

Santa Catarina: Land of opportunities



Florianópolis, July 2015



Contents

Page

A. Santa Catarina's Economy and Industry

3

B. Government of the State strategic priorities

8

C. Government initiatives to draw investments

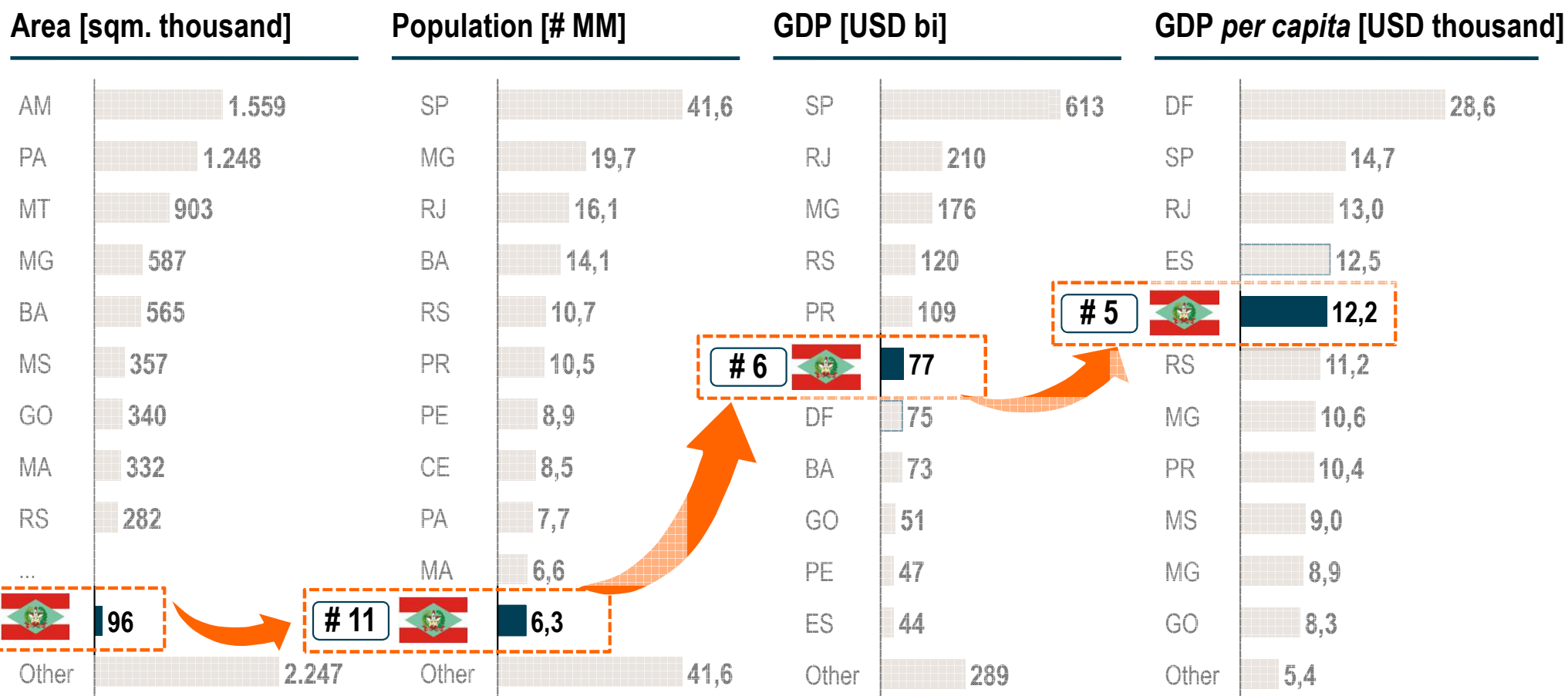
17

A. Santa Catarina's Economy and and Industry



The economic representativeness of Santa Catarina goes far beyond its geographical and demographic dimension

