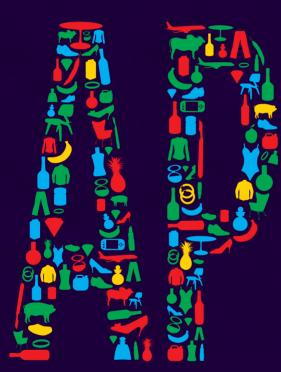




BRAZILIAN COMPANIES GO INTERNATIONAL

HOW TO GO FURTHER WITH THE **HELP** OF





On the agency's menu, more than 900 events every year for promoting Brazil and its companies around the world

INTERVIEW

Luiz Olavo Baptista, the lawyer who is to defend Brazil at the WTO

INNOVATION

Suzano wants to be a giant in energy from biomass

SCIENCE

The Brazilians in the race to recreate the cosmos



Oil or gas? Biodiesel or ethanol? Solar or wind power?



How about having them all?



The world's energy demand is constantly growing and one of the roles of Petrobras is to develop new ways to produce this energy. In order to attain further diversification, it makes continuous investments in

natural gas, plus biofuels and other alternative, renewable energy sources like solar and wind power. If the future is a challenge, Petrobras is ready.



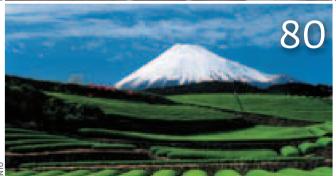
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EDUARDO FERREIRA

A good pilot

Odessy. This is how one could define the trials and tribulations of a company in the throes of internationalization. They involve adventures, facing the unexpected, dangers and concessions. This is because to win over the world is no easy task. It is necessary to find a window that is lit twenty-four hours, seven days a week for your product, in the right country, at the right time, and where the language of business is spoken.

For the small and medium-sized Brazilian companies, however, the transition between being a national plant in a small pond, and a deep-rooted tree in the foreign markets, is eased by an experienced gardener in this field: the Brazilian Trade and Investment Promotion Agency – or just ApexBrasil. In 2010 alone, this institution has promoted the presence of Brazil at more than 900 events worldwide – at a pace of almost three international shows a day.

The example of ApexBrasil supports a recent survey carried out by the Inter-American Development Bank: that with a trade development agency working for it, a country can go a lot further much faster. The analysis revealed that opening an office abroad to support foreign trade results in an increase in exports of 5.5 times more than when the same task is designated to an Embassy. The cover story of this edition shows just how this formula is being applied by Brazil.

But it is not just products that provide depth to Brazil's presence abroad. Suzana Camargo writes, from Geneva in Switzerland, about the tireless search by scientists from all around the world – of whom 78 are Brazilian - at Cern, the European Center for Nuclear Research, to reproduce what happened after the Big Bang, when the universe was created. One of the main drivers that helps Cern work so well is international collaboration.

We also include an interview with Luiz Olavo Baptista, a lawyer from São Paulo who has been retained by Itamaraty to represent Brazil in the World Trade Organization disputes, is committed to fighting in the trenches for Brazilian international trading rights and to defending the country's interests with the World Trade Organization.

This is the first edition to include a new section called Beacon, through which readers can follow the latest inspirational ideas being talked about around the world. The first person interviewed was Pilar Nores de Garcia, an Argentine economist who launched a program to fight poverty in Peru, which has since been copied by the United Nations. To close, we suggest a special stop in Tokyo for travellers visiting Japan with business in mind, to contemplate the perfect combination between the traditional and the modern, with the expert Chieko Aoki as their guide.

Nely Caixeta



TOTUM EXCELÊNCIA EDITORIAL

BRAZILIAN COMPANIES GO INTERNATIONAL

A TWO-MONTHLY MAGAZINE FOCUSING ON INTERNATIONAL BUSINESS AND ECONOMICS

DUBLISHED

Nely Caixeta - nely@revistanih com hr

EDITOR

Alessandro Greco, Andrea Flores, Paris, Andressa Rovan Adriana Setti, Barcelona, Armando Mendes, Chieko Aoki Fliane Simonetti , Eduardo Ferreira, Flávia Carbonari, Washington Suzana Camargo, Zurique and W.F.Padovan

PHOTO EDITOR

DESIGNER

Renato Dantas

Marcelo Calenda

COPYDESK AND PREPARATION Mary Ferrarini

TRANSLATION

Christine Puleo, John Tardine, Kevin Wall and Paul Anthony Harold Steele

ADVERTISING

INTERNATIONAL AND BRAZIL (55-11) 3097.0849 publicidade@revistapib.com.bi Av. Brigadeiro Faria Lima, 1903, cj. 33 Jardim Paulistano - 01452-911 - São Paulo - SP

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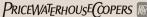
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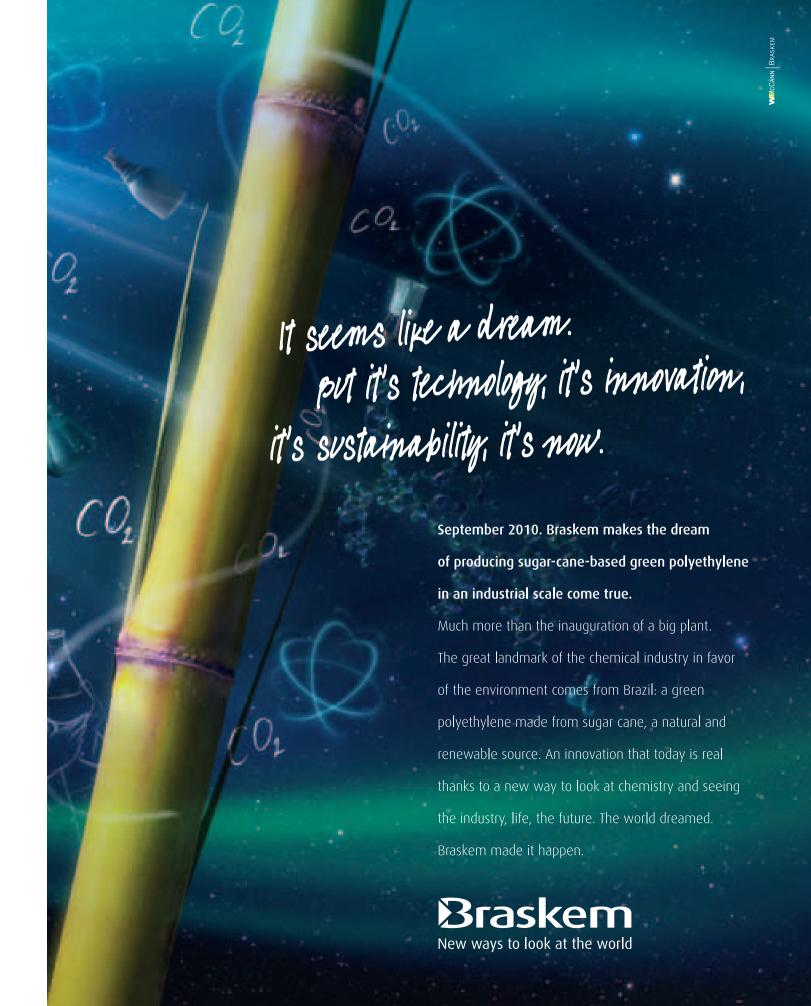
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Letters

Dear editors

I am a student of foreign trade and recently had the opportunity to read some of the English version issues of **PIB**. The magazine, with which I first became acquainted during a visit to the Brazilian embassy in Caracas, has some interesting content, is instructive and makes for very agreeable reading. Congratulations to the entire team at PIB.

HENRY TOSÉ NUNEZ LA URBINA **CARACAS VENZUELA**

Students and lecturers of the Foreign Trade course at Methodista appreciate the content of **PIB** magazine which combines information and knowledge at the speed required by the world of international business.

PROFESSOR JOÃO ALMEIDA SANTOS COORDINATOR OF THE FOREIGN TRADE COURSE AT METHODISTA SÃO PAULO – SP

I have been reading **PIB** magazine since its first edition. When I changed jobs I made a point of introducing the magazine at the new address and making it known to all. It is good to see Brazil to the fore in the world and **PIB** helps perform this function very well through the various topics covered and interesting questions examined. **PIB** is a magazine which makes you want to read thanks to its color scheme, interesting front cover headlines and creative reports.

CIDA MARTINS **ARENT FOX LLP/ ATTORNEYS AT LAW WASHINGTON DC**

After buying **PIB** at a newsstand in downtown Rio, I was impressed with the magazine's reports both in relation to the content of the subject matter as well as the quality of the graphic design. All this makes for a first class publication, filling an important and unique



lacuna in the Brazilian media. I was happy to see that the magazine's editor is the journalist, Nely Caixeta who I knew many years ago in the interior of Minas Gerais. When there is competence, knowledge and a will we can become leaders.

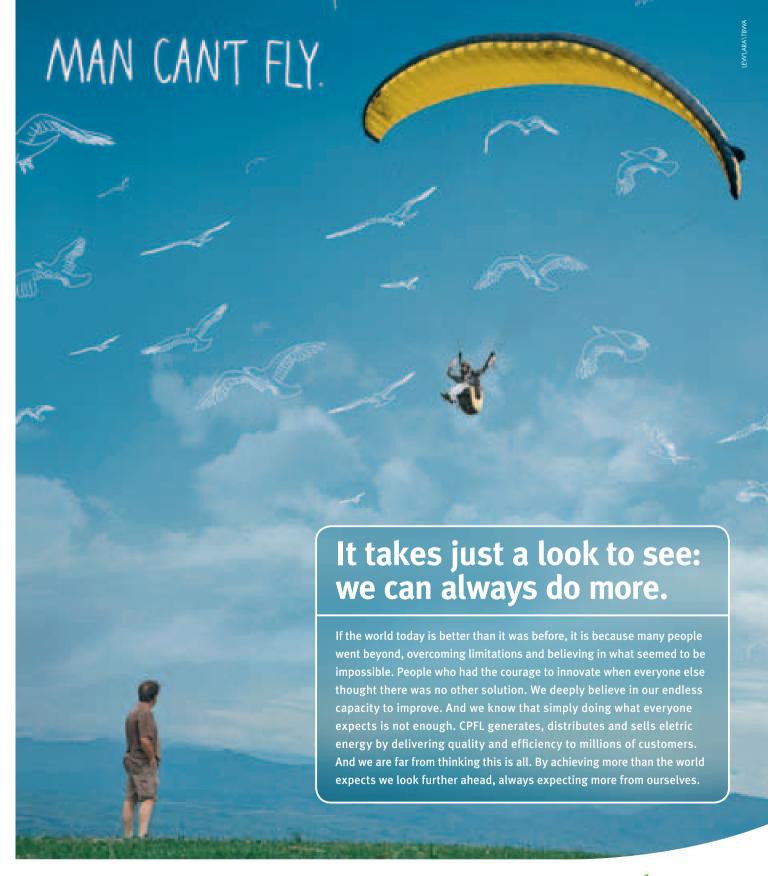
ROSA MUBARAK ELETROBRÁS – FURNAS RIO DE JANEIRO - RJ

When I was 18 years old, 62 years ago, my mother, who was German, won a competition for readers sponsored by Selections of the Reader's Digest. Now it's my turn to write to you, not to compete with my mother's achievement obviously, but to say how happy I am each time I receive my copy of the bi-monthly magazine. It is comprehensive for those who have an interest in politics, business, handcrafts and fashion. After reading the magazine from cover to cover, I pass it on to a friend in the United States. **PIB** is an exceptional magazine. Even the advertisements are a cut above the average.

LISA MATULA SÃO PAULO - SP

To acquire past editions of PIB, please send your request via email to adm@totumex.com.br.

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www.cpfl.com.br













1 Gamar toys: made in four languages 2 Creators and creature: national wine has icon

Made by hand

Made with care and love, the first wooden toy fashioned by electronic engineer Maurício Gilson went straight to the hands of Marco Antônio, then just two years old. This not only made the boy happy, but also led to a spark of inspiration for Maurício, a future entereprneur in search of an idea. And so Gamar Educational Toys was born in 2004. In the following year, due to efforts by a client, the products ended up at a fair in Paris, France. "The reception was so good there that in the following year, 2007, we were invited to participate in the event, all expenses paid," said Maurício, who handles the businesses alongside his wife, Mari Borba. The fair was not just for toys, but also for fair trade products. The alternative path has shown to be an advantage. Gamar toys since their creation, have been concerned with sustainability, safety, and quality, and have won over Europe. "We are pioneers in having the European EN71 standard for toy safety," he says. Today, the pedological guides that come with the toys-which include flying dragons, Don Quixotes, cows, and clowns, among its 86 modelsare produced in four languages in addition to Portuguese: English, French, German, and Spanish, and represent Gamar around the world. The next step is the United States, where Gamar intends to arrive in early 2012. "In February, I will participate in the Toy Fair, in New York, as a visitor. The next year, I hope to have a stand there."



A gem of Brazilian wine

Brazilian drink has gained the representative it deserves. Created by the Campana brothers, developed by Brazil homeware company Tramontina, and launched in Milan, the "Laçador" corkscrew, or loosely translated into English, "the lasso-er" corkscrew, promises to be an ambassador of drink throughout the world. "We thought of a gem," said Humberto Campana. The new representative is already in action. The image of the corkscrew became an icon of the new brand "Wines of Brazil" created as part of the institutional campaign of Ibravin (Brazilian Wine Institute) for the international market, with the concept "Open your mind, open a Brazilian wine."

1 Café Jacu: In Michelin Guide restaurants

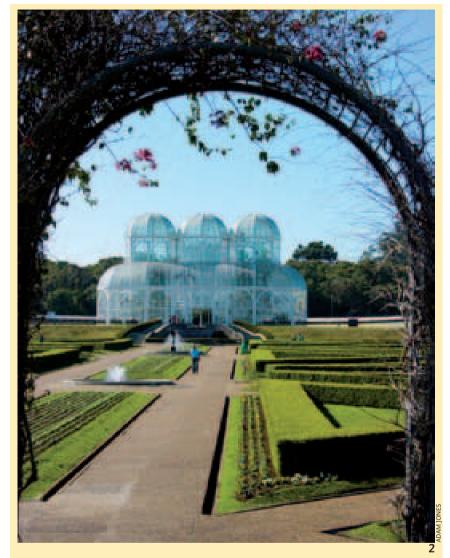
2 Curitiba: 52 square meters of green per inhabitant

3 Deborah Colker Group: Success in Washington

Will Paris surrender?

Considered the most expensive coffee in the country--with 90% of its production sent abroad-Tacu Bird Coffee, made with beans ingested and eliminated by the bird of the same name, has its eyes on the wallets of the French, and their demanding palates. With a local partner, the Camocim Farm, which produces the beans in Espirito Santo, the company intends to make France its principal consumer, a spot previously occupied by Japan. The path is through investment in gourmet coffee labels. "Our objective is now to sell the produce to restaurants, hotels and cafeterias," says the owner of the Jacu brand, Henrique Sloper Araújo. If relying on visibility, the success of the business is certain. "We are in eight Michelin Guide restaurants, two of them with two stars," says Henrique.





The Champion of Green

In an era of global warming, a Brazilian city has been drawing attention from worldwide specialists in climate change. Curitiba, with its 52 square meters of green area per inhabitant, was elected the greenest of 18 Latin American cities evaluated by the new Green City Index (GCI). The index, presented by the

German company Siemens and the research group of the British magazine "The Economist", considered rates of energy efficiency, carbon dioxide emissions, soil and building use, traffic, waste, water, waste water situation, air quality, and the environmental agenda of the local government.



