

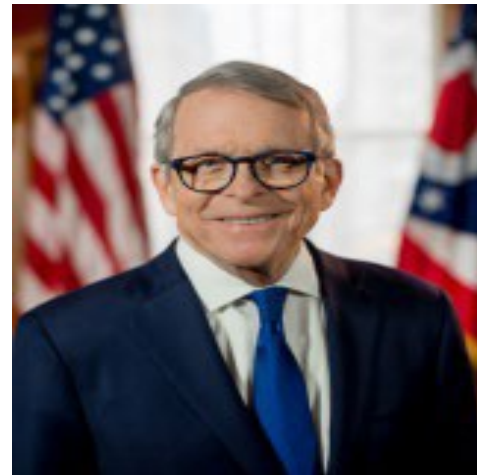


Grow Your Exports to Brazil and Chile

February 28, 2023

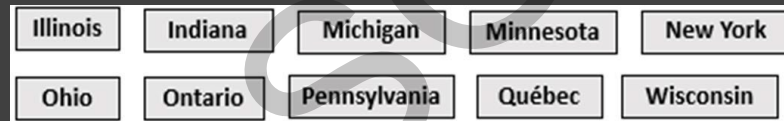
Zoë Munro, Program Director

zmunro@gsgp.org



Great Lakes St. Lawrence Governors & Premiers

- More than 30 years of collaboration among the region's chief executives:



- Growing the region's economy and protecting the world's greatest freshwater system
 - Chair: Wisconsin Governor Tony Evers
 - Vice Chair: Ohio Governor Mike DeWine





Great Lakes St. Lawrence Governors & Premiers

Award-Winning Project Portfolio

Economy

- Promoting SME Exports
- Growing Strong Clusters
 - **Maritime Transportation**
 - **Tourism**
 - **Cruising**
- Attracting Foreign Investment

• **Environment**

- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence

16 Trade Offices



GSGP Trade Missions

PROVEN RESULTS



Abu Dhabi, Argentina, Australia, Brazil, Chile, Costa Rica, Czech Republic, Colombia, Dominican Republic, Dubai, Germany, India, Indonesia, Japan, Kenya, Mexico, New Zealand, Peru, Poland, Romania, South Africa, South Korea, Qatar, Québec, Tanzania, Thailand, Turkey, Vietnam, UAE, and the United Kingdom



GREAT LAKES
ST. LAWRENCE
GOVERNORS
& PREMIERS



Chile Outlook 2023

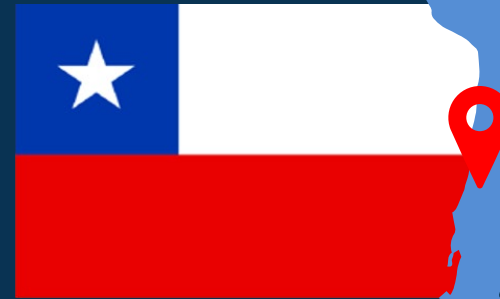


February 28th, 2023



COUNTRY OVERVIEW

- ❖ Population: 19.7 million
- ❖ GDP P/C PPP (2021): USD 28,684
- ❖ GDP growth rate (2022): 0.3%
- ❖ Urban population: 87.8%
- ❖ Unemployment rate: 8.85%



Free Trade Agreement with the USA

31 international trade agreements
covering 65 markets

#1

- ✓ Copper exporter worldwide
- ✓ Most competitive country in LATAM
- ✓ Country with Economic Freedom in LATAM
- ✓ Global Innovation Index LATAM
- ✓ Renewable energy investment in LATAM
- ✓ Solar energy generation in LATAM
- ✓ Potential to attract FDI

Top Export Markets



- China - \$3.2B
- United States - \$936M
- Japan - \$799M

Top Import Markets



- United States - \$1.83B
- Switzerland - \$576M
- Brazil - \$437M

SECTOR OPPORTUNITIES

CONSTRUCTION



- Expected growth of 2.7% in 2023
- Planned investment of USD 14 billion to develop infrastructure
- Opportunities in industrialized construction, efficient design and construction management software

