

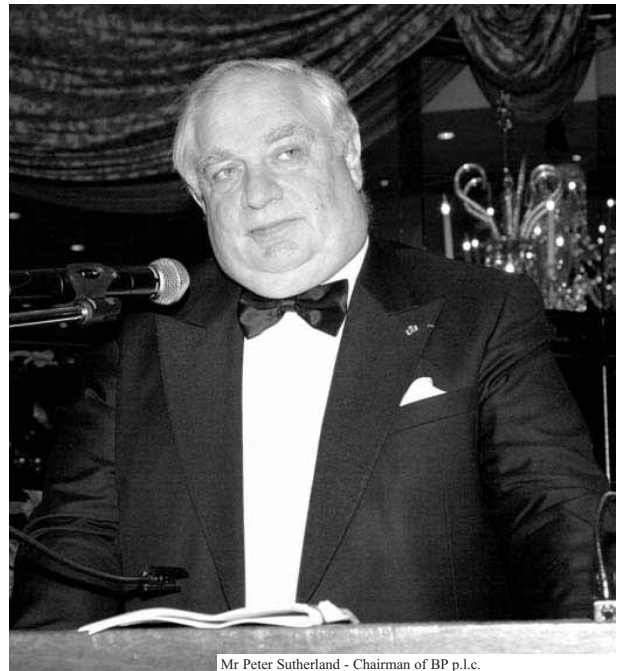
# BRAZIL BUSINESS BRIEF

DECEMBER 2008 - ISSN 1351-4520 - VOLUME 11 - NUMBER 34 NEWS FROM THE BRAZILIAN CHAMBER OF COMMERCE IN GREAT BRITAIN

## THE PERSONALITY OF THE YEAR AWARDS



Maria Cláudia Amaro - Chair of TAM



Mr Peter Sutherland - Chairman of BP p.l.c.

This year marks an important milestone - a decade of the prestigious 'Personality of the Year Awards' Gala Dinner of the Brazilian Chamber of Commerce in Great Britain co-hosted by the Embassy of Brazil. The 2008 Gala Dinner was held once again at the Dorchester Hotel on 22nd April, the date of the discovery of Brazil - 22nd April 1500. 2008 is also the year in which the 200th anniversary of the Opening of the Brazilian Ports to Friendly Nations is being celebrated - recording a history of sustained economic and trade links between Brazil and the United Kingdom.

Mr Peter Sutherland, Chairman of BP and Ms Maria Cláudia Amaro, Chair of TAM Airlines, the honoured Personalities of 2008, and about three hundred and eighty guests enjoyed this very special Gala Dinner. There were British and Brazilian businesses, academics and politicians. The Chamber and the Embassy were privileged by the attendance of Viscount Montgomery, Lord Howarth, Baroness Symons, Baroness Hooper, Baroness Rawlings, Lord and Lady Triesman, Lord Walker, Baroness Wilcox, Lady Anne Heap, Sir Roger Bone and Lady Lena Bone, Judge John Toulmin, CMG, QC, Mr Bob Blizzard, MP and Mr Mark Hendrick, MP, Professors Gaby

Brade, Keith Hoggart, Linda Newson and David Treece, Dr. Lolita Tsanaclis, Dr. Durval Goyos Jr. and Dr. Mari Campbell.

The Rt. Hon John Hutton, Secretary of State for Business, Enterprise and Regulatory Reform and H. E. Ambassador Carlos Augusto R. Santos-Neves presented the awards. Sir Peter Heap, Chairman of the Brazilian Chamber of Commerce in Great Britain, led the proceedings. Guests enjoyed sampling Brazilian wines and were serenaded with live Brazilian music by Plínio Toledo (voice and guitar) accompanied by Marcelo Curumim (sax and flutes) and Ulisses Bezerra (percussion). Mrs. Mary Joan Hershberger Santos-Neves presented the draw prizes to Fernanda Guimarães de Azeredo Alves who won the first prize (two TAM business class return tickets and five days at the Pestana Hotels - three in Rio and two in Angra dos Reis); second prize went to Teresa Nemes (a weekend stay in the Berlin Meliã Hotel).

Sir Peter Heap warmly welcomed the guests to Gala Dinner celebrating the achievements of the two exceptional recipients of the Awards and their companies in expanding Brazilian-British economic investment and trade relations through the 'Personality of Year Awards'. He proffered a warm welcome to the new Brazilian Ambassador to the Court of St James's, Senhor Santos-Neves.

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## AMBASSADOR CARLOS AUGUSTO R. SANTOS-NEVES

Brazilian Ambassador to the Court of St. James's since February 2008



**B**orn in Rio de Janeiro in 1944. Married to Mary Joan Hershberger with three children: Miguel Edward, 29, Carolina Louise, 27, Gabriel Charles, 20. Graduated from Instituto Rio Branco (Brazilian Diplomatic Academy, *Summa Cum Laude* 1965), obtained an MBA in Finance from Fundação Getúlio Vargas

(1968), Post-graduate Course in Political Science at Columbia University (1969-70), PhD from Instituto Rio Branco 1981. Assistant to Foreign Minister, MRE (Ministry of Foreign

Affairs) 1977-79. Chief of Staff to the MRE Secretary General 1985-88. Consul General in New York 1988-92. Ambassador to Mexico 1992-96. Non-Resident Ambassador to Belize 1995-96. Ambassador to Canada 1996-99. MRE Secretary for Policy Planning 1999-2001. Consul General Houston 2001-03. Ambassador to the Russian Federation 2003-08. Non-Resident Ambassador to Belarus, Georgia, Turkmenistan and Uzbekistan (2003-08). Non-Resident Ambassador Kazakhstan 2003-6. His other postings were Buenos Aires (Embassy), Hong Kong (Consulate General) and Geneva (Delegation to UN/GATT).