Santa Catarina's position in key indicators

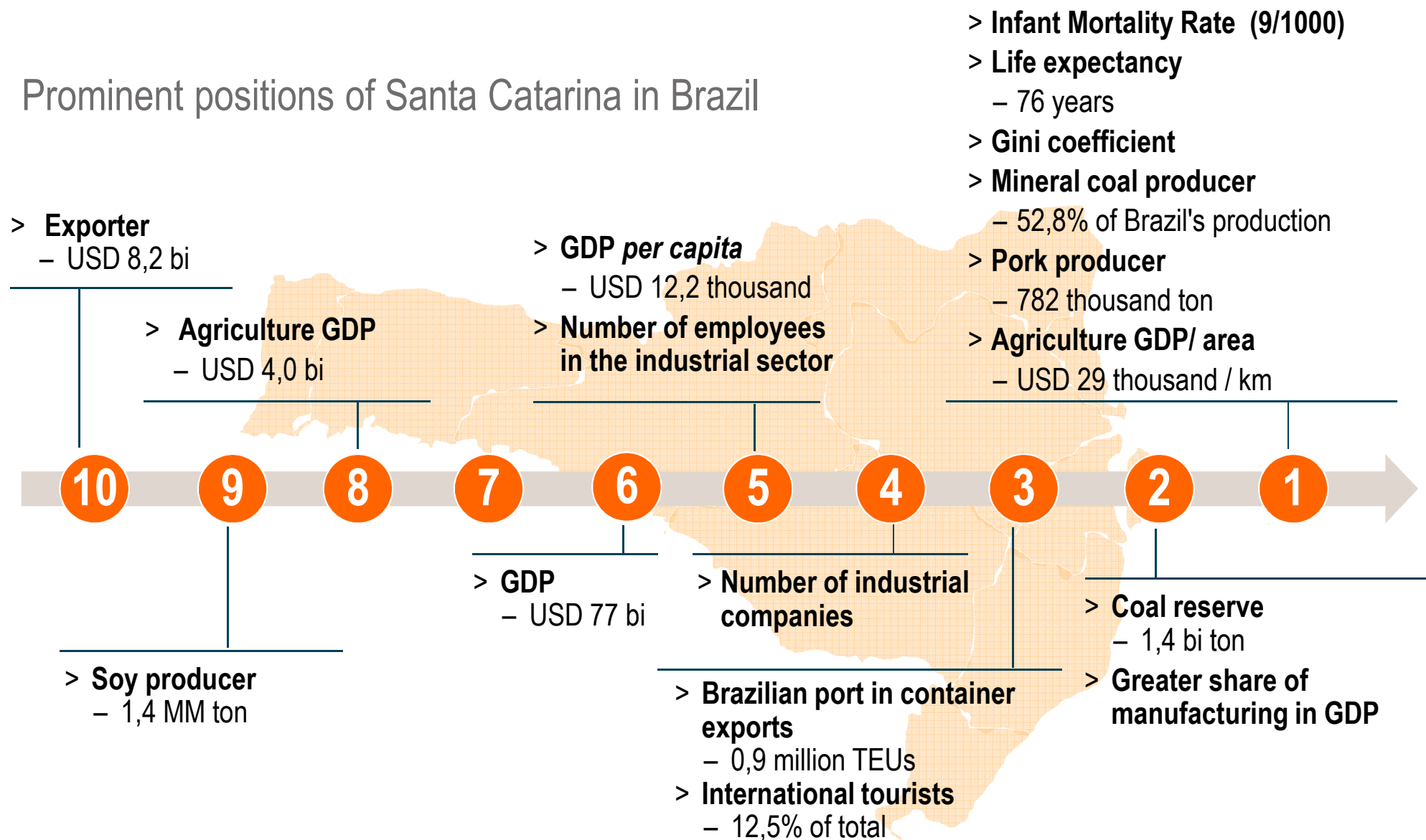


Note: USD/BRL 2,20

Source: IBGE; Roland Berger Strategy Consultants

Santa Catarina is well positioned in different areas within the country

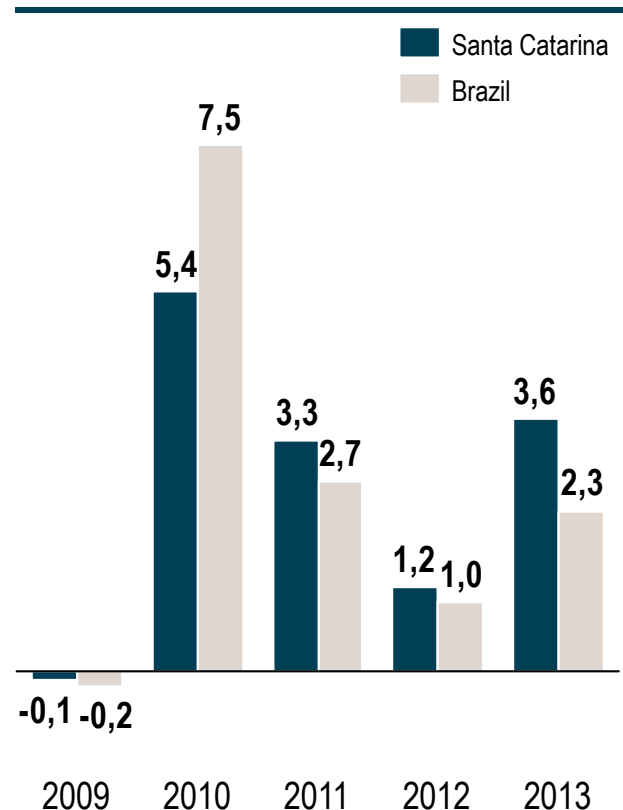
Prominent positions of Santa Catarina in Brazil



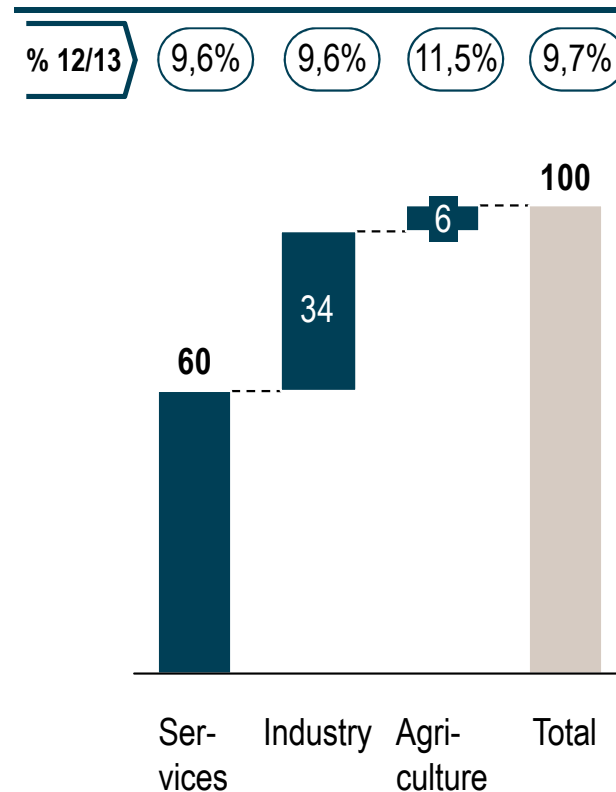
Note: USD/BRL 2,20

Santa Catarina's GDP rose above the national average growth in the recent years, with increased industrial production

