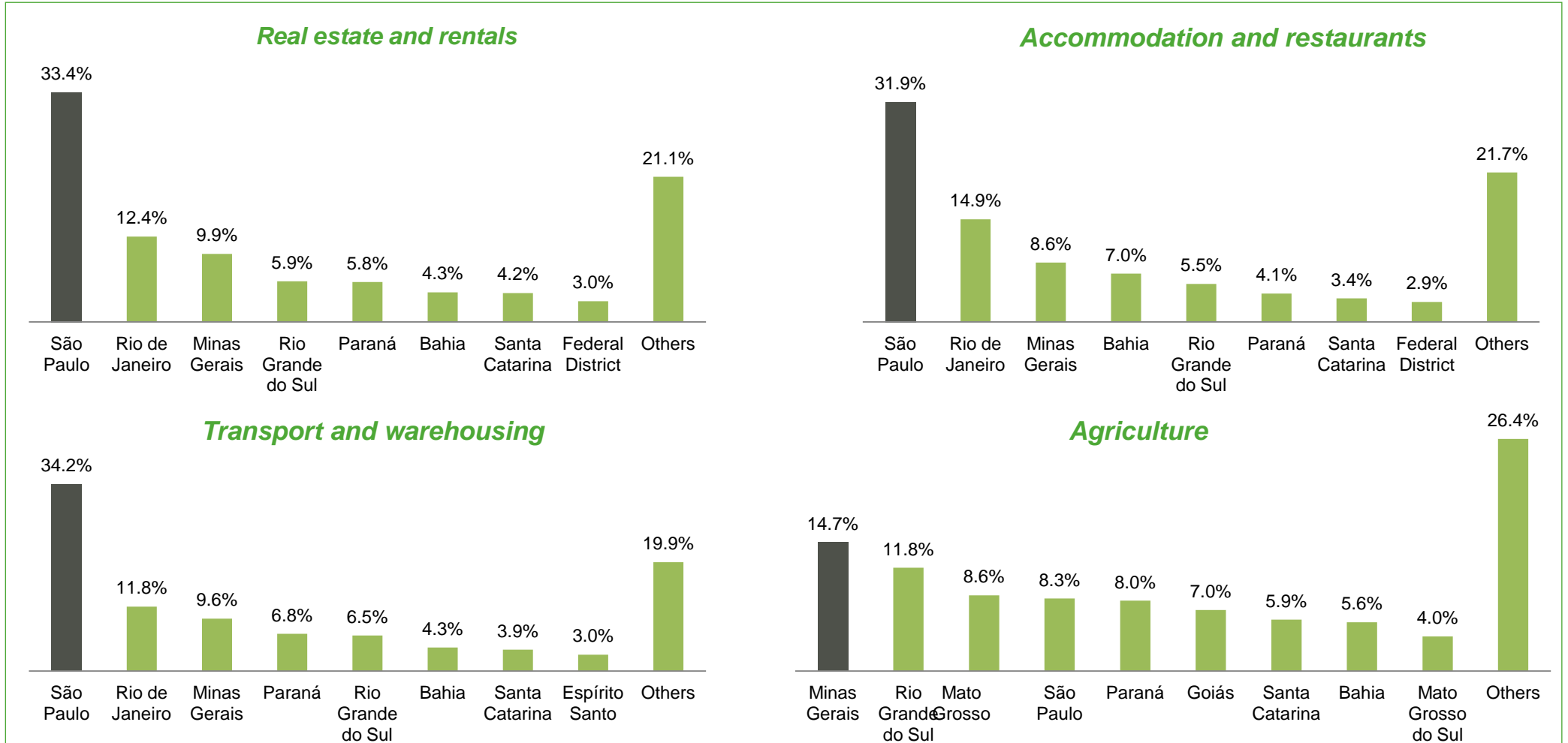


Breakdown of state Gross Value Added by sector (2009)



Source: IBGE.

Breakdown of state Gross Value Added by sector (2009)



Fonte: IBGE.





FINANCIAL SYSTEM

The Financial Development Report 2011 of the World Economic Forum places the Brazilian financial system as the 5th most sustainable in the world according to bank assets and in 12th place ranking in terms of sophistication. In the past decade, despite the financial crisis, Brazilian banks have been rising consistently in the world rankings of the financial industry. Following a wave of mergers and acquisitions that took place in the country in the last few years, Itaú Unibanco has emerged as the best placed Brazilian bank in the world league tables (in 34th place). Itaú, Banco do Brasil, Bradesco, Caixa Económica Federal and Santander are the five largest banks operating in Brazil, jointly representing 65% of assets, 82% of staff and 86% of branches of the financial system.

In March 2012, the IMF, on concluding its joint mission with the World Bank, within the scope of the Financial Sector Evaluation Program, affirmed that the Brazilian financial sector is stable, with a low level of systemic risk and ample prudential buffers, and that the solid financial markets framework and effective regulation and supervision have been important factors in maintaining financial stability.

The largest banks operating in Brazil, 2011

Bank	Total assets (USD billions)	Employees (Thousands)	World rank (Tier 1)
Banco do Brasil	515.6	126.6	39
Itaú Unibanco	436.3	122.4	33
Bradesco	385.1	83.7	40
Caixa Económica Federal	275.4	106.1	100
Santander Brasil	213.3	52.9	14 ¹

Financial strengths by bank assets, 2011

Ranking	Country
1	Canada
2	Hong Kong
3	Singapore
4	Australia
5	Brazil
6	Chile
7	Finland
8	Switzerland
9	USA
10	Belgium

Sources: Central Bank of Brazil, "The Banker", World Economic Forum, IMF.

¹ Group ranking – parent company.





