Eng. José Carlos de Oliveira Lima

FIESP Vice-President
CONSIC President (Superior Council of the Construction Industry)

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The **Production Chain from the construction industry**, coordinated by the Department of Civil Construction - DECONCIC, FIESP, proposes and implements actions for the development of industrial competitiveness and technological innovation in the Construction sector.

The Production Chain from the construction industry represents

12.2% of the Brazilian GDP

Construction Material
2.9%

Other Material
0.2%

Machines and Equipment
0.3%

Services
0.5%
Projects (engineering and architecture)
Real Estate Activities
Property maintenance

Construction
8.3%
Buildings
Heavy construction

Source: LCA Consultores

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BRAZIL 2022 – Planning, Construction, Growth

CONSTRUBUSINESS 2010 – BRAZILIAN CONSTRUCTION CONFERENCE

- State Plan – Sustainable Development of the Sector
- Special Edition: with technical studies from Consultancies LCA e FGV – themes: Housing and Infrastructure
- Date: November 29th, 2010 - for authorities, business leaders and journalists
- Goal: Analyze current situation, identify barriers and investments propositions
- Forecast until 2022 : position Brazil with the 5 largest economies worldwide

Main Participating Authorities

Michel Temer

Brazil Vice-President

Guido Mantega

Minister of Finance

Miriam Belchior

Minister of Planning

Forum to debate socioeconomic development

MACROECONOMIC SITUATION

1999
10 YEARS AGO

- Asia and Russian crises contaminate emerging markets
- Brazil: Fixed exchange rate system is unsustainable
- Uncertainty
- Investment environment risky in Brazil

2011
TODAY

- High international liquidity
- International reserves equivalent to total external debt
- Government stimulates internal demand
- Internal consumption is a factor in sustained growth

2022
Future needs require action today

- Large demand in housing and all infrastructure sectors
- Transport
- Sanitation and Solid Waste
- Urban transport
- Energy
- Telecomunications

Fonte: LCA Consultores.

OPPORTUNITIES

RESOURCES

- Resource Availability
  - Large opportunities in investment (economic growth, 2014 World Cup & 2016 Olympics)

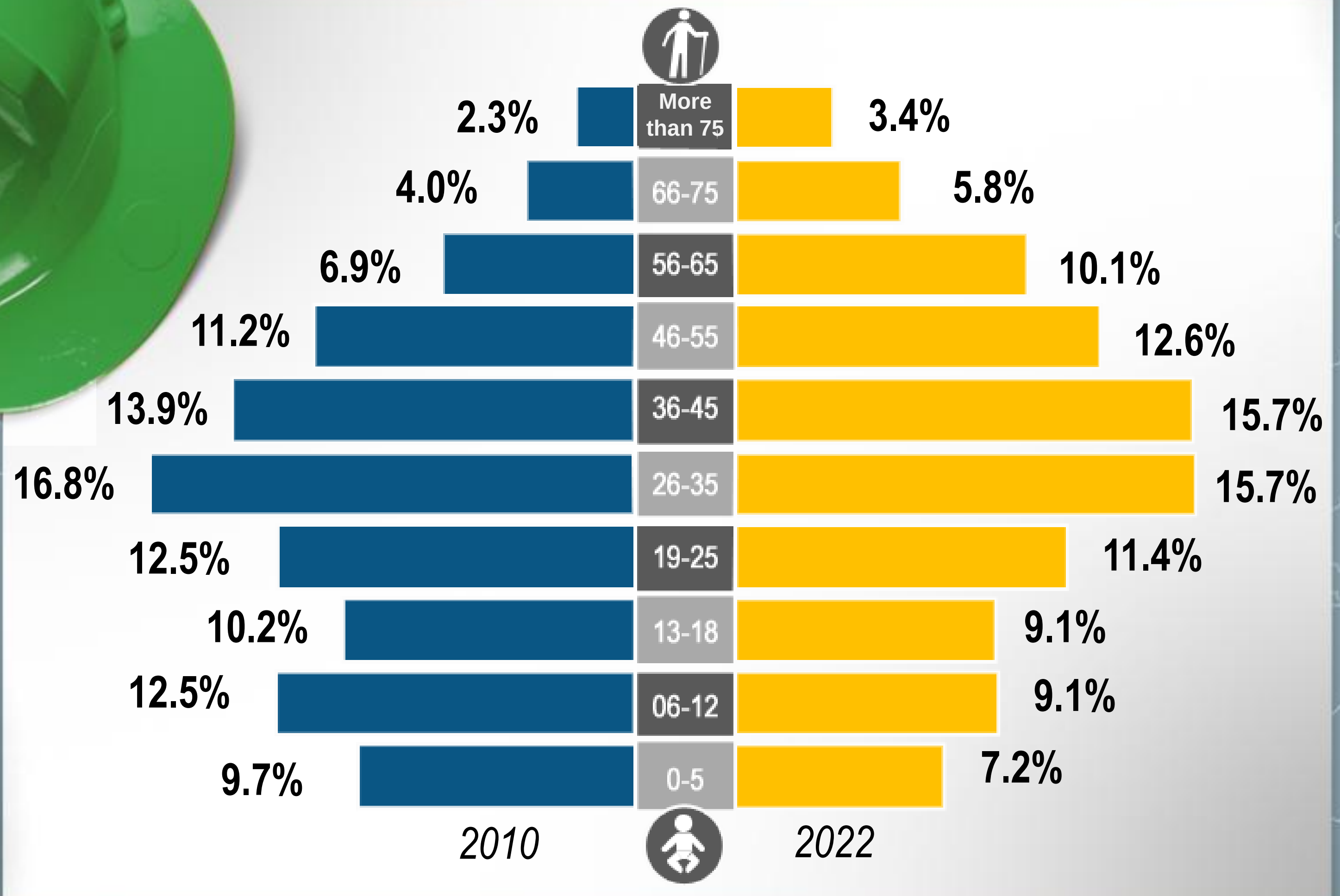
BRAZIL IS IN A PARTICULARLY POSITIVE MOMENT


1
HOUSING
2
LABOUR
3
INFRASTRUCTURE
4
OPORTUNITY LARGE
SPORTING EVENTS
4A
2014
WORLD CUP
4B
OLYMPIC AND
PARAOLYMPIC
GAMES RIO 2016