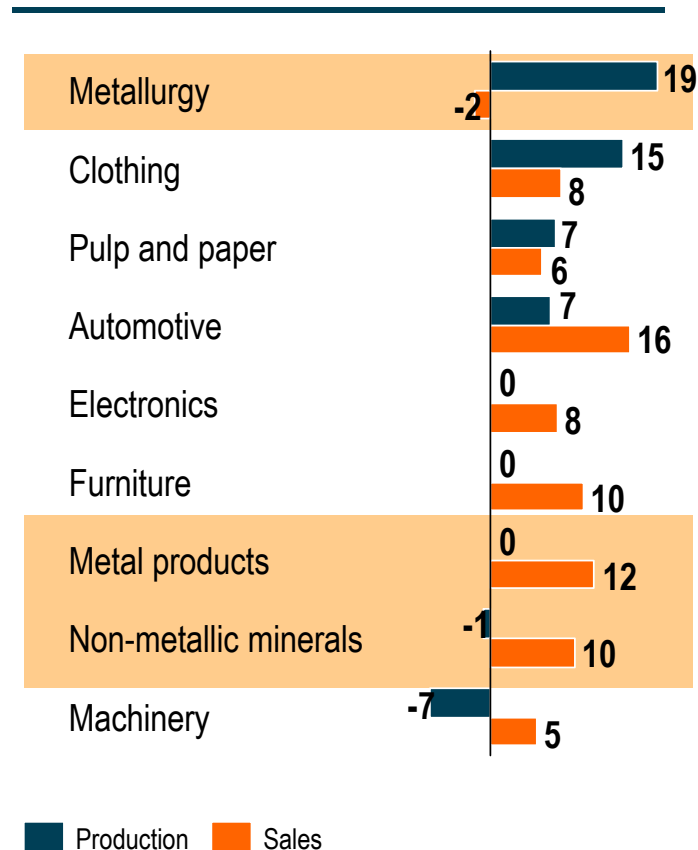
**GDP Evolution:
Santa Catarina vs Brazil [%]**



**Value added by sector:
Santa Catarina [2013; %]**

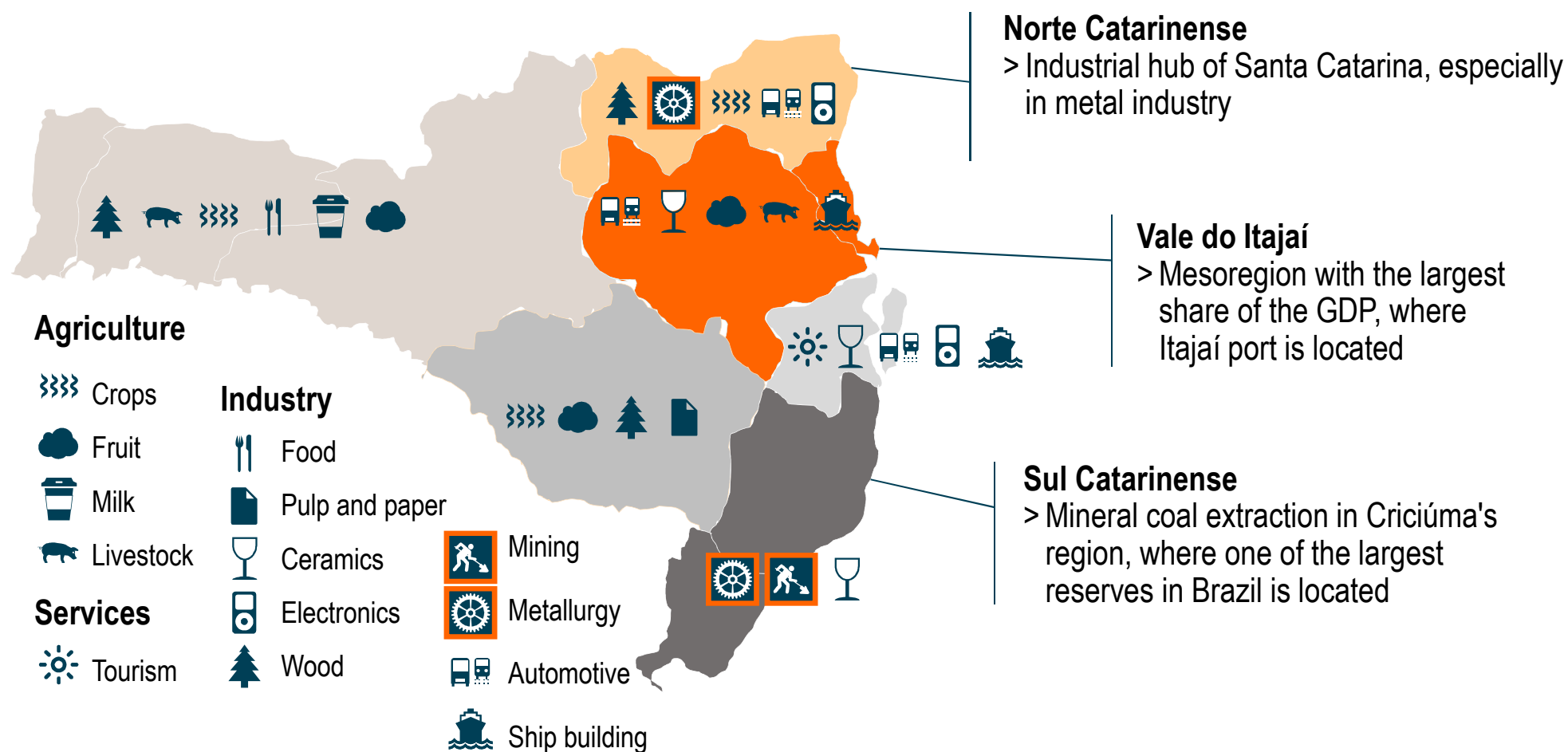


**Industrial sector growth:
Santa Catarina [Jan-Ago 2012/2013; %]**



The eastern portion of the state concentrates the industrial activity

Profile of Santa Catarina mesoregions








B. Government of the
State strategic
priorities



The Government of the State of Santa Catarina has 3 axes of strategic priorities

Strategic priorities for the Government of the State of Santa Catarina

-  Promote social welfare development for Santa Catarina's population
-  Modernize the state's management –
New public administration
-  Attract public and private investments of high value added