Honours and decorations: Brazilian: Order of Rio Branco, Order of the Navy, Order of the Army, Order of the Air Force; Foreign: Argentina, Chile, Denmark, France (Legion of Honour, Order of Merit), Germany, Mexico, Nigeria and Venezuela (Francisco de Miranda, Simon Bolívar).

## The Rt. Hon John Hutton presents the Personality of the Year Award to Mrs Maria Cláudia Amaro

**T**he Rt. Hon John Hutton, MP presented the 2008 Personality of the Year Award to Maria Cláudia Amaro. He started by thanking 'the Embassy of Brazil and the Brazilian Chamber of Commerce for organising this wonderful event'. He continued by stating, 'Your hard work has helped build powerful and prosperous links between the UK and Brazil. It offers us and the rest of the global business community a gateway to the dynamic Brazilian market. And the attendance tonight of so many senior Government representatives and leading business people from both our countries shows that, in its 200th year, our trading relationship is stronger than ever'.

Highlighting the importance of the relationship between the UK and Brazil, Mr Hutton spoke about the increase in trade over the past two years of more than 20% - totalling over £3 billion in 2007 matched by a significant increase in bilateral investment. He also spoke about the record growth of the Brazilian economy, which is now larger than that of Australia, Russia and India, and with a GDP greater than the rest of South America combined.

Mr Hutton remarked, 'Brazil recognises that with this growing global economic influence come increased international responsibilities. Your country already plays a vital role in Latin America, and is continuing its open engagement with the rest of the world. This is both welcome and necessary.'

'Multilaterally, an ambitious Doha Development Agenda package would not only considerably benefit Brazil, but also have a significant impact on global stability, prosperity and development. It is therefore essential that Brazil and the UK continue to work, with other global partners, to achieve an agreement this year that works for all countries.'

The Secretary of State spoke about building on success. 'At the heart of our work together is the UK Brazil Joint Economic and Trade Committee - JETCO. And in the two years since it

was established, substantial progress was achieved. Senior representatives from public sectors, business people from major UK and Brazilian companies and leading business bodies have been sharing learning and experience to create a better environment for our two countries to do business together. None of this work would have been possible without JETCO'. Mr Hutton added, 'I am delighted to announce that today I have agreed with Miguel Jorge, Brazil's Minister for Trade, to broaden and deepen our JETCO relationship to build on this success'. He announced that he would be making his first visit as Secretary of State for Business to Brazil later this year to see for himself the determination of the Brazilian people to succeed and the hard work that drives Brazil's dynamic economic performance. He added, 'Nowhere is this drive and talent more evident than in the achievements of the people we are here to honour tonight'.



## Honouring Maria Claudia Amaro

Over the last 18 years, Ms Maria Claudia Amaro has helped TAM Airlines grow to become Brazil's leading airline and a major international operator. Helping to build a frequent flyer customer base of around four and a half million people and to develop international routes that cover the US, Europe and South America and include a direct London to Brazil service. With a background in finance and retail, Maria Claudia worked her way up through the company from Marketing Manager to now Chair of TAM.

She is recognised here tonight for her commitment to TAM's success in Brazil, her work to increase cultural and economic exchanges between our two countries and her promotion of British tourism in Brazil. Maria Claudia was the driving force behind the creation of TAM's São Paulo to London route and helped establish TAM flights to other European destinations. She takes a personal interest in, as well as responsibility for,

almost every aspect of TAM's business. No matter how detailed the work is. From the layout of aircraft seating, design of in-flight services and menus to her company's corporate image in the 21st century. Recently, she led on the successful re-design and re-launch of her company's logo and branding.

TAM is a company whose history is filled with growth and success. And for her own tireless work and immeasurable achievements, it gives me great pleasure to present Maria Claudia Amaro with the 2008 Embassy of Brazil and Brazilian Chamber of Commerce's Personality of the Year Award.

In recognition of her and TAM's contribution to our bilateral relations, it is an honour richly deserved. Congratulations.

*The Rt. Hon. John Hutton, MP  
Secretary of State for Business, Enterprise and  
Regulatory Reform*

## Mrs Amaro's acceptance speech

Ladies and Gentlemen,

This is an evening of joy for the entire TAM Family. We should venture to say that we also represent Brazil in this event, which deepens our friendship. I salute my professional colleague who is also being honoured tonight, Mr. Peter Sutherland, Chairman of BP plc, a company that has made invaluable contributions to the oil market in Brazil.

I would like to offer a brief history of the Amaro family's activities in civil aviation. We began our activities in the 1960s, when my father, the young pilot Rolim Amaro, became a partner in an airline charter company, TAM Táxi Aéreo Marília, which was to become the embryo of a group offering a complete range of products and solutions in the civil aviation sector. Currently, the Amaro family is present in all air-transportation activities - from executive jets to helicopters, charter and large aircrafts transporting passengers in Brazil and abroad. As time went by, TAM Táxi Aéreo Marília became the representative of some of the largest executive-aircraft manufacturers worldwide, such as Cessna Aircraft and Bell Helicopter. The company now has an operational fleet of 36 aircrafts comprising Citation jets and Caravan turbo-propellers and counts on numerous hangars and bases in the main Brazilian capitals.