ENERGY



- High outlook to renewable energy
- Green Hydrogen Initiative has a total combined investment of \$130 million
- \$13 billion planned future investment for Renewable Energies

ICT



- Highest growth potential in the region
- Government and defense are seeking to update and implement cybersecurity systems
- Estimated \$26 million investment in AI technologies by the public sector

SECTOR OPPORTUNITIES

AGTECH



- Budget of \$6 billion to for reservoir construction and irrigation projects
- Open to innovative technologies to improve efficiency
- Rise of organic production → higher opportunities for natural fertilizers and pesticides

AGRICULTURE



- Commercial policy to open the market for agricultural products
- Large growth for health and superfoods
- Opportunities for high value-added products as Chilean consumers become more health conscious

MINING



- Favorable legislation for foreign investment in mining
- Holds over 50% of the world's lithium reserves
- Investments into new technologies in line with sustainability goals (brownfield and greenfield projects)

SECTOR OPPORTUNITIES

HEALTHCARE



- National Investment Plan prepared to strengthen the health network
- Incorporation of digital healthcare tools in the hopes of a better system
- Medical device market anticipated to have a CAGR of 5% from 2021-2026

SAFETY AND SECURITY



- Anticipated to hold strong demand for security equipment, services and technologies
- National Security Plan announced focus on public security, prevention of organized crime and weapon control

MARKET TRENDS

Droughts in the region- water technologies key

Foodtech companies are expanding and healthier foods

Expansion of the 5G network will boost the tech startup environment in Chile

BUSINESS

IN CHILE



ASSIGN

AGENT, REPRESENTATIVE, OR
DISTRIBUTOR

SUPPORT

YOUR LOCAL COUNTERPARTS
I.E. MARKETING, TRAINING

BE

PROACTIVE

IN FOLLOWING UP

PERSONAL

BE

RELATIONSHIPS

KEY TO ENTRY, AND
REPUTATION GOES FAR

COMPETITIVE

HAVE CLEAR VALUE-ADDED
PROPOSITION, QUALITY, PRICE,
SERVICE

RECOMMENDATIONS

1 ENSURE
AFTER SALE SERVICES

2 BE COMMITTED
AND EXPERIENCE IT FIRST-HAND

3 NEGOTIATE
WITH DECISION MAKERS

4 LOCALIZE
YOUR PRODUCTS/SERVICES:
BUSINESS CULTURE AND SPANISH

5 DO YOUR DUE DILIGENCE
AND LEGAL SUPPORT WITH
CONTRACTS

TRADE SHOWS

IN CHILE (2023)

MARCH

17th-19th

Agroecología Organic
Agriculture

APRIL

24th-27th

EXPOMIN
(mining)

MAY

10th-12th

Sustainable Mining 2023

18th-16th

Chile Fintech Forum

30th-31st

MiningTech South America

TRADE SHOWS

IN CHILE (2023)

AUGUST

9th-11th
Digital Mining

OCTOBER

5th-7th
Seguridad Expo (security)