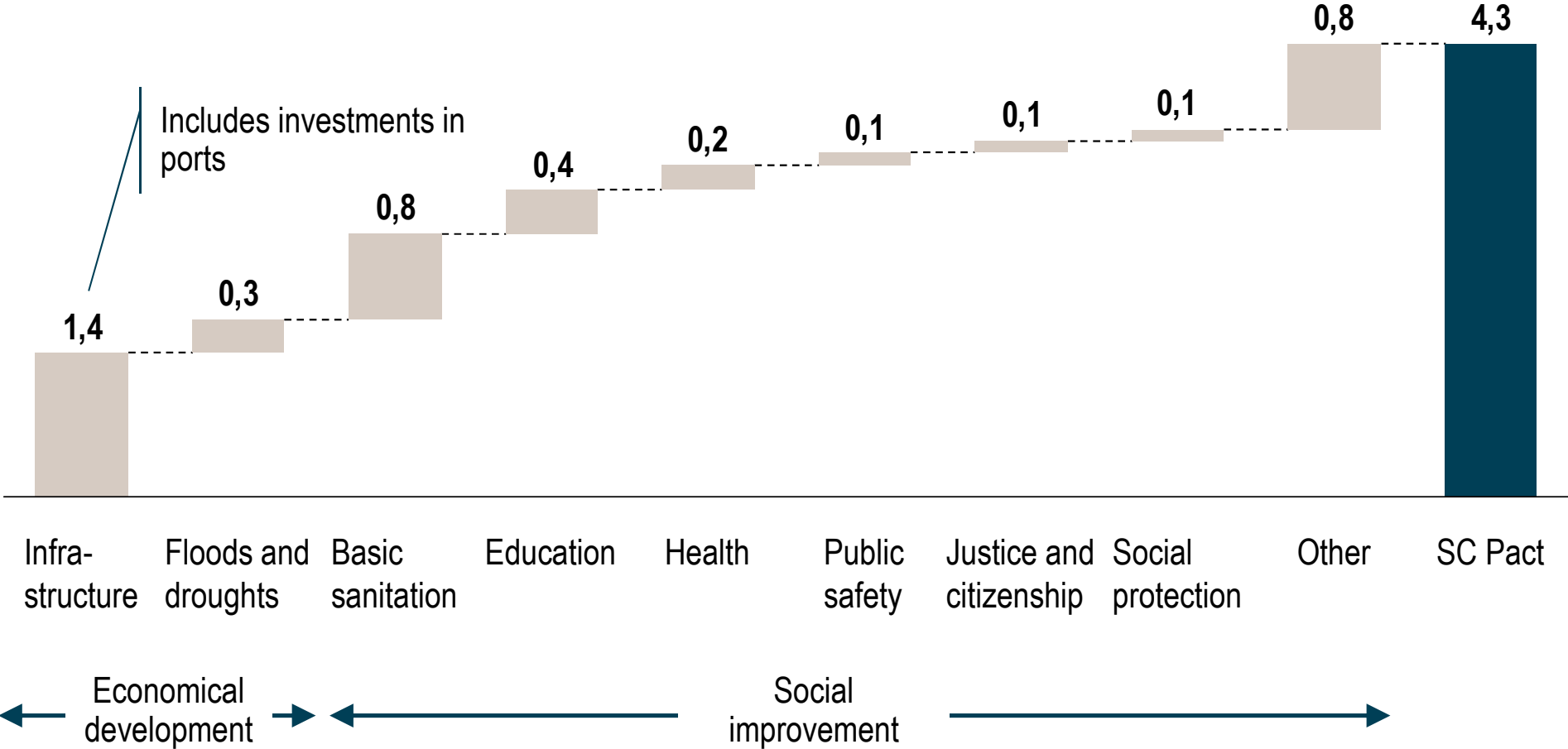
The state has developed four factors to attract new investments

Factors of attraction of Santa Catarina



Looking into the future, more will be done – Pact sums up to USD 4,3 bi for economical and social development

Investments of the Pact of Santa Catarina [USD bi]