Celebrating Brazilian Culture

Brazil really is on the rise. In the last months, a series of events celebrating the Tupiniquim culture-going way beyond samba, soccer and caipirinhas-sucessfully made its mark on the capital of the USA. Georgetown University, the oldest Catholic university in North America, brought to its Second Festival of Brazilian Literature big names in national contemporary literature, such as Critovão Tezza and Marçal Aquino, to a full audience. But it was not just Brazilian books that grabbed attention. The Fourth Festival of Brazilian Cinema, in turn, became a cult moviehouse in Washington, drawing more than 2,000 viewers to see prize-winning titles like "Estômago" (Stomach) by Marcos Jorge, and "Meu Nome Não é Johnny" (My Name is Not Johnny), by Marco Lima. In the Kennedy Center, the renown local center for concerts, music lovers met for five consecutive nights for a tribute to Choro. Also there was choreographer and dancer Deborah Colker, from Rio, who packed the hall for three nights, presenting her famous choreography MIX, which gave her international prominence in the 1990s. This is proof that Brazil is gaining ground on the American cultural scene. (Flavia Carbonari, Washington)

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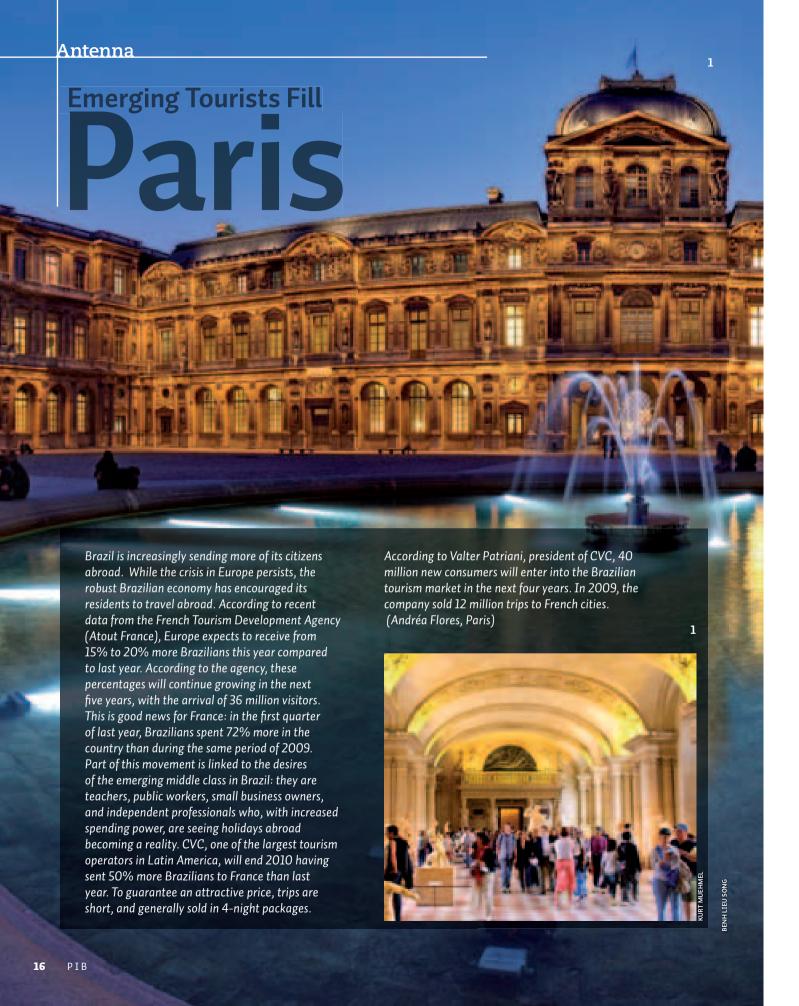
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1 Lourve Museum, in Paris: the right destination

2 Report, the result of two years of discussion **3** DHL: partnership with BB will facilitate export

Democracy on the rise

In a year of presidential and legislative elections in Latin America, the Organization of American States (OAS), headquartered in Washington, and the United Nations Development Programme (UNDP) launched the report "Our Democracy." In a detailed analysis covering the longest period of democracy in the history of the region, the report of more than 250 pages follows the evolution of the political processes in 18 countries. The report points out the largest deficit in the current Latin democracies—in addition to inequality and poverty—the growing problem of public security, indicating the reduction of homicides in São Paulo as an example of success in the continent. The report is the result of two years of discussion among 850 political and social leaders, of which 60 were Brazilians of note, such as Dilma Rousseff, Fernando Henrique Cardoso, José Sarney, and José Serra. The document (in Spanish) can be accessed at www.nuestrademocracia.org (Flavia Carbonari, Washington)



Expressing Exports

Small Brazilian businesses are becoming more agile in exporting their products abroad. An agreement between the Banco do Brasil and logistics and express transport company DHL Express has simplified foreign trade operations, integrating services and solutions of the two institutions. With the partnership, clients will be able to completely manage export processes and control costs of remittances among different service options. The partnership also includes Brasil WebTrade (BWT), an electronic system for foreign trade produced by the Bank of Brasil for Brazilian exporters which offers various functionalities. Users will have a special discount for remittances of merchandise abroad using the services of its partner carrier.



ANTONY NAGELMANN

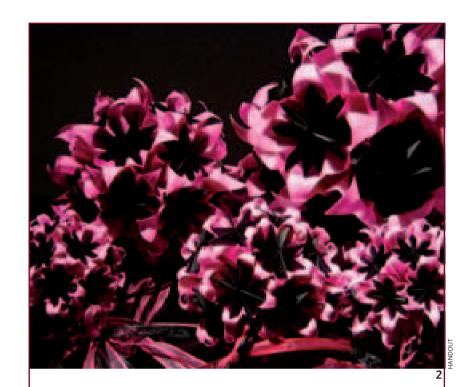
Abayas made in Paraíba







It was at the Pure London fair this year, in the English capital, that the Natural Cotton Color Group from the Brazilian city of João Pessoa received a proposal it could not refuse from a Saudi Arabian buyer: to transform the blouses and tunics of natural cotton that it produces into abayas-the traditional garment that covers Arabian women from head to toe. The group, formed by eight cooperatives from state of Paraíba, went to work as soon as it received the request for 150 pieces, among them abayas, bags and clogs. Of the modifications requested--the Saudi buyer sent a model to the factorywere longer pieces, with full-length sleeves and covered necklines. With half of the payment already made, the Brazilian pieces were sent at the end of November to the buyer. Instead of traditional black, the abayas from the Northeast of Brazil are of light colors, due to the unique characteristics of the cotton utilized. Developed in the laboratories of Embrapa, the thread is naturally colored, and therefore, does not need to be dyed, doing away with any sort of chemical tinting and saving 70% of water used in conventional processes. The Renaissance lace, made by hand by embroiderers, is highly valued abroad. "For being an exclusive product, ecologically sustainable and made by the community, we have strong acceptance abroad," said Patrícia Félix, who supervises one of the cooperatives involved. Buyers include Portugal, Chile, Canada, France, Japan and now, Saudi Arabia.



In the Folds of the Business

A delicate technique of folding paper has caught the attention of international buyers: kusudama, a specific type of origami. This was the method that motivated Andrea Iogolia to open, eight years ago, a company that produces, on average, 1,000 folded papers per month. In addition to servicing corporate clients and marketing activities, a small part of the company's production is destined for Argentina, the United States, and Portugal. Kusudama Arte em Origami (Kusudama Origami Art) is now prepared to drive its international sales abroad with a new site--since the physical store only represents 5% of sales. "Foreign buyers value this type of product much more and and they find the store while doing a Internet search," says Andrea. To facilitate export, she is studying new ways of making it easier for customers abroad to pay for the product. "Today, the purchase can take up to 20 days to clear. The process is very bureaucratic," she points out.

Apontador Honored

An application that guides drivers through traffic in major Brazilian cities has been recognized internationally. Apontador Trânsito, developed for smartphones by the Apontador group, is one of five champions in the m-Media & News category of the World Summit Award (WSA), and also elected as the most creative and innovative company in its category. The goal of the event, which takes place in mid-December in Abu Dhabi, is to select and release the best online applications from around the world. "To receive the WSA is proof that we are headed in the right direction, always with the aim of connecting the user with information around him," said Rafael Sigueira, director of technology for Apontador, who represents the company in the United Arab Emirates.



1 Cotton pieces find Arab buyer

2 The art of kusudama: bouquet made of paper **3** Apontador: application honored in the Emirates

18 PIB I



Dressing the World

Between 2008-2009, Puket has doubled the number of its stores in Brazil, which today totals 90 locations. After reformulating its concept store, recently launched in São Paulo, and with the domestic market well covered, the hosiery and lingerie brand now wants to expand its international presence. The company already has two locations in Venezuela and wants to grow through franchises in Panama, Colombia, Mexico, Chile and Argentina.

1 Game

for export:

success of

Musigames

2 New

façade

for Puket: looking

In the game

The Brazilian gaming industry is closely following the development of the international market. Four national companies, in addition to Softex (the Association for Promotion of Excellence in Brazilian Software), participated in Game Connection, one of the sector's major fairs, which took place in France in November. One of these companies was Musigames, from the state of Pernambuco, which is currently in the process of intense follow-up on projects finalized during the event. "The fair was really great for us. We had important meetings with our partners and we met new publishers with whom we must try to work with in the future," said Américo Amorim, executive director of Musigames. According to a survey by the Softex Observatory, between 2005-2009, the volume of export of Brazilian electronic games grew 270%. Musigames, riding this wave, has been exporting since they were created in 2007. Today, 70% of the company's earnings come from the United States and Europe, where Musigames exports its iPhone and iPad games, such as Drums Challenge and iMusic Puzzle. "We will soon be launching our first games for social networks," said Américo.

Good, but room for improvement

The export promotion agencies for Latin America and the Caribbean have been successful in supporting the expansion and diversification of exports, but they could be even more effective. The statement is part of the study "Odyssey in International Markets", by the Interamerican Development Bank (IDB). The analysis reveals that the opening of an export promotion office abroad results in export increases 5.5 times higher than when the same task is assigned to an embassy. "Agencies are like GPSs that offer direction to companies on their odyssey through unknown routes when venturing into international markets," says the study's author, Christian Volpe, who evaluated the effectiveness of agencies from the period 2000 to 2007 in Peru, Costa Rica, Uruguay, Chile, Argentina and Colombia, with Brazil sitting out. A calculation for Peru exemplifies the study, and shows that the growth rate of exports was 17% higher for companies supported by the local agency. The study also shows that promotion agencies are much more effective when supporting the entire export process.



Here!

In the last US academic year, which ended in May 2010, 8,786 Brazilians attended classes in universities and educational institutions, 0.2% more than last year. In terms of the number of Latin American students taking classes in the US, Brazil trailed only Mexico. But the previous academic year (2008/2009), with an already weaker USD and the Brazilian economy resisting the crisis, witnessed the biggest 1-year percentage increase (+15.7%) in the data series compiled by the Institute of International Education. The number of Americans attending classes in Brazil has been growing since 1995, when the Institute started compiling its annual report. In 1995, there were 386 Americans studying in Brazil. Today, there are 2,777.



Try sleeping with all Weaker this noise going on adversary

If Congress doesn't pull its finger out, the Generalized System of Preferences will expire. In 2009, Brazil was the fourth most benefited country by the program, which applies lower customs tariffs to products from emerging markets. Of the 230 countries that the US imports from, 131 are benefited by the GSP program. For this reason, Brazil isn't the only one interested in its renewal. The major threat now comes from Haleyville, a small town from Alabama that is home to a sleeping bag industry. The company says it is suffering at the hands of a competitor in Bangladesh, which exports to the US. Members of Congress representing Alabama State have entered the dispute and are threatening to block renewal of the GSP program.

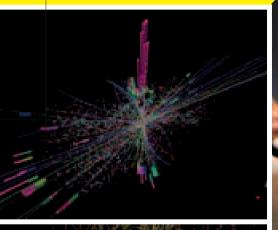
Despite the defeat in the House of Representatives, Democrats kept their majority in the Senate, which helped to weaken one of Brazil's main adversaries in US Congress, Republican Senator Chuck Grassley. Senator for the State of Iowa, the US' largest producer of corn (ethanol raw material produced in the country), Grassley is heading the strong lobby fighting to preserve subsidies for US producers and to remove Brazil from the GSP program. With the renewal of a third of the Senate, Senator Grassley will stand down as opposition leader in the House Finances Commission, which has major influence on tariffs, import quotas and trade treaties.

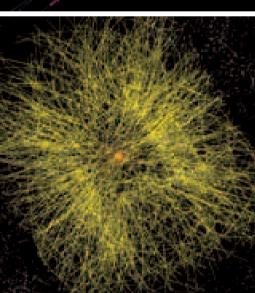
Time is money

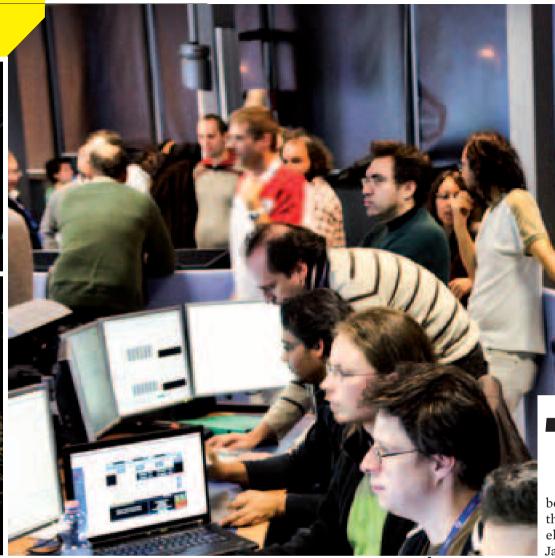
The new Congressional structure could have an immediate impact on the main themes that interest Brazil: the tariff of US\$0.54 on ethanol imports, the tax credit of US\$0.45 per gallon for companies mixing ethanol into their gasoline blend and renewal of the Generalized System of Preferences (GSP), which benefits around 10% of exports to the US (see right). These three trade incentives expire at the end of December. The transition period between the elections and the new legislature is known as the "lame duck" - when there is no time or political authority to make key decisions. If there is no debate, the incentives disappear. Sources in Washington are confident this will happen, but they say the ethanol lobby is preparing a counter-attack: a proposal, already in discussion, to convert tax credits into direct subsidies for producers.

1 Capitol 2 University
Hill: are the in the US:
changes good 8,786 Brazilian
for Brazil? students

Science







he highly concentrated person to the right of the photo of this page, wearing glasses, dark clothes and a blue-ribbon work pass around his neck, is the Brazilian Denis Damazio, an electronics engineer from Rio de Janeiro who works at the European Organization for Nuclear Research (Cern) - the world's leading research laboratory in nuclear physics – in Geneva (Switzerland). It could well be that Denis and his colleagues are, in the photo, closely observing the moment after a collision of very high energy subatomic particles the work for which the giant Cern super-accelerator, known as the LHC (Large Hadron Collider), was projected and constructed.

This is not just any event. For scientists and engineers with a whole host of degrees and specialties, we are talking about THE EVENT. It is represented in the form of colored images (i.e. those smaller ones on the page to the right) which appear on the monitors spread throughout

the control rooms of the enormous center. Everything is larger than life at the Cern center, a bona-fide city where buildings and facilities spread out over kilometers and cross over national borders. Officially, the Cern center is based in Geneva (that's where its mail is sent anyway), close to the border with France. But some of the Cern buildings are located on Swiss soil and others in French territory, while the

Brazilian

researchers

are

working

on experiments

at Cern

underground circular ring of the accelerator bores through the subsoil of both countries. 2,500 researchers work at Cern. If we include visitors and service providers, around 6,000 people pass through the Cern center each day.

The services and support buildings are always packed, while demand has already exceeded infrastructure – at lunch time, for example, it's hard to get a table at any of the center's three restaurants.

Considering the size of the work being carried out by Cern, it's easy to understand why scientists from all over the world want to be there. At the European lab, these scientists are looking to recreate, on a microscopic scale of course, post-Big Bang conditions. In the control rooms, researchers are unable to hide their excitement. "We've just entered into a new phase, where heavy ions will be sped up until they collide",

1 Damázio and colleagues: recreating the Big Bang

says David Chinellato, with a smile. The Brazilian physicist (27) with boyish looks is working on his PhD at Cern. With a degree from Unicamp, Chinellato has been visiting Switzerland non-stop since 2008. On his first trip, he

spent seven months. Last year, he worked there for "only" four months. This year, he's back for another stint. "Here you learn new ways of thinking", he says.

There are currently 76 resear-

the event of the CCNTUTY

Scientists from all over the world are trying to recreate a laboratory of what happened after the "Big Bang", the birth of the universe. A group of Brazilians are participating in the experiment in the European center of nuclear research in Switzerland

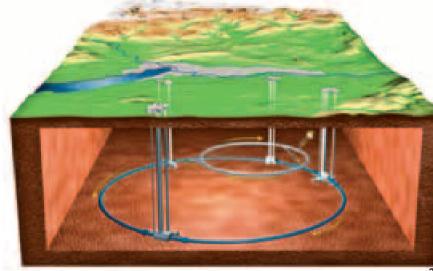
SUZANA CAMARGO, GENEBRA

Science



1 Accelerator ring: 27km diameter

2 Toledo and Chinellato: on the frontier of science 3 Map of the machine: in the subsoil of two countries



chers from Brazil working at Cern. Our young physicist from Campinas is involved in an experiment involving the ALICE detector, one of Cern's four main projects. The research center is also conducting another three large experiments (ATLAS, CMS, LHCb) and two smaller ones (TOTEM and LHCf). Each project is investigating a different aspect of how the universe was created and how it works. Upon closely studying what happens with the

so-called basic particles (the smallest units of mass and energy known to man, the "little bricks" that form the atoms – basic elements of matter), these physicists will learn more about the laws of nature. In order to see the events triggered by the collision of particles at very high speed, the LHC produces two beams of subatomic particles (hadrons) – protons or heavy ions –, which travel in opposite directions inside the circular accelerator, accumulating

energy with each new movement until they eventually collide. After a collision, the physicists use special detectors to analyze the new, resulting particles.