SEPTEMBER

12th-14th
ExpoHospital

26th-28th
Espacio Food & Service 2023

NOVEMBER

10th
Digital Bank and Insurance Santiago

OUR SERVICES

MARKET RESEARCH

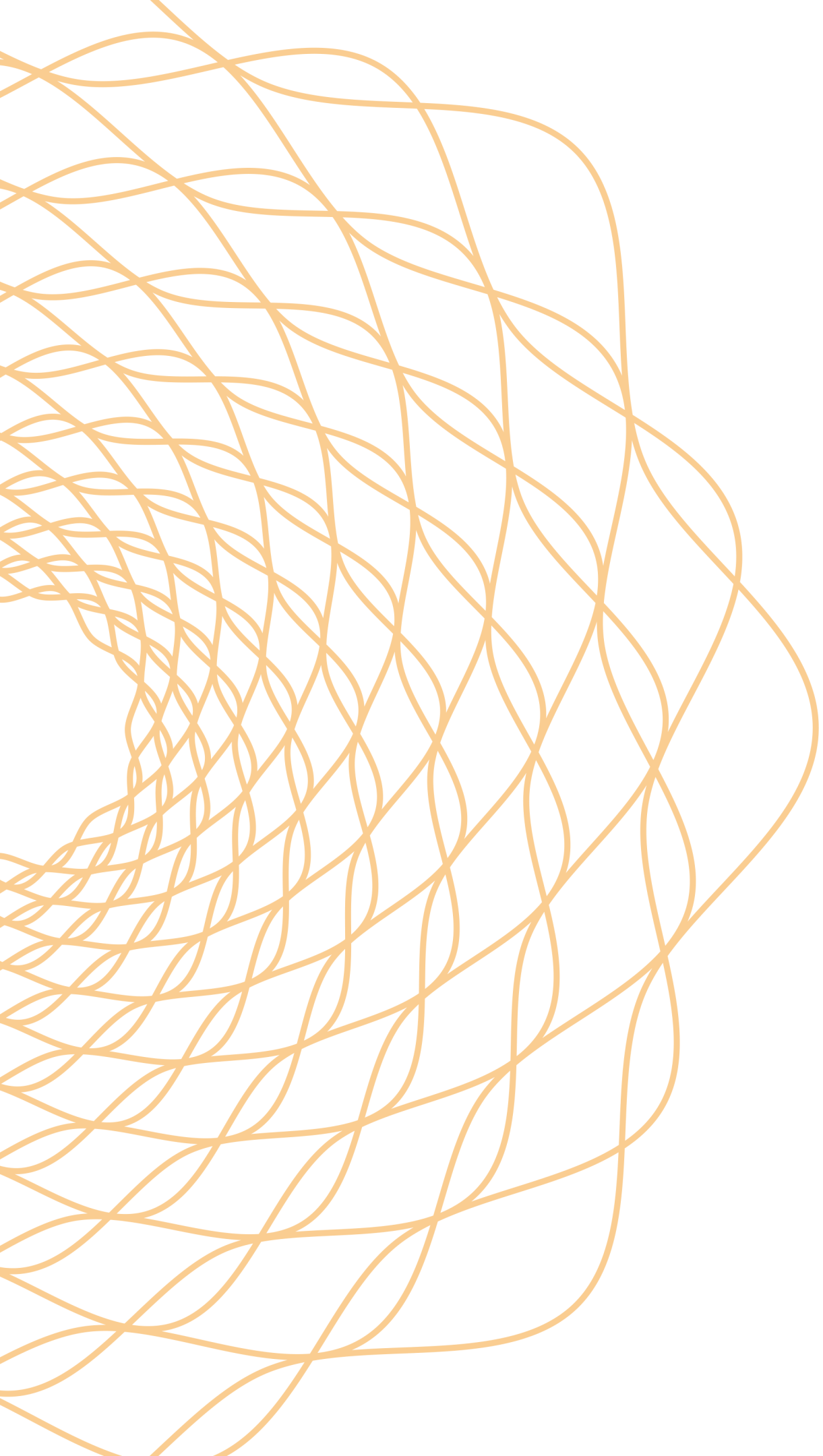


**BUSINESS PARTNER
SEARCH**



**VIRTUAL & PHYSICAL
TRADE MISSIONS
MEETINGS**





GREAT LAKES
ST. LAWRENCE
GOVERNORS
& PREMIERS



UNITED FOR GROWTH

WHY BRAZIL

TUESDAY, FEBRUARY 28, 2023

Claudia Maria Tomaselli
Director, GSGP Brazil Office



TA CONSULTING

Agenda



- Key Economic Indicators and Trade Statistics
- Brazil in the Global Market
- The US & Brazil: A Growing and Strategic Partnership
- Challenges & Advantages
- Best Prospects
- Recommendations



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Key Economic Indicators and Trade Statistics

Area: 3,287,357sq mi – 5th largest

Population in 2022: app 215 million

Unemployment: 7.9%
(Dec. 2022)