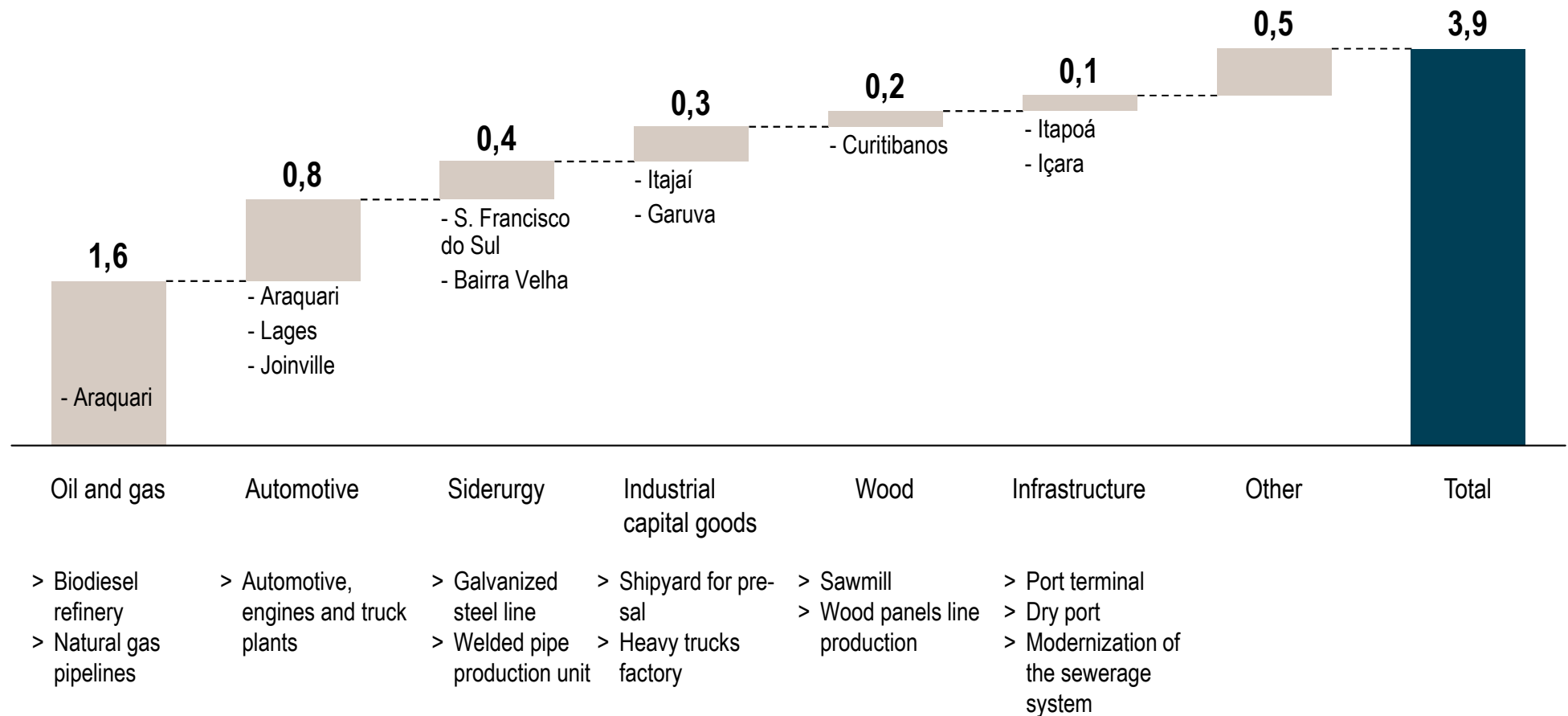


Note: USD/BRL 2,20

Source: Governo de Santa Catarina; Roland Berger Strategy Consultants

The sum of private investments announced in Santa Catarina for the 2013-2016 period is USD 3,9 bi

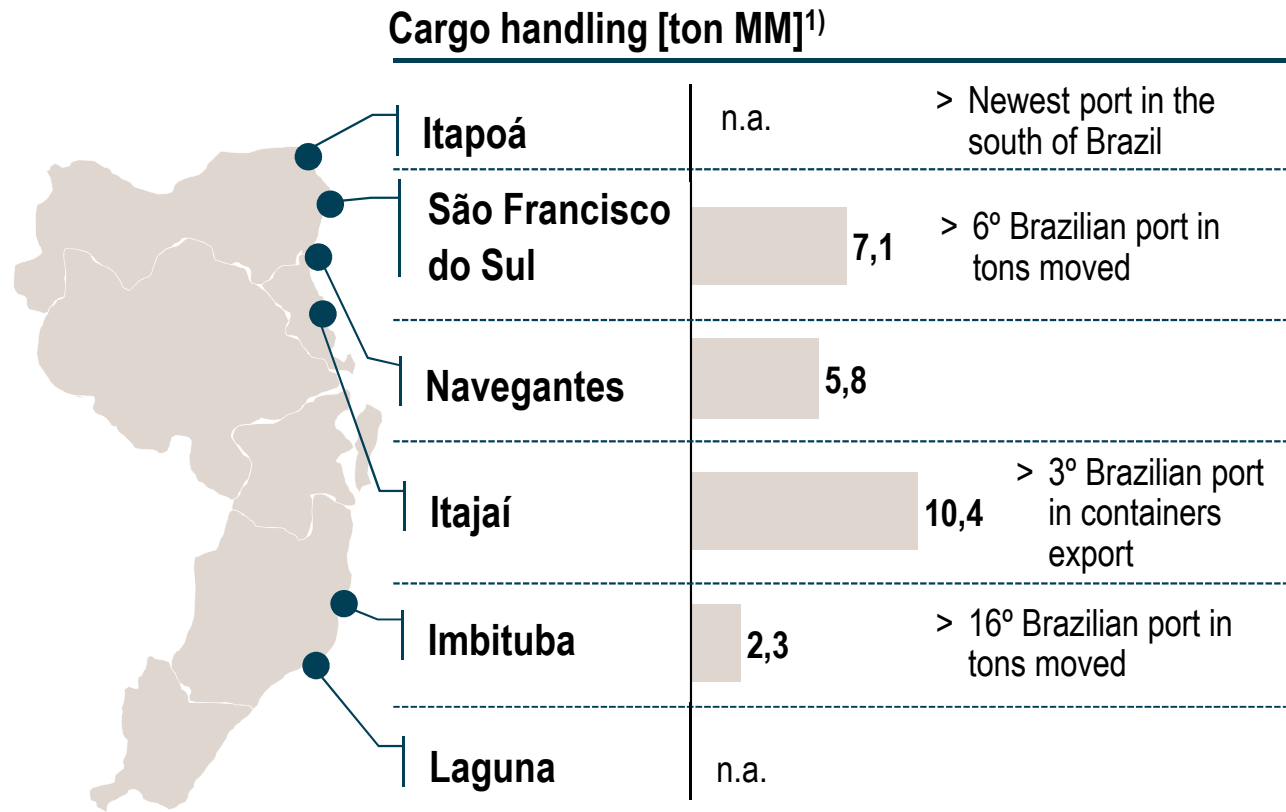
Private investments announced in Santa Catarina between 2013-2016 [USD bi]¹⁾