Damazio (35) helped build the LHC. He is understandably (and visibly) proud. The Cern super-accelerator is one of the most spectacular works of engineering known to man. The Large Hadron Collider (LHC) lies in a 27km circular tunnel, some 100 meters below the earth.

Giant cranes were used to transport thousands of tonnes of metal to the underground. "The hole where the ATLAS is located is the largest cavern constructed by man", says Damazio. Such a gigantic cave was needed to house this "multi-use detector", which is capable of tracing the trajectory and energy of the particles generated in its innards. It weighs 7,000 tons, is 46 meters long and 25 meters high, and cost 540 million Swiss francs.

With a degree from the Federal University of Rio de Janeiro, Damazio is no novice at Cern. He worked at the European physics center during his PhD studies, before moving on to the Brookhaven National Laboratory, a nuclear physics center in the US. Our Brazilian researcher, who is part of the ATLAS experiment team, continues working at the Brookhaven Center (US). Like Damazio, all the +2,000 LHC researchers work in observational shifts in the control

rooms – involving three daily shifts, lasting 8 hours, 24 hours a day. "We have to be alert to any alteration or malfunctioning in the accelerator, explains physicist Carley Martins (from Rio de Janeiro State University – UERJ), another Brazilian on the team. It's a very tense and tiring job because it demands total concentration". Only researchers who meet a minimum quota of working hours can put their names to scientific articles on the Cern experiments.

BRAZIL'S CANDIDACY

CERN CURRENTLY has 20 member countries (all European), which contribute annually to Cern's budget proportionally to their national GDP. In practice, the main financiers are Germany, France, United Kingdom and Italy. The LHC super-accelerator alone cost 5 billion Swiss francs. In 2010, the budget to keep the center functioning stands at 1.1 billion Swiss francs.

Recently, Cern created the possibility, for the first time, of accepting member countries from outside Europe. It is a way of collecting more funds for the project. Brazil was the first country to run for the new position. Our participation would cost the government coffers approximately USD10mn per year.

A commission of the Ministry of Science and Technology has already visited Cern and delivered a letter of intentions. "Brazilians made a very strong contribution to the ATLAS and ALICE experiments", says the physicist Rüdiger Voss. "It would be very good if Brazil became a member country." In doing so, Brazil will be able to participate in internal bidding processes to supply equipment. This could be one of the most advantageous points for the national industry, mainly since Cern is a long-term

project and, shortly, there will be a need for investment in new machines and technologies. "It would be great for Brazilian industry, as it would provide a boost to our technological development", says Carley Martins.

However, the participation of Brazil is not consensus among scientists. Alejandro Toledo, from USP, asks if it wouldn't be better to use this money to send a greater number of researchers to the center. "What we need is more people", he says. He criticizes the lack of centralization and organization of Brazilian projects. "Despite the work of Rede Nacional de Física de Altas Energias

(National Network of High-Energy Physics), there is a certain lack of coordination and this means a loss of efficiency", he says.

Upon becoming a member country, just investing money isn't enough. You have to show scientific progress. For five years after signing the final contract, Cern performs constant assessments at the research bodies of the new member country, in order to certify that a practical return is indeed being obtained from the money invested. Using optimistic forecasts, Brazil could become a Cern member country in 2012.

1 Cavern of the Atlas detector: measuring particles

Carley Martins (58, from Espírito Santo) has a wealth of international experience, having worked at the Angra dos Reis Nuclear Plant, the Fermi National Accelerator Laboratory (US), and taken his specialization course in Italy and PhD in the US. "We are in the midst of a very important moment, as we are witnessing scientific and historical progress", he says. Another Brazilian scientist with vast experience is physicist Alejandro Szanto de Toledo, ex-director of São Paulo University's Physics Institute. With previous stints at research centers in Germany, the US and Cuba, Toledo (65) stresses the importance of being there. "We're part of a project that has reached the intellectual limit of knowledge", he says.

Most Brazilians working at Cern are students and professors from federal and state institutions, such as USP, UFRJ, Unicamp and UFMG. To participate in the project, for stays of six months to a year in Switzerland, each researcher has to fork out around 10,000 Swiss francs. With the exception of Damazio, whose participation is financed by the US laboratory Brookhaven, Brazil's scientists have to pursue financing

on their own, and obtain study grants at foundations such as Fapesp, Faperj, CNPQ or Capes.

The data obtained from the LHC project can spawn master's and PhD degrees, which will qualify Brazilian physicists

internationally. "Being at Cern is like being in Formula 1, with stateof-the-art technology", points out Alejandro de Toledo. There are lots of young people working at the laboratory, such as our Brazilian phy-

Using

Internet,

scientist wants

to link Cern

to Brazilian

universities

sicist Chinelatto, whose passion for physics was inherited - both his parents are also physicists. At the end of next year, he will finish his PhD. "To do what no-one else has

ever done. This will be an unforgettable learning process", he says. In the opinion of Toledo, one of the main benefits of working at Cern is that it will qualify and usher in a new generation of Brazilian researchers,

scientists and physicists. "We will be a more scientifically and culturally evolved country", says the scientist, one of the leaders of the ALICE experiment team, while adding that "we are transferring technology and knowledge to academic life in Brazil".

There is no doubt that Cern is forming a new generation of professionals in the area of science. "Each year, around 1,000 PhD theses are compiled at the European Center for Nuclear Research", says the German Rüdiger Voss, from the Cern physics department. "Only 10% of these theses are used at the center, all the rest is knowledge that is disseminated worldwide. The discoveries and technologies created by Cern go well beyond physics, says Voss. "They can be used in the pharmaceutical sector, in computing, in engineering." Cern works with basic research, which seeks to expand the frontiers of knowledge. The laboratory does not perform applied research, the most practical form of

research. However, in order for basic research to be developed in Switzerland, new technologies had to be developed. And this is what many countries bring back with them from participating in the project cutting-edge technology. In order to build the LHC, several countries, including Brazil, contributed. The result is that the new technologies used are now put to work at USP, for example (though, of course, on a smaller scale).

The physicist Carley Martins, working out of Cern for the past year, is in direct contact with the team of researchers from the State University of Rio de Janeiro. At weekly meetings, he passes on news and information on the latest developments and results obtained from the super-accelerator. "There is no

longer a gap between Brazilians and researchers from other countries", Martins believes, "There IS a difference in research investments from one country to the other." Denis Damazio has a personal project to further integrate Brazilian research centers with daily events in Switzerland. He is organizing a live Internet broadcasting channel, and already has the support of the ATLAS team and the federal universities of Rio de Janeiro and Minas Gerais. He is promising the first live Internet broadcast in March or April 2011. "My idea is to transform this into something permanent and that, in the future, secondary schools can also access this science channel", he states.

One of the engines that make Cern function is precisely international collaboration. Damazio's team includes Russian and US scientists. In Martins' team, Greeks, Turks, Germans and French work side by side. Despite the cordiality and friendship between everyone, there is a certain degree of competition between the teams involved in the four main Cern experiments - ATLAS, ALICE, LHCb and CMS. Healthy competition, you could say. "It's logical that everyone wants to make a big discovery", says Martins. One of them, the dream of many physicists, would be confirmation of the existence of the mysterious boson of Higgs, an elementary particle responsible, in theory, for providing mass to other particles. Theoretically conceived by the English physicist Peter Higgs in the 1960s, it was never detected in an experiment. The LHC experiment exists (among other scientific challenges) to try to find it. If it can't, physicists will have to think of another answer to a basic question: what gives matter mass?

ASTRONOMICAL NUMBERS

27 km circumference is the extension of the tunnel where the LHC is located;

100 meters below the earth is the average depth of the tunnel, and 175 meters in some points;

5 billion Swiss francs was the cost to build the superaccelerator;

600 million is the number of collisions caused by the accelerator in only one second;

o is the temperature required to keep the LHC running;

10 billion kilometers is the distance that a beam of light travels in around 10 hours sufficient to go to Neptune and back;

,000 tonnes is the weight of the ALICE detector;

<mark>Local initiatives and innovations in a glo</mark>bal world

The meaning of being first lady

How economist Pilar Nores de García's initiatives for fighting poverty in the Peruvian Altiplano led to their inclusion in a worldwide United Nations program

NELY CAIXETA

magine a blonde and beautiful woman born in Argentina, married to a popular South American president, who dedicated her work to helping the poorest members of the population. If you thought of Evita Perón, you were wrong. An economist specializing in social development, Pilar Nores García, 61, is today one of the principal leaders in the fight against poverty in Latin America. While in Brazil President Luiz Inácio Lula da Silva has achieved international recognition for his accomplishments on the social front, not far away in Peru - a country with a third of its population living below the poverty line -, Pilar is beginning to export her model for fighting misery to the whole world.

Implemented some four years ago, the idea gave rise to the Sembrando program over which Pilar presides and maintained through donations from the Peruvian government and international institutions such as the Bill & Melinda Gates Foundation. The Program has adopt-

ed a unique initiative to improve the living conditions of families living on the Peruvian Altiplano: the replacement of the traditional cookstoves in areas of extreme poverty for more efficient structures where smoke from the fuel burnt is no longer inhaled by home dwellers. The system is simple but the results are sur-

prising.

The reduction in infant mortality on the Peruvian Altiplano has thrown light on the Sembrando program which is now seen as an important tool in reaching the United Nations' Millennium

Development Goals. As a result, the UN chose the initiative for worldwide replication through the Global Alliance for Clean Cookstoves, a major public-private partnership with the aim of replacing open fires and dirty stoves in one hundred million homes throughout the world by 2020.

The principal means of cooking for about six million Peruvians and





1 Pilar :

elected

humanitarian

2 In action:

inspecting a

new installed

3 With

peasants at

a village in the Peruvian

Altiplano

a further several hundred million people elsewhere in developing countries, these archaic cooking methods are the cause of 1.9 million premature deaths very year around the world. Such deaths include those of children that die from

chronic illnesses such as bronchitis,

Pilar begins

to export her

simple model

for fighting

misery to the

world

pneumonia, lung cancer, cardiovascular disease and low birth weight. World Health Organization estimates indicate that exposure to smoke from rudimentary stoves and open fires is the fourth worst risk factor for the

health of the inhabitants of these countries. "This is a campaign which makes us very proud since we have finally managed to attract the attention of leading international institutions that work with health problems", said Pilar in an interview with a Peruvian radio station during the launch of the alliance in partnership with the UN in September.

A graduate of the University of Córdoba with a master's degree in economic and social development, Pilar is the mother of four children from a marriage of 34 years to the current Peruvian president, Alan García. A naturalized Peruvian, she is daughter of a traditional Argentine family - her father was a governor of Cordoba province. In August of this year, she and her husband, who she met in Madrid in the seventies, hit the headlines with the announcement of their separation. This however has not stopped the Peruvian press from continuing to treat her as the country's first lady. Over the past few months, she has travelled to several countries to talk about the success of her crusade and to convince international institutions to adopt the model and finance it. In October, Pilar was elected Humanitarian Leader of the Year at the Bravo Business Awards ceremony, sponsored by Latin Trade magazine of Miami, and an event at which awards are made to outstanding personalities in the region.

In addition to the United Nations' seal of approval, numerous countries have already shown interest in introducing the system. "They

RESULTS ACHIEVED BY THE SEMBRANDO

280 thousand people attended over four years

PROGRAM

70 thousand new cookstoves installed

50 reduction in cases of bronchial pneumonia and 38% in gastrointestinal illnesses

200 sóis (about R\$ 120) is the cost of a new unit

annual reduction of 1.1 tons of CO2 annual reduction emissions by each installed new stove

asked for my help because we are the only ones to have sufficient on the spot experience", said Pilar in a recent interview.

Since its implementation, Sembrando has successfully achieved a 50% reduction in bronco pulmonary illnesses and has also significantly reduced chronic infant malnutrition in 70 thousand homes throughout Peru (see more in the box). In addition, each stove costs about 200 sóis (approximately R\$ 120). The international success of its first lady is one more component in the optimism which has been contaminating Peru, which following a long period of stagnation, has been growing at close to Chinese rates. After a short interruption due to the international financial meltdown, the country is expected to end the year recording growth in excess of 8%. With this expansion and the surgical execution of projects for combating poverty, Peru is on the way to being one of the highlights in economic and social development in Latin America over the next few years. ■





Innovation is in its DNA

By fusing new processes and internationalization, Suzano wants to celebrate its 100th-year anniversary not just as a global paper giant, but as a biotechnological heavyweight as well

ALESSANDRO GRECO

he journey of Suzano, the world's second largest pulp producer, has been one of innovation ever since it was founded by the Ukrainian immigrant Leon Feffer back in 1924. The company was a global pioneer in producing eucalyptus pulp on a large scale, in the 1950s, and making printing and writing paper from nothing more than eucalyptus pulp. 50 years on, innovation remains firmly at the roots of the company and is now helping it increase and expand

1 Eucalyptus from the Mucuri plant, in Bahia **2** Pellets: betting on crushed wood for the future



operations, on foreign soil.

At the end of July, Suzano announced that it should become the world's largest producer of wood pellets in 2013, with annual pro- tus was developed with great care

Suzano should

become the

world's largest

wood pellet

producer in

2013

duction and exports of 3 million tonnes of these small pieces of crushed, processed and dehydrated wood - the world's largest pellet company, the Finnish state-owned company Vapo, produces 1 million tonnes/year.

Making pellets, used to substitute coal in the energy production process, is nothing new. It's the path

chosen by Suzano to obtain the final product, which is the innovative part. It created the so-called "energy forests", in which eucalyp-

to produce pellets with high burn power and a very short planting cycle (2-3 years in small areas). "No-one else is doing this in the world. We have dramatically reduced our production cost", said Antonio Maciel Neto,

CEO. "Competitiveness here starts in the laboratory."

The pellet plans are ambitious

and led to the creation of Suzano Energia Renovável. In 2015, this company should account for 20% of the Suzano group's business. All of the production will be shipped to the EU, which has fixed targets to reduce carbon gas emissions by 20% by 2020 and expand the share of renewable energy sources. With a total investment of approximately US\$800mn, the new company will invest in three units in Brazil's Northeast to produce the pellets, each one with capacity to produce 1 million tonnes by 2014.

The company's increased focus, by entering into biomass energy, didn't occur overnight. With annual net revenue of R\$4.1bn in 2009,

five plants in Brazil, commercial offices in Argentina, the US, England, Switzerland and China and around 4,000 employees, Suzano spent the last 18 months working with vari-

ous partners, including the consultancy firm McKinsey, to answer one question: what does it want to be in 2024, when it celebrates its 100th birthday? It reached one answer: a global paper, pulp, biomass and biotechnology company.