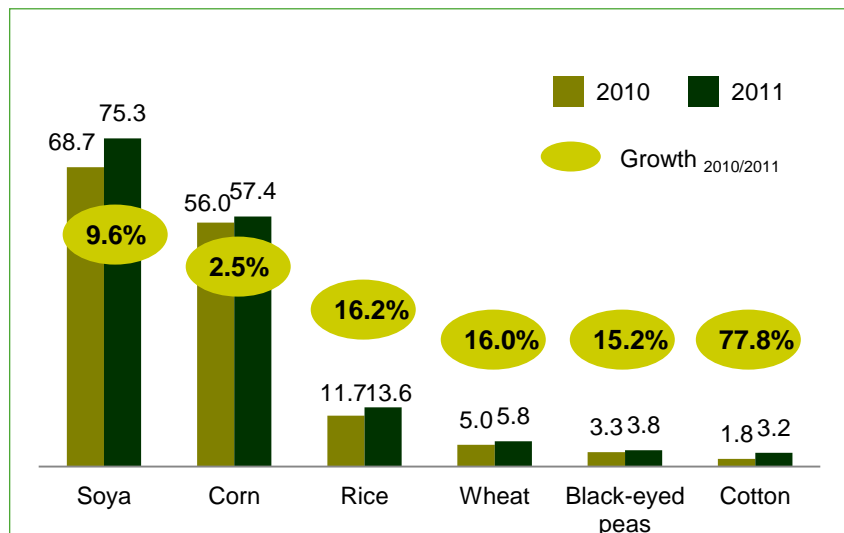
AGRIBUSINESS

A key sector of the Brazilian economy, agriculture represents around a third of GDP and more than a third of employment and exports. Brazil is the country with the most arable land in the world and is the leading producer and exporter of coffee, sugar cane and orange juice, the leading exporter of beef and chicken, tobacco and ethanol. Also noteworthy is production of soya, corn, rice and pork. In addition to its natural resources, scientific and technological development and modernization have contributed to the sector's development, as well as an agricultural policy of incentives, including concession of credit and tax benefits in addition to other measures. Renowned as one of the leading agribusiness centres in the world, Brazilian agriculture has great potential, given that only 12.5% of the country's land is under cultivation.

Brazil in the world, production and exports of selected products

	<i>Production</i>	<i>Exports</i>
Sugar	1st	1st
Coffee	1st	1st
Orange juice	1st	1st
Beef	2nd	1st
Tobacco	2nd	1st
Chicken	3rd	1st
Soya beans	2nd	2nd
Corn	4th	3rd
Pork	4th	4th
Cotton	5th	5th

Agricultural production, selected products, 2010 and 2011 (Millions of tons)



Sources: AICEP, Brazilian Government, SEBRAE, SECEX/MDIC, CONAB, EIU.



TELECOMS

The telecommunications sector has grown significantly in Brazil over the last few years. Mobile phones, personal computing and internet usage have increased sharply. The country is the fourth largest market for mobile telecommunications and the fifth largest in terms of personal computing. Between 2007 and 2011, mobile phones, broadband and internet usage have recorded average annual rates of growth - 19%, 21% and 23.7%, respectively.

ITC sector, 2007-2011 (Millions)

	2007	2008	2009	2010	2011	CAGR ₀₇₋₁₁
Fixed lines	39.4	41.2	41.5	42.1	43.0	2.2%
Density (per 100 inhabitants)	20.7	21.4	21.6	21.7	22.0	
Mobile phones	120.9	150.6	173.9	202.9	242.2	19.0%
Density (per 100 inhabitants)	63.6	78.1	90.5	104.7	123.9	
Subscriber TV	5.3	6.3	7.5	9.8	12.7	24.4%
Density (per 100 homes)	10.2	11.7	12.9	16.4	21.2	
Broadband users	7.7	10.0	11.4	13.8	16.5	21.0%
Density (per 100 inhabitants)	4.1	5.3	5.9	7.1	8.5	
Internet usage	39.0	62.3	67.5	73.9	n.d.	23.7%

Top 5 mobile telecoms markets, 2007-2011 (Millions)

	2007	2008	2009	2010	2011	CAGR ₀₇₋₁₁	Growth ₁₀₋₁₁
China	547	641	747	859	986	15.9%	14.8%
India	234	347	525	752	894	39.8%	18.9%
USA	255	270	286	302	332	6.8%	9.9%
Brazil	121	151	174	203	242	18.9%	19.2%
Russia	173	188	208	215	228	7.1%	6.0%

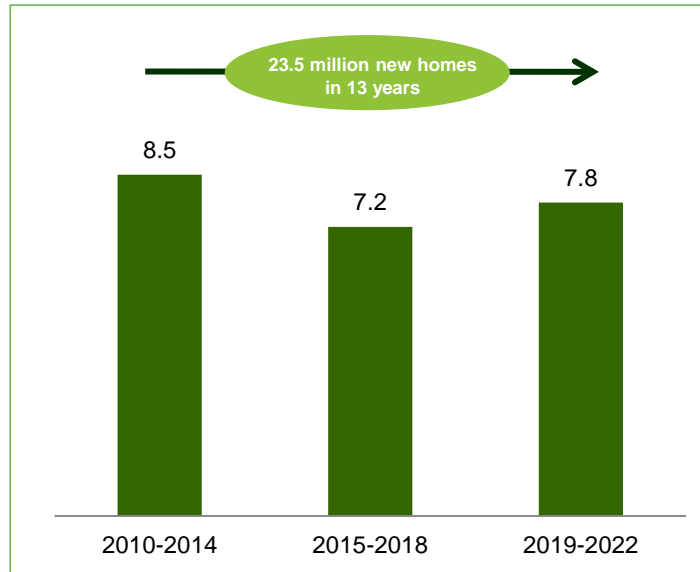
Sources: AICEP, Brazilian Government, SEBRAE, ANATEL, TELECO, UIT.



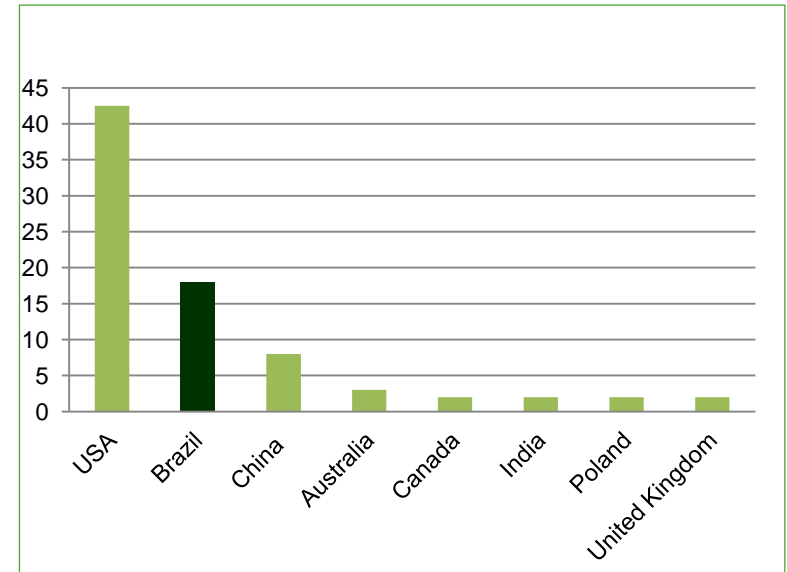
CONSTRUCTION AND REAL ESTATE

The construction industry is one of the most dynamic sectors in the Brazilian economy (between 2004 and 2010, it expanded at an average annual rate in excess of 5%, creating over 200 thousand jobs a year). This was a result of the adoption and extension of a set of measures by the government (e.g. My House My Life Programs¹ and the Growth Acceleration Programs²), a favourable environment for demand (e.g. reduction in interest rates, growth in jobs and disposable income) as well as investments required for hosting two big sporting events (i.e. the World Cup, in 2014, and the Olympic Games, in 2016). The real estate market in Brazil is considered by foreign investors to be the most promising among emerging economies and the second best worldwide in terms of opportunities for capital returns.