HOUSING

HOUSING – DIAGNOSIS

Brazil Age Group Pyramid, 2010 & 2022



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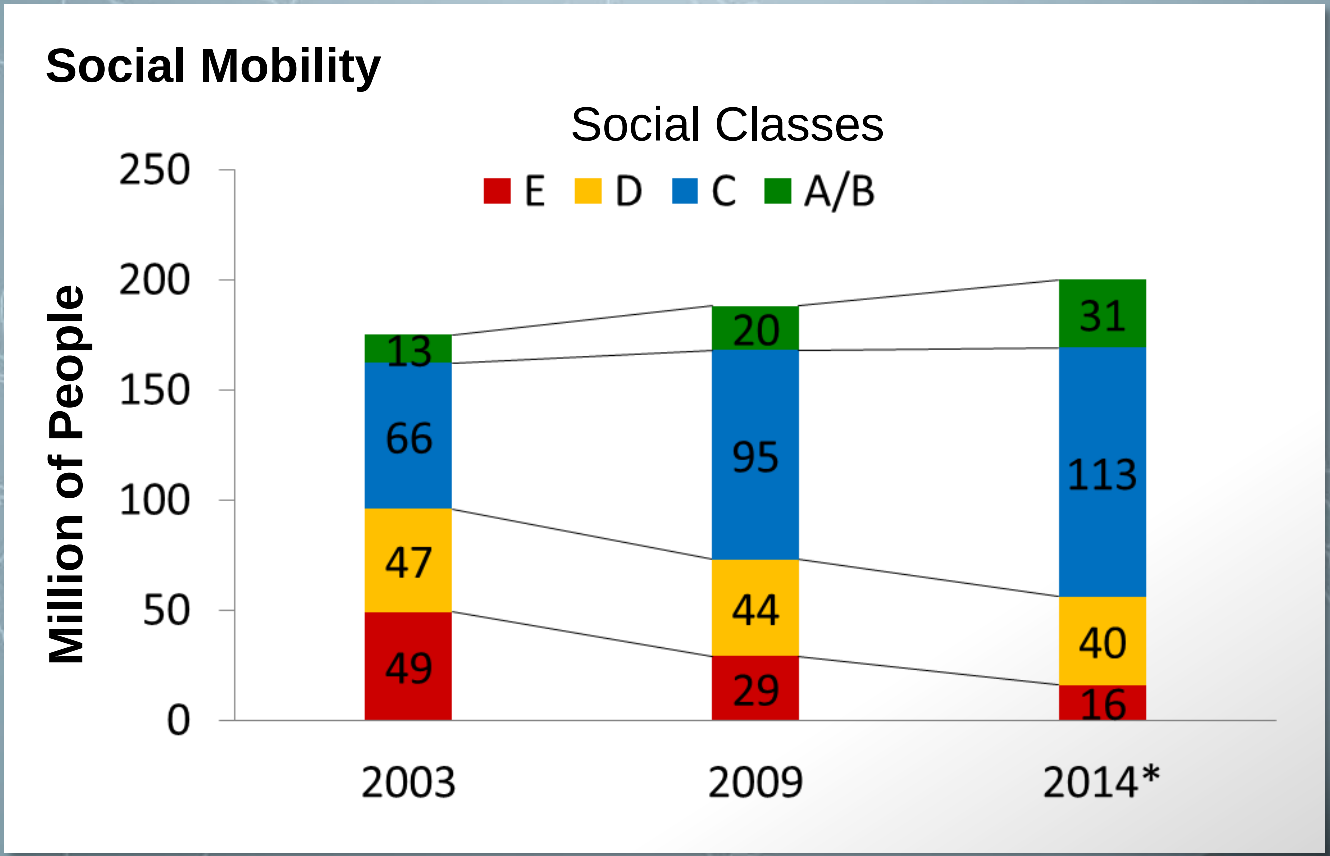
The expansion of the classes C, B and A, in recent years should continue. The country has witnessed a very positive moment in terms of reducing inequality and increasing income.



* FGV Projection

Source: Brazilian Central Bank / FGV

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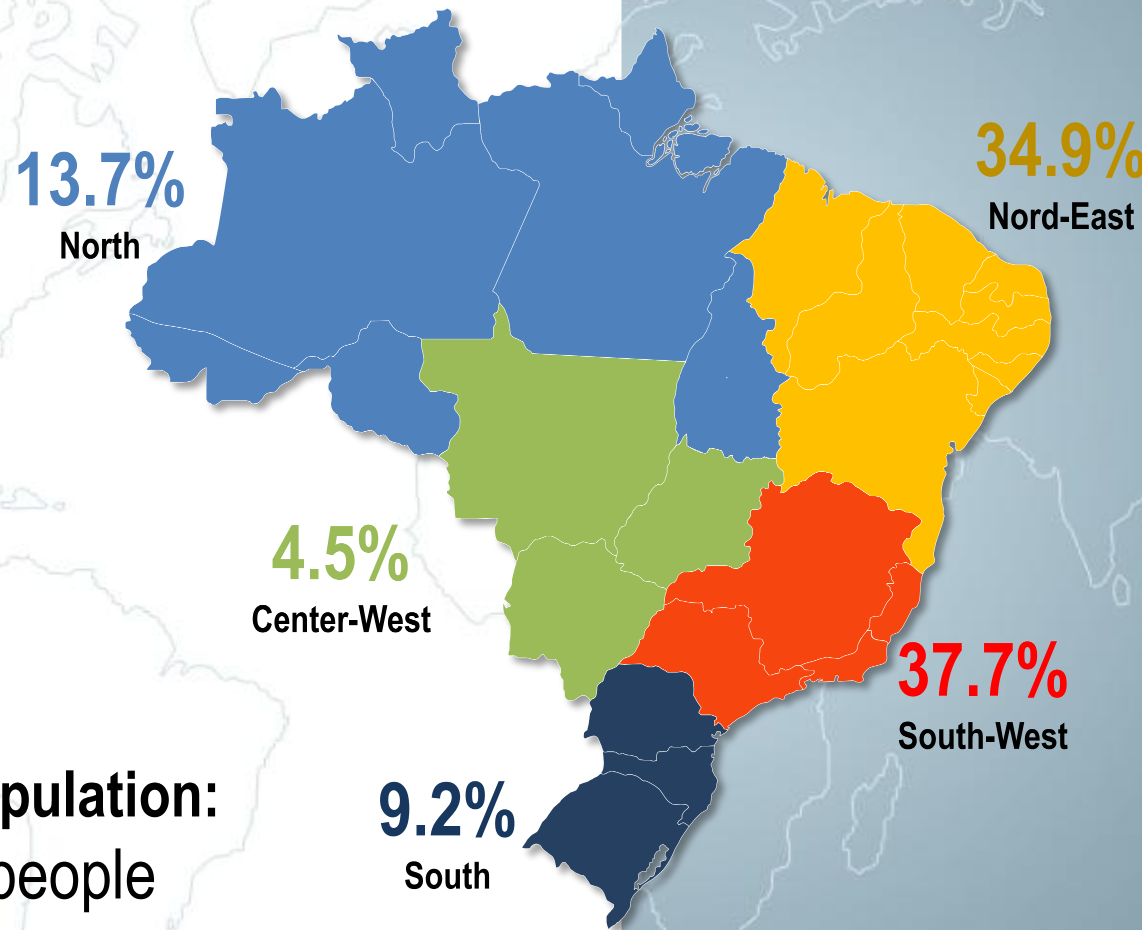
HOUSING DEFICIT = 5.8 MILLION DWELLINGS

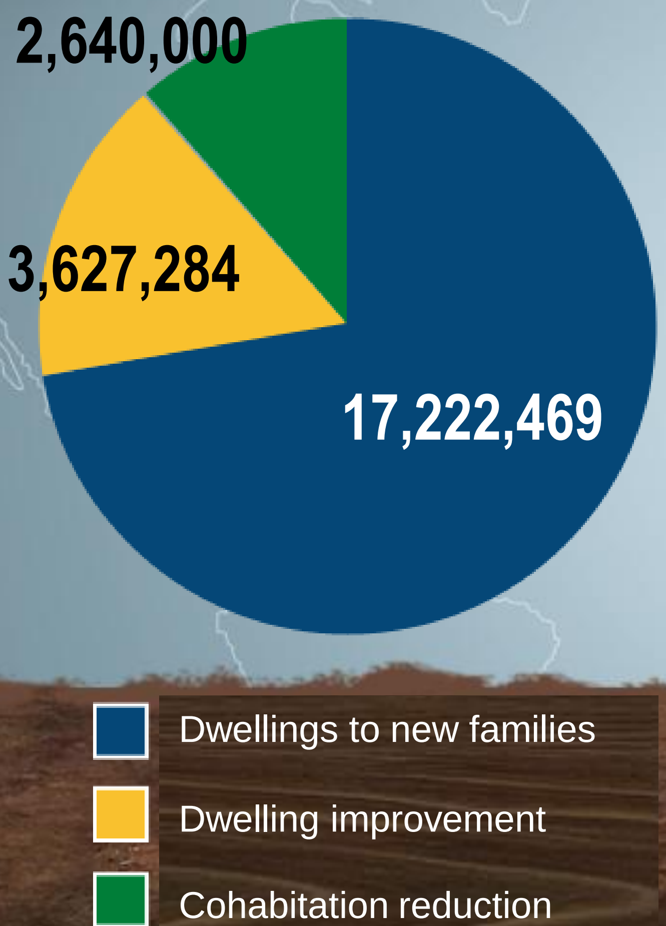


Brazilian Population:
193 million people

Source: Ministério das Cidades. Data presented at the 4th National Monitoring Report. The Millennium Development Goals - March/2010.