It entered the biotechnology sector at almost the same time. To be more precise, two weeks before, with the acquisition of the UK company FuturaGene, the world's second largest plant-dedicated biotech company (eucalyptus, acacias, pine,

Together,

Suzano and

FutureGene

make it possible

to directly access

trees' genes

cotton, alfalfa) for US\$82mn. The purchase complements its strategy for 2024. In the last 8 years Futuragene, which has laboratories in Israel, China and in the US, created a database featuring thousands of genes

from various trees. Together with over 1,100 different clones of eucalyptus developed by Suzano, they

create the possibility of directly assessing the DNA of the trees and genetically modifying them - an unrivaled strategy in the search for eucalyptus that produces even more per hectare while consuming fewer natural resources. And this is without considering the impact that biotechnology will have in terms of new frontiers for the business (something still difficult

> 1 Investment in the plant: productivity in sight

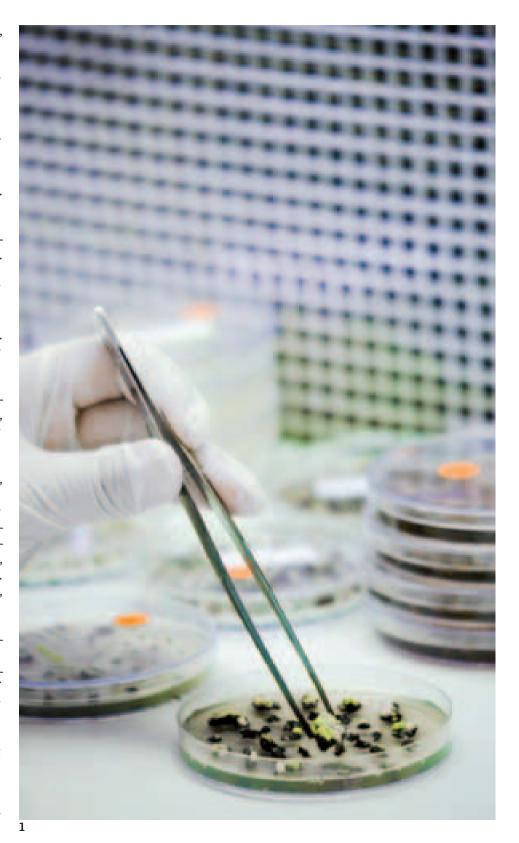
2 Center of Forest Technology: investment

to quantify). According to Maciel, the company continues to weigh up its options in the segment. "We are looking at options related to our biggest asset, its forest base, such as pulp ethanol", he says.

Biotech R&D work is the future for this sector, according to FGV Rio University professor Álvaro Cyrino. "Shortly it should create a competitive differential", he says. With 350,000 hectares of planted eucalyptus area, the company plans to double this in 2015, due to its expectations of greater productivity. "A gain of 10% means 70,000 less hectares of land. We are already talking about gains of 50%. Have you any idea what this represents in terms of costs?", asks Maciel. "Producing much more in smaller areas means less use of water and fertilizer, for example."

In successfully blending innovation and internationalization, Suzano puts itself in an interesting position. "The Brazilian companies that most invest in innovation are also the most internationalized", said Carlos Arruda, head of the Innovation Center and professor at Fundação Dom Cabral. Internationalization triggers stronger demand in a more competitive market, resulting in the need to innovate. "I would say it is a virtuous cycle", savs Arruda.

However, biotechnology and biomass energy wouldn't be a business opportunity if weren't for the fact that the knowledge accumulated by Suzano in over 45 years of eucalyptus research is intrinsically related to this opportunity. This technology plus favorable climate and land puts Brazil at the forefront of this sector. Suzano has posted 50% productivity gains in the last 15 vears - and the sector has achieved the amazing feat of growing new





1 Research unit: biotechnology in action

2 Maciel: competitiveness begins in the laboratory

eucalyptus trees in 7 years (versus 21 years! in the rest of the world).

In this scenario, the union of innovation and internationalization will provide a further boost to the company's exports. Currently, it derives 55% of its revenues from abroad. By year-end, this will be 60%, which ignores its entry into the biomass sector. In other words: in 2024, the percentage share of revenue coming from abroad prom-seems correct. In ises to be even greater, while a part will of course continue to come from paper and pulp. Regarding the former, the strategy is to focus on Brazil and Latin America and seek out new uses and products. In the case of pulp, the focus is to embrace

the opportunity for consumption says Raphael Bidermann, a pulp growth in China and India. To meet and paper equity research analyst this demand, Suzano is construct—from Bradesco. And he rounds off:

nhão and another in Piauí, which should become operational in H2 2013 and 2014, respectively, with an investment of R\$8bn.

The strategy 3Q10, the price of pulp was 50% higher than in the same pe-

value of R\$ 1,300 per tonne. "China is consuming a lot of pulp. The scenario is conservatively optimistic",

ing two new plants, one in Mara- "Suzano should benefit from this

55%

of Suzano's

revenue comes

from abroad,

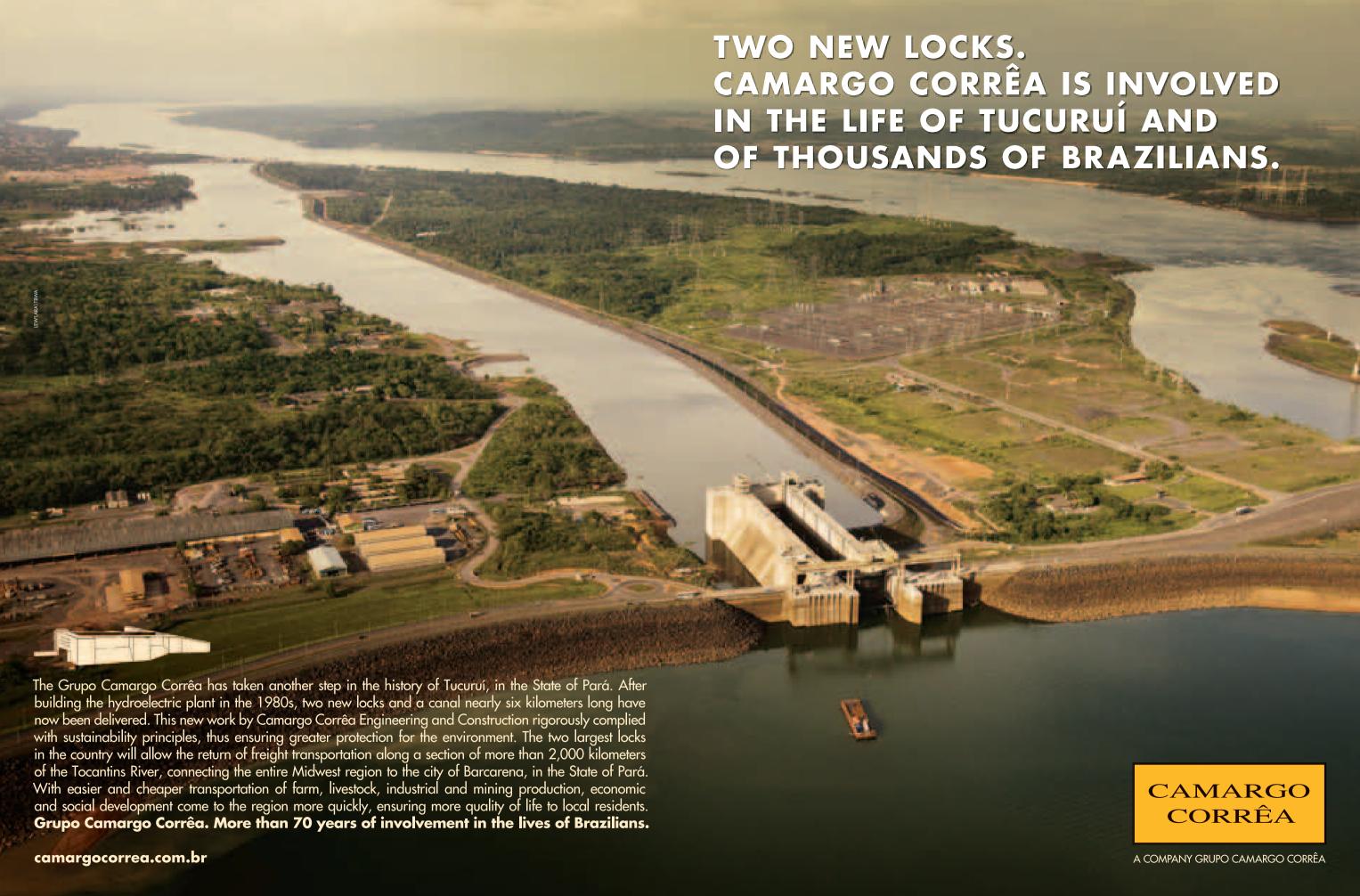
and this

should rise

outlook. Currently 40% of its revenue comes from pulp and this share could rise to 60%".

Judging by the company's track record of success in its innovation processes, which started transforming euca-

riod of 2009, reaching an average lyptus into paper decades ago, it should reach its 100th-year anniversary with a piece of good news. We never stop innovating.





































The seven labors of ApexBrazil

The agency promotes the country's brand, supports the internationalization of brazilian companies and works to convince the world of the quality of products made in brazil

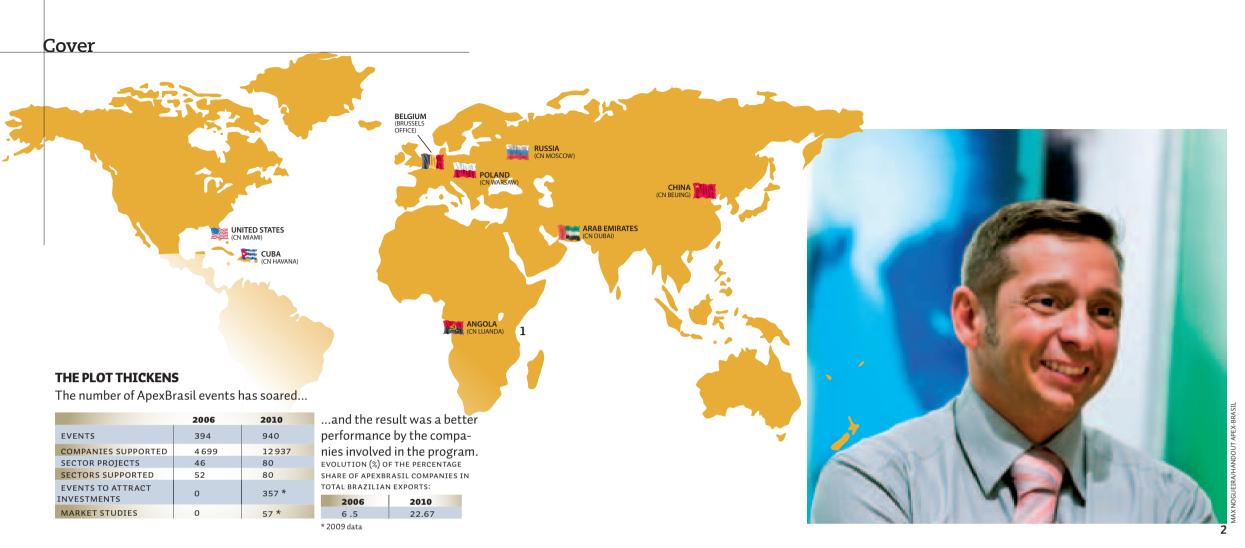
NELY CAIXETA*

©3 GLÓRIA FLÜGEL/HANDOUT APEX-BRASIL

nyone visiting the World Expo in Shanghai or attending the World Cup in South Africa--the two great global events of the year--had a chance to visit the Brazilian pavilion at Expo 2010 in China as well as the Brazil House 2014 in Johannesburg. Launched in mid-July 2010, the Bra-

zil House was the kickoff point for publicizing the country as the next host of the World Cup. A project by the architect and set designer Gringo Caria, the Brazil House served as a showcase for Brazilian technology, food, and design companies. During the Cup, events such as Flavors of Brazil- a food and gastronomy fair - were promoted, in addition to showings of soccer films and book displays. In the same way, the Brazil pavilion at Expo 2010 Shanghai combined expositions and events for the general public with business promotion among executives

*Collaboration of Alessandro Greco, Andressa Rovani and W.F. Padovani.



from the two countries (see more on page 48).

The common thread that brings such showcases to the world is an

"The work

of the

agency

is herculean",

says Aubert,

of Abimag

arm of the federal government that most Brazilians are not familiar with: the Brazilian Agency for the Promotion of Exports and Investments (ApexBrazil, for those new to foreign trade), responsible for planning and finalizing Brazilian

participation in the two events. The mission given to the agency by the Ministry of Development, Industry and Foreign Trade (MDIC), to which it is linked, is clear. Participating in international fairs and events is part of the daily work of

the agency, which is dedicated to promoting the exportation of goods and services, attracting investments, and supporting the international-

ization of Brazilian companies. This year alone, the number of events organized by Apex will likely surpass 900 (see details above). At any time, the agency can be simultaneously showing off Brazil and its products at Anuga (a food fair in Cologne,

Germany), at the Cannes Film Festival, in France, or at a World Expo like the one in Shanghai.

Apex Brazil gives special attention to small and medium-sized businesses that lack the means to make the big investments necessary

to compete outside of Brazil. "The work that the agency is doing is Herculean," says Luiz Aubert Neto, president of the Brazilian Association of Machines and Equipment (Abrimag), whose members are trying to recover the position Brazil lost in the world market (read more on page 50). "The help given by them is priceless." Created 12 years ago from the "rib" of Sebrae, which provides entrepreneurship support, Apex underwent a transformation starting in 2007. The agency grew in size and ambition and broadened its scope of activities, and today consolidated into seven main axes (see notes on next page).

The Brazilian pavilion at Expo Shanghai was one of the most eyecatching representations of these changes, which provoked a shift in the agency's direction towards

emerging companies. "China is in- Minas Gerais, director of business. creasingly assuming the role of the steam engine driving the world, but we find here a total lack of actions

for this country and for Asia in general," says Ricardo Schaefer, director of Management and Planning at Apex, one of two natives from the southern state of Rio Grande do Sol who came to flesh out the administration team, along with fellow

southern native Alessandro Teix- dent of Apex Brazil, it is important eira, the agency's president, and Mauricio Borges from the state of

The result was the creation of a strong effort directed to the Asian continent, which has been transformed into a driver

of worldwide trade and the region of the most pointed growth. The shift towards emerging markets came on top of the steep recession in the developed countries, started in 2008 by the global financial crisis. For the presi-

to recognize that there are growing markets, and Brazil cannot waste

** Promotion and internationalization, Attraction of Investments, Studies in Commercial Intelligence, Skills Training, New Business Platforms, Tradings Project and Strategic Support and Logistics.

Brazilian

Eximbank

is almost

ready

for

launching

WHAT IS IT ABOUT BRAZIL?

1 Business

Centers: in

strategic areas

2 Alessandro

Teixeira: in Dilma's

team

The Integrated Sector Projects of ApexBrasil support the export efforts of 80 productive sectors, grouped into six large areas:

Foods, beverage and agribusiness

Biscuits, wines, coffees; organic products, fruits and juices; meats; equipment, products and services for the sugar-ethanol sector.

Home and construction Furniture, ceramics for coating, handicrafts, glass and crystal, decorative objects, metallic objects and ornamental items.

Entertainment and services Architecture services; films, TV content and new media; design; music and musical instruments; contemporary arts

Machines and Equipment Auto-parts; aerospace; bread and dough; medical and dental equipment; printing; agricultural machines and tools; oil and gas; electro-electronics

5 Fashion Textiles and knitting; components for leather and footwear; Brazilian jewels and stones; personal hygiene products, perfumery and cosmetics.

🦰 IT and Health Software and IT services; pharma-chemicals and pharmaceuticals; biosciences; exports and investments of companies linked to incubators or technology parks.

time. "It is necessary to open Africa up. China is already doing this. The market growing at 4.5% or 5.5% per vear is not Europe, it is Africa," said Alessandro. "Ask a Brazilian businessperson, what is the population of Malaysia and Indonesia together - few know that it is more than 120 million, and Nigeria has 120 million inhabitants."

And what about the new government that will take over in January 2011? For Alessandro, the issues related to foreign trade and internationalization of Brazilian companies will have an increasingly important role. This is more than mere speculation or personal desire. Close to president-elect Dilma Rousseff since they both worked together in the government of Olivio Dutra (PT-RS), he took a leave of absence from the presidency of Apex Brazil to work on the campaign of the PT







candidate and coordinate her government program.

On the other hand, Alessandro gained proximity to the national business milieu and its international peers through his role as president of Waipa, an entity that joins togething to work in and outside Apex so that foreign trade gains more pres-

er investment promotion agencies in 162 countries. So, what will he be doing starting in January? "I am gotige and relevance," he says, tightlipped but diplomatic.

Among the new items on the agenda of the new government, the establishment of the Brazilian Eximbank is certainly at the top of the list. The long-promised and delayed bank only needs a few details finalized, and will most likely be headquartered in Rio de Janeiro. Replicating the model used by developed

countries, it will centralize foreign trade operations currently spread out among Banco do Brasil, the National Development Bank (BDNES), the National Treasury, and various ministries.