New housing needs, 2010-2022
(Millions)



World real estate market, top 8 opportunities in terms of returns on capital
(Percent)



Sources: AICEP, Brazilian Government, SEBRAE, SECOVI-SP, AFIRE, CBIC.

¹ Housing funding program. The two programs launched forecast the construction of over 3 million homes.

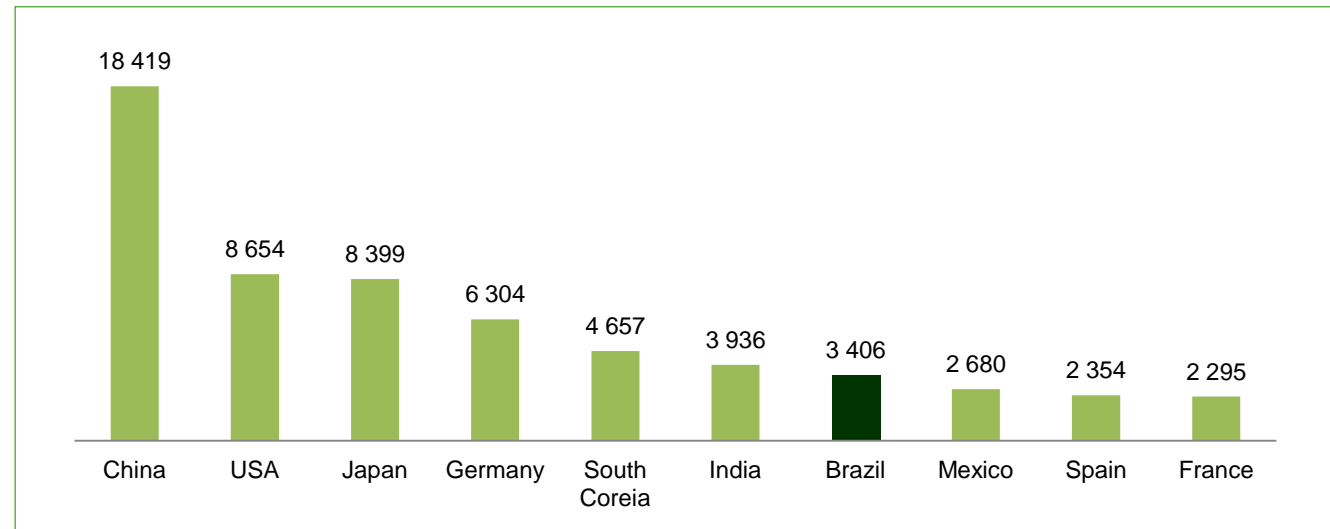
² Infrastructure investment program in the fields of logistics, energy, social services and urban development.



AUTOMOTIVE, AIRCRAFT AND AEROSPACE INDUSTRIES

Over the last few decades, Brazil has expanded and diversified its industrial base, namely in the production of manufactured and consumer durable goods and by establishing technologically sophisticated industries. Particularly of note is the automotive industry, now ranked seventh worldwide, which has benefitted from various investment projects and the presence of the main multinationals from the sector, the aircraft industry, which boasts Embraer, one of the world's leading players (it is the largest manufacturer of commercial jets up to 120 seats and the fourth largest Brazilian exporter) and the aerospace industry.

Automotive production, top 10 worldwide, 2011
(Thousands)



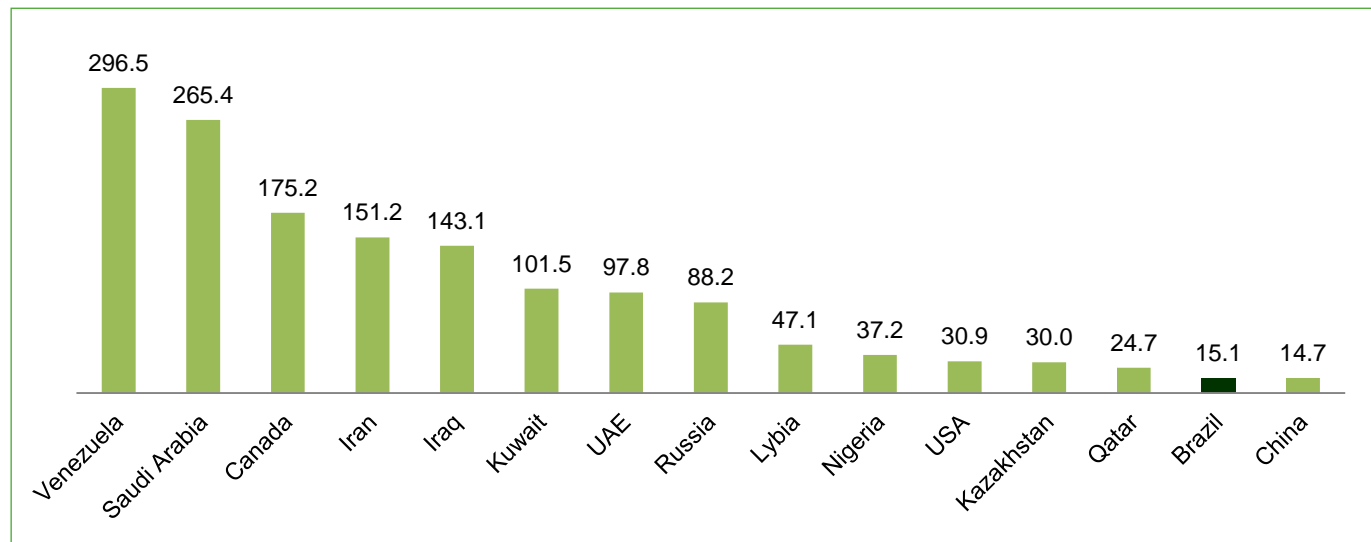
Sources: AICEP, Brazilian Government, SEBRAE, OICA, EMBRAER.



MINERAL RESOURCES AND OIL

Brazil is considered to be one of the leading producers and exporter of minerals and mineral products and enjoys vast mineral deposits, including iron ore, bauxite, manganese, copper, tin and gold. It also has the largest reserves of uranium and niobium¹. In November 2007, the discovery of oil in the deep water Tupi field (Santos Basin) led to estimates of potential oil reserves that could place Brazil in the world's top 10 in terms of reserves. In 2011, oil production reached a new record – 768 million barrels, an increase of 2.5% over 2010. Between 2002 and 2011, oil production in Brazil rose by 45%.