HOUSING - GOALS

Housing Needs

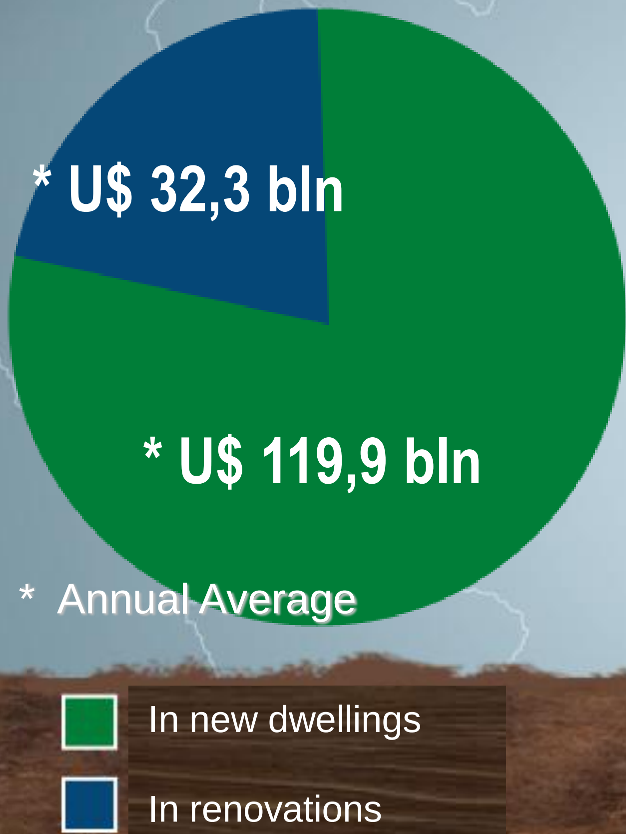


Source: FGV Projetos

Goal by 2022:
Requires more than
23 million dwellings

HOUSING - GOALS

Housing Needs



Fonte: FGV Projetos

Average of 5.80% of the GDP

Goal 2022:
Requires more than
US$ 1,8 trillion in investments

HOUSING

Evolution of Housing Financing

FGTS + SBPE / Savings (in R$ billions)

Source: Caixa Econômica Federal & ABECIP

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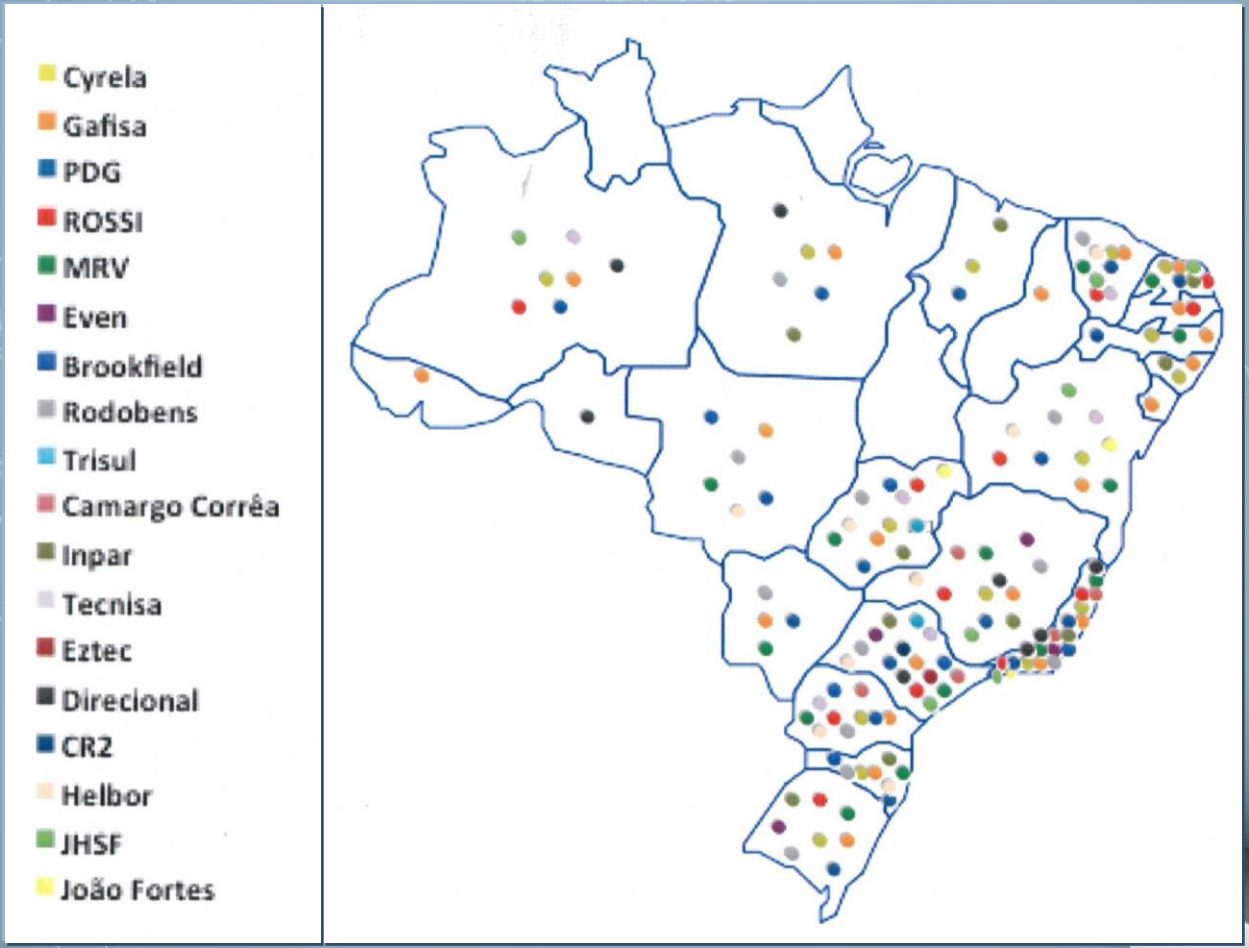
CONSTRUCTION operating at BOVESPA