TAM Táxi Aéreo Marília was responsible for the sale of 50 percent of the aircraft that currently make up the Brazilian executive-jet fleet. Over the past 20 years, we have negotiated almost 800 aircraft, from single-engine airplanes to helicopters and executive jets. This experience in executive aviation created a larger number of flights. Slightly over a decade later, in 1976, TAM Airlines was created expanding the services offered by the TAM Group.

From its inception, TAM has had an impressive performance. In its first six months, it transported 90 thousand passengers in the first year. At that time, aviation was growing 15% per year. TAM has enjoyed 70% growth every six months.

Consistent planning allowed TAM to achieve positive results in a gradual and sustainable manner. Our objective was not to leap into thin air, but to pursue a solid trajectory of expansion. The option of a solid management marked by a long-term vision did not aim at valorising of the company as a priority. We wanted to conquer and sustain our leadership in the sector first. The market numbers for the last 10 years show that our choice was correct. In 1997, we transported 1 million passengers and by 2007, 28 million clients representing an expansion of almost 2,500%. This means that our growth was over 5,800%.

TAM currently has a fleet of 110 aircraft, with plans to reach 147 by

2012. It has been the market leader in Brazil for four years flying between 42 destinations in Brazil and 17 abroad. In addition, TAM has code-share agreements that allow passengers to travel to another 64 destinations in the United States, South America and Europe. TAM is proud to be the largest airline in the Southern Hemisphere. One of the pillars of this growth was the opening of the international routes in 1998. Ten years on, TAM has almost 70% of the market share in international flights operated by Brazilian companies with 49 flights to Europe and 35 to the USA per week. In October 2006, we launched the flights to London with replicas of the Big Ben and Tower Bridge at the Brazilian Travel Agencies Conference and we used replicas of the famous Route Master as a London cultural reference in our campaign in the São Paulo and Rio de Janeiro streets. The London route is a key pillar and one of the three most important ones for TAM's activities outside Brazil. With almost a thousand flights, TAM transported over 156 thousand passengers in less than a year.

Brazil is currently experiencing an extremely favourable phase in its economy. Inflation is under control, and productive activity presents a sustainable expansion. Analysts forecast a 5% increase in the Brazilian GDP this year, similar to 2007, when the Brazilian economy grew by 5.4%. For the first time in its history, Brazil became a net international creditor with a positive balance of almost 7 billions of US dollars.

Equally, the merger and acquisitions market in Brazil has been breaking records. Direct external investments, for example, reached an all time high of 34.6 billions of US dollars, almost double in comparison to the previous year. TAM's UK investments rank as the ten largest.

This extremely positive landscape encourages TAM to fly higher. In 2008, Brazil also celebrates two hundred years since the arrival of the Portuguese Royal Family and the opening of Brazilian ports to friendly nations in which British contributions were invaluable. Those two events represented an enormous stimulus to the development of the economy and the whole of the Brazilian society. We hope that, two centuries later, the excellent relations between Brazil and Great Britain will foster a new development cycle for both nations. Therefore, it is with much pride and joy that I receive this tribute from the Brazilian Chamber of Commerce in Great Britain. I thank you with all my heart for such an honour from an entity of great tradition and significance to the relations between our countries. Indeed, I accept this award on behalf of my whole family, who are driven by a passion for aviation as much as I am.





## H.E. Carlos Augusto R. Santos-Neves Ambassador of Brazil

On welcoming the guests, the Ambassador remarked, 'The list of past recipients of the awards of the Brazilian Chamber of Commerce in Great Britain is a true "dream team" of business both in Brazil and in the United Kingdom. The two outstanding Personalities we honour tonight confirm and strengthen this proud tradition'.

He spoke of the extraordinary developments in UK-Brazil bilateral relations over the past few years highlighting (i) the British support for Brazil as a permanent member of a reformed United Nations Security Council and (ii) the 2006 State Visit of President Lula da Silva, as well as the potential for further bilateral and multilateral cooperation in reform in multilateral institutions such as the UN, the IMF and the World Bank; reduction and eradication of hunger and poverty; climate change and development of new and sustainable clean energy sources.

British foreign direct investment in Brazil reflects a broad spectrum of interests: banking, financial and legal services, pharmaceuticals, infrastructure, agribusiness, and manufacturing and, of course, oil, gas and energy. He added, 'We have to be wary of events that may undermine our bilateral partnership, such as the campaign against Brazilian beef, which was patently designed to influence European public opinion and based on fallacious arguments that aimed uniquely at discrediting the Brazilian product'.

Despite the unpredictability in the global economy and concerns over reverberations arising from the severe problems in the United States mortgage market, Brazil is able to endure the potentially negative effects of a slow down of the global economy. The Ambassador outlined the Brazil's solid fundamentals:

- 1) decreasing external vulnerability - an outcome ensuing from the growing number of economic and commercial partners worldwide, as well as trade and current account surpluses with an accumulation of large international reserves;

- 2) monetary stability with inflation of 4% in 2007; a forecast of 4.5% in 2008, very low by historical Brazilian standards or by any standard;

- 3) fiscal responsibility, with transparency and discipline in public accounts at federal and state levels, combined with a primary budget surplus and decreasing net debt and nominal deficit; and

- 4) a five-year record of consistent growth in investment, internal consumer spending and corporate earnings. GDP increases averaged 4.5% between 2004 and 2007, with a yearly increase of 5% forecast for 2008, 2009 and 2010.