Oil – proven reserves, top 15 worldwide, 2011
(Billions of barrels)



Sources: AICEP, Brazilian Government, SEBRAE, BP, ANP.

¹ Mineral mixed with steel, used in the manufacture of jet engines.



TOURISM

The National Tourism Plan, whose main objective is to promote social cohesion, seeks to turn Brazil into one of the top twenty tourist destinations worldwide by 2020. The Tourism Regionalization Program identified 200 touristic zones in the country which are to be developed with a view to attaining international quality standards. As such, the sector is undergoing a period of structural development, with increases in hotel accommodation and improvement in infrastructure, basic services and environmental management with a view to faster growth in the next few years due to the fact that the country will host two important sporting events: the World Cup, in 2014, and the Olympic Games, in 2016. The Tourism in Brazil 2011-2014¹ study foresees the creation of 2 millions jobs by 2014 and 55% growth in foreign exchange earnings.

Tourism receipts, annual growth, 2012-2022 (Percent)

Rank	Country	Growth
1	Brazil	12.2
6	Venezuela	7.5
8	Argentina	7.3
27	Peru	5.7
43	Chile	5.1
69	Mexico	4.3
72	Cuba	4.2
79	Costa Rica	4.1
89	Ecuador	3.8
	World average	3.5
165	Guatemala	1.4

Tourism investment, annual growth, 2012-2022 (Percent)

Rank	Country	Growth
5	Brazil	8.7
27	Mexico	6.5
51	Costa Rica	5.8
55	Venezuela	5.7
	World average	5.3
74	Cuba	5.0
76	Ecuador	4.9
80	Chile	4.8
93	Argentina	4.6
112	Peru	4.1
147	Guatemala	3.0

Sources: AICEP, Brazilian Government, SEBRAE, WTTC, Ministry of Tourism.

¹ Prepared by the main tourist authorities and sector leaders in Brazil.



PROGRAMS

INFRASTRUCTURE
(LOGISTICS, ENERGY,
SOCIAL SERVICES AND
URBAN DEVELOPMENT)

TOURISM

EDUCATION

PAC – Programa de Aceleração do Crescimento www.brasil.gov.br/pac

PAC1 (2007-2010): EUR 189 billion

PAC2 (2011-2014): EUR 400 billion

Aims to stimulate efficiency in the main sectors of the economy, encourage technological modernization, accelerate growth in areas where this is already taking place and activate growth in depressed areas, increase competitiveness and integrate the Brazilian economy with that of its neighbours and with the rest of the world economy.



PNT – Plano Nacional do Turismo www.turismo.gov.br

Aims to transform Brazil into one of the top tourist destinations worldwide – place the country amongst the top twenty tourist destinations by 2020. The Tourism Regionalization Program identified 200 touristic zones in the country to be developed with a view to attaining international quality standards.



PDE – Plano de Desenvolvimento da Educação www.portal.mec.gov.br

Aims to improve education in the country, at all levels, over fifteen years, with priority given to basic education. It foresees various initiatives to overcome problems directly affecting education in Brazil, including initiatives to fight social problems that inhibit quality learning and apprenticeship, such as Light for All, Health in the School and Looking at Brazil, amongst others.



Sources: Brazilian Government, AICEP.



Programa Mais Saúde <http://bvsmms.saude.gov.br/bvs/pacsauade/>

Aims to significantly improve health conditions and quality of life for Brazilians, providing more access to quality initiatives and services. Launched in 2007, it identifies 86 targets and 208 initiatives, in eight areas of intervention.



Programa Minha Casa Minha Vida www.cidades.gov.br

Minha Casa Minha Vida1: EUR 12 billion
 Minha Casa Minha Vida2: EUR 30 billion

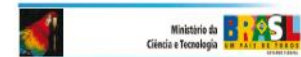
Seeks to cater to the housing needs of the low-income population in urban areas, guaranteeing access to housing with minimum standards of sustainability, safety and living conditions.



Plano de Acção de Ciência, Tecnologia e Inovação www.mct.gov.br

Aims to expand research infrastructure, the innovation process and production capacity in the country. It covers four axes of development:

- Axis I : Expansion and consolidation of the National System of Science, Technology and Innovation;
- Axis II : Promote technological innovation in companies;
- Axis III : Research and Development in Strategic Areas;
- Axis IV : Science and Technology for Social Development.



Ciência, Tecnologia e Inovação para o Desenvolvimento Nacional



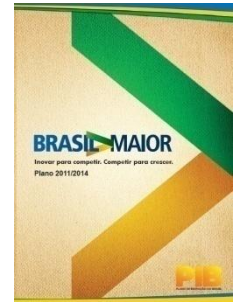
Sources: Brazilian Government, AICEP.



Plano Brasil Maior

www.brasilmaior.mdic.gov.br

Launched in early August 2011, covering the 2011-2014 period, it aims to increase competitiveness in industry, encouraging technological innovation and value added. It seeks to give continuity to previous policies for the sector: the Industrial, Technological and Foreign Trade Policy (PITCE) established in 2004, and Productive Development Policy (PDP) launched in 2008, adopting a wider scope.



Plano Brasil Sem Miséria

www.brasilsemmiseria.gov.br

Launched in early June 2011, this is the biggest integrated poverty reduction program in Brazilian history which, in addition to focusing on the social solidarity and human values, seeks to constitute a new and powerful lever for the development of the country.

Coordinated by the Ministry of Social Development and Hunger Reduction, this Plan is to be executed over three years, spearheaded by the federal government and local authorities around hundreds of initiatives aimed at improving the quality of life of around 16 million Brazilians whose income as a family does not exceed 70 reais per month per person.

The Plan foresees national and regional initiatives over three dimensions: income assurance, integration into the productive economy and access to public services (water, electricity, health, education and housing).



Sources: Brazilian Government, AICEP.



EVENTS

2014 WORLD CUP

2014 World Cup

www.copa2014.org.br

Taking place in twelve host cities (Fortaleza, Natal, Recife, Salvador, Brasília, Belo Horizonte, Rio de Janeiro, São Paulo, Curitiba, Porto Alegre, Cuiabá e Manaus), the 2014 World Cup is having an impact on many economic sectors (goods and services). Construction and improvements to stadiums, airports, roads, ports and modernization of public transport networks are priority areas. Attention will also be given to the hospital network, public safety, telecommunications, energy and water and sewerage services, amongst others. Investments will be made in hotel accommodation, entertainment, retail and restaurants. The Responsibility Framework for Host Cities calls for private, local, state and federal-authority investments totalling BRL 17.2 billion in urban mobility and stadiums. In addition, BRL 6 billion is to be invested in ports and airports and a specific program funded by BNDES¹ totalling BRL 1 billion is earmarked for accommodation.



