



## Brazil Agri Enquiry

April 2017

## 1. Brazil's Global Trade

For the period 2009 to 2016, Brazil has consistently shown a trade surplus (with its exports surpassing that of its imports), except in 2014. In 2014, a trade deficit of USD4bn was recorded.



Source: TradeMap, 2017

Top destination markets for Brazilian exports are shown in the table below. China was the top export market for Brazilian products in 2016 (USD35.13bn) followed by the United States (USD23.27bn). Argentina was the third largest export market for Brazil in 2016 valued at USD13.42bn. China and the United States accounted for 31.5% of Brazil's export market in 2016.

TOP 10 DESTINATION MARKETS FOR EXPORTS FROM BRAZIL, 2016				
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012 - 2016	% SHARE IN 2016
1	China	35.13	-4.15%	18.97%
2	United States	23.27	-1.88%	12.56%
3	Argentina	13.42	-8.90%	7.24%
4	Netherlands	10.32	-3.89%	5.57%
5	Germany	4.86	-11.25%	2.62%
6	Japan	4.60	-12.88%	2.49%
7	Chile	4.08	-4.82%	2.20%
8	Mexico	3.81	-0.49%	2.06%
9	Italy	3.32	-9.07%	1.79%
10	Belgium	3.23	-3.78%	1.75%
<b>TOTAL EXPORTS</b>		<b>185.24</b>	<b>-6.13%</b>	<b>100.00%</b>

Source: TradeMap, 2017

Top source markets for imports by Brazil in 2016 are shown in the table below. The United States was the top market in terms of imports by Brazil, valued at USD24.07bn, followed by China (USD23.36bn) and Germany (USD9.13bn) in second and third place respectively. The United States and China accounted for 34.5% of all imports to Brazil in 2016.

TOP 10 SOURCE MARKETS FOR IMPORTS BY BRAZIL, 2016				
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012 - 2016	% SHARE IN 2016
1	United States	24.07	-6.08%	17.50%
2	China	23.36	-5.64%	16.99%
3	Germany	9.13	-9.12%	6.64%
4	Argentina	9.08	-11.13%	6.60%
5	Republic of Korea	5.45	-10.33%	3.96%
6	Italy	3.71	-8.93%	2.70%
7	France	3.68	-6.69%	2.68%
8	Japan	3.57	-14.22%	2.59%
9	Mexico	3.53	-6.29%	2.56%
10	Chile	2.88	-8.54%	2.10%
<b>TOTAL IMPORTS</b>		<b>137.55</b>	<b>-8.66%</b>	<b>100.00%</b>

Source: TradeMap, 2017

Brazil's top export and import products are shown in the table below.

The top export in 2016 were oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder, valued at USD19.56bn. In second position were ores slag and ash valued at USD15.82bn and in third position was meat and edible meat offal (USD12.66bn).

The top products imported into Brazil in 2016 was machinery, mechanical appliances, nuclear reactors, boilers and parts thereof valued at USD21.12bn. In second position was electrical machinery and equipment (including parts); sound and television image equipment (including parts) valued at USD16.94bn. In third position were mineral fuels, mineral oils and products of their distillation; bituminous substances; and mineral waxes.

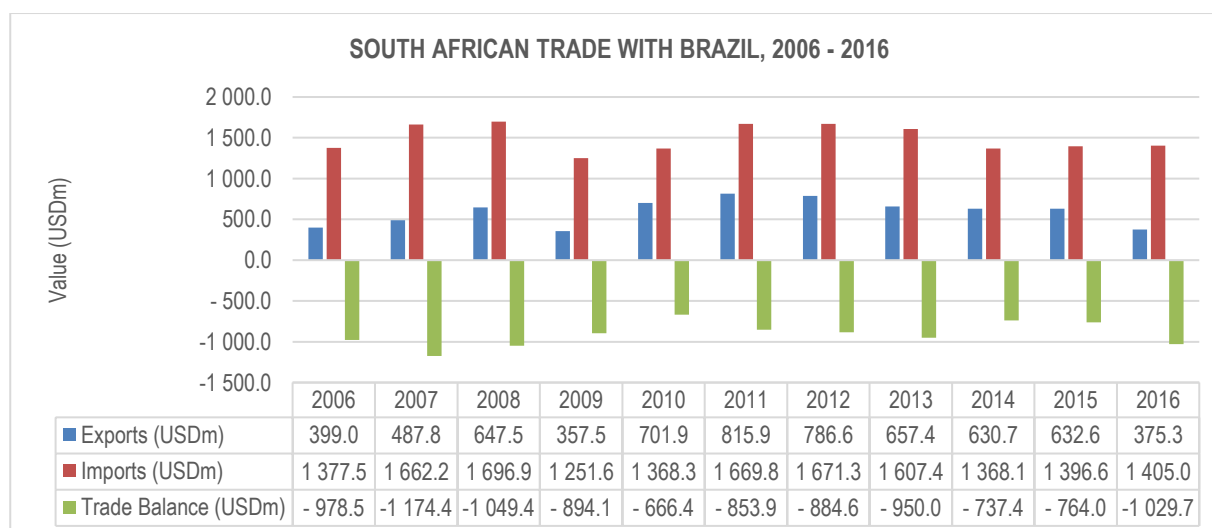
TOP EXPORTS BY BRAZIL, 2016					TOP IMPORTS BY BRAZIL, 2016				
RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012-2016
1	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	19.56	10.56%	4.34%	1	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	21.12	15.36%	-8.37%
2	Ores, slag and ash	15.82	8.54%	-16.96%	2	Electrical machinery and equipment incl parts, sound and television image equipment incl.parts	16.94	12.32%	-7.68%
3	Meat and edible meat offal	12.66	6.83%	-1.27%	3	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	15.14	11.01%	-15.18%

TOP EXPORTS BY BRAZIL, 2016					TOP IMPORTS BY BRAZIL, 2016				
RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012-2016
4	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	11.65	6.29%	-3.61%	4	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	9.96	7.24%	-14.14%
5	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	11.58	6.25%	-15.61%	5	Organic chemicals	8.33	6.05%	-2.02%
6	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	10.97	5.92%	-2.96%	6	Pharmaceutical products	6.39	4.65%	-0.06%
7	Sugars and sugar confectionery	10.59	5.71%	-4.96%	7	Fertilisers	6.00	4.36%	-7.68%
8	Iron and steel	7.89	4.26%	-7.32%	8	Plastics and articles thereof	5.92	4.30%	-5.41%
9	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	5.58	3.01%	2.34%	9	Optical, photographic, cinematographic, measuring etc. medical or surgical instruments and apparatus, and parts thereof	4.76	3.46%	-4.89%
10	Residues and waste from the food industries; prepared animal fodder	5.54	2.99%	-0.92%	10	Miscellaneous chemical products	3.81	2.77%	1.44%
<b>TOTAL EXPORTS</b>		<b>185.24</b>	<b>100.00%</b>	<b>-6.13%</b>	<b>TOTAL IMPORTS</b>		<b>137.55</b>	<b>100.00%</b>	<b>-8.66%</b>

Source: TradeMap, 2017

## 2. South Africa's Trade with Brazil

South Africa is a net importer of goods from Brazil as can be seen in the graph shown below. For the period 2006 to 2016, South Africa has consistently imported more from Brazil than it has exported to Brazil.