The Ambassador spoke of the sustainable growth cycle of the Brazilian economy based on ready availability of consumer and investment credit, increased employment and better income distribution. Next, he spoke of measures to further improve and facilitate the business environment including infrastructure investment helped by public-private partnerships made possible by new incentives and a stable regulatory framework. Bidding processes, e.g., for highways, hydroelectric power plants, electricity lines, railways, and blocks for oil and gas exploration and production were successfully concluded. President Lula's Growth Acceleration Programme has also opened a vast array of unprecedented business opportunities.

He added that investments are supported by Brazil's open and well developed capital markets. He stated, 'We celebrate the fact that, just a few days ago, Lloyd's received the green light from the Brazilian financial authorities and will, thus, become the first international re-insurer admitted to Brazil after the restructuring and liberalization of the sector'.

He noted that it was worth mentioning that BOVESPA (the São Paulo Stock Exchange) and the BMF (Mercantile and Futures Exchange) have recently concluded negotiations to merge creating a new champion among leading exchanges in the global economy. The strategic goal of the new BOVESPA/BMF is to grow worldwide, well beyond the Latin American markets,



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contributing to the process of global reach of Brazilian multinationals such as Gerdau, Vale, Petrobras, Embraer, CSN to name but a few. Recent reports of huge oil findings within the Brazilian territory open extraordinary prospects. He also commented on biofuels that have lately been in the spotlight. 'From an economic point of view, to blame biofuels for the increase in global food prices is simply not supported by facts'. The Ambassador illustrated this by quoting from the speech of President Lula da Silva at the opening a regional conference of the Food and Agriculture Organization in Brasília on 16th April. Having set out to combat hunger and poverty from his first day in office, President Lula da Silva commented, that the recent global rise in food prices made hunger and poverty visible. The President stated that blame could not apportioned to any single factor but that it ensued as combination oil price rises, lower crop yields in various countries due to adverse weather, increased freight cost, currency exchange rate shifts, speculations in financial markets and food consumption increase in developing countries such as China, India and Brazil as well as in poorer countries. The President called for all to avoid futile generalization and reductionism but to face these problems in a consistent manner.

The Ambassador then argued that it was a mistake to appraise all biofuels by the same yardstick. Sugar cane, a category by itself, is the most productive, and by far the most sustainable source for biofuels both in economic and environmental terms. It allows for a 90% reduction of greenhouse gas emissions when compared to petrol. Brazil has a mandatory blend of petrol and ethanol at the ratio of 25% to 30% of ethanol. Likewise, 100% ethanol is available as fuel in all petrol stations in Brazil. The Ambassador went on to say that by using only 3.4 million hectares, or approximately 1% of its land for agriculture, Brazil has decreased its petrol needs by half. Indeed, biofuels can play an important role in reducing greenhouse gas emissions and increasing energy security in a context of rapidly rising oil prices and growing doubts regarding the reliability of main petroleum suppliers.

He then turned his attention to the 30-year growth in bio-fuel production in Brazil accompanied by a simultaneous increase in food crop production. He added that 'By eliminating high tariffs on bio-fuels, agricultural subsidies and creating a global bio-fuels market, the world will increase the lifetime of present oil reserves, improve environmental conditions worldwide and create fresh opportunities for developing countries through new jobs and, thus, reducing rural poverty'. He also stated that Brazil welcomes the implementation of the Renewable Transport Fuel Obligation in the UK, a step in the right direction to energy security, reduced carbon emissions and better climate conditions.

The Ambassador expressed his warm congratulations to Sir Peter Sutherland and extended his compliments to Ms. Maria Claudia Amaro, Chair of TAM Airlines. He observed that Ms. Amaro builds upon the notable heritage of Mr. Rolim Amaro, her father, who started in aviation in 1960's, and with his unique and successful business philosophy, which left a lasting mark in the skies of Brazil and of the world.

Ambassador Santos-Neves declared that the awards that Mr Sutherland and Mrs Amaro received at the 2008 Gala Dinner had special significance: '2008 is the 200th anniversary of the Opening of Brazilian Ports to Friendly Nations, which broke the Continental Blockade on Britain and contributed to Napoleon's defeat and Wellington's final victory. Therefore, the notable and historical action by Brazil and Portugal two hundred years ago marked the ambitious beginning, well before the independence of Brazil, of the unique trade relations which have now been at the heart of the Brazilian-British partnership for two centuries with many more good centuries ahead of us!'

He concluded his address by expressing his gratitude to the Secretary of State for Business, Enterprise and Regulatory Reform, Mr. John Hutton, who is the British Co-Chair in the Brazil-UK Joint Economic and Trade Committee (JETCO). The Ambassador also conveyed the acknowledgement of President Lula da Silva for Mr Hutton's leadership in fostering the bilateral agenda.

## Honouring Peter Sutherland

Mr Sutherland's biography is impressive: for many years he has been a chief actor in the boards of some of the leading British and global enterprises. His substantial and rich experience in the state sector is made evident, for instance, by the posts he held as Attorney General in Ireland, his country of birth, and as Director-General of the World Trade Organization.

Mr Sutherland played a capital role in the transition of the GATT to the WTO. His leadership was crucial for the ratification of the agreements that created the WTO. Within that context, Mr Sutherland's experiences as public officer, businessman and diplomat were, in my opinion, equally essential for the new commercial multilateral framework that was being established. Considering both the global importance that Brazil ascribes to the multilateral trade system as well as Peter Sutherland's role in its rebirth and expansion, he has long been held in our esteem as a true friend of Brazil.