Geographic Extension of Activities

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LABOUR

INFRASTRUCTURE

INFRASTRUCTURE

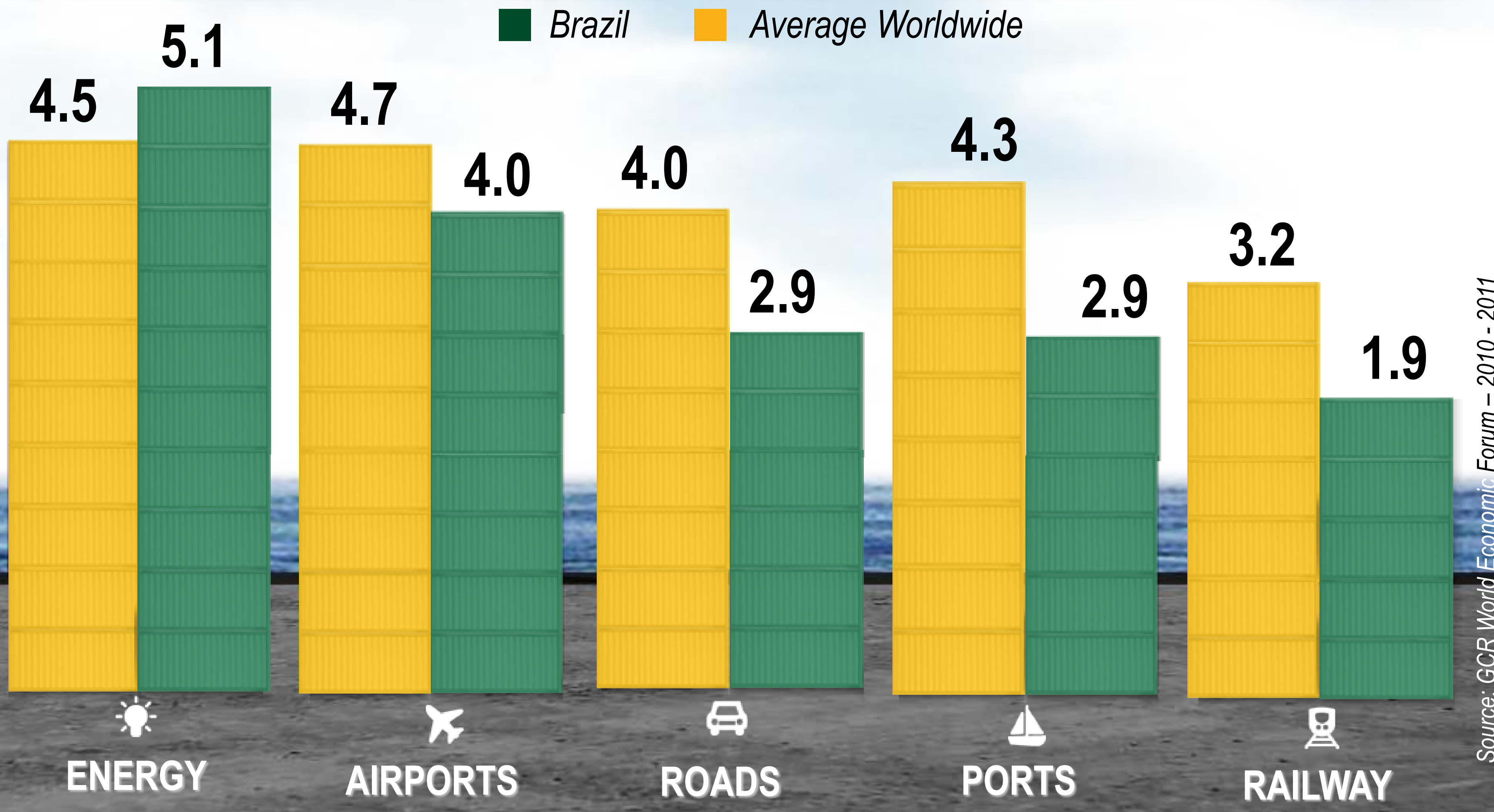
Brazil's worldwide position from 139 countries

41º	Logistics
76º	Cellular phones
82º	Customs Regulations
87º	Railway
93º	Airports
105º	Roads
123º	Ports

Source: *World Economic Forum*

INFRASTRUCTURE- DIAGNOSIS

General Infrastructure Quality



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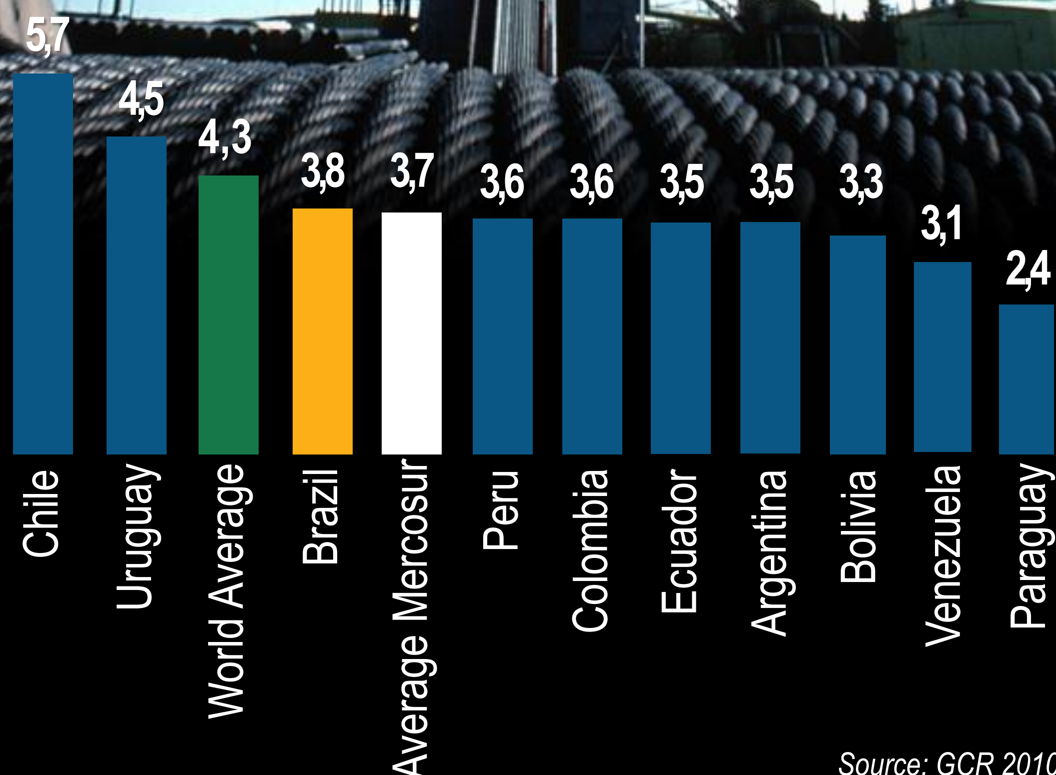
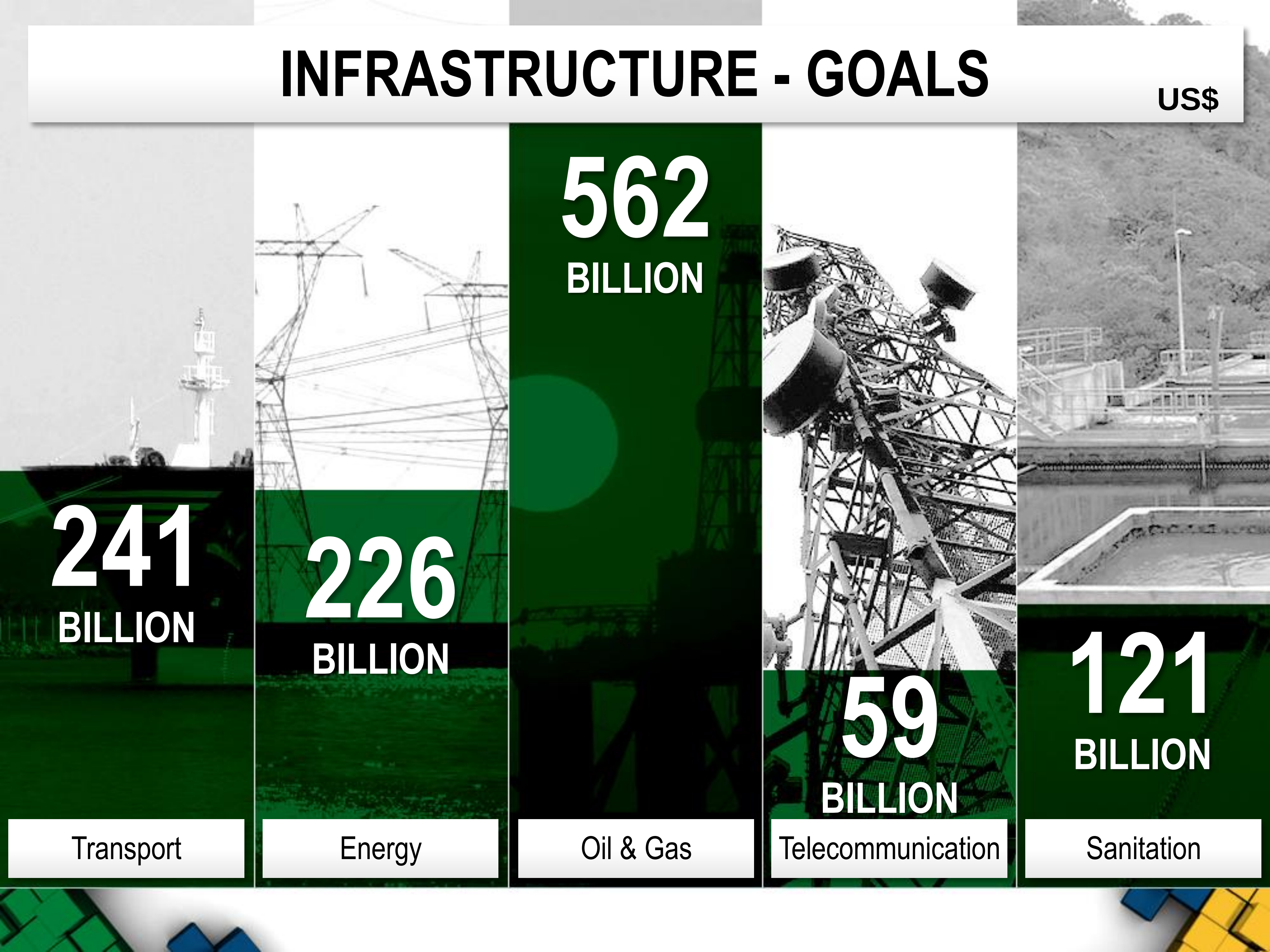
INFRASTRUCTURE - DIAGNOSIS