Source: Quantec, 2017

The leading export product from South Africa to Brazil in 2016 were ferro alloys valued at USD72.53m followed by coal;briquettes; ovoids etc. in second position and valued at USD51.23m. In third position were insecticides. rodenticides, fungicides, herbicides etc. valued at USD43.54m. The top imported product to South Africa from Brazil in 2016 were original equipment components valued at USD266.87m, followed by poultry meat and edible poultry offal valued at USD103.39m. In third position were self-propelled railway or tramway coaches, vehicles (excl. service/maintenance coaches, vehicles) valued at USD94.96m.

The product which has shown in the highest average export growth, for the period 2012 – 2016, were synthetic rubber and factice derived from oils.

The import of aluminium plates, sheets and strip, of a thickness 0,2 mm from Brazil, showed the highest average growth for the period 2012 – 2016. Other key products imported into South Africa from Brazil which have also shown significant growth for the period under review was maize (corn) and artificial corundum, aluminium oxide; aluminium hydroxide.

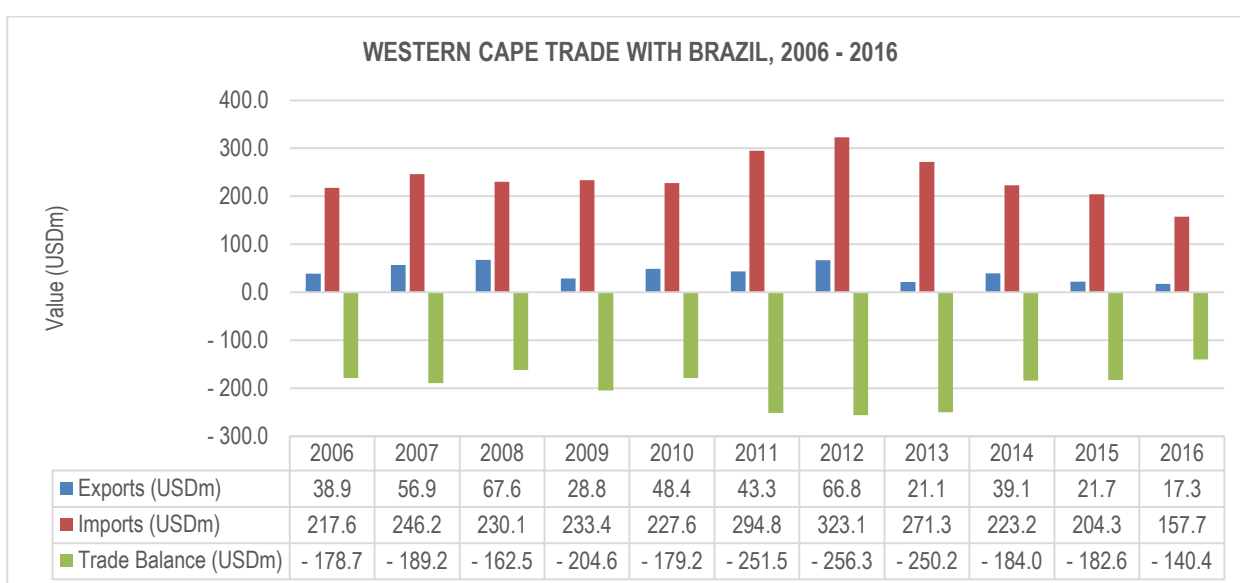
THE TOP 10 SOUTH AFRICAN EXPORTS TO BRAZIL, 2016					THE TOP 10 SOUTH AFRICAN IMPORTS FROM BRAZIL, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016
1	Ferro-alloys	72.53	19.32%	7.79%	1	Original equipment components	266.87	18.99%	-5.88%
2	Coal; briquettes, ovoids etc	51.23	13.65%	-7.79%	2	Poultry meat and edible poultry offal	103.39	7.36%	-11.62%
3	Insecticides, rodenticides, fungicides, herbicides etc.	43.54	11.60%	4.00%	3	Self-propelled railway or tramway coaches, vehicles (excl. service/maintenance coaches, vehicles)	94.96	6.76%	-
4	Flat-rolled products of stainless steel, of a width of >/=600 mm	22.06	5.88%	21.13%	4	Unwrought zinc	67.70	4.82%	121.08%
5	Motor vehicles principally designed for the transport of persons	18.93	5.04%	-	5	Cane or beet sugar and chemically pure sucrose, in solid form	65.99	4.70%	6.14%
6	Aluminium plates, sheets and strip, of a thickness > 0,2 mm	15.88	4.23%	-22.52%	6	Maize (corn)	57.46	4.09%	27342.12%
7	Acyclic hydrocarbons	13.89	3.70%	-10.79%	7	Artificial corundum, aluminium oxide; aluminium hydroxide	52.05	3.70%	5458.36%
8	Aluminium waste and scrap	8.64	2.30%	-	8	Not self propelled railway or tramway passenger coaches etc.	49.01	3.49%	-
9	Manganese ores and concentrates	7.05	1.88%	-	9	Aluminium plates, sheets and strip, of a thickness 0,2 mm	40.77	2.90%	561961045.04%
10	Synthetic rubber and	7.00	1.87%	5003.80%	10	Unmanufactured tobacco; tobacco refuse	39.79	2.83%	4.75%

THE TOP 10 SOUTH AFRICAN EXPORTS TO BRAZIL, 2016					THE TOP 10 SOUTH AFRICAN IMPORTS FROM BRAZIL, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016
	factice derived from oils								
<b>TOTAL EXPORTS</b>		<b>375.33</b>	<b>100.00 %</b>	<b>-12.89%</b>	<b>TOTAL IMPORTS</b>		<b>1 405.03</b>	<b>100.00 %</b>	<b>-3.19%</b>

Source: Quantec, 2017

### 3. The Western Cape's Trade with Brazil

For the period 2006 to 2016, the Western Cape has consistently been a net importer of goods from Brazil.



Source: Quantec, 2017

The top traded products between the Western Cape and Brazil are shown below. The top exported product from the Western Cape to Brazil in 2016 was undenatured ethyl alcohol; spirits; liqueurs and other spirituous beverages valued at USD2.17m. In second place was wine valued at USD1.89m and nucleic acids and their salts and other heterocyclic compounds was in third position (USD1.36m). The export of insecticides, rodenticides, fungicides, herbicides etc. has shown considerable average growth for the period 2012 – 2016, as shown in the table below.

The key products imported from Brazil in 2016 was unmanufactured tobacco; tobacco refuse valued at USD35.43 followed by cane or beet sugar and chemically pure sucrose (USD32.76m). Poultry meat and edible poultry offal was recorded in third place valued at USD13.45m.