It is essential to highlight, furthermore, that BP is an

important player in the energy market, with an integrated range of products and services, and global operations. The company has a clear concern for the environment, society and sustainability, which has been widely acknowledged through various awards bestowed on BP.

BP has been associated with the Brazilian energy industry for over 50 years. Going beyond the traditional areas of oil and gas explorations, BP is a key player in the development of clean energy in Brazil with tangible projects in solar energy and biofuels.

As I congratulate Peter Sutherland for tonight's award it would be appropriate to highlight the positive Brazil-UK relations and the renewed opportunities for BP, as well as for everyone present here this evening, to increase and diversify their activities in Brazil.

*H.E. Carlos Augusto R. Santos-Neves  
Ambassador of Brazil*



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## Mr Peter D Sutherland's Acceptance Speech

It is a great honour to receive this award but it is a particular pleasure for me also because of a long and deep personal association with Brazil. This association was nurtured during the prolonged and arduous negotiations to conclude the Uruguay Round. Since that time, I have often publicly expressed my opinion that the constructive influence of Brazil was not merely important but was crucial in concluding the Round and creating the WTO. It was not always the case that Brazil helped to advance multilateralism in trade. For a significant period - as India and many other countries - Brazil used to be wedded to the 'import substitute' model for economic development. Brazil, as one of the BRICS, is playing an important part in sustaining global growth during a period of some turbulence in many of the OECD states. It is now a motor for the world's economy.

This is a subject to which I shall return later. However, first of all, I would like to speak briefly about BP's involvement in Brazil. BP has been part of the Brazilian energy industry since 1957 and today we are involved in every stage of the oil business. Our Brazilian businesses employ over 400 people in Rio and SP. Our lubricants business operates under the Castrol brand. Air BP is one of our more recent businesses and is now building a new infrastructure for the storage and distribution of aviation fuels and lubricants. We are also active in the marine sector.

Since 1998, we have also been involved in oil and gas exploration. In 2004, we completed our exploration of two deep water blocks off the North coast and now we are looking at options for the South and West. A string of pre salt discoveries including Tupi, Jupiter and Sugar Loaf has the potential of dramatically changing the Brazilian petroleum sector. We are encouraged by the approach being taken by the Government, which we hope will recognise the contribution that BP could bring to the development of these fields.

Two other matters: BP Biofuels is the latest BP business to arrive and we hope to be able to apply the technology we believe will come from our bio sciences energy research. Our research will build on Brazil's leading position in ethanol production from cane sugar and support the development of new carbon fuels.

Our solar power business started in 2000. In 2003, we completed the largest solar project in Brazil installing systems for 1,852 schools in remote grid communities in North and North West.

We have close relationships with the communities where we live and work. We support education in community schools through voluntary work, by funding new facilities and by teaching computer skills to underprivileged children. We also support local businesses and young people seeking their first employment by offering skills centres and training in partnership with local organizations.

We have been bringing energy to remote villages, too. For example, the fishing village of Sucuriji, in the Amapá State, used to rely on a diesel generator to produce no more than four hours of energy a day. We worked with government departments to provide solar energy systems for 800 residents there. Now, the community has water pumps and storage for 90,000 litres of drinking water, and school hours have been extended. We try to bring new energy to everything we do in Brazil.

We work with business partners and have a close relationship with Petrobras, in particular. We have a great commitment to Brazil and we are determined to further develop our investments there.

Let me turn briefly now to the broader issues of the world economy. Firstly, the outlook for the Brazilian economy this year remains bright notwithstanding the challenging environment. Some commentators suggest a figure of close to 5%. Export growth has moved up sharply in Brazil and domestic demand remains strong. Brazil surged to 6.2% in the fourth quarter of 2007 due to the latter. The admirable record of the Brazilian economy in recent years is testimony in part to the positive effects of and engagement with globalisation. I believe it is at some risk.

There is always, in times of economic difficulty, a tendency to embrace protectionism and, indeed, nationalism as currently evident in the United States and in Europe. We have seen it in the Presidential campaign and here in the EU on a wide range of issues from trade policy to attitudes to the inward investment of sovereign funds. And now we are facing a crucial moment in the Doha Round where Brazil has a pivotal role to play. If the Doha Round fails within, it will seriously damage the WTO. Albeit an imperfect organisation, it is the fairest and most effective framework for governing global trade we have ever had. I am dismayed by the lack of political support for the WTO: we allow it to be weakened at our peril.

We should know that using trade for political ends has often had disastrous results as the 1930s economic devastation and all that followed in the wake of that cataclysmic collapse of international exchange should stand as a warning about the consequences of any retreat from liberal trade policies.

It may be that unpicking the global web of production has become next to impossible. In many areas of manufacturing, international specialisation has gone so far that it is hard to conceive how it could be reversed.

What are the benefits that trade liberalisation has brought to the world? Trade and growth in many countries, including parts of sub-Saharan Africa, have dramatically reduced poverty. The share of the world's population living on under a dollar a day fell from 40% to 21% of the world population in the two decades after 1981, which corresponds to a decline in the number of people in absolute poverty from just under 1.5 billion to 1.1 billion people. In 1980, living standards in China were barely any higher than they had been a thousand years earlier. Since then, as the country has progressively opened up to competitive markets, they have been doubling every few years. In Brazil, too, they have been dramatic albeit from a more advanced starting point.