This is the future. Even to arrive at this point, Apex Brazil had to literally reinvent itself, improving its main tool for action--the Integrated Sectoral Projects (PSI), created

1 Indv Paddock: a show case in the United States

2 Trade fair in Luanda: Brazilian buses in Africa

3 Brazil Home Design: furniture in **Buenos Aires**

when the entity was directed by ex-minister DorotheaWerneck that forms the backbone of its activities. In partnership with business entities, the PSIs join together many promotional activities in agreement with the needs of each sector--thev could be, for example, missions to other countries, business roundtables, support for Brazilian companies at international fairs, or visits from foreign buyers to Brazil. The agency also reformulated its team. Three years ago, 60 people worked at Apex. Today, there are more than 300 qualified employees-96% having college degrees and 56% with a post-graduate degree.

"We had to turn Apex Brazil on its head," says Alessandro. New positions were created, salaries were adjusted to market rates, and the en-

HONEY FOR THE WORLD

FOR THREE years, the couple Vilson Thomé and Débora Schlemper Thomé, from Itajaí, sold honey sachets door-to-door in Santa Catarina. Since demand was good, they realized they were looking at a promising market and started up a honey outpost, supplied daily by the producer and which sold bulk volumes.

Created 20 years ago, it was only in 2002 that Nutrisempre decided to expand its market to beyond national borders. The strategy paid off. Since it started exporting, the company has seen its revenues soar. "We had to adapt to quantities that we hadn't operated before in the local market", recalls Débora. From one container

per month in 2002, Nutrisempre now exports 12 containers a month. This volume represents approximately 240 tonnes of honey per month. "Since it is a fresh food, we are looking at large volumes", says Débora, who exports the product to the US and Europe.

Nutrisempre won the 2010 Apex Prize for best small company in the category of Brazilian companies that most grew their exports. It was a period, according to Débora, of major learning: "We had to look for suppliers from all over Brazil, seek credit and learn everything about this area, from a simple invoice to settling FX rates." To explore foreign lands, the company had the support of Abemel, which

runs (together with ApexBrasil) a sector project to boost Brazilian honey exports.



PRECISION CUT

FOUNDED IN 1989, Loktal Medical Electronics, a maker of electronic surgical equipment from São Paulo, has taken part in international trade fairs and business missions organized by ApexBrasil since 2005. This year, Loktal won an Apex Prize in the Market Opening category, in the segment of Small and Mid-Size Companies.

The company had to venture abroad with its image and courage in order to prove that its products had international quality and price standards. "The first time that we visited a trade fair in Dusseldorf

in 2005, we didn't even have the certification of the European Community", recalls Uriel Binembaum, commercial director and one of the founders of Loktal. Still, they had a competitive price for their flagship product (a high-frequency electronic scalpel used in precision microsurgeries) and they sold all their samples.

In the following year, they returned with certification and realized that they had been approved in the initial test. "Europe opened its doors to us when it believed in our technology", says Binembaum.

Loktal now has 55 employees and exports around 35% of its production to 21 countries in Europe, Latin America, Asia, the Middle East and Africa. In the opinion of the executive, Apex is almost like an incubator of export companies. Their support is fundamental, he believes. "Brazilians still have their doubts and fears when it comes to venturing beyond national borders...and one reason is language barriers", he says. "But now we are maturing, we are bolder; we no longer fear the competition. We can get there".



tity, previously housed in two floors in the center of Brasilia, gained a home for itself in a building that is a showcase for its projects. And there's more: a great deal of institutional memory had been lost due to poor record-keeping. This is no longer the case, says director Ricardo Schaefer. "Apex was not controlling results. Today it is possible to monitor the export volume of each of more than 10,000 companies that are part of our projects."

The Commercial Intelligence department, which is dedicated to prospect studies of potential markets, has been reinforced by the hiring of new analysts through a selective process. "Apex can only have superior performance if we have competent professionals," says Ricardo. The problem is that an offering of unattractive positions led to the agency losing staff to private

INNOVATION IN THE ELECTRICAL ENERGY GRID

A PRODUCER of software and equipment for electrical energy grids supported by ApexBrasil, Treetech Sistemas Digitais was the winner of the national phase of the FINEP 2010 Innovation Award, in the category of mid-sized companies - awarded by the federal governments Financier of Studies and Projects division, in recognition of innovative companies and people. Treetech develops its own technology and is present in 33 countries. It is a good example of a company integrated with Apex efforts to make Brazil a renowned and respected exporter of hightechnology products and services.

It participates in the Integrated Social Project for Exporting Software and Services, in partnership with the Pro-Brazilian Software Association (Softex).

In the dispute for this market, you have to row against the tide. The normal image of Brazil abroad isn't one of a producer of stateof-the-art technology. But things are starting to change. "With the contribution of entities such as Apex, our software products now have a globalized image, which is how it should be", says Djalma Petit, director of commerce at Softex. "Japan, for example, would previously never think of Brazil to

find [software] suppliers, but now it does, and has indeed found them."

Another sector project of Apex-Brasil that targets the sector (IT+/ Outsourcing) plans to make Brazil one of the three biggest suppliers of outsourced IT services for international clients, alongside India and China (offshore outsourcing). To achieve this, it will have to focus on details of basic training. Among other initiatives, the project seeks to offer English courses to IT students at schools and universities. At the end of the day, it is in English that most global IT services are offered.

1 Herchcovitch. Rodrigues and Slama in Moscow

2 Tewels of Manuel Bernardes: captive clientele

THE TURN OF BRAZILIAN JEWELS

IN ADDITION to being internationally renowned for the diversity and abundance of the precious stones extracted from its soil, a few years ago Brazil started to be noted abroad for the design of its rings, earrings, bracelets and necklaces. The participation of Brazilian companies at international trade fairs (one of the main channels of visibility abroad) has led more value-added jewels to drive overall sector exports. Much of the kudos should go to the Pro-Export Program implemented 12 years ago by IBGM in partnership with Apex-Brasil, which enables around 340 Brazilian businesses to display their products to the world. Companies such as Vianna and Manoel Bernardes (from Belo Horizonte), Bruner (Pirassununga) and Denoir (São Paulo) now have a loyal client base spread over the world, including neighboring Latin American countries, the US and Arab countries.

The result is there for all to see. Exports rose from US\$239mn in 2000 to US\$438mn in 2008 (+83%). This year, the sector expects growth of around 10%. "The support of the institute to exporter companies was a specific move, featuring no global strategy", says Hécliton Santini Henriques, president of IBGM. "At that time we didn't have the instruments necessary, which Apex now provides us with, to support businesses in their export strategy in all the phases of the process."

The project aims to diversify markets and expand exports in each one of the segments - jewels, precious stones and metals. The

partnership also offered numerous actions in the areas of training, adaptation of products, design, creation of sector image and direct promotional activities abroad, mainly at fairs and road shows. The companies involved in the project account for over 80% of total sector exports.



industry or to other government bodies. In a training effort, once a year all agency employees lock themselves in a hotel near Brasilia for two days for a strategic alignment meeting, using games to simulate the work of market prospecting,

business roundtables, and other international trade situations.

However, detailed studies are not always needed to detect the potential of a market. Opportunities are sometimes right in front of our eyes. This is what happened on a

trip Mauricio Borges made to Russia with Alessandro, years ago. "We discovered that the Russians were not familiar with Brazilian stones," said Mauricio. "From our side, we knew that they had a strong market for high-quality jewels. It was a per-

1 Carlinhos de Jesus and junior Chinese samba dancers **2** Shanghai: line to go into the Brazilian pavilion

ENTRY TO BRAZIL IN SHANGHAI

UNDER THE intense heat of what is almost the summer season, hundreds of Chinese people were patiently waiting their turn to enter the Brazilian pavilion of the Shanghai Expo (the global trade fair concluded in October and which was attended by 73 million people). It was a normal working Friday in Shanghai, the city that best represents the spirit of the new monumental China (and global superpower candidate). Nevertheless, there was a massive line formed around the Brazil stand - a rectangular box coated with green-painted wood, made by São Paulo architect Fernando

Brandão. The wait was long, but visitors seemed excited at the virtual world tour offered by the pavilions of the 192 countries and 50 international entities spread across the 5,000km2 Expo area. Many take replicas of a "passport" to be stamped upon leaving each stand, a fun idea taken seriously by the Chinese who, in their overwhelming majority, have never stepped outside their country but who now, thanks to the economic boom, are starting to venture into foreign lands.

Around 2.6 million visitors visited the Brazilian pavilion, one of the 15 most popular ones at the Expo.

Inside the construction, they saw a colorful, noisy and interactive presentation of Brazil. The work of putting all this together and also organizing an intense program of business activities, all organized backstage, was down to Apex-Brasil, which made the Brazilian pavilion in Shanghai the most appealing face of the agency's focus on emerging markets. China is the number one candidate to become the flagship of the agency's new focus. "In 10 years, China and Brazil will be one of the largest five global economies", says Alessandro Teixeira, president of the agency. "They are two large markets in full-blown development, with high growth and social recovery indices, which are growing in tandem". China has

already overtaken the US as the main trade partner of Brazil and, in only 7 years, the volume of trade between the two countries rose from US\$4bn in 2002 to US\$36bn in 2009.

The growth is impressive, but there is still lots of room to grow in the Chinese market. Brazil represents only 1% of international purchases by China and growth in trade between the two countries was not accompanied by diversification of exports. China continues buying mainly basic products from Brazil, such as soy, pulp and fuels. For Brazil, its time in Shanghai was an opportunity to promote the image of Brazil in China and organize rounds of business meetings (with over 1,500 partici-

pants), but it mainly represented a boost to Brazilian exports of higher value-added products -

in an event packaged in an avalanche of soft power, in the form of 119 presentations and workshops of artists such as Mauricio de Souza, Mart'nália, the choreographer Carlinhos de Jesus and Carlinhos Brown, watched by over 33,000 people. The cartoonist Maurício de Sousa drew for children and spoke to university students alongside Mei Zihan, a very popular children's book writer in China. And the two Carlinhos, in separate events, made the Chinese forget their shyness and dance to Brazilian songs in the theater aisles and on the outdoor stage of the pavilion.

fect marriage." For Hécliton Santini Henriques, president of the Brazilian Institute of Gems and Precious Materials (IBGM), working together with Apex Brazil brought results. "Exports grew more than 80%," he says. "In 2009, with the worldwide crisis, there was a reduction of 26%, but this year a rise of about 10% is expected." On the same trip, Mauricio and Alessandro had the opportunity to watch a local fashion show. "It was all very basic," Borges recalls. Soon after, they organized an event in Moscow to show the creations of local designers like Alexandre Herchcovich, Walter Rodrigues and Amir Slama, of Rosa Chá.

In addition to sector projects, Apex has invested as well in special projects that use large events as hooks for business platforms. Take for example, Carnival in Rio de Janeiro. "It is the biggest party on the planet, but we use it to promote business," says Ricardo. During the days of celebration, Apex Brazil receives buyers, importers, and decision makers from around the world at its VIP section in Sapucaí. Some of them leave the VIP area and descend onto the streets, joining in the parade with the dancers and musicians: this encourages business deals, according to the agency. "There have been cases of companies that were going to invest in other countries, but then decided to bring the investment to Brazil," Ricardo comments.

Another example is the Formula Indy car races that have become a tool for promotion of Brazilian businesses, with a focus on the American market. While China, as well as Asia as a whole and Africa are





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1 Business round table in Shanghai: face to face

2 Apex employees during an annual meeting

3 Borges and Schaefer: movement in favor of emerging nations

growth markets, the agency does not want to lose sight of the United States as an economic partner. The idea is simple: a stand set up at the Formula Indy racetrack promotes informal contact between Brazilian businessmen and CEOs of American companies. At the Indy 300, in Indianapolis, ApexBrazil promoted a business roundtable and acted as a matchmaker, bringing executives from both countries face to face.

From another angle, the agency's actions have strengthened the counports decreased 22.7% compared to

2008, but all the sectors supported by Apex suffered a smaller setback with a drop in export value of 16.9%. Or, in other words, despite the crisis, the overall performance of companies backed by Apex Brazil was higher than the national average. The economist and businessman Roberto Gianetti da Fonseca, director of the Department of International Relations and Trade (Derex), of FIESP, said the work done by Apex Brazil has evolved in a favorable way. For him, there has been an effort for bettry's resistance to crises. In 2009, ex- ter coordination with other government agencies. But there is room for

improvement. "Resources are scarce. To avoid overlapping of activities, it is important to improve the interaction with public and private teams that work in synergy in foreign trade, "he says. There is also space for a stronger performance in services, today very focused on companies providing Information Technology, according to Gianetti. "Brazil has a great potential in the areas of technical services, such as architecture, medicine, and law," says Gianetti. "There is a lack of planning in the medium and long term, to put these services at the center of attention."

But there are difficulties to overcome even with more traditional products that are many times related to a lack of knowledge among small and medium business owner about the labyrinthine and tricky world of international trade. In an analysis, Apex discovered that half of companies involved in export sector programs could not actually export. "We were shocked by this number and we began to wonder what was happening," says Ricardo. "If the company has a good product, if there are no barriers to entry into other countries, if there is no prob-

lem of promotion, but it is still not getting through, then there may be a training problem." From this conclusion, Apex Brazil began working together with small businesses through the Industrial Program of Export Extension (Peiex).

An example is fitness clothing manufacturer Bia Brazil, from Porto Alegre, which currently exports 1,200 pieces per month to 60 countries. Prior to meeting the agency, the company did not know what to do with money from sales abroad. "Before working with Apex, a company in Costa Rica made a purchase

through our website and deposited the money in the account," recalls Beatriz Willhelm Dockhom, owner of the company. "It was great news that turned into a puzzle. Today it's funny, but it was a huge rush to get the documents in order to place the money in the company account." Large companies are also partnering with Apex Brazil to train suppliers. In May, Olex Import and Export (the logistics arm of the construction company Norberto Odebrecht) collected 16 of its key partners to introduce and make them available to Peiex.

IN SEARCH OF THE LOST MARKET

WHEN HE says that just being in Brazil is enough to lose competitiveness, the president of the Brazilian Machine and Equipment Industry Association (Abimaq), Luiz Aubert Neto, knows what he is talking about. In the 1980s, the Brazilian machine and equipment sector ranked 5th in the world. Now it is 14th. Exports (which averaged 30%

of sector revenue) fell 42% at the peak of the 2008/9 crisis. To make matters worse, equipment imports keep on growing.

Yes, it's true that part of what comes from abroad is equipment intended to modernize industry and give it greater firepower in global competition. But, this positive effect of import growth notwithstanding,

the fact is that the Brazilian industry is losing the fight for market share both abroad and domestically. "In our sector, we are seeing a violent process of deindustrialization and denationalization", says Luiz Aubert. "If they cannot compete with the Chinese, companies start importing machines that they produce here, and which already come equipped with a manual in Portuguese".

To reverse this scenario, since

2007 Abimaq has been working with ApexBrasil on a sector program to boost export levels of its member companies. In 3 years, the partnership has benefited 175 companies. For 2010-2012, they scoured priority markets and identified South Africa, Germany, Angola, Argentina, Chile, Colombia, Peru, Venezuela, México, the US, Italy, India and Russia as the preferential targets. The project gained a seal (with the logo

Brazil Machinery Solutions) and a site, developed by Abimag with the support of ApexBrasil (http://www. brazilmachinery.com), with information in Spanish and English on the project and the target markets.

Brazilian machine producers should take part in 24 international trade fairs, in an effort to regain market share in exports of high added-value products. "We export iron ore to China at 110 reais per

tonne, to import machines from Germany at 350 dollars a kilo - 3,500 times more", says the president of Abimaq. "In this small mobile phone here, I have the amount equivalent to six soybean trucks." Changing this scenario and recovering positions in the ranking of capital goods exporters is what the ApexBrasil/Abimag partnership hopes to achieve - the target is to boost Brazil up to 9th in the global ranking in 2015.





In the global trade trenches

Retained by Itamaraty to represent Brazil in WTO disputes, the lawyer Luiz Olavo Baptista says Brazil knows what to do to defend its commercial interests

NELY CAIXETA

razil is one of the most active participants in the World Trade Organization (WTO). A member country since January 1995, when the WTO was created, Brazil has already participated in 100 WTO disputes. Of these, it was claimant 25 times. On another 14 occasions, it had to defend itself against accusations from other countries. In the others, it acted as third party. Now, after 15 years of international disputes, the country finally has a Brazilian on the front line fighting to defend its commerThe image of Brazil is changing; we have emerged from a chaotic childhood and are now entering adult life

cial interests: the São Paulo lawyer Luiz Olavo Baptista. The choice, via a public tender process held by Itamaraty (Brazilian government),

was won by a group of three offices - Hammond, from Belgium, Greenberg & Traurig, from the US, and Baptista, from São Paulo. With a vast international curriculum to his name, Baptista spent four years as a member of the Appellate Body of the WTO, a form of global trade Supreme Court, where he both ruled in favor of and against the country he is now defending. "I am already globalized", he states. As well as keeping his eve on major international trade matters, Baptista is also responsible for encouraging a humanist vision at his team. A selfdeclared movie buff, he holds discussions on international law based on the films shown at the law firm's movie club (located on Avenida Paulista) and he encourages his emplovees to question their sentiments via poems. "Everyone needs a bit of poetry to live."