THE TOP 10 WESTERN CAPE EXPORTS TO BRAZIL, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM BRAZIL, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
1	Undenatured ethyl alcohol of less than 80 % vol.; spirits,	2.17	12.52%	-10.87%	1	Unmanufactured tobacco; tobacco refuse.	35.43	22.46%	5.38%

THE TOP 10 WESTERN CAPE EXPORTS TO BRAZIL, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM BRAZIL, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
	liqueurs and other spirituous beverages.								
2	Wine	1.89	10.93%	-2.13%	2	Cane or beet sugar and chemically pure sucrose	32.76	20.77%	9.92%
3	Nucleic acids and their salts and other heterocyclic compounds.	1.36	7.83%	156.06%	3	Poultry meat and edible poultry offal	13.45	8.53%	-15.16%
4	Printing ink, writing or drawing ink etc.	1.32	7.64%	681.52%	4	Maize (corn)	11.84	7.51%	-
5	Reaction initiators, reaction accelerators and catalytic preparations	0.99	5.69%	30.75%	5	Iron ores and concentrates	5.34	3.39%	-30.03%
6	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries	0.75	4.36%	44.43%	6	Plywood, veneered panels and similar laminated wood.	5.30	3.36%	26.84%
7	Aluminium waste and scrap.	0.75	4.34%	-	7	Flours, meals and pellets of meat, fish etc. unfit for human consumption	4.27	2.71%	-
8	Insecticides, rodenticides, fungicides, herbicides etc.	0.74	4.29%	146385.34%	8	Polymers of ethylene, in primary forms.	3.30	2.10%	42.91%
9	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery	0.74	4.28%	-2.93%	9	Tanned or crust hides and skins of bovine (including buffalo) or equine animals	3.10	1.97%	11.23%

THE TOP 10 WESTERN CAPE EXPORTS TO BRAZIL, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM BRAZIL, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
10	Grapes	0.66	3.83%	124.08%	10	Uncoated kraft paper and paperboard, in rolls or sheets	3.01	1.91%	30.66%
<b>TOTAL EXPORTS</b>		<b>17.32</b>	<b>100.00%</b>	<b>1.24%</b>	<b>TOTAL IMPORTS</b>		<b>157.71</b>	<b>100.00%</b>	<b>-11.09%</b>

Source: Quantec, 2017

#### 4. Brazil's Agribusiness Industry

According to the Global Finance magazine, Brazil's economy is becoming more agribusiness orientated.

The sector generated 23% of Brazilian Gross Domestic Product (GDP) in 2015, an increase from 21.4% in 2014. The secretary for agricultural policy (André Nassar) believes the strong investment in agribusiness between 2011 and 2014 allowed for improved production, despite the challenges farmers faced.

In 2016, it was reported that the government was researching new credit sources for producers e.g. the Certificate of Agribusiness Receivables, a dollar-indexed more flexible legislation on foreign investments in and acquisition. Also Brazilian rural associations and companies facing high debt leverage are expecting more flexible legislation with respect to foreign investments in land acquisition.

According to the Organisation for Economic Co-operation and Development (OECD), Brazil is expected to be the leading food producer in the world by 2050 and therefore has attracted Chinese, Saudi, Japanese and Indian businesses.

(Source: <https://www.gfmag.com/magazine/april-2016/agribusiness-rescue-brazil>)

Brazil's contribution to global agribusiness is significant. It is the largest producer and exporter of coffee, orange juice and sugar (Sept 2016, Denverpost). It is also highly ranked in the production of and export of soybean, corn, ethanol, pork, beef, and poultry chicken.

MAIN AGRIBUSINESS VALUE CHAINS		
2012/2013 HARVEST	PARTICIPATION IN WORLD PRODUCTION (%)	PARTICIPATION IN WORLD/MARKET (%)
Soybean	31	38
Corn	9	22
Coffee	34	26
Sugar	22	45
Ethanol	21	-
Orange Juice	57	81
2012 YEAR	PARTICIPATION IN WORLD PRODUCTION (%)	PARTICIPATION IN WORLD/MARKET (%)
Beef	16	19
Pork	3	9
Poultry	15	35

Source: pwc-agribusiness- brazil, 2013



BRAZIL'S POSITION IN WORLD RANKING 2013		
2012/2013 HARVEST	PARTICIPATION IN WORLD PRODUCTION	PARTICIPATION IN WORLD/MARKET
Soybean	1	1
Corn	3	1
Coffee	1	1
Sugar	1	1
Ethanol	2	-
Orange Juice	1	1
2012 YEAR	PARTICIPATION IN WORLD PRODUCTION	PARTICIPATION IN WORLD/MARKET
Beef	2	2
Pork	4	4
Poultry	3	1

Source: pwc-agribusiness- brazil, 2013

The table below shows some of the key strengths , weaknesses, opportunities and threats to Brazilian agribusiness industry.