Greater improvements in more fundamental indicators of well-being such as health, longevity (at least where HIV/Aids is not epidemic) and levels of education are present in the poorest countries.

In reality we have been living through a period of transition between two worlds.

We are leaving behind us the era of nation states and indeed communism. Heaven knows, this period had its dark times. The solidarity of shared identity was often gained at the expense of

others, at terrible cost. But from some perspectives, the world of nationalism offered greater certainties. In the economic sphere, it meant prosperity was combined with relative security. Welfare states could operate affordably within strong borders and with little immigration. We are entering an uncertain future, with a world economy linked by ever-denser thickets of communication and information but as yet only a dim sense of how this world will be governed.

The overlap between two eras is probably the time of greatest uncertainty. Many people are negotiating a collage of overlapping identities even as they enjoy the greater freedom and variety of the modern world. Fears about globalisation are understandable. Yet the benefits of globalisation have been extraordinary. The economic outlook for 2008 is not favourable, but up to last summer the world economy had experienced its longest sustained period of growth since the early 1970s. The extraordinary impact on India or Brazil of moving from economic planning to competitive markets and openness to trade and investment speaks eloquently of these benefits.

Nor is it just a question of economic gains: on one count the number of democracies has quintupled in recent decades. I believe there has been a genuine advance in freedom around the world.

However, that is in the past. Now is the time to invest for future dividends. The leaders of today and tomorrow that are in schools and universities now, must ensure that, in our different spheres of action, we will govern globalisation in line with our own fundamental values.

Economics is often seen as the rationale for globalisation - it is justified as a means of delivering on bread and butter issues. I think this emphasis on the practical benefits and costs - although absolutely valid, as the benefits of globalisation have been enormous - has in one sense been counterproductive. For many people, it is hard to apply that kind of calculus to their innate moral sentiments.

What I have been arguing today is that the practical and the moral goals are aligned. Globalisation offers us the means to make progress towards our common purposes and Brazil should continue to play a central role in driving it forward.

*The Brazilian Chamber of Commerce in Great Britain  
thanks the following members for purchasing a table  
at the 2008 Gala Dinner:*

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Noronha Advogados  
Pacsa Cameira  
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## Brazilian Chamber of Commerce Luncheon at Crowne Plaza Hotel 13th May 2008



On Tuesday, 13 May 2008, the Brazilian Chamber of Commerce in Great Britain honoured Ambassador Carlos Augusto R. Santos-Neves as the new Honorary President of the Chamber. Sir Peter Heap, the Chairman of the Chamber, welcomed the Ambassador in his usual congenial and witty manner. Three new members of the Chamber were also welcomed on the occasion: Messrs Leonardo Neves, Frederico Straube and Patrick Towell. Sir Peter acknowledged the generous sponsorship of the pre-lunch drinks by Banco Itaú Europa.

Ambassador Santos-Neves opened his address by making reference to a significant number of recent positive articles and reports in the British and international media on the success of Brazil. Often, a sense of wonder or even the word miracle has been associated with Brazil and the Ambassador set out to dispel the myths and demonstrate that the current success is part of a continuous process initiated in 1980's.

The Ambassador argued that globalization was a process that affected all countries in some way as a number of developments materialised throughout the world. New technologies, computers, improved communications and transportation and the sheer size of the consumer markets were evolving at the same time as momentous events such as the fall of the Berlin Wall, the demise of the Soviet Union, the end of the Cold War were taking place. At that point in time, nobody had an omniscient vision of what direction those developments would follow. Neither was there a unified approach to dealing with them.

What Brazil did at that time was to put its house in order in the first instance. Brazil had a number of state enterprises that were failing as was also the case in other command economies. Itamar Franco, former President of Brazil, took the decision to

reform the state sector paving the way for the Real Plan introduced by his Finance Minister Fernando Henrique Cardoso. Stabilization was further achieved through F. C. Cardoso's reforms, which included the privatisation of a number of large state enterprises that resulted in flourishing commerce.

The process continued with President Luiz Inácio Lula da Silva's Government, which implemented further significant changes. Foreign Minister Celso Amorim pursued a successful foreign policy with ideas that had crystallized at the end of the government of President Cardoso. The realization that Brazil is a country of 8.5 million km<sup>2</sup>, 50% of South America, a distinctive entity with shared Latin American cultural identity and geopolitics became more fully recognised. Brazil formulated its foreign policy accordingly focusing upon its ten border neighbours plus two relatively near neighbours, Ecuador and Chile, strengthening relations through bodies such as MERCOSUL in a pragmatic fashion. MERCOSUL (initially comprising Brazil, Argentina, Uruguay and Paraguay) has since evolved: Chile, Bolivia, Colombia, Ecuador and Peru now have a status of associate membership while Venezuela achieved full membership. The direction of developments in South America reflects the current trends bearing full consequences for the future integration of the region. A significant example of this is the first Institution of the Union of South America under the acronym 'CASA' standing for Comunidade da América do Sul - South American Community - but which can also be read as the word 'casa' meaning 'house' or 'home'.

The election of President Lula da Silva in this socio-historic environment was significant and he continues to have a remarkable 70% approval rate in his second term of office. Other heads of states in South America have also pursued social integration and this is reflected in the support of the electorate.

Brazil has taken on an increasingly key role in the world through its actions in the context of the Doha Round trade negotiations. In addition, Brazil is a member of the G-4 (Brazil, Germany, Japan and India) - a grouping of significant countries that support each other for seats in the future reformed UN Security Council.