The choice of the Brazilian law firm is a sign of the times – and of the progress in Brazil's presence abroad, which previously needed US lawyers to defend its interests. "Brazil needs to depoliticize trade issues", says Olavo, who gave the following interview to PIB.

Does the growing insertion of Brazil into the global economy require Brazil to play a more active role in the WTO?

As the Brazilian economy grows and gains a greater international presence, the problems also appear. The conflicts stem from the swings in the international economy, which cause the need to adapt. Currently, Brazil uses the system for resolving trade disputes than its proportional presence in the global economy of only 1%. However, we are the fourth or fifth

AVITA VAI

largest user of the body for resolving trade disputes.

Why is our demand greater?

Firstly, because we fight for our rights. Since the WTO was created, Brazil has been listening to its economic sectors to learn of their needs. And, above anything else, it is acting. Secondly, it is operating as a good international citizen, which says: "I have rights and I want to see them recognized". I judged cases in which Brazil was on the attack (i.e. the accusing party) and others in which it defended itself. As a lawyer, I voted in both positions.

What are the complaints facing Brazil in the WTO?

Recently, the European Union attacked Brazil because of used tires, which it wanted to send to Brazil. Brazil said no, on ecological and sanitary grounds. Brazil had a good reason to say no. But there was an exception: we were importing used tires from Uruguay. Thus, the decision of the WTO appellate body was: stop importing from Uruguay, or then import from everyone else as well. Brazil no longer imports used tires.

Does the hiring of the first Brazilian law firm by Itamaraty show that we have the capacity to deal with such complex issues?

It shows that Brazilians have specialists that are just as competent as other countries when it comes to international trade law.

In the case of the cotton trade dispute between Brazil and the US, we won the right to retaliate, but we chose not to. Were we timid?

I don't know. Many times, we adopt economic positions that, for a country as a whole, are more convenient than what it would receive if it took retaliatory measures. I don't have the details, but I don't believe that Brazil has failed to demand something it was entitled to. In other moments, it is not economically convenient to immediately apply retaliatory measures. The cotton trade dispute was resolved shortly before the start of the crisis. A crisis period is not a time for applying retaliations, because it worsens the international trade scenario. It is a question of responsibility.

Brazil is behaving like a good international citizen, who says: "I have rights and I want to see them recognized"

What lessons should Brazil take from this dispute?

It served to affirm or defend the rights of Brazil vis-à-vis the other WTO member countries. It was also important to gain greater knowledge of the rules and procedures for ensuring that a given country's rights are respected. In this case, for example, an economic analysis to determine the value of the subsidies was important.

The change, for the better, in Brazil's image abroad is evident. In your opinion, what contributed to the renewed interest in Brazil from abroad?

The image is changing because Brazil's economic performance has improved. A country without a stable currency is not a country, it cannot do business, and it cannot buy or sell. Brazil has emerged from a highly eventful childhood and is entering its adult life. Also, Brazilian companies abroad have started to spread a positive, (imperceptible from our eyes) image of Brazil.

How do Brazilian multinationals help construct this image?

Firstly, in how they behave and how they go about their business. As good citizens in the countries where they set up shop, maintaining ethical and sustainable development practices, they project a positive image of Brazil, while marketing activities can also arouse public interest in Brazil.

The Chinese currency is one of the next international challenges of Brazil. Is there room in the WTO for this discussion?

The Chinese currency isn't the only one representing an international challenge. Evidently, the underappreciated currency causes trade distortions. There is nothing stipulated in the Marrakesh Agreements (which established the creation of the WTO and defines the main rules of international trade) to directly discuss the impact caused by the currency. However, the fact that the currency is underappreciated causes situations that enable WTO members and, thus, Brazil to use safeguards when export growth hurts local industry.

Brazil and China: one currency on the rise, the other going down. How can we ensure fair trade?

There are several solutions at the WTO that can be applied.

And will Brazil use them?

That is a political decision. The US, for example, has heavily used antidumping measures and subsidies against China, in the belief that the currency is grounded on subsidies.

Could Brazil have appealed more often for safeguard mechanisms? In other words, should it have adopted a stronger attitude when defending its trade interests?

This need is always raised by the affected industry. When industry is passive and doesn't ask its government to intervene, then the government believes there is no problem. The level of aggressiveness of industrial sectors in all democracies determines the interest taken by that country's government in the matter.

Are Brazilian businesses learning to stand up and fight for their rights?

Some are. Everyone that went to the WTO knows this. Cotton, chicken, Embraer against Bombardier... All democracy implies that within it there are groups of interest. Some are abstract, others are economic. Regarding the cotton retaliatory measures: the relative weight of the cotton sector in the economy of the US and Brazil implies how hard each company will work to resolve this matter. The function of a State is to balance interests, taking into account the common benefit of the entire society.

In the eyes of the world, does Brazil currently convey an image of legal security?

Not as hoped for. One of the facts that most concerns investors is the question of court-ordered debts. Debits of states and the federal government were and are postponed by constitutional amendments and may be reduced. This makes investors think they run the risk of suffering the same type of treatment if they have to receive indemnity payments due to any government action that has caused them (the investors) damages. This also raises the cost of investment insur-

ance and hedging. Brazil's lack of a party in the investment protection treaties raises this insecurity. Some legal decisions contradict the letter of the law, and the slowness of the legal system is another factor mentioned by investors.

Until recently, everyone would tell you that while US negotiators arrived for talks with the support and backing of major law firms, diplomats from the Brazilian government were left isolated, without the necessary backing of the economic sectors involved in the trade

The WikiLeaks episode shows that the State no longer controls information – the people want to know

dispute.

Our diplomats were always efficient. They lacked the support of the sectors of society interested in international negotiations. Today, we are seeing more awareness and involvement of the interested parties, although there is a lack of emphasis on trade integration agreements. They need to modernize themselves, and Brazil needs to depoliticize trade issues.

Could you go into more detail?

When the government handles trade questions as if they were State matters, it politicizes the matter and loses the capacity to seek a solution based solely on interpretation of the law. Look, for example, at the foreign trade problems with Argentina. The question would be nipped in the bud if the party considering itself affected immediately

were to file a complaint at Mercosur. If it loses, it loses. If it wins, it wins. If it won, the benefit of the country would be suspended, and Argentina wouldn't want that. So then, it would start to fulfill and respect the treaty that created the entity.

Are you taking this view with you to Itamaraty?

No. This is how I think as a citizen. It is important for trade matters to be depoliticized. What should be politicized are the signature of the treaty and the creation of new ones. Resolving daily problems needs to be an uncomplicated process. In fact, companies' long-term projects feature what they call a *dispute board* – a type of committee that resolves small problems. By making the matter impersonal, you simplify everything.

Why do you prefer the term worldalization to globalization?

This is a word with a very negative connotation, which leads people to react against it without thinking. But worldalization is a historical moment, and nothing will get in its way. Just look at what is now happening with WikiLeaks. The episode reveals a phenomenon already signaled by several writers: that the State has no more control over information. It can squirm, kick and punish, but it can't change the fact that information can no longer be controlled. The population wants to know. It is what Marshall McLuhan called a global village in his book. Everyone knows what everyone else is doing. There is nothing hidden. The world has become a small city.

Are we learning the game?

Yes, we are, especially in the WTO trade disputes. ■

A global business center

São Paulo is working to integrate the Latin-American capital market and become a Latam center of reference

ELIANA SIMONETTI

Hong Kong, Singapore are a reference for investors from all over the world. They are window displays of good businesses. These financial centers trade the main global and move a lot of money. "You could say that these cities drive development", notes Abram Szajman, president of the São Paulo State Trade Federation. "Latin America doesn't have a business center that represents an alternative for its companies when they go international and look to raise capital."

São Paulo wants to cover this position. Making progress on the project to make Brazil and BM&FBovespa the Latin-American financial hub is the mission of BRAIN - Brasil Investimentos & Negócios (www.brainbrasil.org), an organization created in March 2010 by entities from the financial and capital market*. BRAIN started out with 12 partners, each one committed to contributing a million reais per year to meet the following goals: consolidate Brazil as an international investment and business center for Latin America, expanding Bra-

ew York, London, Zils international scope and its ties with other markets, and strengthening Brazilian competitiveness – to shorten the path of investors in asover the world. They displays of good busi-

The group plans to negotiate a joint partnership proposal with South American stock exchanges. The aim is to make BRAiN a bridge between Latin-American and global markets. To help achieve this, the entity will provide incentive to research and studies, sponsor discussion forums, take part in negotiations with the government and try to ensure that interests converge around its proposals.

Notwithstanding the difference in language and historical resistance of Spanish-speaking countries to Brazil's importance in the region, some new facts seem to align in favor of the BRAiN project. Brazilian companies that have ventured beyond borders are no longer considered foreigners by neighboring countries – a concrete sign of integration. In November, Argentina voted Itaú Argentina as its best bank service provider. Odebrecht Peru is considered by Peruvians the best company to work

at. In the latest ranking compiled by América Economia, featuring the 500larg est Latin-American companies, 226 are Brazilian (see the top 20 on this page). In other words, Brazilian companies are all over Latin Americaand reinforce the perception of Brazil's leadership in the region due toits size, GDP and political and economic stability. Since 2008, withinvestment grade and the increased relevance of Brazil in theinternational scenario, the country has conquered a new public for itslisted companies.

Capitalizing on this positive momentum is important in facing the numerous difficulties that lay in the path of BRAiN's project – e.g. all kinds of differences between the laws of the neighboring countries, which will have to be settled before reaching a concrete agreement – e.g. details such as forms of payment, custody rules, freedom of capital movement, fees and taxes, etc. Colombia and Chile, for example, have much more transparent and less complicated legislation than Brazil. In November, the stock markets of

these two countries signed an agreement with the Peruvian exchange to work together. Data compiled by consultancy firm Economática show that this combined entity is now the second largest stock exchange, in market value, in Latin America. Brazilian businessmen will have to strike some sort of deal with this exchange to make São Paulo the main investment and business magnet in South America.

In the opinion of Manoel Horácio Francisco da Silva, president of Banco Fator, the idea is positive – it

LARGEST LATIN AMERICAN COMPANIES

Revenue in 2009 (US\$bn)*

Petrobras (Brazil) – Oil/gas – **104.9**

Pemex (Mexico) – Oil/gas – **85.3**

PDVSA (Venezuela) – Oil/gas – **60.6**

Pemex Refinaria (Mexico) – Oil/gas – **40.7**

(Mexico) Olirgas 40.7

Petrobras Dist. (Brazil) – Oil/gas – **31.6**

(Brazil) – Oil/gas – **31.6**

América Móvil

(Mexico) – Telecoms – **30.2**

Vale (Brazil) – Mining– **27.8**

Ultrapar (Brazil) – Oil/gas – **20.7**

Wal-Mart (Mexico) – Retail– **20.6**

Odebrecht (Brazil) – Multi-sector– 20.6

JBS Friboi (Brazil) – Agribusiness – **19.7**

() 5

Ecopetrol (Colombia) – Oil/gas – **18.1**

Techint

(Argentina) – Steel/Metal – **17.7**

Telemar (Brazil) – Telecoms – **17.161**

CFE (México) – Electrical energy – 16.9

Votorantim (Brazil) – Multi-sector – **16.4**

Eletrobrás (Brazil) – Electrical energy – **15.8**

Gerdau

(Brazil) – Steel/Metals – **15.2**

Cemex (Mexico) – Cement – 15.1

Femsa (Mexico) – Beverages/liquors – **15*** ranking of America Economia magazine



1 Oliveira: investors integration chosen Brazil 2 Odebrecht highway in Peru: prestige

adds services, volume, raises stock prices and makes the stock market less vulnerable to speculative attacks by foreign groups. "Colombia and Peru should grow a lot. There are no Colombians investing in Brazil at the moment, just like there are no Brazilians investing in the Bogotá exchange", he says. "There are few flights from São Paulo to Bogotá. A partnership or a merger will give the stock exchanges visibility and encourage more IPOs, which will be healthy for companies and economies."

However, the economist Roberto

Teixeira da Costa, a partner at Prospectiva Consultoria Brasileira de Assuntos Internacionais and expresident of the Latin America Business Council, has two concerns: one is the mistrust of South-American countries regarding the actual intentions of Brazil in a partnership; and the other regards the fundamentals of Brazilian economic stability, since the lack of key reforms - e.g. tax system, for example - continues to obstruct business. "There is an urgent need to simplify and rationalize the tax structure, and to gradually reduce the tax load", says

Costa, who is part of BRAiN. "The difficulties in implementing integration of regional capital markets should not be overlooked and the proposal of BRAiN is to help overcome these problems."

The consolidation of global stock markets has been a swift process. Some of the largest stock markets went public and initiated an unprecedented wave of M&A moves – in the last two years alone, M&A deals have brought in US\$35.7bn. The NYSE merged with Euron ext, which itself is a hybrid of the Paris-Amsterdam-Brussels stock

exchange merger. Swedish, Danish, Finnish, Estonian and Lithuanian exchanges joined forces to form the OMX Group, later bought by Nasdaq. The New York Mercantile Exchange was acquired by the Chicago Mercantile Exchange.

In this environment, Latin America is behind the times. "Many trades in Brazilian or Latin-American assets that are currently executed on the London and NY markets could be executed in the scenario that BRAiN intends to help construct in the Brazilian capital market", explains BRAiN director-general,

Paulo de Sousa Oliveira Jr, executive director of BM&FBovespa. This is already being talked up with the bourses of Colombia, Peru and Chile – in principle for a partnership deal. The idea is for information on South-American trades to be centralized and sent by São Paulo to offshore markets.

The estimates of Paulo Oliveira indicate that the number of companies listed on the BM&FBovespa could rise from 470 to 5,000 in 10 years. Since Latin America is a major producer and exporter of commodities, BM&FBovespa could become a global reference for commodity price setting. "BRAiN, and the consolidation of Brazil as an investment center in Latin América will facilitate the internationalization of companies and their ability to tap capital markets", he concludes.

BM&FBovespa prepared for this move by making strategic alliances and investing in technology. The first alliance was signed with CME Group, controller of the Chicago exchanges. Since September 2008, clients of CME Group in over 80 countries have been directly trading in products, financial deriva-

tives and commodities of the Brazilian exchange. Six months later, clients of the Brazilian exchange were directly trading in financial instruments from the Chicago exchange. Since the start of October, Brazilian investors can also trade in companies listed on US markets, by buying and selling Brazilian Depositary Receipts (stock certificates of companies listed on non-Brazilian markets) – a facility already available for some time now in Argentina and Chile.

The pipeline is far from empty. A platform enabling foreign investors to trade in stocks listed in Brazil should be finalized in 1Q11. Software will convert asset prices into the currencies of other countries, which will enable trading orders to be sent in local currency – e.g. an investor in Japan will be able to access the Brazilian stock market trading screen on his computer and buy or sell any asset in Yen.

BM&FBovespa has attracted foreign investment in portfolio



BRAIN STRATEGIC AGENDA

- :: Develop partnerships with Latin American exchanges
- :: List and trade foreign assets
- :: Construct a continental regulatory framework
- **::** Expand Brazilian banking sector
- :: Centralizing management of Latin American assets in Brazil
- :: Center of decision-taking process of multinationals operating in the region

- :: Support international expansion of Latin-American multinationals
- :: Optimize regulations, bureaucracy and taxes in Brazil
- :: Improve urban and business infrastructure
- **::** Expand airline network
- :: Create a talent pool
- :: Fostering proficiency in foreign languages

1 To attract neighbors: Port of Chilean company Codelco

(stocks and fixed income bonds). According to the Brazilian Central Bank, investments in stocks traded in Brazil stand at US\$21.628bn, versus US\$17.034bn in the same period of 2009. Fixed income investments have more than doubled. "Investors

Brain is

South

have already chosen us", says Oliveira. "We need to assume negotiating our position and opwith various erate as a major international player." (see chart) American Brazil thus has a exchanges

modern exchange, a robust economy, a leading position on

the continent, strong companies that attract investors - and even better, it will gain major international exposure thanks to the 2014 World Cup and the 2016 Olympics. But unfortunately, attracting investments doesn't just depend on the excellence of the Brazilian exchange, the country's macroeconomic health or international sporting events. Doing business in Brazil still isn't easy. The Doing

FOREIGN INVESTORS IN THE BM&FBOVESPA

Share of foreign capital in total trading volume (YTD 2010)



Business 2011 report, compiled by the World Bank, shows that, out of 183 countries, Brazil fell from 124th to 127th this year. While in Brazil it takes 120 days to open a company, in New Zealand it takes just one.