3% of global consumers

2nd largest Market
W. Hemisphere

São Paulo largest business hub responsible for app 1/3 of Brazil's GDP

10th largest Global Economy

US\$ 1.87 Tri*
+2.8%(2022)
+1.3%(2023)
+1.4%(2024)

50% South America's GDP

1st Market and Economy Latin America

US\$ 1 = R\$ 5,10

Trade Surplus: US\$ 61.8bi
(Dec. 2022)
Highest since 1990

Exports: app US\$281 mi (2022)
25th Global Rank
(1.5% – 2022)

Int'l Reserves: US\$ 327.bi
17.5% of the GDP (Dec. 2022)

*2022 best estimate. Official amount will be published by March

Source: IBGE; IMF; WorldBank, MDIC, CEPEA, FGV

Brazil in the Global Market

GDP Composition

68% Service

24% Industry

8% Agriculture (27.5% Agribusiness)

3 Drivers of the Economy

Growing Middle Class
Abundant Natural Resources
Investment in Infrastructure

World

Diversified
Economy

Latin America

2nd Largest
Exporters of
food (after the
US only)

5th Largest
for Automobiles
Medical Equip,
Mobile Phones,
Pet Products,
Social Media
and TVs

**Latin
America's
largest**
Aerospace,
Automotive,
Capital Goods,
Chemical
e-Commerce,
Medical
Equipment
Mining, and
Oil & Gas,
industries.

3rd Largest
Market for
Beauty and
Healthcare
Products
4th Largest
for Civil
Helicopter fleet

7th for FDI
(US\$ 46.4 bi)
9th for U.S.
export (2021)

**Top generator
of renewable
and electric
energy**

**Agribusiness
sector**
US\$500bi =
Argentina's GDP

The US & Brazil:



The US is Brazil 2nd largest Trading Partner

Brazil is the 9th largest destination for US exports

400 of the Fortune 500 companies have operations in Brazil



A Growing and Strategic Partnership

Similarities

- Continental Dimensions
- Industrial, Financial and Technological Regional Leaders
- World's largest producers and exporters of agricultural products – together BR and USA feed about a quarter of the global population.
- Multicultural Democracies



'US–Brazil strategic relationship has never been more important: we are the largest democracies in the world'.