General Infrastructure Quality



Between 1 and 7.

Source: GCR 2010-2011 – World Economic Forum


INFRASTRUCTURE - GOALS
US$
241
BILLION
Transport
226
BILLION
Energy
562
BILLION
Oil & Gas
59
BILLION
Telecommunication
121
BILLION
Sanitation

INFRASTRUCTURE - GOALS

Total investment

MORE THAN 1,176 TRILLION DOLLARS

Transport

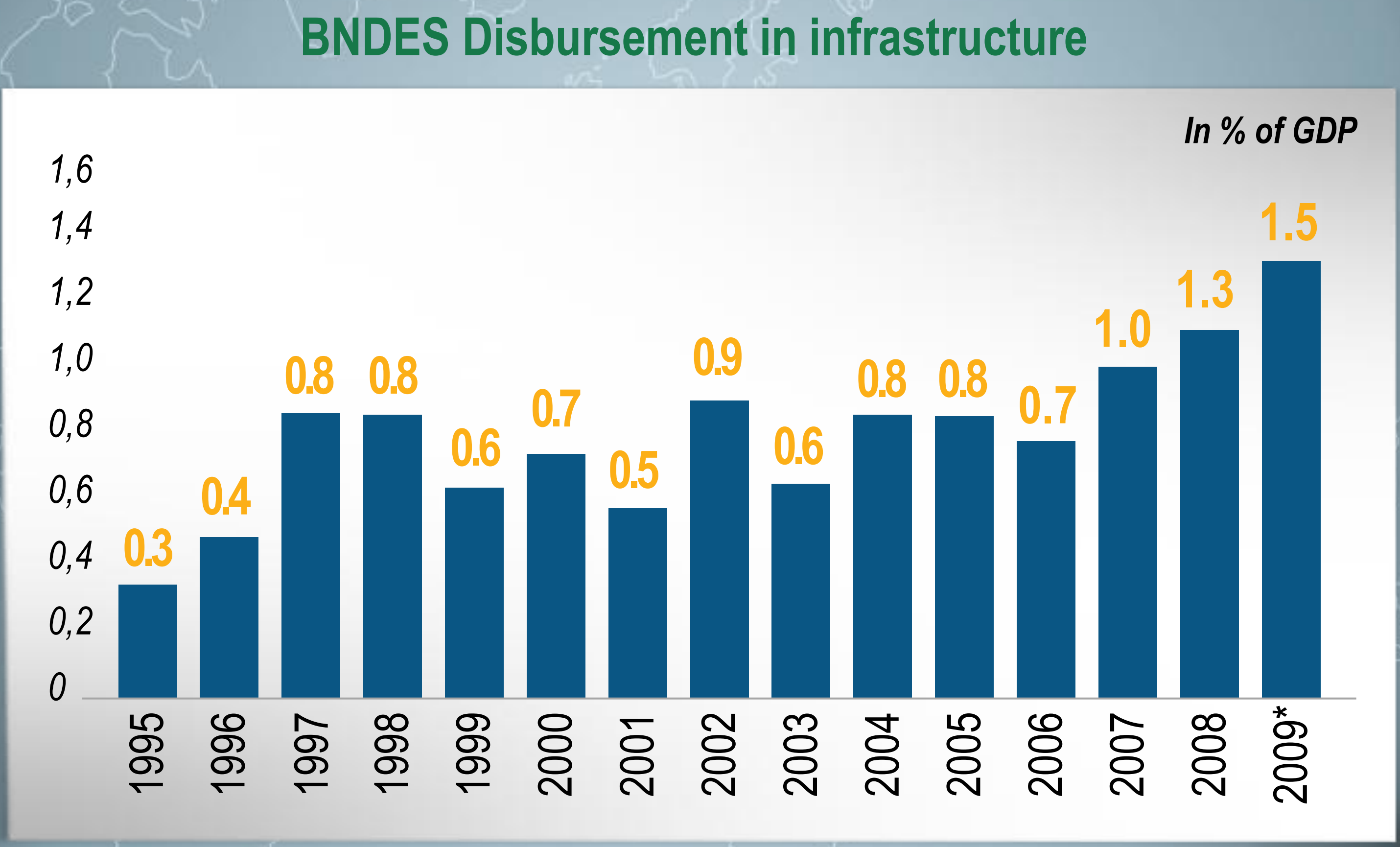
Energy

Oil & Gas

Telecommunication

Sanitation

BNDES DISBURSEMENT OF INVESTMENT IN INFRASTRUCTURE



**12 months terminates in November*

Source: BNDES & IBGE. Elaboration: LCA

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OPORTUNITY
LARGE SPORTING EVENTS