2016 OLYMPIC GAMES

Rio Olympic Games 2016

www.rio2016.org.br

Due to take place in Rio de Janeiro, the main challenge is urban mobility. As with the 2014 World Cup, it implies investments in a wide variety of sectors.



Sources: Brazilian Government, AICEP.

¹ Banco Nacional de Desenvolvimento Económico e Social.



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Brasil's imports by country, 2012

Rank	Country	Imports (EUR Millions)	Share %
1	China	26 630.1	15.3
2	U. S. A.	25 350.8	14.6
3	Argentina	12 786.2	7.4
4	Germany	11 048.2	6.4
5	Republic of Korea	7 073.9	4.1
6	Nigeria	6 229.9	3.6
7	Japan	6 014.2	3.5
8	Italy	4 826.2	2.8
9	Mexico	4 723.7	2.7
10	France	4 602.0	2.7
...			
35	Portugal	776.8	0.4

Brasil's exports by country, 2012

Rank	Country	Exports (EUR Millions)	Share %
1	China	32 056.6	17.0
2	U. S. A.	20 876.8	11.1
3	Argentina	13 994.2	7.4
4	Netherlands	11 695.0	6.2
5	Japan	6 186.0	3.3
6	Germany	5 658.3	3.0
7	India	4 336.4	2.3
8	Venezuela	3 931.3	2.1
9	Chile	3 578.5	1.9
10	Italy	3 561.8	1.9
...			
34	Portugal	1 263.3	0.7

Source: UNComtrade.





Brasil's Top 10 imports, 2012

Products (H.S. 4)	2012 (EUR Millions)	Share (%)	CAGR ₀₇₋₁₂ (%)
2710 - Petroleum oils, not crude	12 724.7	7.3	23.8
2709 - Crude petroleum oils	10 423.7	81.9	3.6
8703 - Cars (incl. station wagon)	7 438.7	71.4	26.7
8708 - Parts & access of motor vehicles	5 265.2	70.8	15.1
2711 - Petroleum gases	4 633.9	88.0	24.7
8542 - Electronic integrated circuits and microassemblies	3 218.5	69.5	8.3
8517 - Electric app for line telephony, incl curr line system	3 096.0	96.2	7.0
3004 - Medicament mixtures (not 3002, 3005, 3006), put in dosage	2 792.2	90.2	11.1
3104 - Mineral or chemical fertilizers, potassic	2 760.1	98.9	20.1
8529 - Part suitable for use solely/princ with televisions, recpt app	2 723.4	98.7	33.3

Brasil's Top 10 exports, 2012

Products (H.S. 4)	2012 (EUR Millions)	Share (%)	CAGR ₀₇₋₁₂ (%)
2601 - Iron ores & concentrates; including roasted iron pyrites	24 095.8	12.8	25.6
2709 - Crude petroleum oils	15 788.9	8.4	19.4
1201 - Soya beans, whether or not broken	13 572.4	7.2	22.6
1701 - Cane or beet sugar and chemically pure sucrose, in solid form	9 987.6	5.3	21.8
207 - Meat&edible offal of poltry meat	5 402.5	2.9	11.2
2304 - Soya-bean oil-cake and other solid residues	5 128.3	2.7	18.9
901 - Coffee	4 463.4	2.4	12.4
1005 - Maize (corn)	4 185.8	2.2	24.5
2710 - Petroleum oils, not crude	4 173.7	2.2	6.1
8802 - Aircraft, (helicopter, aeroplanes) & spacecraft (satellites)	3 700.5	2.0	1.2

Source: UNComtrade.