David Hodge, US Consul General

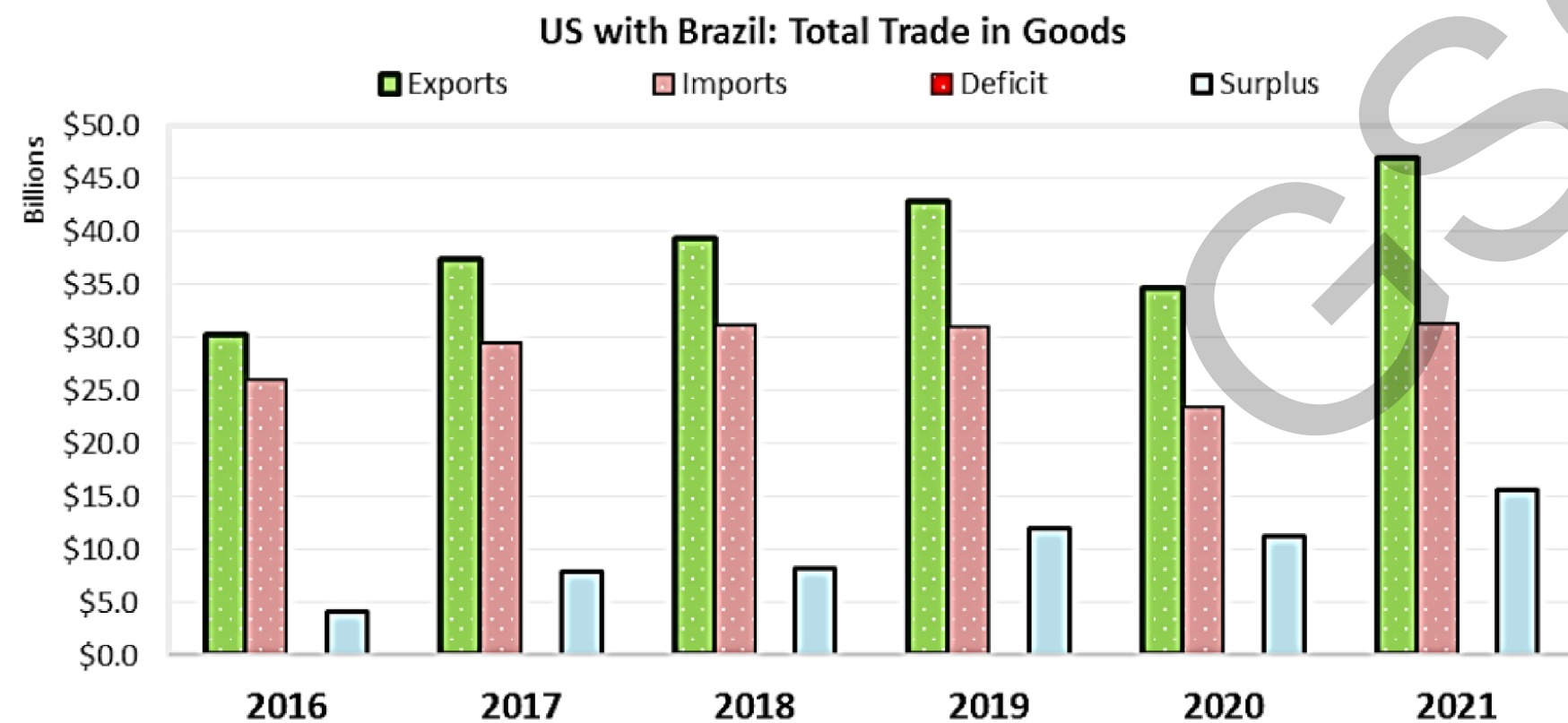
How does this reflect in the Economic Area?

The influence of the US is huge in the Brazilian culture, education and habits resulting in a natural affinity for the U.S.

- Brazilians have a high regard for U.S. products, brands & technology and US Products are perceived as high quality.

Bilateral trade is characterized by its diversity of products, and also on relationships developed over decades.

- In 2021, BR and the U.S. total trade in goods recorded \$ 78.2bi
- U.S. Trade surplus with BR reached \$15.6bi (+39.3%)



Of the \$46.9bi US exported in 2021 to BR the top sectors were:

- Oils, Minerals, Lime, Cement (29.9%)
- Chemicals, Plastics, Rubber and Leathers Products (26%)
- Machinery and Mechanical Appliances (17.3%)
- Transportation Equipment (16.4%);
- Optical, Measuring, Medical and Other Instruments (3.3%)

In light of the current geopolitical changes, the rapprochement between the two largest countries in the Western Hemisphere is expected to increase even further the trade opportunities for US companies in Brazil.

Challenges and Advantages

Challenges

DOING BUSINESS IN BRAZIL IS COMPLEX!!

- CUSTO BRAZIL:
 - High import tariffs (0–20%)
 - Complex taxation system
 - Burdensome Regulations
 - Bureaucracy
 - Lack of Infrastructure
- European /Asian Competition
- Informal Economy

Advantages

- Friendlier Business Environment
- Receptive to US Culture/Products
- US & BR Agreement on Trade and Economic Cooperation (ATEC) covering:
 - Trade facilitation
 - Good regulatory practices
 - Anti-corruption
- Social Media Savvy
 - 5th largest social media market in the world
 - 165mi users in 2022 / 188+mi by 2027
 - Largest E-Commerce market in Latin America
 - Up 200% from 2019 and 30% from 2020
 - M-commerce generates most of the country's e-commerce revenue, a trend set to increase in the near future.
- Has the capacity to be a leader in several Environmental areas
- Strategic Location
 - Proximity to the US, borders almost every SA country
- World-class companies / strong supply chain
- GOB efforts to reduce tariff and non tariff barriers.