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2014 WORLD CUP

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Rio2016
RIO 2016
OLYMPIC AND PARAOLYMPIC GAMES
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TRANSPORT

By 2022, investment into transport should
reach more than US$ 410 billion

2010 - 2014	
Public	50,769
Private and Mixed	41,991

2010 - 2018	
Public	58,176
Private and Mixed	108,792

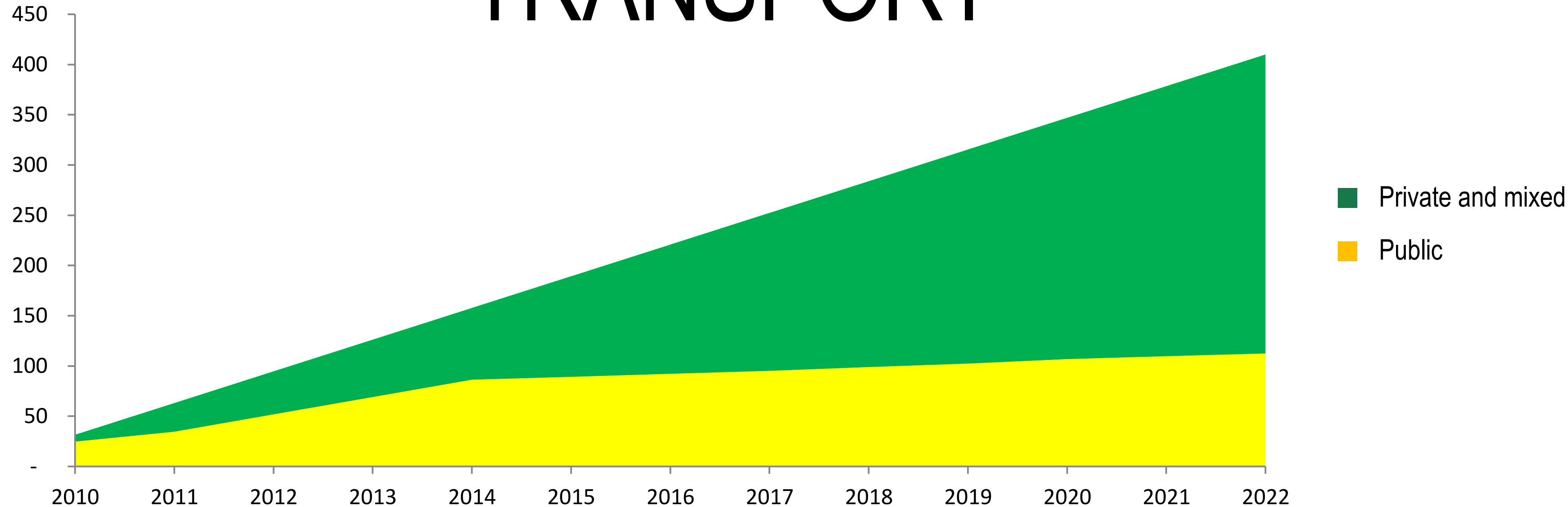
2010 - 2022	
Public	66,123
Private and Mixed	175,052

In million of Dollars

Annual average of investment:

US$ 18,8 billion

TRANSPORT



Today, for every **US$ 1.00** of public investment, there is **US$ 0.28** of investment from private and mixed sources.

By 2022, this will reach: for every **US$ 1.00** public investment, there is **US$ 3.35** of investment from private and mixed sources.

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POWER

Expansion through stimulation of energy efficiency

2010 - 2014		2010 - 2018		2010 - 2022	
Total	**87,104**	Total	**156,787**	Total	**226,470**

In million of Dollars

Average Annual Investment

US$ 18,9 billion

Total accumulation 2010-2022

US$ 226 billion

The Brazilian energy is one of the most expensive in the world,
when it has everyting to be the cheapest.

This can change. That must change.

Demand your rights. Subscribe to the manifest at the website, demand, discuss the problem on the internet.

If nobody does anything, everything will continue as it is: few winning and Brazil losing

OIL & GAS

Pre-salt requires large resources

2010 - 2014	2010 - 2018	2010 - 2022
Total 216,038	Total 388,914	Total 561,764

In million of Dollars

Average Annual Investment

US$ 44 billion

Total accumulation 2010-2022

US$ 561,7 billion

TELECOMMUNICATION

Modernization and expansion of user services

2010 - 2014	2010 - 2018	2010 - 2022
Total 42,367	Total 50,015	Total 58,823

In million of Dollars

Average Annual Investment

US$ 7,7 billion

Total accumulation 2010-2022

US$ 100 billion

SANITATION

Universal access as a realistic goal

In million of Dollars

	2010 - 2014	2010 - 2018	2010 - 2022
Own Funds Operators	13,2	26,5	39,7
Financing	13,2	26,5	39,7
Fed. Gov. Budget	11,6	23,3	34,9
Others	2,2	4,5	6,7

Average Annual Investment

US$ 10,1 billion

Total accumulation 2010-2022

US$ 121,1 billion

WORLD CUP OPPORTUNITIES

Mobility and urban infrastructure

Economy will produce additional **US$ 83,5** billion: The World Cup will produce a cascading effect on investment in the country

CONSOLIDADED IMPACTS FROM THE WORLD CUP

a) Impact on total demand (Brazil spending related to the World Cup)	**US$ 17,4 billion**
▪ Investiment	**US$ 13,21 billion**
▪ Operational expenses	**US$ 0,69 billion**
▪ Visitor spending	**US$ 3,49 billion**
b) Impact on domestic production of goods and services	**US$ 66,34 billion**
c) Impact on income (income generated from item A)	**US$ 37,34 billion**
d) Impact on jobs (occupation-year from item A)	**US$ 2,13 million**
e) Impact on tax collection	**US$ 10,66 billion**

SECTORS THAT WILL BENEFIT THE MOST
(ECONOMIC ACTIVITIES WITH THE GREATEST INCREASE IN PRODUCTION)

- **Civil construction**
- **Food and beverages**
- **Electricity, gas, water, sewage & urban cleanup**
- **Business Services**
- **Information services**
- **Tourism and hotels**