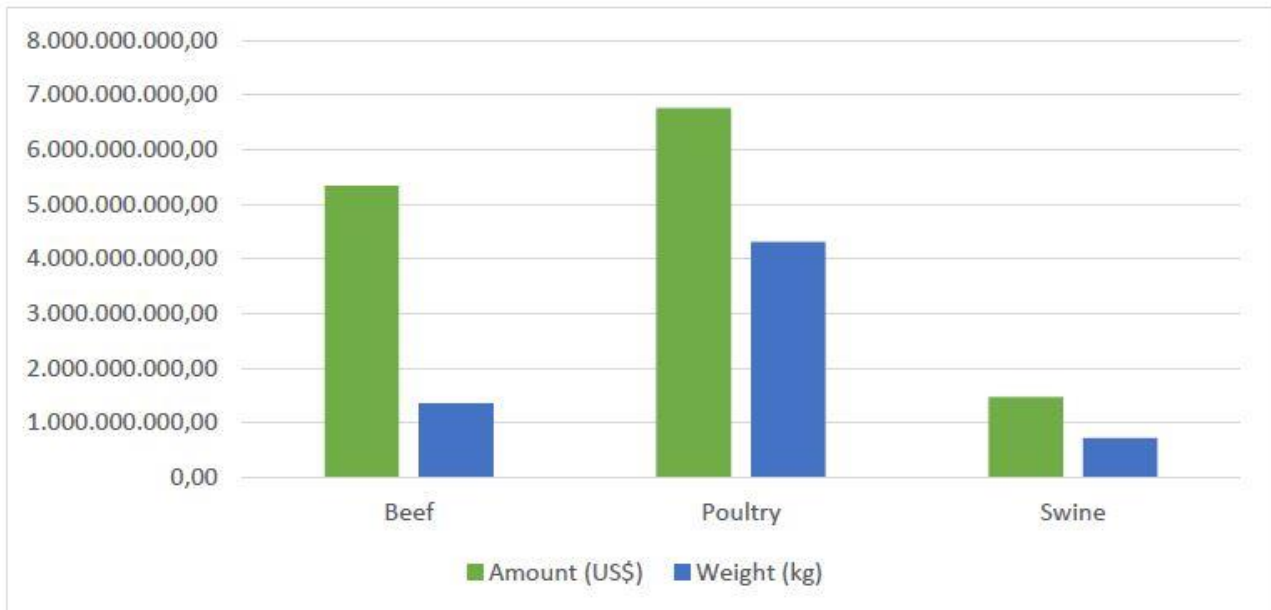
ECONOMIC OUTLOOK SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Agribusiness is responsible for 22% of GDP and 37% of exports, contributing to the trade balance surplus.</li> <li>• World leader in the production of many commodities.</li> <li>• Diversified agriculture (high productivity).</li> <li>• Favorable production variables: available land, water, soil, variety of biomes.</li> <li>• Agricultural production with low level of subsidies.</li> <li>• Support of public and private internationally renowned R&amp;D institutions.</li> <li>• Solid legislation guarantees right of property and intellectual property rights (trademarks and patents).</li> <li>• Strong and world leading multinationals already operating in the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Reliance on imported inputs, mainly fertilizers.</li> <li>• Limited access and excessive bureaucracy to agricultural financing and insurance options.</li> <li>• Low storage capacity in farms.</li> <li>• Inadequate logistics and transports infrastructure as a result of decades of low investments.</li> <li>• Critical shortage of human capital leading to increased costs.</li> <li>• Complex and inefficient tax structure.</li> <li>• Lack of public policies.</li> <li>• High levels of informal labour.</li> <li>• Sanitary problems in the livestock sector.</li> <li>• Conflicts between farmers, indigenous and social movements</li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• States of Maranhão, Piauí, Tocantins and Bahia emerge as the last agricultural frontier land.</li> <li>• New consumer market &amp; trends: product differentiation looking at health &amp; wellness, convenience, value add and nutritional value.</li> <li>• Consolidation and internationalization of companies.</li> <li>• Vertical integration: companies looking to control value chain upstream.</li> <li>• Privatization of roads, ports and modal terminals.</li> <li>• New agricultural technologies: harvest mechanization, irrigation, seeds varieties, agrochemicals and others making production viable in areas previously non conducive to agriculture.</li> <li>• Adoption of improved agricultural practices to increase production efficiency.</li> <li>• Fall in poverty and inequality in the last decade.</li> </ul>	<ul style="list-style-type: none"> <li>• Volatile exchange rate in comparison to developed countries.</li> <li>• High interest rates driving farmers to high levels of debt.</li> <li>• Non-tariff barriers in international trade.</li> <li>• New environmental legislation under implementation.</li> <li>• Restriction on land purchases by foreign entities.</li> <li>• Increased land and inputs prices.</li> <li>• Environmental movements with strong political trend.</li> <li>• Variation vulnerability to agricultural prices in the international market.</li> <li>• Increased requirements and market standards, raising production costs.</li> </ul>

PWC Agribusiness Overview, 2013

Latest developments have been Operation 'Weak Flash', which was triggered on March 17 2017, led to the suspension of export licences of 21 meat packaging plants and the closure of three plants. The meat sector is one of the key pillars of the Brazilian economy and employs approximately 6.7million people. The graph below shows USD value of Brazilian meat exports and volume of Brazilian meat exports in 2016.

### Total Exports in 2016

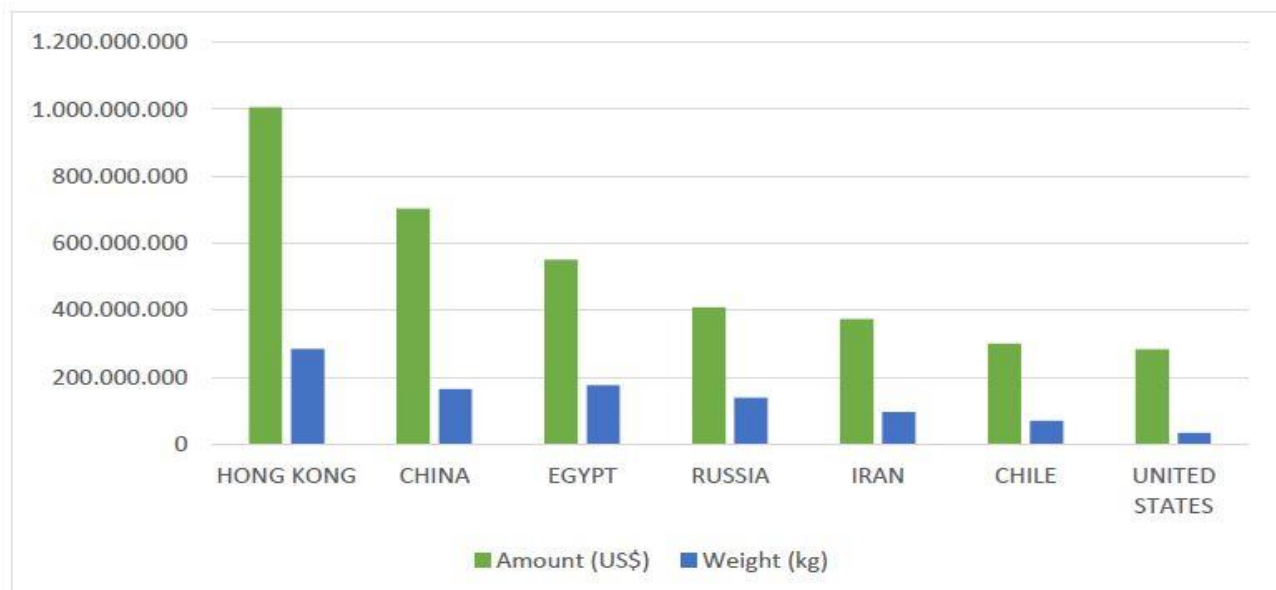


Source: <http://www.agriland.ie/farming-news/facts-and-figures-what-drives-agricultural-exports-from-brazil/#>

Some Brazilian processors were accused of using acid and other chemicals to mask or alter products, while it was also alleged that potato, water and cardboard were mixed with chicken meat to boost profits. Three countries (China, Chile and Egypt) have decided to recommence trade with Brazil, however one of the largest trading partners – Hong Kong has still imposed the ban on meat

products. The graph below depicts the importance of the Hong Kong beef export market for Brazil. The graph shows key Brazilian Beef export markets in 2016.