The Ambassador then proceeded by offering a view of the factors that enabled Brazil to hold this increasingly important international position. The size of Brazil in relation to its population is a key factor. It is also the vast amount of arable land that Brazil has that allowed it to reach the rank of third largest exporter in the world. Indeed, Brazil has become a near competitor to the USA. Importantly, Brazil has reached this position using about 30% of its land, with 70 % that can be eventually exploited in the future excluding the Amazon Region. The Ambassador invited the audience to consider the scenario in 20-years' time comparing Brazil to other emerging economies such as China, India and the Russian Federation.

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Given the very large populations that the former two countries have and the lack of available arable land, it is possible that population and socio-political problems could occur. China and India already have to resort to food imports. India still has to contend with hurdles over its relations with Pakistan. On the other hand, the Russian Federation has a huge consumer market, consuming energy and with a fair share of problems with its 15 or 17 neighbours. Australia and Canada have large masses of land, which cannot be exploited easily (deserts, permafrost). The USA have almost reached the limit of the use of their land.

Next, the Ambassador focused upon the current status of Brazil, which is good, allowing a forecast that over the next 10, 20 and 25 years, it will reach a unique position in the world. The Ambassador argued that the place that Brazil currently enjoys has been achieved by means of

- a sense of history,
- a clear vision of politics,
- realistic, clear and consistent diplomatic action (e.g. Doha, UN Security Council).

In the question and answer session that followed, the Ambassador spoke about Carbon Trading. Apologizing for his lack of expertise on the matter, he went on to say that his impression was that Carbon Trading was perhaps the second, third or fourth best alternative to fight global warming. He argued that it was more important that all countries sign and adopt the Kyoto Protocol, which is an objective way of contributing to combating global warming.

On a question about the Amazon, the Ambassador highlighted the fact that the Amazon region in Brazil has over 5 million km<sup>2</sup>, at least 20 times the size of the UK, with a population of 25 million - just under half of the UK population. He reasoned that Brazil has to make the Amazon viable and has to police it. He stressed that

- the land is ours,
- the population is ours,
- knowledge of what is best for us is also ours'.

In order to make the Amazon viable, the quality of policy is important. The Ambassador stated that there was a need to be realistic and that Brazil needed ideas and knowledge. He commented,

'We can have many ideas in a short time but knowledge takes time. As yet, for instance, we do have not enough knowledge on the biosystems and the interactions amongst them. One can write as many absurdities in papers as one wishes to; paper does not scream at you, as the Americans say.' Adding a critical approach, the Ambassador stated that, 'We welcome knowledge from Brazil, the UK and anywhere. All of these issues are very complex. We have to move away from simplifications and demagoguery into complexity.' He also mentioned the fact that three days earlier, President Lula da Silva announced the 'PAS' initiative - Plano Amazônia Sustentável - Plan for Sustainable Amazon comprising a strategic plan for the forests, rivers, and all of the 25 million people that live in the Brazilian Amazon today.

The guests of the Chamber agreed with Sir Peter Heap that the first address of H.E. Ambassador Santos-Neves had been a most insightful one as well as impressive as the Ambassador spoke without notes.

**Nadia Kerecuk**  
*Editor*  
*Brazil Business Brief*

## Mr. Abraham Weintraub, Chief Economist, Banco Votorantim on the Economic Outlook for 2008/9.

The Brazilian Chamber of Commerce in Great Britain, together with Banco Votorantim, and with the support of the Embassy of Brazil, held an evening presentation by Mr. Abraham Weintraub, Chief Economist, Banco Votorantim, to on Wednesday, 14 November 2007. Mr Weintraub spoke about the 'Economic Outlook 2008/9 - Moderated Growth of World Recession: Implications for Brazil'.

Mr. Abraham Weintraub is responsible for directing the Bank's forecasting and analysis of the Brazilian economy and financial markets since 1994. Banco Votorantim is the financial arm for the Votorantim Group. Founded in 1918, the Votorantim Group is one of the largest and most influential Brazilian industrial conglomerates, with leading market shares in cement, pulp & paper, mining and metallurgy, agro-industry, finance, chemicals and

energy, and venture capital.

Combining the Votorantim Group's reputation with its own in-depth knowledge of the Brazilian financial markets, Banco Votorantim has become the 8th largest privately owned bank in Brazil, counting among its clients the largest local corporations and multinationals. Using a relationship-based approach, the Bank has developed a sharp focus on high value-added financial products as well as Asset Management. Headquartered in São Paulo (Brazil), the Bank has branches in Belo Horizonte, Rio de Janeiro, Porto Alegre, a full branch in Nassau-Bahamas and a Broker Dealer in New York.

The London Representative Office was opened in late 2003 - with the goal of strengthening Banco Votorantim's relationship with its European customers and the European financial community.

The presentation was followed by a cocktail.

### RECEPTION TO WELCOME NEW MEMBERS AND CHRISTMAS DRINKS

The reception to Welcome New Members and Christmas Drinks took place on Thursday 13 December 2007 at the Gallery 32, Embassy of Brazil, and once again it was a popular event and a special occasion for networking with other members of the Chamber. The event was generously sponsored by PETROBRAS.



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## Henrique Meirelles, the Governor of the Central Bank of Brazil, at the Brazilian Chamber of Commerce in Great Britain Luncheon - 23 June 2008.

The Governor of the Central Bank of Brazil, Henrique Meirelles, was the guest of honour and speaker at a well attended Luncheon of the Brazilian Chamber of Commerce in Great Britain on 23rd June 2008. Sir Peter Heap, Chairman of Chamber, introduced and welcomed Mr Henrique Meirelles.