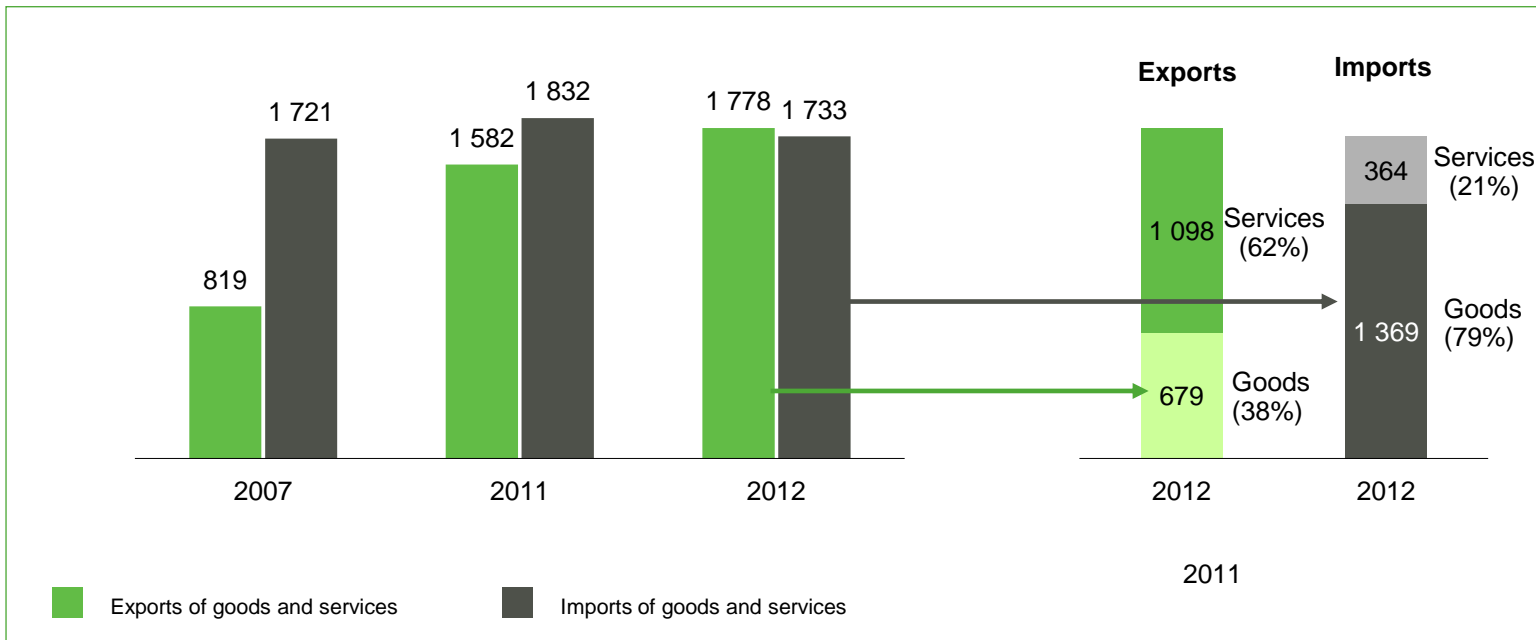




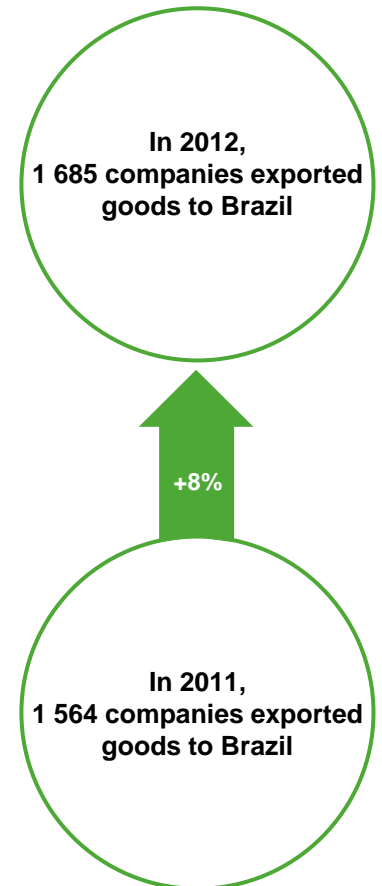
Portugal's trade balance with Brazil, 2007, 2011 and 2012 (EUR millions)

Compound Annual Growth Rate (CAGR)
CAGR₀₇₋₁₂ of exports = 16.8%
CAGR₀₇₋₁₂ of imports = 0.1%

**Superavit
 EUR 45 millions**



Sources: Instituto Nacional de Estatística, Banco de Portugal.





Top 10 Portuguese imports from Brasil, 2012

Products (H.S. 4)	2012 (EUR Millions)	Share (%)	CAGR ₀₇₋₁₂ (%)
2709 - Petroleum Oils And Oils Obtained From Bituminous Minerals, Crude	754.2	55.1	11.0
1201 - Soya Beans, Whether Or Not Broken	166.9	12.2	-5.7
1701 - Cane Or Beet Sugar And Chemically Pure Sucrose, In Solid Form	97.5	7.1	35.1
2401 - Unmanufactured Tobacco; Tobacco Refuse	29.5	2.2	47.7
2304 - Oilcake And Other Solid Residues	26.5	1.9	29.7
1005 - Maize Or Corn	23.2	1.7	-28.5
3901 - Polymers Of Ethylene, In Primary Forms	21.6	1.6	0.7
0901 - Coffee, Whether Or Not Roasted Or Decaffeinated; Coffee Husks And Skins	21.3	1.6	10.5
8409 - Parts Suitable For Use Solely Or Principally With Internal Combustion Piston	16.8	1.2	-10.0
3902 - Polymers Of Propylene Or Of Other Olefins, In Primary Forms	14.7	1.1	1.0

Top 10 Portuguese exports to Brasil, 2012

Products (H.S. 4)	2012 (EUR Millions)	Share (%)	CAGR ₀₇₋₁₂ (%)
1509 - Olive Oil And Its Fractions Obtained From The Fruit Of The Olive Tree	143.0	21.0	15.9
2711 - Petroleum Gas And Other Gaseous Hydrocarbons	36.5	5.4	n.a.
0305 - Fish, Fit For Human Consumption, Dried, Salted Or In Brine; Smoked Fish	29.9	4.4	-0.7
2204 - Wine Of Fresh Grapes, Incl. Fortified Wines	28.6	4.2	9.6
0808 - Apples, Pears And Quinces, Fresh	27.9	4.1	32.1
7214 - Bars And Rods, Of Iron Or Non-Alloy Steel, Not Further Worked Than Forged	25.6	3.8	546.8
0303 - Frozen Fish (Excl. Fish Fillets And Other Fish Meat Of Heading 0304)	21.3	3.1	49.7
8480 - Moulding Boxes For Metal Foundry; Mould Bases; Moulding Patterns	21.2	3.1	46.0
2603 - Copper Ores And Concentrates	19.0	2.8	n.a.
7308 - Structures And Parts Of Structures "E.G., Bridges And Bridge-Sections, Lock-Gates	17.8	2.6	178.3

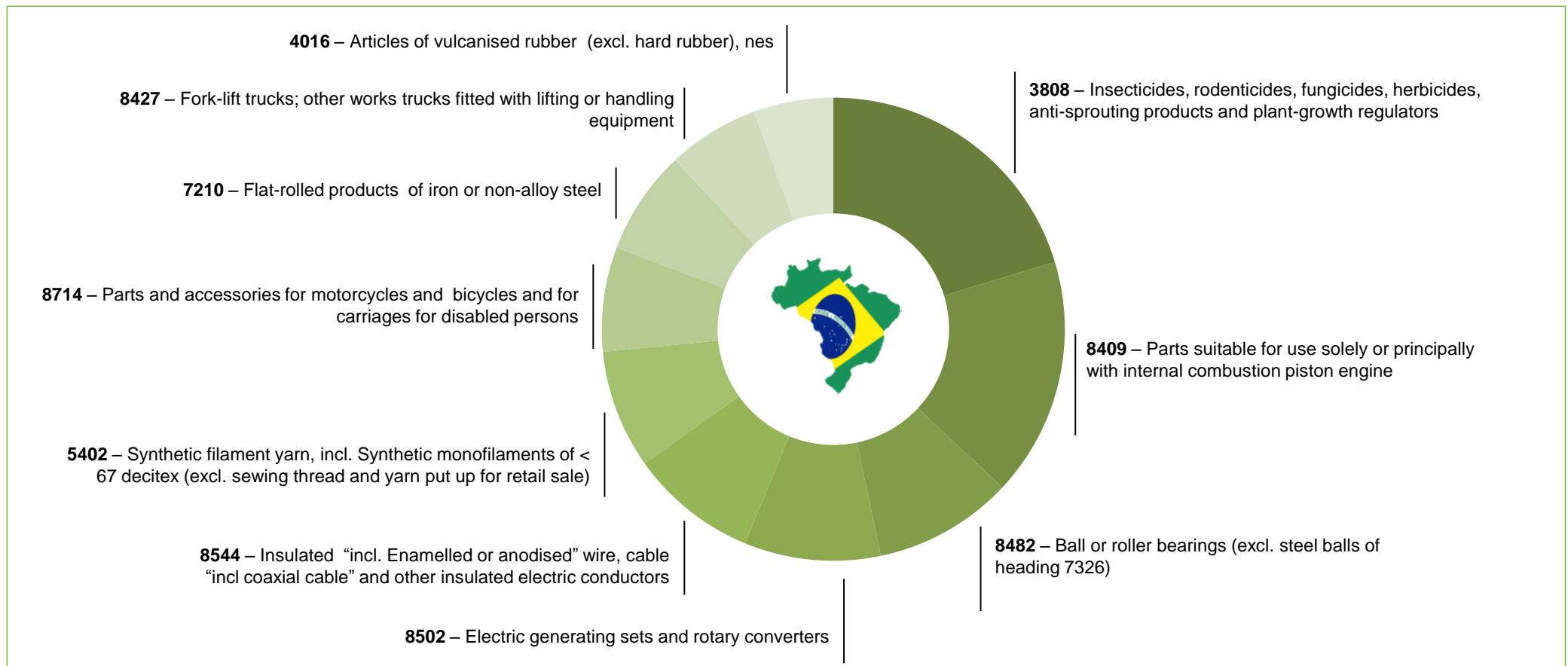
Sources: Instituto Nacional de Estatística, Banco de Portugal.