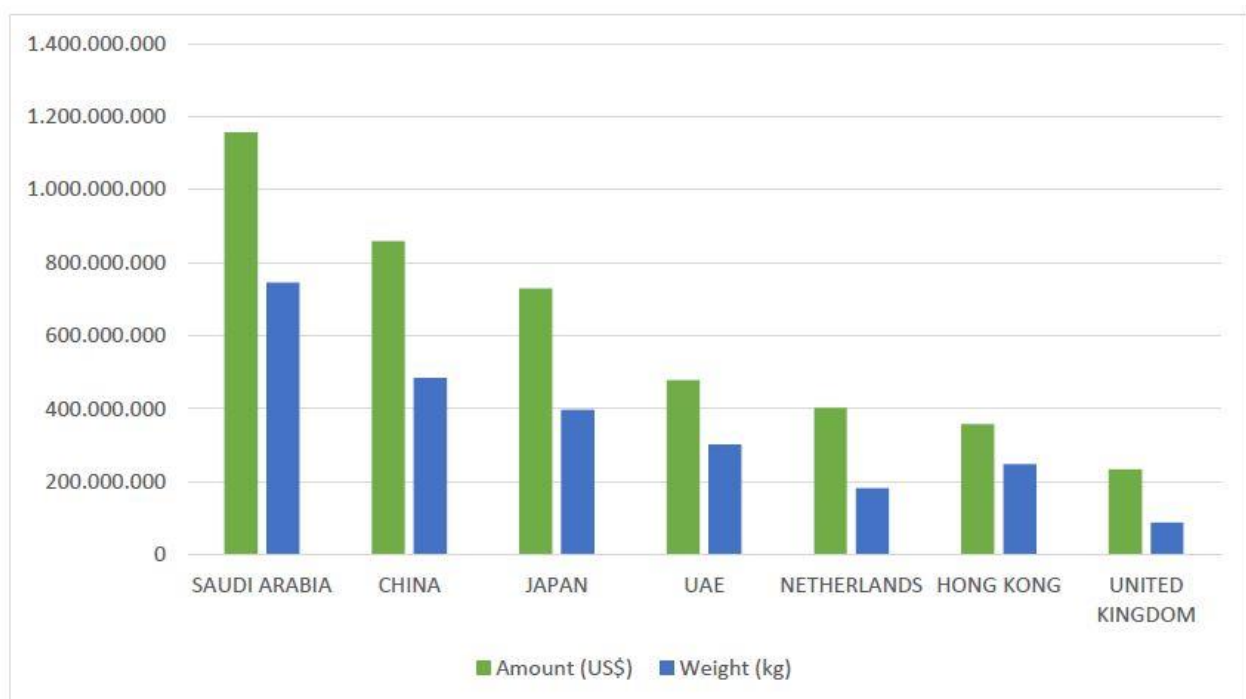
### Brazilian Beef Exports, 2016



Source: <http://www.agriland.ie/farming-news/facts-and-figures-what-drives-agricultural-exports-from-brazil/#>

The graph below depicts key markets for Brazilian poultry exports in USD and volume in 2016.

### Brazilian Poultry Exports, 2016



Source: <http://www.agriland.ie/farming-news/facts-and-figures-what-drives-agricultural-exports-from-brazil/#>

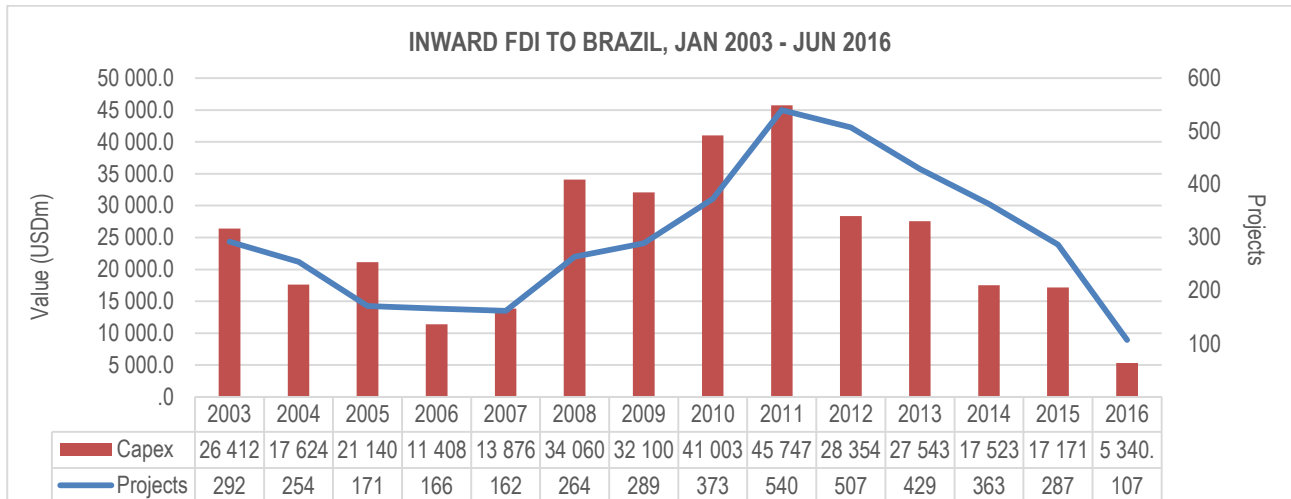
Agribusiness is expected to grow in 2017, After a disappointing year in the agribusiness sector, Brazil's Statistics Bureau (IBGE) predicts a 14.2 percent increase in the Brazilian crop harvest in 2017 in comparison to 2016. according to the Rio Times. This increase will be due to the higher production expected in all regions, with the Northeast leading the way with gain forecasts of 53.9 percent and the Center-West with 20.1 percent.

“The improvement in performance will be a consequence, among other factors, of the recovery of agricultural production, with more regular rains and the advance of the plantation within the expected schedule,” stated the Brazilian Confederation of Agriculture and Livestock (CNA) this week.

## 5. Foreign Direct Investment

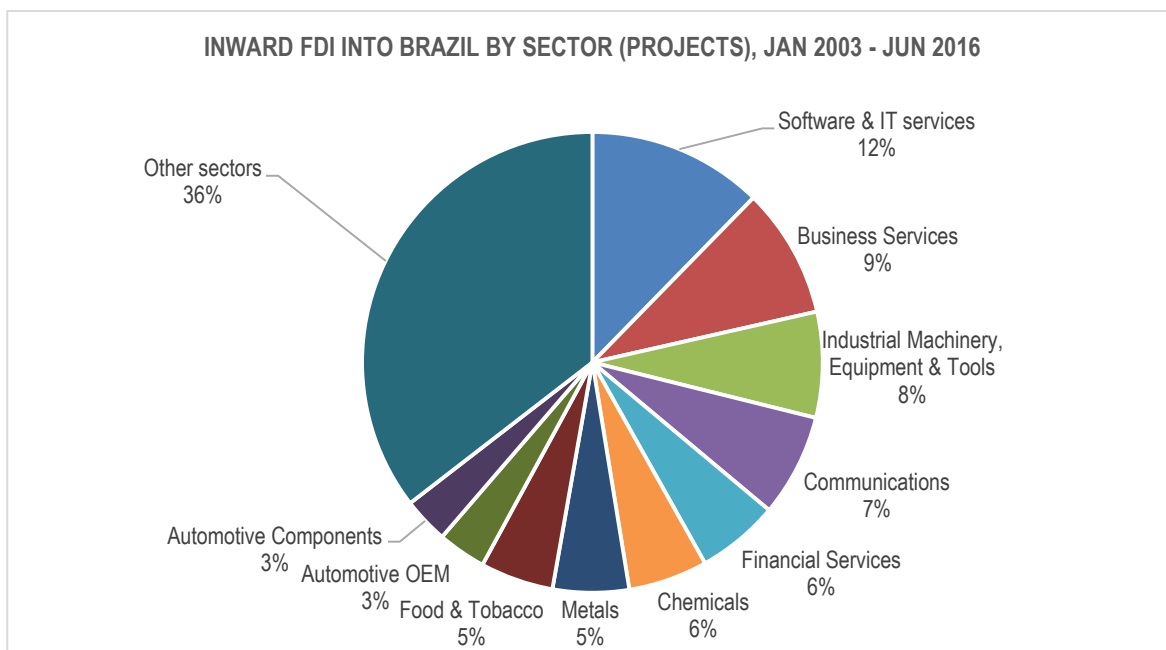
### 5.1 Global FDI into Brazil

Between January 2003 and June 2016 a total of 4, 204 FDI projects were recorded. These projects represent a total capital investment of USD339.31bn which is an average investment of USD80.7m per project. During the period, a total of 779,051 jobs were created.