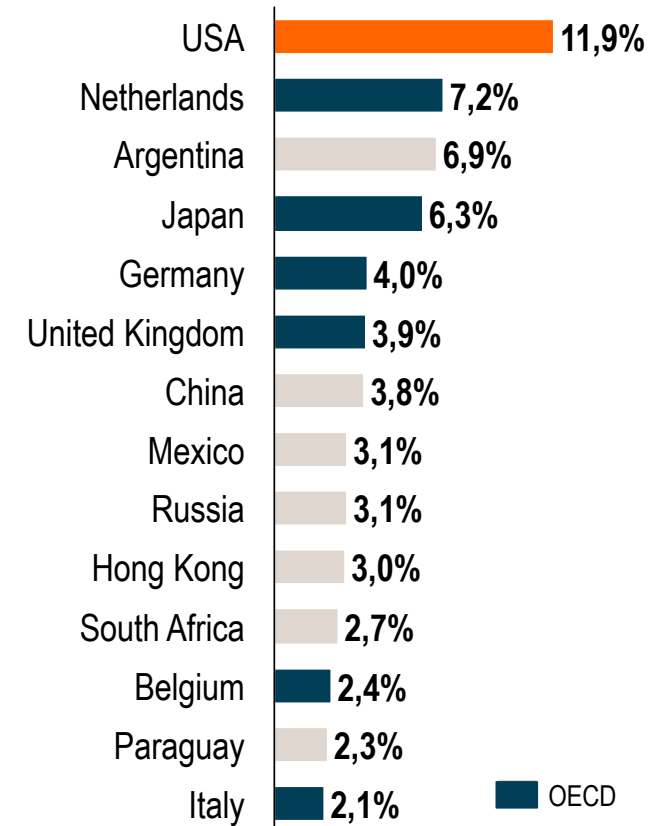
1) Does not necessarily include all planned investments

Santa Catarina already has today a strong port infrastructure

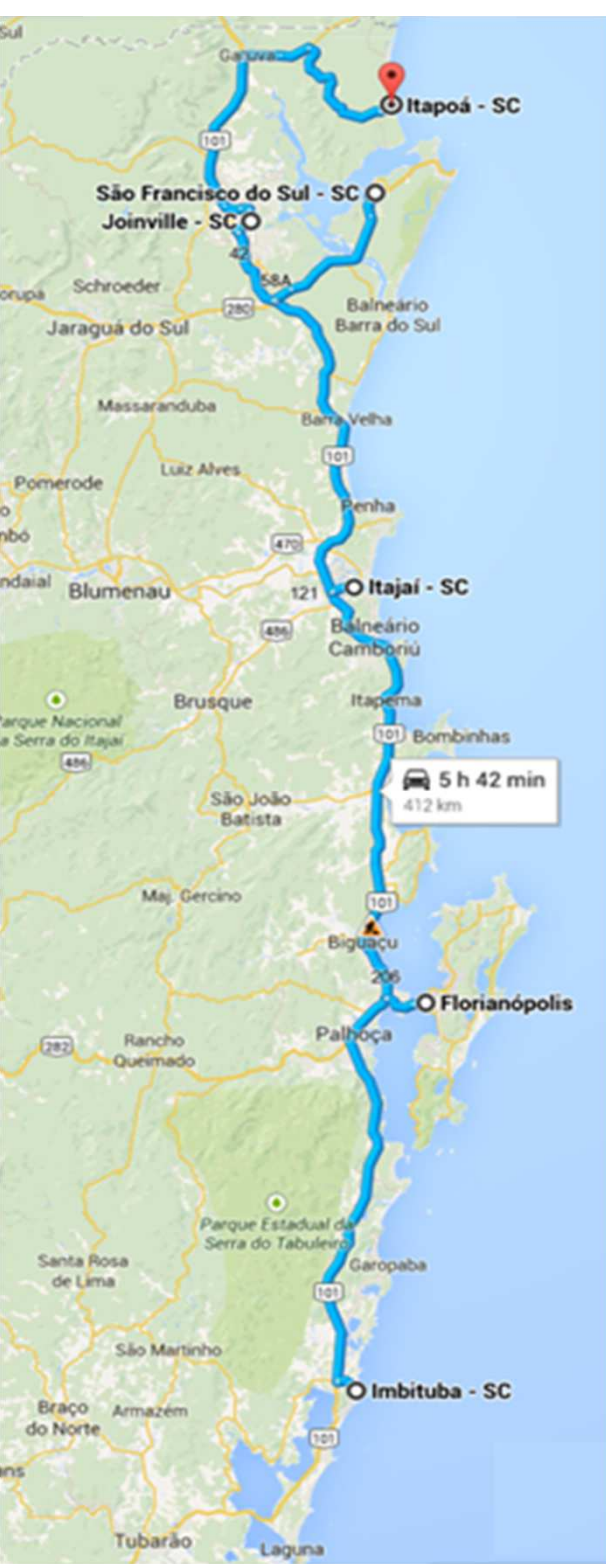
Ports in Santa Catarina



Exports destination²⁾



1) In tons moved; 2) Average share from 2008 to 2012, non-exhaustive



← 320km
190miles

← 100km
60miles

← 90km
55 miles

B Strategic priorities



Distance from	to SP
Itapoá	315 miles
Itajaí	365 miles
Florianópolis	420 miles
SFS	340 miles
Imbituba	460 miles



B Strategic priorities

In recent years Santa Catarina was able to attract high level investors - for example, automakers