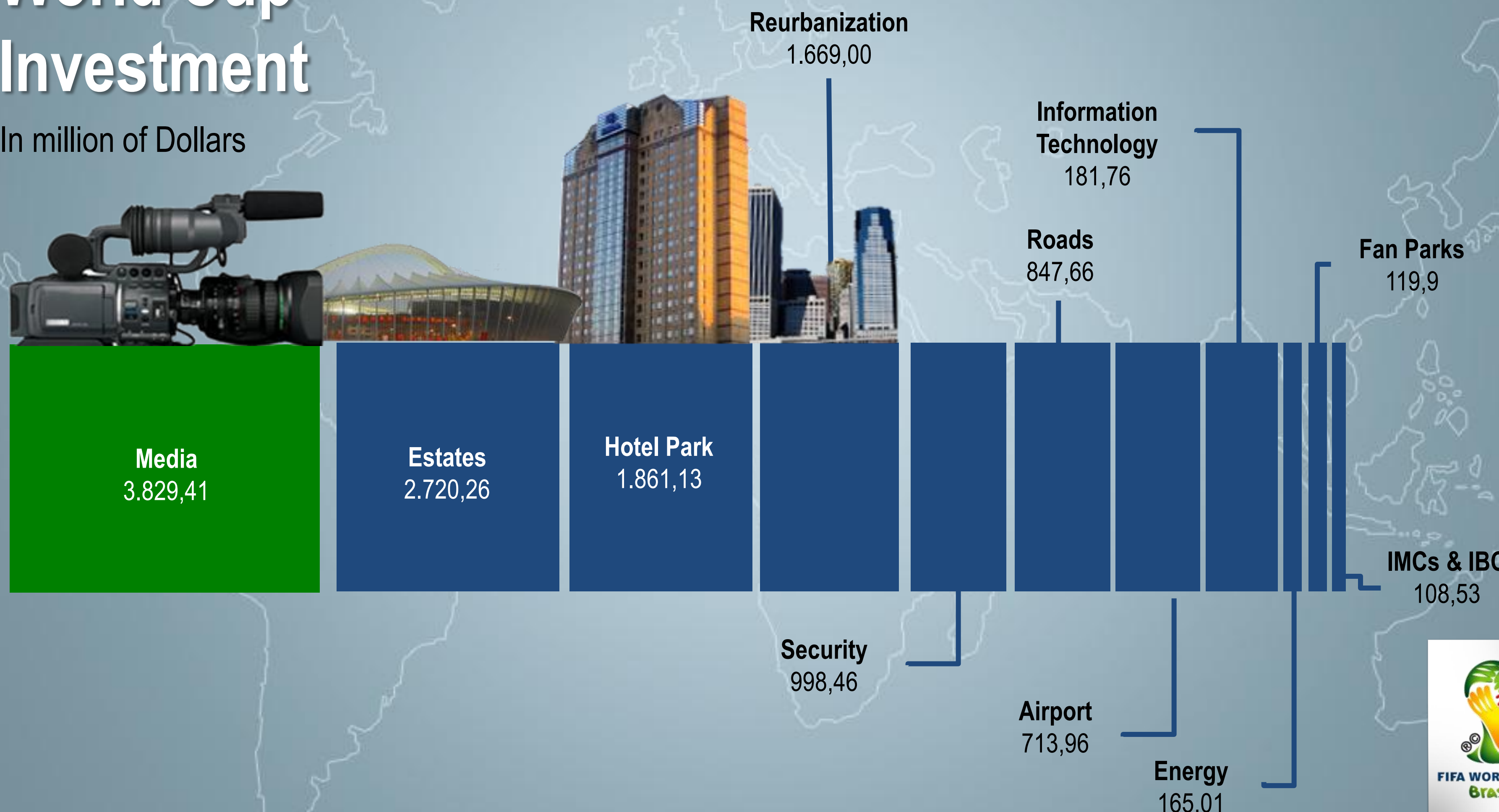
FIFA WORLD CUP Brasil

WORLD CUP OPPORTUNITIES

Mobility and urban infrastructure

World Cup Investment

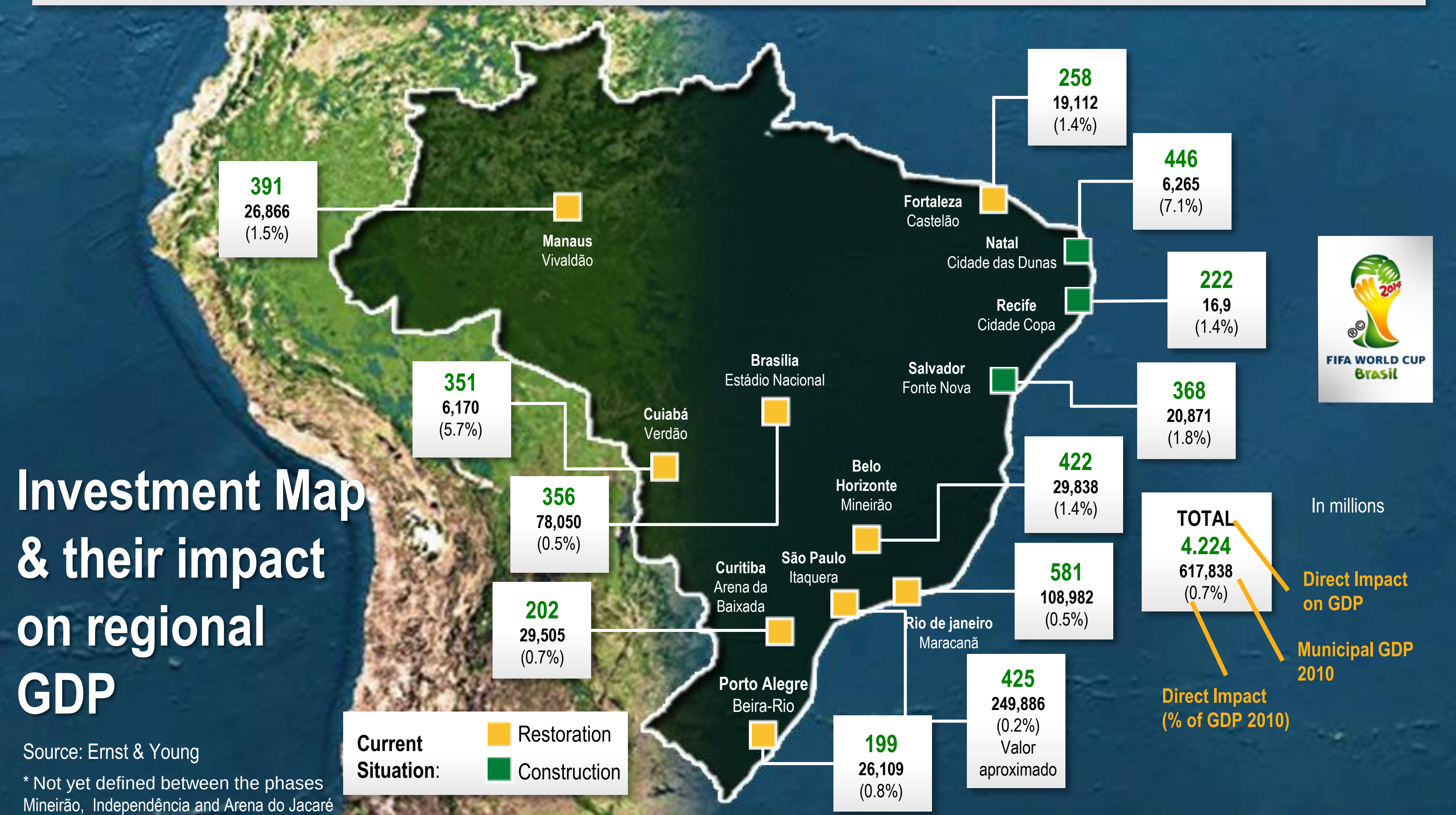
In million of Dollars



FIFA WORLD CUP Brasil

WORLD CUP OPPORTUNITIES

Mobility and urban infrastructure



Investment Map & their impact on regional GDP

Source: Ernst & Young

* Not yet defined between the phases Mineirão, Independência and Arena do Jacaré

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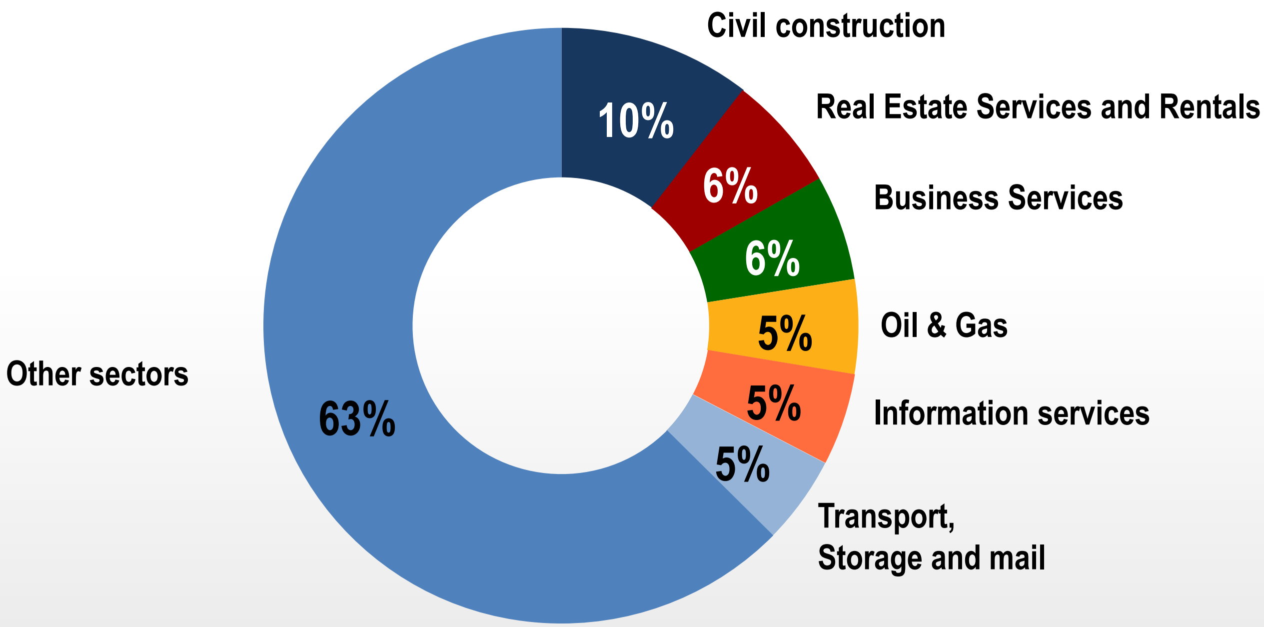
OLYMPIC OPPORTUNITIES 2016

Main sector benefits

Main sector benefits

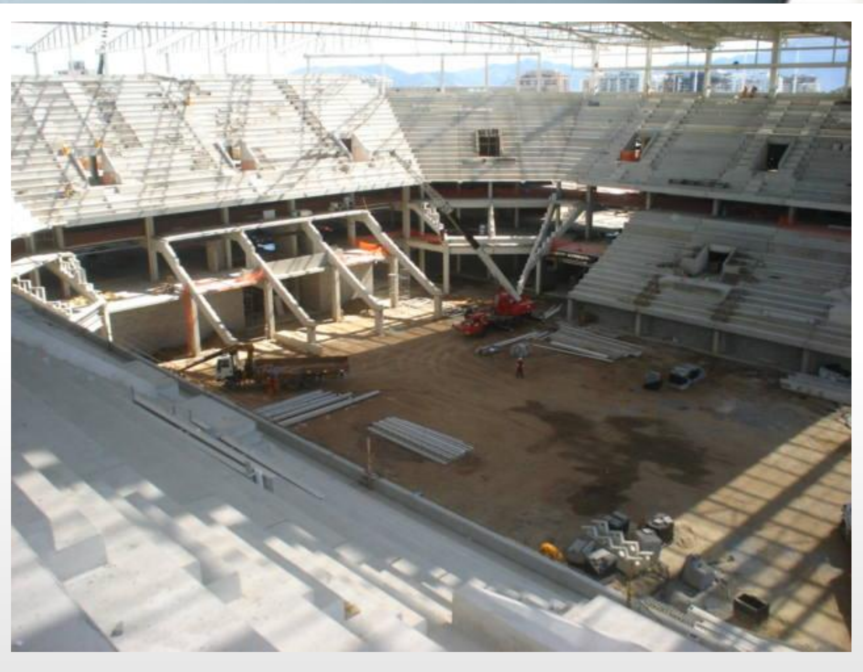


INTEGRATED PRODUCTION INVESTMENT

INTEGRATED PRODUCTION INVESTMENT

CONSTRUCTION SITE - USE OF PRE-MOLDED SYSTEMS

SHOPPING CENTER



SPORTS CENTER

ROME / ITALY – JAN/11

Seminar organized by the Italian Institute for Foreign Trade (ICE)
Business Opportunities in Brazil - World Cup and Olympics

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ICE / CONFINDÚSTRIA / FIESP - BRAZIL

May 16 & 17th 2011

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BATIMAT - PARIS

International Construction Exhibition – November 7 & 12th 2011

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SORBONNE / PARIS

University of Paris 1 - Panthéon

Visit to the University in Paris
Jan/11

Visit to Brazil from Prof. Guillermo Hillcoat
Director of the Chair of the Americas

BERGAMO – MILAN – TORINO
Mission Business – May 8-14th 2011

Giuliano Lengo Diretor General from the Centro Estero per l'Internazionalizzazione