Source: FDI Intelligence, 2017

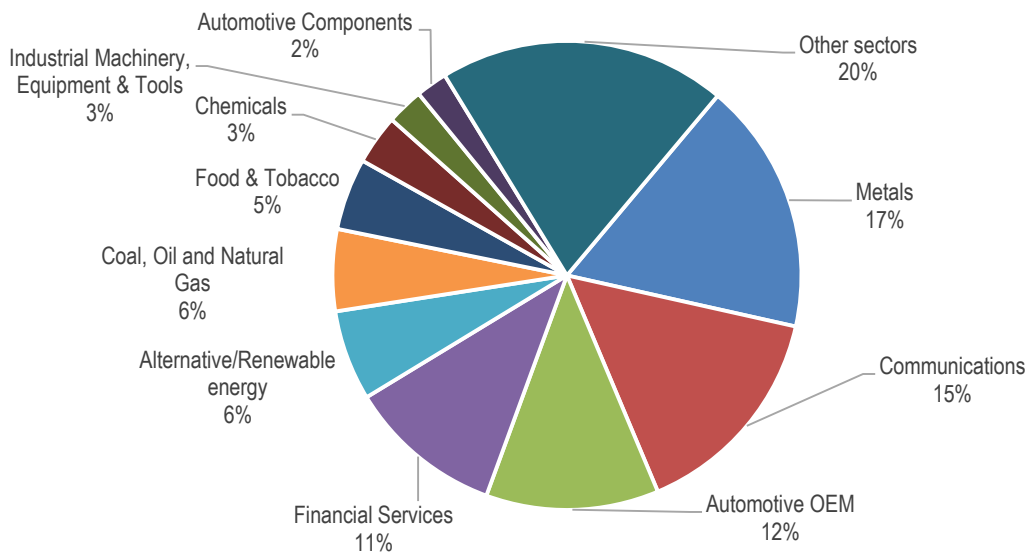
The two diagrams below depict which sectors in Brazil have been invested in from a projects and capex perspective. The highest number of investments (based on projects), has been in the software and IT services sector (12%) followed by investments in the business services sector (9%). In the third position is the industrial machinery, equipment & tools (8%). Investment in the food and tobacco industry was ranked eighth (4%). Investment in the Brazilian beverage sector was ranked 29<sup>th</sup> for the period January 2003 to June 2016.



Source: FDI Intelligence, 2017

In terms of capital expenditure, the metals sector was the top sector (17%) followed by the communications sector (15%) and the automotive sector (12%) in second and third place respectively. The food and tobacco sector was ranked 7<sup>th</sup> in terms of capex (5%).

**INWARD FDI INTO BRAZIL BY SECTOR (CAPEX), JAN 2003 - JUN 2016**



Source: FDI Intelligence, 2017

The table below shows the largest companies investing in Brazil in terms of projects. Of the top 10 companies investing in Brazil, Cargill and Nestle are listed in position 2 and 5 respectively in terms of the number of projects for the period January 2003 to June 2016.

TOP 10 COMPANIES INVESTING INTO BRAZIL, JAN 2003 - JUN 2016					
RANK	INVESTING COMPANY	SOURCE COUNTRY	PRIMARY SECTOR	PROJECTS	CAPEX (USDm)
1	IBM	United States	Software & IT services	20	776.50
2	<b>Nestle</b>	<b>Switzerland</b>	<b>Food &amp; Tobacco</b>	<b>20</b>	<b>1 159.00</b>
3	General Electric (GE)	United States	Industrial Machinery, Equipment & Tools	17	426.30
4	Atento	Spain	Business Services	15	83.00
5	<b>Cargill</b>	<b>United States</b>	<b>Food &amp; Tobacco</b>	<b>14</b>	<b>631.60</b>
6	General Motors (GM)	United States	Automotive OEM	13	3 318.10
7	Siemens	Germany	Electronic Components	13	565.60
8	BASF	Germany	Chemicals	12	1 259.50
9	Fiat Chrysler Automobiles (Fiat)	United Kingdom	Automotive OEM	12	9 021.90
10	TAM Cargo (operated by TAM Airlines of Brazil - a subsidiary of Chilean based LATAM Airlines)	Chile	Transportation	12	982.20
Other Companies				4 056	321 083.30
<b>TOTAL</b>				<b>4 204</b>	<b>339 307.00</b>

Source: FDI Intelligence, 2017

Most recent investments into the Brazilian beverage industry is shown below.

**MOST RECENT INVESTMENTS INTO THE BRAZILIAN BEVERAGE SECTOR, JAN 2003 - JUNE 2016**

PROJECT DATE	COMPANY	SOURCE COUNTRY	SUB-SECTOR	CAPEX (USDm)	JOBS CREATED
Oct 2015	Heineken Brasil (Heineken Brazil)	Netherlands	Breweries & distilleries	38.73	98
Jul 2015	Ambev	Belgium	Breweries & distilleries	116.16	294
Jul 2015	Industrias Sao Miguel (ISM Brasil)	Peru	Soft drinks & ice	4.00	50
Jul 2015	Brasil Kirin	Japan	Breweries & distilleries	158.71	402
Mar 2015	Coca-Cola FEMSA	Mexico	Soft drinks & ice	200.00	506
Oct 2014	Heineken	Netherlands	Breweries & distilleries	66.53	80
Jan 2014	Kirin	Japan	Breweries & distilleries	17.30	92
Jul 2013	The Antique Wine Company	UK	Wineries	19.00	22
Apr 2013	Ambev	Belgium	Breweries & distilleries	35.33	107
May 2012	Hijos de Rivera	Spain	Breweries & distilleries	19.00	22
January 2003 - May 2012	Other companies			2 266.00	5 733
<b>Total</b>				<b>2 940.75</b>	<b>7 406</b>

Source: FDI Intelligence, 2017

Most recent investments into the Brazilian food and tobacco industry is shown below.