Overview of key automakers investments in Santa Catarina

Confirmed investments

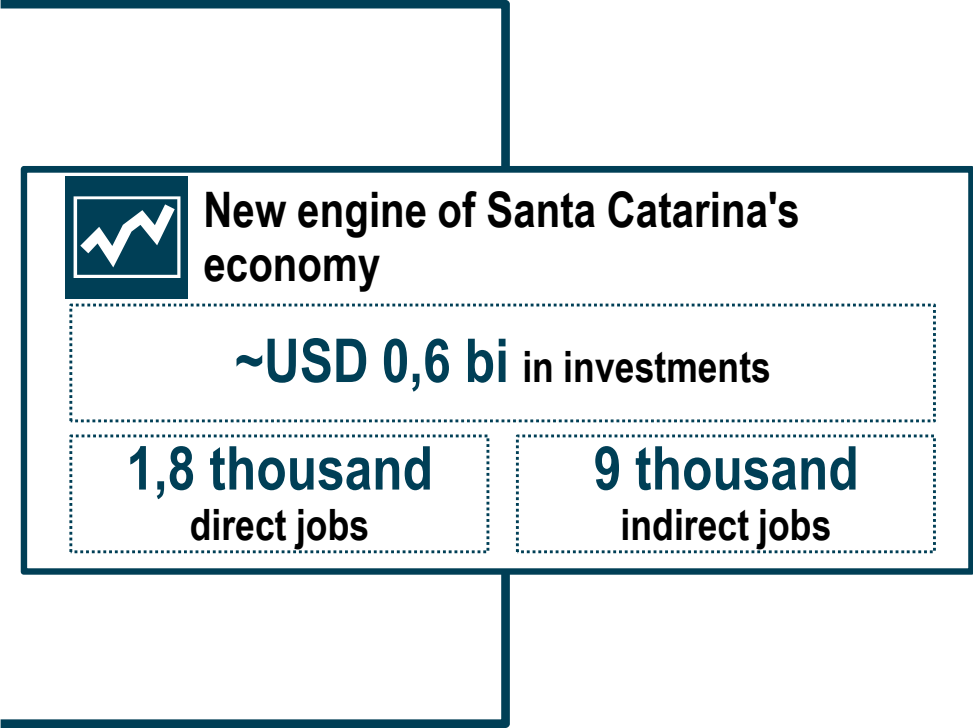
- 

> Construction of the 1st plant in Brazil in **Araquari municipal**
~USD 275 MM
- 

> Production of engines in **Joinville municipal**
~USD 160 MM
- 

> Construction of truck plant in **Lages municipal**
~USD 140 MM
- 

> Construction of heavy trucks factory in **Guarua municipal**
~ USD 15 MM



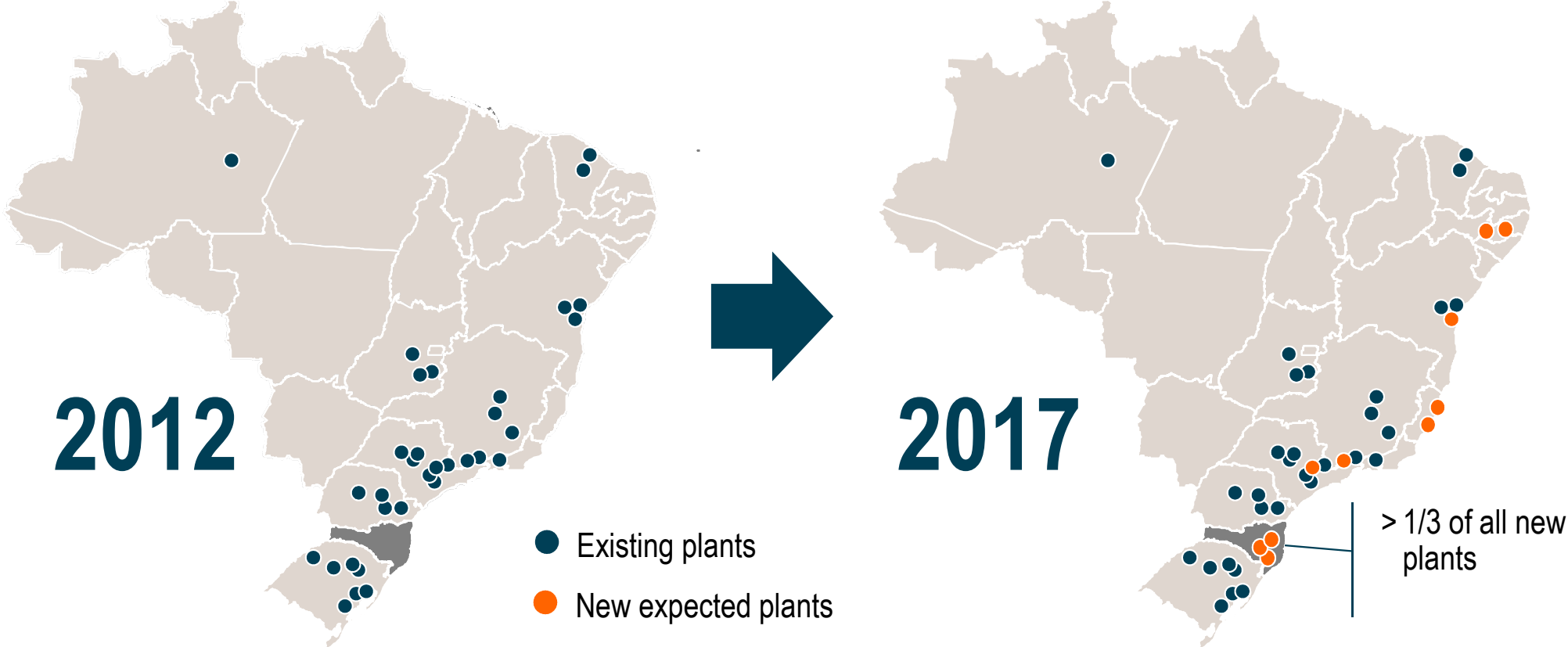
Note: USD/BRL 2,20

Source: FIESC; Press Clippings; Roland Berger Strategy Consultants

B Strategic priorities

The work done was one the most successful in Brazil – high competitiveness

Automakers plants location [2012-2017]