Tom Dealessandri
Mayor of Torino

Delivery of official Brazilian football jersey for Senator Gilberto Bonalumi and Andrea Bonalumi

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CONSTRUCTION MONITORING

www.observatoriodaconstrucao.com.br

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ACKNOWLEDGMENT

Paulo Skaf

- President of Fiesp, Ciesp, Sesi & Senai
- Federation of Industries of the State of São Paulo
- Center of Industries of the State of São Paulo
- Industry Social Services
- National Service of Industrial Learning

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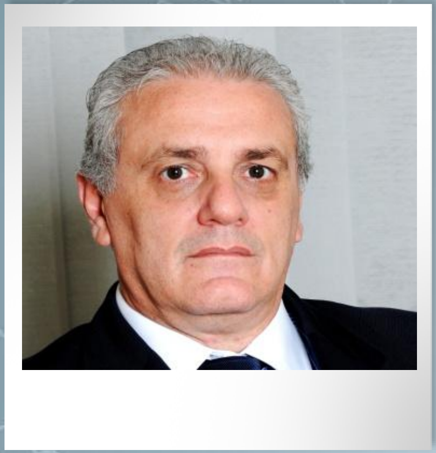
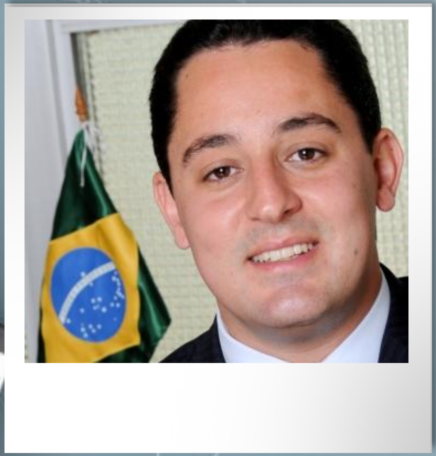
COMMITEE – DECONCIC/FIESP



Dr. Carlos Roberto Petrini

- Director of DECONCIC/FIESP
- Executive President of the Sinaprocim / Sinprocim



Dr. Pedro Rinaldi

- Associate Director of Oliveira Lima Adv.
- Official member of the Young Entrepreneurs Committee – CJE / FIESP

COMMITEE – DECONCIC/FIESP

Claudinei Florencio

- Manager of DECONCIC / FIESP

Karina Vieira Dias

- Analist of the Industrial Construction Planning of the DECONCIC / FIESP

Investment in construction is development for the country

Considering this positive outlook in the construction chain which we have the honour of representing in Deconcic, Fiesp, we reaffirm that government programs are not enough for the sector.

Thank you!

www.fiesp.com.br/deconcic
deconcic@fiesp.com.br
www.observatoriodaconstrucao.com.br

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