**MOST RECENT INVESTMENTS INTO THE BRAZILIAN FOOD AND TOBACCO SECTOR**

PROJECT DATE	COMPANY	SOURCE COUNTRY	SUB-SECTOR	CAPEX (USDm)	JOBS CREATED
Jan 2010	Carrefour Brazil	France	Food & Beverage Stores (Food & Tobacco)	1 372.49	3 000
Dec 2009	Wal-Mart	United States	Food & Beverage Stores (Food & Tobacco)	1 200.00	3 000
May 2011	Wal-Mart	United States	Food & Beverage Stores (Food & Tobacco)	755.00	3 000
Aug 2008	Wal-Mart	United States	Food & Beverage Stores (Food & Tobacco)	743.26	3 000
Oct 2005	Wal-Mart	United States	Food & Beverage Stores (Food & Tobacco)	402.00	4 300
Sep 2011	BP Alternative Energy	UK	Sugar & confectionary products	350.00	1 225

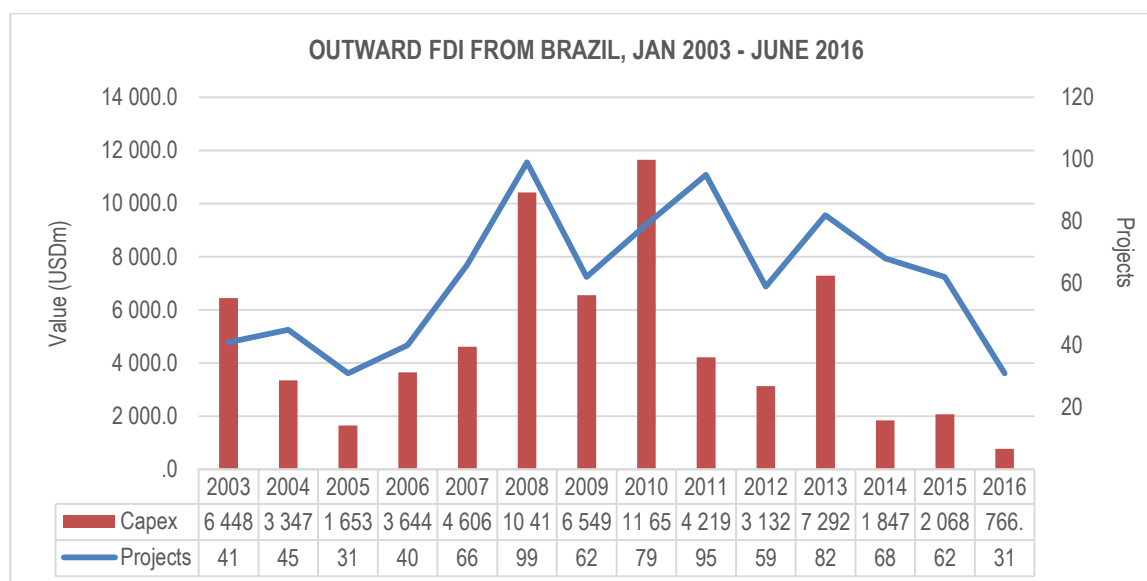
## MOST RECENT INVESTMENTS INTO THE BRAZILIAN FOOD AND TOBACCO SECTOR

PROJECT DATE	COMPANY	SOURCE COUNTRY	SUB-SECTOR	CAPEX (USDm)	JOBS CREATED
Apr 2013	BBCA Group	China	Grains & oilseed	310.90	400
Sep 2008	Noble Group Limited	Hong Kong	Sugar & confectionary products	300.00	1 050
Mar 2014	Archer Daniels Midland	United States	All other food	250.00	80
Feb 2011	Cargill	United States	Grains & oilseed	210.00	735
Jan 2003 - Feb 2011	Other companies			10 919.75	44 521
Total				16 813.40	64 311

Source: FDI Intelligence, 2017

### 5.2 Global FDI from Brazil

Between January 2003 and June 2016 a total of 860 FDI projects were recorded. These projects represent a total capital investment of USD67.65bn which is an average investment of USD78.70 m per project. During the period, a total of 144, 958 jobs were created.



Source: FDI Intelligence, 2017

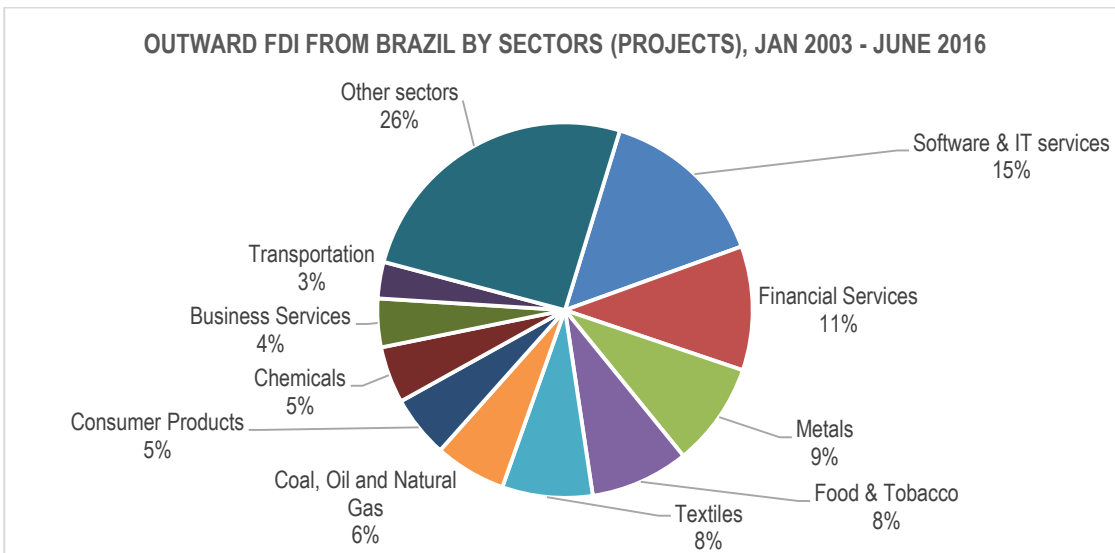
The top destination markets for foreign direct investment from Brazil in terms of projects are shown in the table below. The United States is the top destination country followed by Argentina and China in second and third place respectively.

TOP 10 DESTINATION MARKETS FOR FDI FROM BRAZIL JAN 2003 - JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	United States	161	18.72%	5 349.70	7.91%	107
2	Argentina	95	11.05%	5 760.60	8.52%	64
3	China	48	5.58%	2 193.40	3.24%	30
4	Colombia	47	5.47%	8 952.30	13.23%	36
5	Mexico	46	5.35%	4 105.50	6.07%	39

TOP 10 DESTINATION MARKETS FOR FDI FROM BRAZIL JAN 2003 - JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
6	UK	40	4.65%	868.10	1.28%	28
7	Peru	32	3.72%	3 226.70	4.77%	23
8	Spain	26	3.02%	226.40	0.33%	14
9	Chile	24	2.79%	1 474.40	2.18%	23
10	France	24	2.79%	395.40	0.58%	20
Other countries		317	36.86%	35 093.00	51.88%	
<b>TOTAL</b>		<b>860</b>	<b>100.00%</b>	<b>67 645.50</b>	<b>100.00%</b>	<b>368</b>