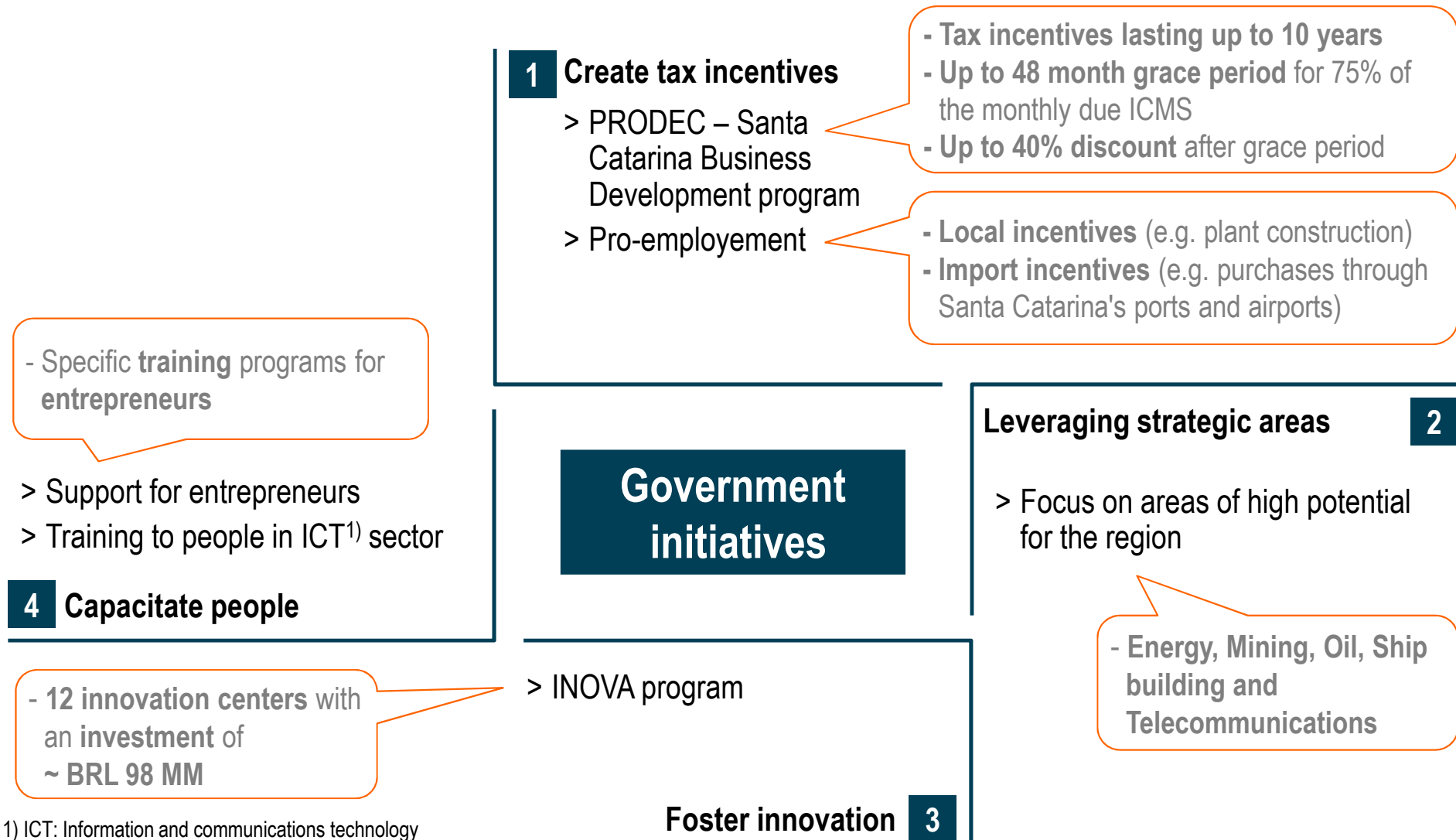
Note: Includes manufacturers of light commercial vehicles, trucks, farm machinery and construction equipment

Source: Roland Berger Strategy Consultants

C. Government initiatives to draw investment



The government has established favorable policies for investments that generate employment, income and development



1) ICT: Information and communications technology

Building a 'tailor-made' incentive package



Preliminary Studies

- > Investment **size**
- > job **positions** created
- > site
- > proposed **products**
- > local **competition** impact
- > estimated **local supply** volume
- > local demand for the proposed products
- > Import volume
- > distribution and marketing strategy
- > potential risks
- > estimated taxes
- > **MoU**

Plant Construction

Possible Incentives:

- > **Local purchases** of
 - Building materials
 - machinery
 - auxiliary equipment
 - fixed assets
- > **Import** of machinery and fixed assets **only if** there is no supplier in Santa Catarina

Purchasing

Possible Incentives:

- > **raw and packaging materials**
 - Local Purchases
 - Import: only if there is no supplier in Santa Catarina
 - Non eligible for Energy supply
- > **goods import**
 - only eligible items, if not produced in Santa Catarina

Operating

Possible Incentives:

- > **grace period**
 - (up to) 48 months
 - only on 75% (25% minimum payment)
 - for (up to) 10 years
 - limited by the investment budget
 - up to 12% of total income
 - 'made in SC' products
 - reduced interest-rate
- > **Possible discount**
 - Only on eligible sites
 - Up to 40% of the postponed 75%
- > **other possible deductions**

Santa Catarina Officials

Raimundo Colombo

Governor of the State of Santa Catarina

State Taxation and Finance Office

Antonio Marcos Gavazzoni

Taxation and Finance Secretary

+55 (48) 3665-2501

gabs@sef.sc.gov.br

Taxation and Finance Advisory

Júlio Fazoli jfazoli@sef.sc.gov.br

Ramon Medeiros rsmedeiros@sef.sc.gov.br

Renato Lacerda rlacerda@sef.sc.gov.br

Rodrigo Prisco rparaiso@sef.sc.gov.br

+55 (48) 3665-2501

SANTA CATARINA STATE GOVERNMENT

Rodovia SC 401 – km5, nº 4600

Florianópolis – Santa Catarina

Brazil

88032-005