Best Prospects

- Advanced Manufacturing
- **Aerospace & Aviation**
- Agriculture (Equip /Services)
- Agribusiness
- Airports
- Apparel
- Automotive
- Beauty & Cosmetics
- Bioscience & Bio Products
- Biotechnology
- Building Products
- **Chemical**
- Civil Nuclear

- Construction & Engineering Services
- Construction Equipment & Building Products
- **Defense**
- Drugs and Pharmaceuticals
- E-commerce
- Education & Training
- **Energy & Renewable Energy**
- Environmental
- **Fintech**
- Food & Beverage
- Food Processing

- Forest Products
- **Franchising**
- **Green Technologies**
- **Healthcare**
- Hotel & Restaurants
- **Information and communications technology (ICT)**
- **Infrastructure**
- Instrument Controls and Electronics
- Medical Equipment
- Mining
- Nutritional Supplements
- Oil & Gas

- Packaging
- Pet Sector
- Pharmaceutical Processes and Foods
- Retail
- Safety & Security
- Scientific & Lab Instruments
- Sporting Goods and Recreation
- **Telecommunications**
- Textile
- Transportation Equipment
- Travel & Tourism
- Water and Waste Water

Green Technologies

Brazil is well positioned to become a key player in the global economy's decarbonization process while driving sustainable inclusive growth.

App 76% of the Brazilian industries already apply economy concepts, employing practices such as material recycling, water reuse and reverse logistics.

Brazil's emissions profile is quite different from the rest of the world's. App 2.2 gigatons of carbon dioxide equivalent every year, (7th largest GHG emitter)

- Deforestation – 50%
- Agriculture – 25%
- Transportation and energy – 20%
- Industry and waste – 5%

The comeback of President Lula marks the return of Brazil in fighting to preserve the environment.

Green technologies are liable to participate in the BPTO's Green Patent Fast Track Program.

Opportunities:

- Bio based Energy and Materials
- Circular Economy Design, Products and Tools
- Echo Buildings / Construction
- Electrified Vehicle
- Efficient Machinery for Farming and AG regenerative practices
- Solutions to reduce the carbon footprint (i.e., use of clean energy or electric efficiency)
- Solutions to reduce the use of water in the industry's daily operations
- Sustainable recycling
- Water and solid waste management solutions (i.e., disposal of electronic waste), among others

Energy – Energy Transition

Largest electricity market in LA

7th largest in the world – 175 GW in 2021

85% comes from renewables – a key requirement for green hydrogen production.

Abundance of locations with high wind and solar capacity factors: Solar energy potential is close to that of desert countries, and it is one of the best places in the world for wind.

Distributed generation is increasing as a result of the Modernization of the Sector

Opportunities:

- Data analytics
- Control and automation systems
- Data loggers and acquisition systems
- Monitoring/testing/inspection systems
- Remotely operated vehicles
- Digital power plants
- High-efficiency turbines capable of integrating with renewable resources
- Rehabilitation/repair/maintenance/upgrading services
- Weather instruments and meteorological equipment
- Residential, commercial and industrial energy efficiency solutions energy storage

- Distributed energy resources management and control Transmission and distribution automation
- Microgrid solutions
- Enterprise grid management
- Cybersecurity and incident response solutions
- Customer engagement solutions
- Smart metering: smart grid software and analytical packages; advanced metering infrastructure
- Electric vehicle infrastructure
- Disruptive, emerging and innovative technologies
- Blockchain, vehicle-to-grid, off-grid, PV + storage

Main Trade Shows in Energy and Green Tech

FENSAN

October 03 to 05, 2023
Expo Center Norte – SP
<https://fenasan.com.br/sobre-evento/#>

Promoted for 34 consecutive years by AESabesp – Association of Sabesp Engineers, the Technical Meeting of AESabesp – National Sanitation and Environment Congress is considered the biggest event of the sector in Latin America. The theme of this edition is Sanitation: priority for life.