"Attracting investments to a fi-

nancial exchange such as BMFBovespa, with which foreign investors are highly familiar, will be easy. For solid South-American familyowned companies, IPOs will also be much easier to implement", reckons Juan

Ouirós, controller of the Adventure

civil construction group and expresident of Apex-Brasil. "There are, however, three key questions to resolve: reducing Brazils tax load, investment in infrastructure, and the lack of people ready for productive work - training them is fundamental", recalling the small matter of quality education. These are all barriers to strong and sustained growth. BRAiN's proposal to develop an investment and business center on the São Paulo exchange depends on these reforms, and at the same time encourages them. ■

*Brazilian Association of Financial and Capital Market Entities (Anbima), Stock Market and Futures & Commodities Exchange (BM&FBovespa) and Brazilian Banking Federation (Febraban)



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Africa on the horizon

Almost three decades after Brazilian multinationals touched down in Africa, Banco do Brasil and Bradesco are joining forces with Portuguese bank Espírito Santo to identify opportunities on the continent

BES África

could be door

for Brazilian

banks to enter

market

ANDRESSA ROVANI

tion of Brazilian banks, which has accelerated this year, gained an unprecedented chapter a few months ago: Africa. Although

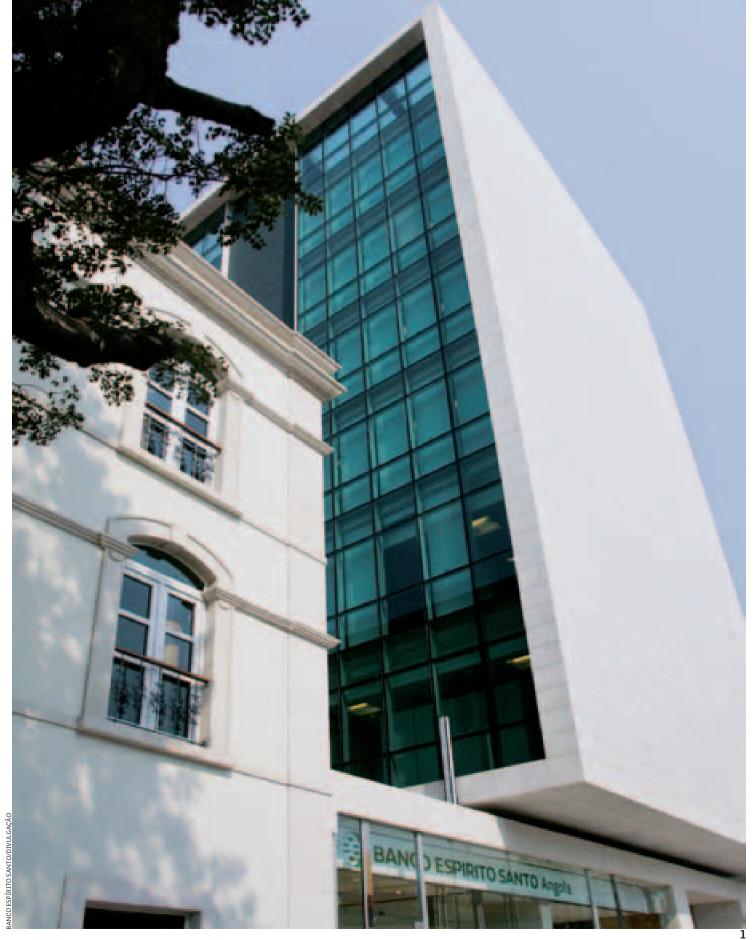
Brazilian companies have already been in the region for almost three decades (Odebrecht was the first to arrive: in Angola, in 1984) only now a still untapped has the Brazilian banking system spied opportunities in the region. The reasons

are numerous: from 2003 to 2009, Brazilian exports to African countries grew 20.3%, according to data by Secex (a Foreign Trade Division of the Brazilian government). The

he internationaliza- businesses of companies such as Odebrecht, Vale, Camargo Correa and CSN, the largest of the ~1,390 Brazilian companies already doing business in Africa, total around US\$15bn. This is the market that

> two Brazilian banks should enter shortly. Bradesco and Banco do Brasil are in due diligence phase process of analyzing a company's documents, measuring effective and potential risks – to acquire a stake in BES África,

a division of Portuguese bank Espírito Santo. The holding company results from a corporate restructuring process that brought together stakes held by BES in various banks



of Banco Espírito Santo in Angola

1 Headquarters 2 Executive Ricardo Espírito Santo, from BES



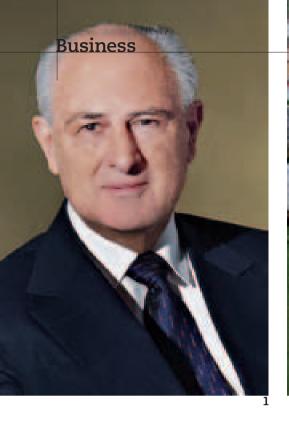
NEW FOREIGN BORDERS

16 banks have operations abroad (including 4 public-sector banks) totaling 93 external operations and 11 bank subsidiaries

WHERE DO THE BANKS GO TO:

COUNTRY	
Africa	1
North America	13
Latin America	19
Asia	15
Europe	19
Asian tax havens	1
Caribbean tax havens	25

Source: site of banks / study - Internationalização do by Maria Cristina Penido Freitas (2010)







1 Brandão, from Bradesco partnership

2 Odebrecht, investing in Africa

3 Bendine, from BB: international expansion

4 Banco Patagonia: BB in Argentina

on the continent – from Cape Verde to Libya, Morocco, Algeria and Angola. "We hope both BB and Bradesco will buy a stake in this holding, thereby becoming stockholders of the banks below this holding", said to PIB in São Paulo Ricardo Espírito Santo, the main executive of BES Investimento do Brasil. Today, Espírito Santo is doing strong business in Angola, where it has 36 branches. In Mozambique, the bank is in the process of buying a 26% stake in a local institution

(Moza Banco) and is also studying opportunities in South Africa. In addition to eyeing the growing volume of Brazilian and Portuguese industries doing business in Africa, Banco do Brasil and Bradesco are also sizing up the market potential offered by local retail banking. "Africa is going to grow a lot", signals Ricardo. And BES África could be the gateway for the Brazilian financial system to enter an untapped market. "Angola, for example, only has 600 branches, and a third of

them are in Luanda", he explains. The population's low level of access to banking services does indeed signal promising investments. According to Ricardo, only three out of ten Angolan citizens currently have a bank account, inherited from the civil war days of the latter decades of the 20th century, which obstructed economic development and the creation of consumer markets. "30 years ago, banking activity was superfluous in these countries, but now the services side is starting

to grow", says the executive.

In the view of Lázaro Brandão, board chairman of Bradesco, the decision to explore the African market shouldn't be seen as a sign of a possible strategic shift in direction at Brazil's second largest retail bank, which is prioritizing its domestic operations. Simply, he says, a good opportunity arose to operate beyond Brazilian borders and it wasn't wasted. "Internationalizing operations is a very cautious move", declared Brandão to PIB. "Due to our

close ties with Espírito Santo, we believed it was a chance, because structural issues are more or less resolved thanks to the support of a bank already present in Africa for a long time. It's still not a [sign of boosting our offshore business], but opportunities could arise."

If it materializes, the business will inaugurate a new phase of Brazilian finances in Africa. Today, out of the 93 Brazilian bank branches

located outside Brazil (including branches, representation offices or subsidiaries), Africa has only one, according to a study by Maria Cristina Penido de Freitas - a professor at Unicamp (Campinas State University). "The new reality of the Brazilian economy enables us to put ourselves in a position where we can also strengthen our offshore operations", says Aldemir Bendine (CEO of Banco do Brasil).

MOVING ABROAD

WITH THE strong real and opportunities to acquire bank assets at more attractive prices abroad, 2010 has been a good year for moves by large Brazilian banks. A third factor, however, played a crucial influence in where these investments went: the growing internationalization of Brazilian companies. This stronger Brazilian global presence calls for

financial institutions capable of financing projects that interest national groups. A study by BIS (Bank of International Settlements) confirms that the credits and loans of Brazilian banks abroad are valued at US\$51.4bn – ten times more than Chilean banks, for example.

In terms of moves made in recent months, Banco do Brasil

(present in 23 countries) bought Banco da Patagonia (154 branches) in order to provide services to 400 Brazilian companies located in Argentina. Bradesco acquired the capital stock of Ibi México, an important move since it was the bank's first international deal. Recently, Banco do Brasil initiated retail banking operations in the US

via its subsidiary BB Money Transfers Inc. In May, it received the green light from the Federal Reserve Board to provide financial remittance services in Brazil. A new subsidiary is expected to be announced shortly. "We have a very strong international presence", says Aldemir Bendine. "We were the first to make this move, 67 years ago."





A siesta in the middle of a full-blown global crisis

Hit hard by the crisis that rocked the global economy in 2008, Spain (one of the least competitive EU countries) is finally starting to wake up to the challenge of overcoming its limitations

ADRIANA SETTI, BARCELONA

hilst the soccer players of the Spanish national team were parading in front of an unprecedented throng of people in Madrid, another unprecedented phenomenon (which, in this case, didn't need the psychic powers of an octopus to see it coming) was gripping the streets of the country that had just won the World Cup for the first time: the official soccer jersevs of the winning team, produced by the German brand Adidas, became the most prized souvenir in

Spain. There are no doubts that the Fifa World Cup is the best excuse to boost sales of the super-expensive uniforms of the teams taking part (a soccer jersey featuring the name of hotshot Andrés Iniesta, for example, costs upwards of €75). Still, in a Spain engulfed in a massive economic crisis, retailers missed the opportunity to fill their pockets. In the final phase of the tournament, you couldn't find a Spanish soccer jersey for weeks on end, frustrating proud Spain supporters (la roja) and the countless tourists who, in July, traveled to Spain to

enjoy the summer season with money to burn.

1 World Cup party in Madrid: a brief respite amidst the storm of the crisis

In order to successfully, and overnight, flood the streets with Spanish national team jerseys, Spanish retailers would have had to overcome one of their most criticized shortcomings – the lack of flexibility to convert an unexpected opportunity into good business. The lost chance may not mean much for Spanish business, but it is illustrative of a modus operandi that has seen Spain lose out in many key points vis-àvis economies of other developed countries. One of the effects of the prolonged crisis was to expose the fragilities stemming, among other things, from an attitude that the Spanish themselves admit is lax in light of the difficulties faced, a lack of appetite to assume risk and their strong attachment to economically inefficient traditions.

Some details of everyday Spanish life are, in today's world, unimaginable in a country looking to be competitive. Even in cosmopolitan cities such as Madrid and Barcelona, a pizza delivery can take up to two hours, banks close at 2pm and finding something open on a Friday afternoon is no easy task. On Sundays, the only establishments open are mini-markets run by immigrants. During August (peak summer month), countless restaurants, stores, drugstores, newspaper stands and offices simply shut up shop (despite the presence of thousands of tourists keen to buy). Important services are instantly interrupted.

Analysis



The good life

In this outdated mechanism, traditional practices and customs of a not very urbanized society clash with the frenetic pace of the 21st century economy. The famous siesta, the custom of taking a nap after lunch, remains very much alive and kicking. Even in Madrid or Barcelona, most stores in the less central districts close for business between 2pm and 5pm. But the impact of the crisis has forced Spain to reconsider some of its traditions. Spain's business conservatism is now a recurring theme of debate in the Spanish press – with the press highlighting the mismatch between consumption trends in recent decades and the dormant state of Spain's entrepreneurial spirit. Recently, the chairman of the Spanish Association of Economists, Valentí Pich, accurately summed up the problem: "Spain has to stop living like a rich country".

Although resistance to adopting a capitalist lifestyle has its defenders, Spain is starting to wake up



to the challenge of recognizing its limitations and trying to overcome them. We are talking about a massive effort to change the mentality of a country that is one of the least competitive States of the European Union, according to a ranking compiled by the Global Economic Forum. Hit hard by the crisis that rocked the global economy in 2008

(like the US, Spain also cultivated a massive real estate "bubble", which led its construction sector to come to a standstill), the country governed by socialist José Luis Rodríguez Zapatero went from being one of the most

promising countries (Spain grew 3-4% in the years leading up to the financial tsunami) to, alongside Ireland, Greece and Portugal, one of the most problematic economies of Europe. Currently, over 4.5 million people are unemployed in Spain, the equivalent to 19.8% of the popula-

tion. Among immigrants, this rises to 29% and, among youngsters aged 15-24, unemployment rises to a staggering 40% (triple the global average, according to the International Labor Organization).

In an interview to CNN, expresident Felipe González (also from the Zapatero party), who governed Spain between 1982 and 1996

19.8% of

Spanish people

are unemployed;

almost

40% among young adults

said: "The crisis hit a country that was not adapted, from a competitive standpoint, to the current scenario". "We spent many years living beyond our possibilities, with no support from a productive system capable of inserting

us into a global economic model." With an inverted demographic pyramid due to its low birth rate (22% of Spanish population is over 60 years old, while only 15% is under 15), an unsustainable pension system and an inefficient educative and human capital creation system, the country in which González implemented a harsh economic stabilization plan in the past is, according to him, "ten years behind in terms of structural reforms".

Spain can see a speck of light at the end of the tunnel, having posted modest 0.2% GDP growth in the third quarter of 2010 in relation to the same quarter of 2009, while countries such as Germany and Holland are already signaling that the recession is a thing of the past. "Germany is already recovering thanks to its so-called structure of efficiency, which only requires some fine-tuning to be made; Spain, however, needs to reinvent itself", says writer Alex Rovira, author of La Buena Crisis, (published by Punto de Lectura). "The period of living

unemployment benefit (el paro) is the scarecrow

1. Employment line: 2. Zapatero: the government took a while to react

off the State (or living off the fat of the land if you prefer) is over. The only solution is an ethical approach based on commitment, a long-term view and a culture of effort and hard work", he states.

Shyness x competition

Although Spain has an admirable history of overcoming obstacles (having recovered from a civil war, survived a brutal dictatorship and experienced an economic miracle in just over 50 years), the global crisis caught Spain with its pants down. Stunned, the country was gripped by a collective mood of defeatism and low self-esteem that not even winning the World Cup could banish. Indeed, this somber mood even failed to consider the success of Spanish companies who, in just a few decades, made it to the first team of heavyweight multinationals - e.g. Santander, Telefónica, etc.

This general apathy, however, seems to be rooted in the shy and conservative economic habits of Spain's provincial day-to-day life, far removed from the hectic, ultracompetitive world of the large global companies. While Brazil, very

recently, embarked on an epic rollercoaster ride of endless economic packages, eight currency changes and ridiculously high inflation levels, the Spanish have barely come to terms with the euro, effective since 2002. Prices in pesetas (the former Spanish currency) still frequently appear in small letters next to the Euro price, at stores, supermarkets

Spain was

gripped by a mood of

defeatism, but

this is starting

to change

or even realtors. For products with higher prices, your average Spanish citizen has to get out his calculator and make the conversion to discover if he's looking at something cheap or expensive. It is thus understandable that this same lack of

flexibility had led most of those hit hardest by the recession (i.e. the unemployed) to surrender over their destiny, on automatic pilot, to government aid.

Until recently, being fired in Spain had its advantages. Indeed for some people, and however strange this may seem, being fired was actually an objective. The so-called

paro (unemployment benefit) allows people to go a year without working while earning a ceiling of around 80% of their last received wage, depending on time of contribution. Times have changed, but not everyone has got used to the end of the easy-life culture. "Since the start of the crisis, we receive, on average, 300 CVs a day", says

> Cristina Mesquita Nogueira (30, born in São Paulo), who is head of reception of Camper (a boutique hotel). "Some candidates had the nerve to ask me for copies of their CV, since they only brought one; others gave me dirty and crumpled

pages", says Cristina, who obtained her degree in Switzerland and has lived in Barcelona for 10 years.