Set of products (goods) identified as needs (imports) of Brazil for which Portugal has production and export capacity, thus representing opportunities to increase the volume of Portuguese exports to Brazil.

Top 10 export opportunities to Brazil



Sources: UNComtrade, OECD, ES Research – Sectoral Research.



Top 10 export opportunities to Brazil (Amount and rank of Brazil world imports)

Products (H.S. 4)	2006 (EUR millions)	2011 (EUR millions)	CAGR ₀₆₋₁₁ (%)	Rank 2011	Share (%)
3808 - Insecticides, Rodenticides, Fungicides, Herbicides, Anti-Sprouting Products And Plant-Growth Regulators	452.7	1 406.9	25.5	19	0.9
8409 - Parts Suitable For Use Solely Or Principally With Internal Combustion Piston Engine	653.1	1 154.5	12.1	26	0.7
8482 - Ball Or Roller Bearings (Excl. Steel Balls Of Heading 7326)	355.8	675.2	13.7	43	0.4
8502 - Electric Generating Sets And Rotary Converters	105.2	659.5	44.4	45	0.4
8544 - Insulated "Incl. Enamelled Or Anodised" Wire, Cable "Incl. Coaxial Cable" And Other Insulated Electric Conductors	277.2	619.0	17.4	49	0.4
5402 - Synthetic Filament Yarn, Incl. Synthetic Monofilaments Of < 67 Decitex (Excl. Sewing Thread And Yarn Put Up For Retail Sale)	355.6	573.2	10.0	53	0.4
8714 - Parts And Accessories For Motorcycles And Bicycles And For Carriages For Disabled Persons	180.4	505.4	22.9	61	0.3
7210 - Flat-Rolled Products Of Iron Or Non-Alloy Steel	76.2	505.3	46.0	62	0.3
8427 - Fork-Lift Trucks; Other Works Trucks Fitted With Lifting Or Handling Equipment	90.1	444.7	37.6	70	0.3
4016 - Articles Of Vulcanised Rubber (Excl. Hard Rubber), N.E.S.	206.7	385.1	13.3	80	0.2

Sources: UNComtrade, OECD, ES Research – Sectoral Research.



Cloud of Export Opportunities to Brazil

Electric machinery, apparatus and materials	Base and processed metals	Plastics and Rubber
<p>8428 – Lifting, handling, loading or unloading machinery, e.g. lifts, escalators, conveyors, teleferics</p> <p>8426 – Ships’ Derricks; cranes, incl. cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane</p> <p>8507 - Electric accumulators, incl. Separators therefor, whether or not square or rectangular</p> <p>8539 - Electric filament or discharge lamps, incl sealed beam lamp units and ultraviolet or infra-red lamps; arc lamps</p>	<p>7616 - Articles of aluminum nes</p> <p>7214 – Bars and rods, of iron or non alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but incl. those twisted after rolling</p> <p>7320 - Springs and leaves for springs, of iron or steel</p> <p>7411 - Copper tubes and pipes</p>	<p>3923 – Articles for the conveyance or packaging of goods, of plastics; stoppers, lids, caps and other closures of plastics</p> <p>4009 - Tubes, pipes and hoses of vulcanised rubber other than hard rubber, with or without their fittings, e.g. joints, elbows, flanges</p> <p>3921 - Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly combined with other materials, or of cellular plastic, unworked or merely surface-worked or merely cut into squares or rectangles</p>
<h4>Transport equipment</h4>		<h4>Chemicals, pulp and paper</h4>
<p>8705 - Special purpose motor vehicles (other than those principally designed for the transport of persons or goods), e.g. breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops and mobile radiological units</p>		<p>3206 - Inorganic or mineral colouring matter, nes; preparations based on inorganic or mineral colouring matter of a kind used for colouring any material or produce colorant preparations</p> <p>3402 - Organic surface-active agents (excl. soap); surface-active preparations, washing preparations, incl. auxiliary washing preparations and cleaning preparations, whether or not containing soap</p>

Sources: UNComtrade, OECD, ES Research – Sectoral Research.

Goods export opportunities (IV)

Fine Trade Model

The Fine Trade Model, developed by the Espírito Santo Sectoral Research identifies the potential markets to portuguese enterprises, based in the needs of those markets (demand) and in the capacity of the portuguese enterprises production (supply). This model refers to the merchandise trade.

This model works with the Harmonized Commodity Description and Coding System (HS) which classifies the traded products.

In this table we can see an example of potential markets for a given product.

We can identify:

- ✓ Potential markets (countries);
- ✓ Country's imports from the World that gives the dimension of the market;
- ✓ The compound annual growth rate which permit to know the growth rate of the market;
- ✓ Portugal's Share in the country that tells the participation of the portuguese enterprises in the country.

Country	Country's Imports from the World ₂₀₁₁ (EUR Millions)	Compound Annual Growth Rate (CAGR) ₀₆₋₁₁ (%)	Portugal's Share in the country (%)
United States of America	2 319.1	5.0	0.0
China	977.8	7.0	0.0
Mexico	866.5	4.0	0.0
Canada	473.1	6.0	0.0
Belgium	440.2	6.0	0.0
Poland	436.6	8.0	0.0
Republic of Korea	435.3	6.0	0.0
Spain	399.0	8.0	3.0
Brazil	385.1	16.0	0.0

Source: Sectoral Research.





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Off-shore branch: Madeira.