THE SMARTER E SOUTH AMERICA (TSESA)

www.thesmartere.com.br/home
August 29–31, 2023
Expo Center Norte – SP

The Smarter E South America (TSESA) is LATAM's innovation hub for the new energy world, bringing together 4 parallel events:

1. Intersolar South America

www.intersolar.net.br/home

Latin America's largest exhibition and conference for the solar industry that is held annually in São Paulo and has a focus on the areas of photovoltaics, PV production and solar thermal technologies.

2. ees South America

www.ees-southamerica.com/home

This event figures as LATAM's major platform for electrical batteries & energy storage technologies. After two years as a special exhibition, ees South America celebrated its debut as an autonomous exhibition in 2019.

3. Eletrotec+EM–Power South America

www.empower-southamerica.com.br/home

This is the exhibition for electrical infrastructure and energy management; it focuses on technologies for electrical energy distribution as well as services and software solutions for energy management at grid, utility or building level.

4. Power2Drive South America

www.thesmartere.com.br/special-exhibition-powertodrive-south-america

This is a special exhibition within ees South America for charging infrastructure and e-mobility. It presents e-vehicles such as cars, bikes and commercial vehicles with innovative power drives or charging infrastructure solutions, new business models or PV carports.

Recommendations



Doing business in Brazil requires an intimate knowledge of the local environment, including "Custo Brasil"

Price and payment terms are extremely important sales factors and companies may pay you more to get better terms.



To be competitive companies should adapt their products to local technical requirements and culture

Emphasizing product quality, customer service, after-sales service, financing arrangements, and warranty terms are key competitive advantages

It is advisable to demonstrate commitment to sustainable development practices



Business is best done for SMEs through a local agent or distributor

This is valid whether your company is a bank, a realtor, an engineering firm or any type of industry or service provider



Brazilian business culture is intensely hierarchical

Success in Brazil's business culture relies heavily upon the development of strong personal relationships

The GOOD News: WE CAN HELP!





How we can Help

- Market research
- Identification of market opportunities, business leads and strategic partners Pre-qualified, one-on-one business meeting arrangements
- Market assessment and export counseling
- Competitive analysis and price information
- Tariff check and import analysis
- Market updates / country-specific news
- Completed project follow-up
- Development of marketing and promotional materials
- Translation Services (technical and/or certified translation)
- Support and referrals for regulatory, legal, accounting, real estate and other trade and marketing related services,
- Organization and management of trade missions, buyers' visits, trade shows and exhibitions, among other customized services.

Get In Touch

Claudia Maria Tomaselli
Director
GSGP Brazil Office

55 11 3042-6682
claudia@tacb2b.com
linkedin.com/in/cmtomaselli

www.tacb2b.com



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GSGP Brazil and Chile Trade Mission 2023

Multi-Sector Trade Mission

June 5-9, 2023

Each mission participant will receive a customized schedule of B2B meetings with prospective customers and business partners.

Mission Costs:

In-Person Participation Fee: US \$1,600 per company (additional company participant \$600)
Includes group ground transport, networking events, briefing and logistical assistance.

Brief Market Research & Customized Appointment Setting Fee*: Brazil US \$2,950 Chile US \$2,950

* Grant funding is available in many States to offset 50-75% of mission costs.



Registration Deadline: March 31, 2023

<http://www.gsgp.org/projects/international-trade/trade-missions/>



GSGP South America Trade Mission: Itinerary

Saturday, June 3, 2023

Depart US/Canada for Sao Paulo, Brazil
Arrive morning of Sunday, June 4

Sunday, June 4, 2023

AM: Arrival
PM: Country Briefing and Networking Dinner

Monday, June 5, 2023

Company Business Meetings in Sao Paulo, Brazil

Tuesday, June 6, 2023

Company Business Meetings in Sao Paulo, Brazil

Wednesday, June 7, 2023

Morning: Depart for Santiago, Chile
Afternoon Business Briefing

Thursday, June 8, 2023

Company Business Meetings in Santiago, Chile

Friday, June 9, 2023

Company Business Meetings in Santiago Chile
Late PM: Outbound Flights Commence



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Questions?



Zoë Munro

Program Director

P 614.507.3989

E zmunro@gsgp.org

www.gsgp.org