However, since the end of this cozy system is approaching for millions of Spaniards (indeed, many are already receiving nothing) and the austere measures imposed by the government in response to EU guidelines are not fueling hopes of

additional subsidies, the need for a reaction is starting to be taken more seriously.

In the first 7 months of 2010, 55,575 companies were created in Spain (4.29% more than in the same period of 2009, after a fall of 36.16% in 2008). Jacinto Oliva Rodríguez-Palacios (30), who had been unemployed for 8 months, opened his own. Since March, he has been in charge of Sevilla al Cubo, a company specialized in doing what no-one else wants to. Ever since a law was implemented requiring large trash recipients in the old downtown region to be replaced by containers with a fixed time to exit each building (thereby avoiding a bad smell in the most touristic region of the city), an impasse has existed. Which sane condo member would want to do this unpleasant job? Foreseeing the imminent war in the corridors of the beautiful historic buildings of Seville, Jacinto charges 50 Euros a month from those not wanting to

get their hands dirty. "I already provide services to 30 buildings and my end-of-month wage is guaranteed", he rejoices.

Turning things around

Stories like this are part of a growing civil movement aimed at turning things around via sheer effort and optimism. The video showing the story of the aforementioned Seville "garbage man" is one of the most popular on the website of Esto Lo Arreglamos Entre Todos (free translation = "lets fix this problem together") movement, an initiative of Fundación Confianza – a foundation that helps spread stories of people who saw opportunities amidst the storm. The initiative has the support and backing of prominent Spanish citizens, such as renowned Catalan Chef Ferran Adrià, who realized the urgent need to change the mindset of youngsters.

"Spanish youths in their 20s don't realize they will have their work cut

out over the next few years, since they have enjoyed many luxuries that their parents didn't have", says businessman Jesus Aldana (43), who has his own digital advertising agency (with clients such as the bank Caja Madrid and the airline Iberia). "The opportunities will come. If this thinking spreads through society,

we will speed up the recovery."

1 Siesta

time:

stores shut up

shop in the

afternoon

2 Ana

Rey and partner Joan

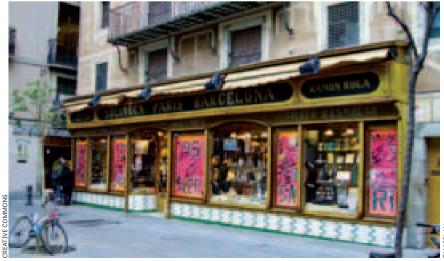
Redolad:

turning

things

around

It is with this aim that ONGs and pro-employment and job creation government bodies have gained an even more important role, as in the case of Barcelona Activa, which offers courses to businessmen. The results are clear for all to see. The journalist Ana Rev (47) lost her job at XiZ Comunicación a month after Lehman Brothers went belly up in September 2008. "I had never been unemployed and, suddenly, the crisis, insecurity and fear took a hold of me", she recalls. But it didn't take too long to turn things around. Ana enrolled in a free course of the Barcelona Association of Businesswomen (which has ties to Barcelona Activa) and, in a short time, she hooked up with a graphic designer and created Tactilestudio, a communication company. There, she divides her time between communication work, such as creating sites for famous Spanish athletes and artists, and press agency stuff. "We can't complain, we have received a lot of projects", she recalls. "In addition, we do what we like. Isn't that a privilege in today's world?" You can say that again! ■









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MARCO REZENDE

NEW YORK

The big apple at the price of a banana

NEW YORK CITY'S official marketing, tourism and partnership organization's site (www.nycgo.com), besides giving the most up-to-date suggestions for visitors and NYC's own citizens, also guarantees you the most fantastic discounts at the best Manhatten hotels during this northern hemisphere winter. Click on Get More NYC and stay at one of the luxury hotels on 59th Street (Ritz Carlton, The Helmsley Park Lane, Jumeirah...), with a view over Central Park, for the price you would pay at any less known hotel in the city.



PORTUGAL



Safe Port

The business center for northern Portugal with traditional stores, elegant shopping and an obvious taste for good design, Porto, at the mouth of the Douro River, has joined the circuit of refined and must-visit European cities such as Barcelona, Milan, Krakow. Neglected for many years, the historic center has been reborn thanks to building restoration. On the other side to the river in Vila Nova de Gaia is the brand new Yeatman Hotel with 82 rooms and the largest cellar of Portuguese wine in the country. Best of all is the cinematographic view of the Porto skyline.

(www.the-yeatman-hotel.com)

1 Central Park at a good price Hotel Yeatman in Gaia: view from Porto

2 Hotel Yeatman, no Porto: vista cinematográfica

3 Ilha da felicidade, em Abu Dhabi: Louvre à vista

4 Capitólio Nacional. no centro de Bogotá

5 Emirates: a maior operadora dos A380

ABU DHABI

Art in the desert

A 127 HECTARE golf course is the major attraction of the USD 27 billion Saadyat Island mega development ("island of happiness") in Abu Dhabi. With 500 meters of beach front, the island combines homes, offices and entertainment with avant garde architecture and will be completed within eight years. It will then have more than nine luxury hotels and four museums including the first Louvre Museum franchise outside France.



NEW DESTINATION



Bogota

TAM HAS DECIDED to establish a bridgehead in the last major South American market where it still does not operate, the capital of Colombia. The inaugural São Paulo-Bogota flight was scheduled for December 19 and the route will operate a two class service, business and economy. "Bogota is the last leading South American market where we have not been operating and has a strategic importance for TAM: it is a metropolitan center with its economy based on industry, commerce and financial and corporate services as well as offering a wide range of cultural and touristic options", explains Paulo Castello Branco, Commercial and Planning VP for TAM.

IN THE CLOUDS

Super fleet of super jumbos

WITH THE UNVEILING of the A380 services on the routes to Manchester (United Kingdom), Hong Kong and New York, the national airline of the United Arab Emirates, Emirates, becomes the largest operator of super jumbos anywhere in the world. It has incorporated 12 into its fleet with a further 78 already on order. Emirates has direct daily flights from São Paulo to Dubai using the Boeing 777 (currently).

95 TV channels on board

THE US AIRLINE Continental has just completed the revamping of its in-flight entertainment system with DIRECTV in its fleet of 148 aircraft, all of them in the 737 family. Passengers can choose from 95 channels that transmit live and a further eight with recorded programming. The service is free... in first class. In Economy, it costs six dollars for each flight.

One day after the other...

DURING THE HARD line and atheist communist regime of the dictator Enver Hodja, the airport in Tirana, capital of Albania, was known by the name of the village near where it is located, Rinas. This Christmas the airport will officially become known as Mother Teresa of Calcutta (she was born in Albania).

More eastern luxury

AFTER EMIRATES AIRLINES

and Qatar Airways, Brazil will be served by another five star airline. Singapore Airlines, which always ranks at the top of the world's best, is to fly the São Paulo - Singapore route three times a week, stopping in Barcelona. The flight will take 24 hours and 15 minutes (including stopover).

Globe-Trotter - Express Tourism

Tokyo, by Chieko Aoki

Born in Fukuoka (Japan), Chieko Aoki, CEO of the Blue Tree Hotel group, came to Brazil when she was 7. And despite being a Brazilian citizen, she remains very much in touch with her country of origin, traveling to Japan every two months. To endure the 24-hour São Paulo-Tokyo flight, the secret of one of Brazil's leading executives is simple: catch up on her reading, watch a lot of movies and sleep!

Chieko gives us tips from the vantage point of being someone who knows the city like the back of her hand: she recommends using the excellent public transport network in Tokyo, which allows you to cross the entire city quickly and cheaply. "Just remember to bring an English map and your hotel address in Japanese, in case you get lost in the midst of trains, subways and crowds of people", she says.





2 Tokyo: where tradition and modernity live side by side

3 The Imperial Palace and its sumptuous gardens: symbol of tradition and a 'must visit'

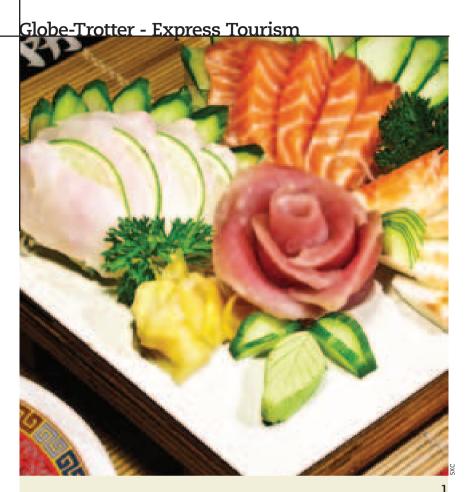


If you have a few hours...

Visit both the modern and traditional parts of Tokyo. Start with a visit to the **Imperial Palace**, the official residence of the imperial couple, in Shimbashi. It's a must visit. The east wing of the royal gardens is open for visiting. From there, go to **Ginza**, the first luxury district of Japan. There you will find shops opened up centuries ago, such as Kyukyodo (in 1663), which sells traditional products such as rice paper, lacquer products, incense and letter paper. Ideal for those seeking high-quality Japanese handicraft. Ginza is also home to Wako, founded in 1932 by the Seiko group, which sells watches, jewels and exclusive personal items. Next to Wako stands Mikimoto, famous for its pearls and, in front of Mikimoto, the Mitsukoshi department store, founded 400 years ago. Don't miss the chance to have lunch or take tea there. Ginza is also home to the Sony Building, visited by 5 million visitors a year, and which offers products on clearance sale on its underground floor.







If you have the whole day...

IF YOU ARE STILL WIDE AWAKE, then a great place to visit is the **Tsukiji Market**, which opens at night and closes at 7am. It is the world's largest fish market, selling all kinds of fish to the highest bidder in true Japanese style. After eating fresh sushi for breakfast at the Tsukiji Market, go to **Asakusa** (known as the low town or old town). There, start your visit at the **Kannon de Asakusa Temple**, founded in 628 a.c. to provide home, so legend has it, to the Saint of Mercy who was fished out of the Sumida River. In the surrounding areas of the temple, don't miss the opportunity to "purify" yourself by drinking the natural spring water, smelling incense smoke and reading "omikuji" (folded fortune paper). If you take the subway, you will be in **Ginza** in just 18 minutes. To enjoy the city's gastronomic delights, go to the restaurant of chef **Kihati**, famous for his innovative, delicious and sophisticated "French-Japanese fusion" dishes. Taste the tempura at the traditional **Ten-Ichi** or, if you prefer, at the **Yonemura**. But if it's art or fashion you're looking for, take a trip down to the districts of Roppongi, Omotesando and Harajuku. In **Roppongi**, you will find the **Roppongi-Hills**, home to the famous **Mori Art Museum** and countless stores and restaurants. At the end of the afternoon, travel to **Harajuku**, where youngsters from far and wide take part in dance shows, music and cosplay, transforming the district into a stage teeming with tourists. At night, dine out at Umenohana, specialized in tofu, or at **Inakaya**, which offers a variety of grilled fishes, meats and vegetables right in front of the client, in "traditional, hillbilly" style.



If you have the entire weekend...

VISIT KYOTO, THE FORMER capital city and residence of the imperial family for almost 1000 years. Surrounded by mountains, it maintains the heritage of tradition like nowhere else in Japan. Of the most visited places, two temples stand out: Kinkakuji (the golden temple, since it is draped in gold), with its stunning gardens; and Kyomizudera, famous for its enormous wooden terrace. Rent a bike to visit the temples and palaces, admiring the maikos (young geishas), who you will see making their way to the tea houses, where they dance for guests. Upon returning to Tokyo, visit Shibuya, where you will see

the statue of Hachiko, the dog that inspired the movie Hatchi, starring Richard Gere. There, make sure to visit **Tokyu Hands**, known as "creative live store", where you can find infinite leisure/hobby items. They say everything you can imagine can be found on its 10 floors. I always go there when I am in Tokyo. Another weekend escapade is the city of **Hakone**, in the region of the famous **Monte Fuji**, an hour's train ride from Tokyo. In the city, hotels offer the typical Japanese spa, with public baths, various types of beauty treatment and immense banquet-esque meals.





1 Japanese food: enjoy the delicacies of the Tsukiji market 2 Mount Fuji: only an hour's train ride away from Tokyo

3 Asakusa: take a walk around the Kannon Temple 4 District of Shibuya: stores with irresistible products

EDUARDO FERREIRA

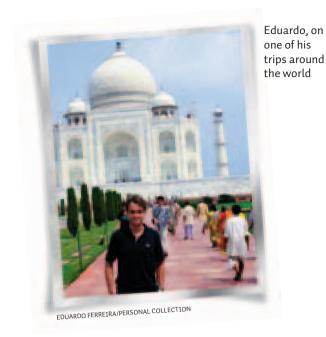
Climate changes

Eduardo recalls how his interest in investment and development led him to travel the world

XFORD IS A SMALL CITY, JUST a 90-minute train ride away from London, where the sun shows its face only a few days during the year. I moved there in July 2006 to take my master's degree in Climate Change and Business Management. The population is internationally and culturally diversified – in Oxford, you will see university and post-graduate students ranging from chess champions, Olympic swimmers and (literally) crazy scientists.

Pub chats were the best way to relax and clear my head. The success of someone taking their master's degree in Oxford is exponentially related to their presence in the pub, and not in class. The pub conversational topics were as diversified as the people participating in them. At the end of the first year of my master's degree, I had made some good friends, traveled around and visited all the pubs in the region. I also dressed up as "Harry Potter" for black-tie dinners and for the exhausting days of exams – I'm not kidding: as if spending three consecutive days locked away in a room writing pages and pages of exam papers wasn't enough, we had to this in a suit, bowtie and academic gown.

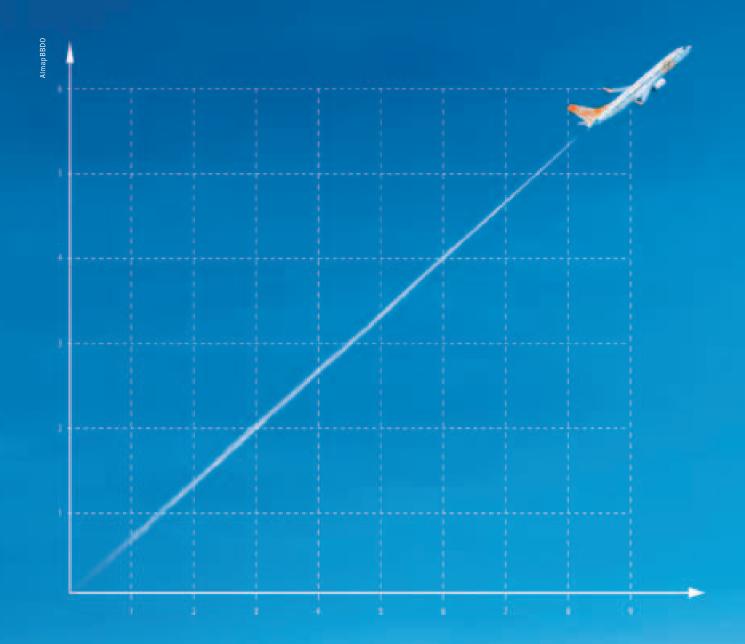
Since I wanted to work with sustainable development and environment, I specialized in the mechanism of clean development created by the Kyoto Protocol as an instrument



aimed at attracting private capital from the "North" to invest in renewable energy and energy efficiency projects in the "South". I worked for a year in the UK, in the environmental area of the investment bank JP Morgan – where, among other tasks, we structured applications in these projects. My master's degree from Oxford helped me a lot in getting this job. The content of the course is multidisciplinary, ranging from environmental physics-chemistry to economics and law. This knowledge has major value for financial analyses in a new and complex sector. Also, in order to handle the money of other people, a key feature of an investment banker is discipline. Oxford (due to the highly academic nature of its courses) is demanding and taught me to have lots of discipline.

During the expansion of the bank's business model to Asia, I put my name in the hat for a job position in Singapore. Less than two weeks later, I was arriving with two suitcases and a bicycle in the "New York" of Asia, as many people call Singapore – although I personally disagree. If I was married and looking for a safe country with a good educational system for my children, I would go to Singapore.

I recently moved to Washington, where I now work for the World Bank. I arrived at the start of the US summer season and was very well received. The opportunity arose when I saw an announcement to work in climate finance. It was a highly competitive selection process, but the development profile was always an objective in my career because I seek congruence between financial investments and development. I have really liked Washington, but I plan to return to São Paulo before the 2014 World Cup. ■



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^{*}Eduardo Ferreira, 30, is a specialist in climate change at the World Bank

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