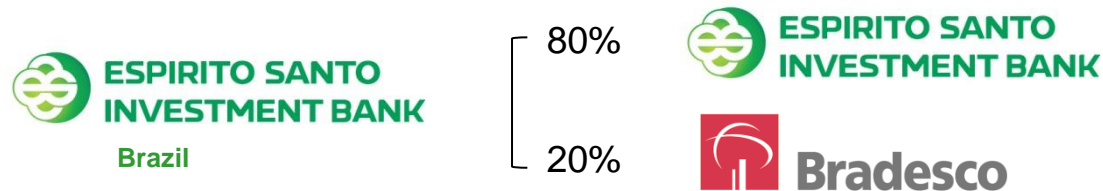
Representative and Remittances Offices: Toronto, Mexico City, Caracas, Rio de Janeiro, São Paulo, Lausanne, Geneva, Zurich, London, Cologne, Johannesburg, Shanghai, Newark.

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BES Group's Internationalisation Support (II)



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ESIB Brazil	BES Securities	BESAF	BES DTVM	2bCapital
Capital Markets	Brokerage	Fund Management	Wealth Management	Private Equity
Treasury and Risk Management				
Corporate Finance				
Project Finance				
Trade Finance, Acquisition Finance & Other Loans				

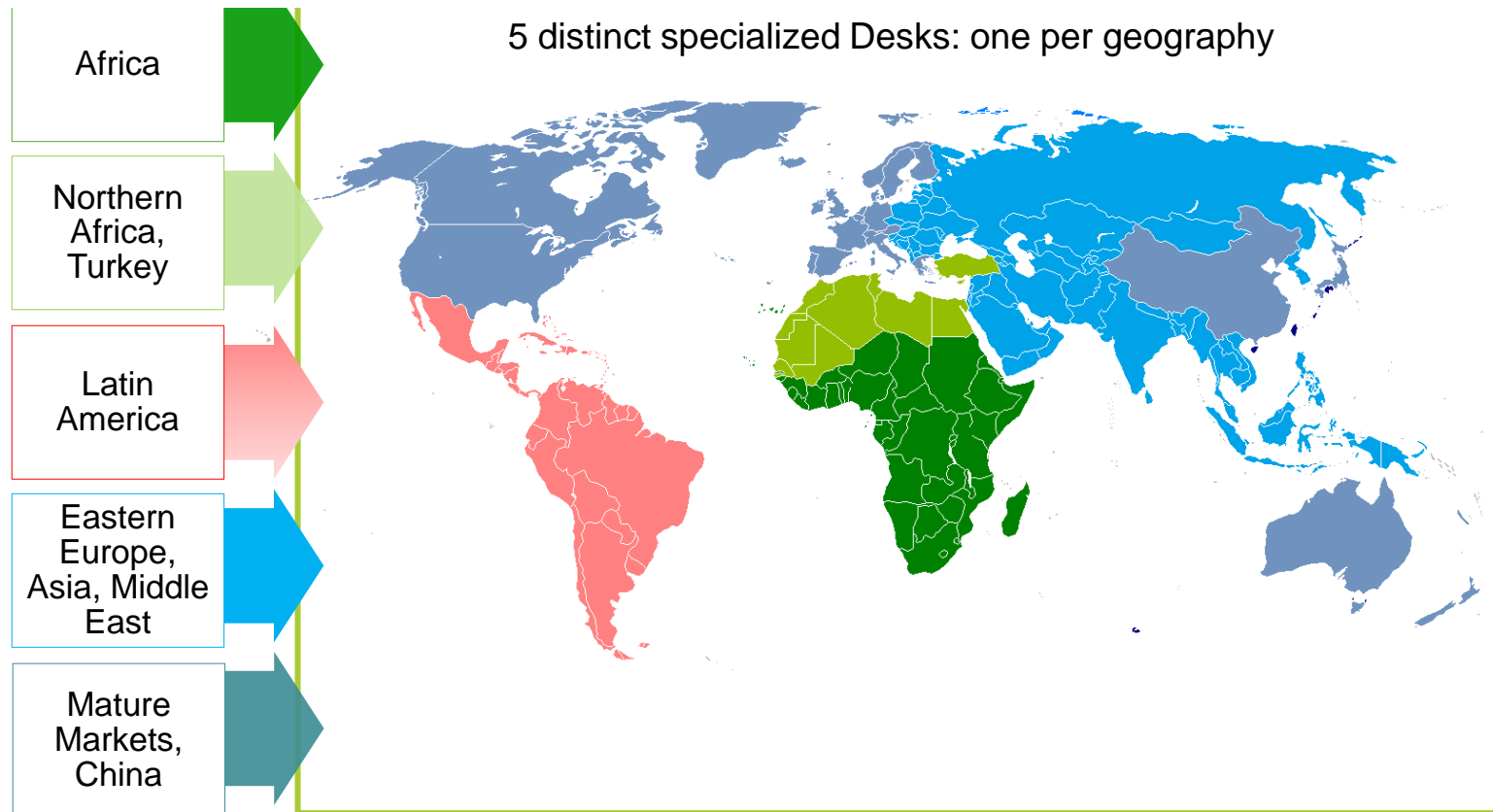
A local Bank with international expertise, active in all areas of investment banking, with a large corporate and institutional customer base





International Premium Unit (IPU) offers Portuguese companies specialized services to aid and support their internationalization process (exports or foreign direct investment), finding solutions for multiple requests in various foreign markets.

IPU is organized in 5 international desks, geographically specialized and consisting of experienced, multi-skilled international managers.





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A Global and Innovative Offering to Support the Internationalisation of the Portuguese Companies

ES Research: Market Data	Investment Banking	Multipessoal Group
<ul style="list-style-type: none"> ✓ Macroeconomic surveys ✓ Sectoral surveys ✓ Market research 	<ul style="list-style-type: none"> ✓ Project Finance ✓ M&A ✓ Corporate Finance 	<ul style="list-style-type: none"> ✓ Recruitment of specialists (M Search) ✓ Outsourcing, temporary work, training and consulting services with presence in Angola and Spain
Commercial Banking	Venture Capital	Tranquilidade
<ul style="list-style-type: none"> ✓ Business Development ✓ Support to Account Opening / KYC ✓ Support to treasury monitoring / centralisation ✓ FX Risk Hedging ✓ Support to Exports/Imports; Trade Finance; Import Financing ✓ Bank Guarantees / Stand By Letters of Credit ✓ International Factoring – agreement to use Eurofactor’s European network ✓ Support to business partners’ search 	<ul style="list-style-type: none"> ✓ Support as partner in internationalisation projects ✓ ES Ventures ✓ ES Capital ✓ 2bCapital ✓ Espírito Santo Rockefeller Global Energy Fund 	<ul style="list-style-type: none"> ✓ International Transport Insurance





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