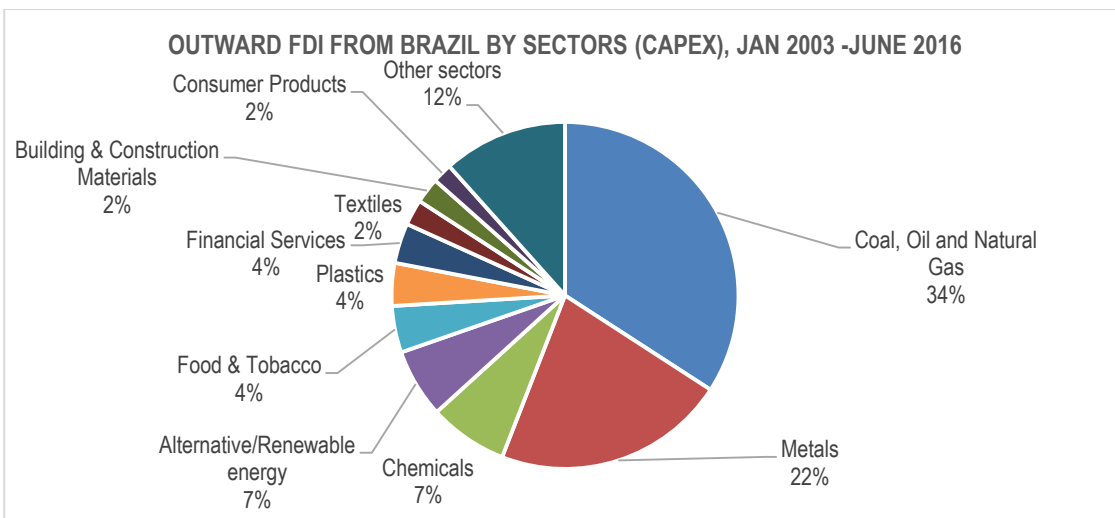
Source: FDI Intelligence, 2017

The two diagrams below depict which sectors Brazil have invested in from a projects and capex perspective. The highest number of investments (based on projects), has been in the software and IT services sector (15%) followed by investments in the financial services sector (11%). In the third position is the metals (9%). Investment in the food and tobacco industry was ranked fourth (8%). Investment in the Brazilian beverage sector was ranked 29<sup>th</sup> for the period January 2003 to June 2016.



Source: FDI Intelligence, 2017

In terms of capital expenditure, the coal, oil and natural gas sector was the top sector (34%) followed by the metals sector (22%) and the chemicals sector (7%) in second and third place respectively. The food and tobacco sector was ranked 5<sup>th</sup> in terms of capex (4%).



Source: FDI Intelligence, 2017



The table below shows the largest Brazilian companies investing globally in terms of projects. Of the top 10 companies investing in Brazil, Cargill and Nestle are listed in position 2 and 5 respectively in terms of the number of projects for the period January 2003 to June 2016.

TOP 10 COMPANIES INVESTING FROM BRAZIL, JAN 2003 - JUNE 2016				
RANK	INVESTING COMPANY	PRIMARY SECTOR	PROJECTS	CAPEX (USDm)
1	Petrobras	Coal, Oil and Natural Gas	40	12 856.60
2	Vale (Companhia Vale do Rio Doce)	Metals	35	14 565.10
3	Stefanini IT Solutions	Software & IT services	20	281.20
4	Embraer (Embraer-Empresa Brasileira de Aeronautica)	Aerospace	19	869.60
5	Havaianas	Textiles	18	235.40
6	Aesop	Consumer Products	17	548.40
7	Banco Itau Holding Financeira	Financial Services	17	577.90
8	Banco do Brasil	Financial Services	13	426.70
9	Marcopolo	Automotive OEM	13	816.70
10	Braskem	Chemicals	12	4 745.00
Other Companies			656	31 722.90
<b>TOTAL</b>			<b>860</b>	<b>67 645.50</b>

Source: FDI Intelligence, 2017

Investments into the global beverage industry by Brazil is shown below for the period January 2003 to June 2016.

TOP BRAZILIAN COMPANIES INVESTING IN THE BEVERAGE SECTOR GLOBALLY, JAN 2003 - JUNE 2016						
PROJECT DATE	INVESTING COMPANY	PRIMARY SECTOR	SUB-SECTOR	DESTINATION COUNTRY	CAPEX (USDm)	JOBS CREATED
Jan-03	Ambev	Beverages	Breweries & distilleries	Guatemala	50.00	680
Feb-03	Ambev	Beverages	Breweries & distilleries	Peru	40.00	100

**TOP BRAZILIAN COMPANIES INVESTING IN THE BEVERAGE SECTOR GLOBALLY, JAN 2003 - JUNE 2016**

PROJECT DATE	INVESTING COMPANY	PRIMARY SECTOR	SUB-SECTOR	DESTINATION COUNTRY	CAPEX (USDm)	JOBS CREATED
Apr-03	Ambev	Beverages	Breweries & distilleries	Uruguay	20.00	64
Oct-12	Cachacas Pendaó	Beverages	Breweries & distilleries	United States	0.50	1
<b>TOTAL</b>					<b>110.50</b>	<b>845.00</b>

Source: FDI Intelligence, 2017

The table below shows the most recent Brazilian investment into the global food and tobacco industry.

**MOST RECENT BRAZILIAN INVESTMENT IN THE FOOD AND TOBACCO SECTOR GLOBALLY, JAN 2003 - JUNE 2016**

PROJECT DATE	INVESTING COMPANY	PRIMARY SECTOR	SUB-SECTOR	DESTINATION COUNTRY	CAPEX (USDm)	JOBS CREATED
Mar-14	Pilgrim's Pride	Food & Tobacco	Animal slaughtering & processing	Mexico	150.00	915
Nov-09	JBS	Food & Tobacco	Animal slaughtering & processing	Russia	136.78	400
Aug-11	BRF Brasil Foods	Food & Tobacco	Fruits & vegetables & specialist foods	UAE	120.00	290
Jun-16	BRF Brasil Foods	Food & Tobacco	Animal slaughtering & processing	Argentina	105.00	548
Apr-16	Amaggi	Food & Tobacco	Grains & oilseed	Argentina	100.00	688
Jul-14	Moy Park	Food & Tobacco	Animal slaughtering & processing	UK	97.10	210
Jul-14	Moy Park	Food & Tobacco	Animal slaughtering & processing	UK	97.10	210
Jul-14	Moy Park	Food & Tobacco	Animal slaughtering & processing	UK	97.10	208
Jun-05	Sadia	Food & Tobacco	Animal slaughtering & processing	Russia	90.00	302
Jan-15	JBS USA Holdings	Food & Tobacco	Animal slaughtering & processing	United States	75.00	155

MOST RECENT BRAZILIAN INVESTMENT IN THE FOOD AND TOBACCO SECTOR GLOBALLY, JAN 2003 - JUNE 2016						
PROJECT DATE	INVESTING COMPANY	PRIMARY SECTOR	SUB-SECTOR	DESTINATION COUNTRY	CAPEX (USDm)	JOBS CREATED
January 2003 - Jan 2015	Various				1 872.89	12 088
<b>TOTAL</b>					<b>2 940.97</b>	<b>16 014</b>

Source: FDI Intelligence, 2017