### HENRIQUE MEIRELLES

Born in Anápolis, State of Goiás-GO, Brazil,  
August 31, 1945.

#### Academic background:

- o 1997 - Honorary Degree from Bryant College, Smithfield, Rhode Island USA
- o 1984 - Advanced Management Program at Harvard Business School, Boston, Massachusetts USA
- o 1974 - Master of Business Administration - Federal University of Rio de Janeiro - Coppead. Thesis presented in 1978.
- o 1972 - Bachelor of Science in Engineering- São Paulo University

#### Current post:

- o Governor of the Banco Central do Brasil, since January 2003.

#### Executive posts held:

- o Feb 2002 - Aug 2002 - Member of the Board of Directors, the Council of the Americas, New York, USA
- o Mar 2001 - Dec 2002 - Member of the Advisory Board, the Brazilian Mercantile & Futures Exchange, São Paulo, Brazil
- o Feb 1995 - Feb 1997 - Chairman of the American Chamber of Commerce, São Paulo, Brazil
- o 1989 -1996 - Chairman, the Brazilian Association of International Banks, São Paulo, Brazil
- o Jan 1989 - Sep 1996 - Executive Director of Febraban, Brazilian Banks Federation, São Paulo, Brazil
- o 1981 to 1984 - Chairman, the Brazilian Association of Leasing Companies, São Paulo, Brazil. Founding President of the Latin American Leasing Federation
- o 1999 to 2002 - Chairman, Global Bank of FleetBoston Financial, Boston, Massachusetts, USA
- o 1999 - 2001 - FleetBoston Financial Services; for Wholesale Banking, 2000 to 2001- Senior Executive for the New York Metropolitan Area, USA
- o 1996 - 1999 - Chairman and Chief Operating Officer, BankBoston Corporation, Boston, Massachusetts, USA
- o 1984 - 1996 - Chairman, BankBoston, Brazil
- o 1981 - 1984 - Deputy Country Manager, BankBoston, Brazil
- o 1980 -1981 - Head of the Commercial Banking, BankBoston, Brazil
- o 1978 to 1980 - Deputy Chairman, BankBoston, Brazil
- o 1974 - 1978 Managing Director, Boston Leasing

#### Academic posts held:

- o 2002 (to date) - Member of the Dean's Council at the Kennedy School of Government, Cambridge, Massachusetts USA
- o 1998 (to date) Member of the Advisory Committee of the Global Corporate Governance Initiative, Harvard Business School, Boston, Massachusetts USA.
- o 1999 (to date) Member of the Dean's Advisory Council of the Sloan School of Management, Massachusetts Institute of Technology, Cambridge, Massachusetts USA
- o 2000 (to date) - Member of the Board of Advisors of the Carroll School of Management, Boston College, Chestnut Hill, Massachusetts USA
- o Jun 1998 - Feb 2003 Member of the Board of Trustees of New England Conservatory of Music, Boston, Massachusetts USA.
- o 2000 (to date) - Member of the Advisory Board of the Center for Latin American Issues, The George Washington University, Washington, DC, USA

#### Other Activities:

- o Chairman - Associação Viva o Centro.
- o Chairman - Travessia Foundation.
- o Member of the Board of Directors - Fundação Padre Anchieta.
- o Congressman for the State of Goiás, Brazil, elected in October/2002.

## Speech by the Governor of the Central Bank of Brazil, Henrique Meirelles

Ladies and Gentlemen,

I would like to thank the Brazilian Chamber of Commerce and the Brazilian Embassy in the UK for organizing this luncheon and inviting me to speak to you this afternoon.

Brazilian macroeconomic fundamentals have improved considerably in the last few years, and the results are materializing in higher GDP growth, a solid balance of payments performance, inflation within the target range, and a falling public debt-to-GDP ratio.

With regard to GDP, the Brazilian economy grew by 5.8% year-on-year in the first quarter of 2008, after having grown by 6.2% in the final quarter of 2007. The current expansion is already the longest since a short-lived and non-sustained episode in the mid-90s, and the longest since the 70s.

The current growth path is explained by domestic demand. Household consumption registered a 6.6% expansion year-on-year, while fixed-capital investment grew 15.2% on the same comparison basis. In other words, it is domestic demand that is supporting the current expansion. Consistent with this fact, both consumer and business confidence currently stand at record highs.

Brazilian asset prices have reflected the consolidation of the stable economic environment in Brazil, and have been leveraged in recent years by a global environment of historically low risk aversion and low real interest rates. Global financial turmoil means this period might now be over. In this new, less risk-tolerant environment, Brazilian asset prices have reflected the improvement in macroeconomic fundamentals. The BOVESPA index records the best performance among major stock exchanges, having risen substantially since the sub-prime crises erupted, compared with the decline in major indexes. Brazilian risk and credit default swaps increased only slightly since the sub-prime crisis, well below rises seen for other emerging markets.

The global economy faces trying times, and these carry risks for the Brazilian macroeconomic outlook. But it is important to place issues in perspective: domestic demand is leading GDP growth in Brazil. The country shows an increasing diversification export diversification, both in terms of products and markets. Therefore, if the consensus view of a moderate global slowdown prevails, the direct demand channel is likely to have somewhat limited impact on Brazil's short-term growth prospects.

A second channel of transmission could, in theory, take place through the financing channel. Equity issuance was low at the beginning of 2008, but has recovered recently. While Brazilian banks have not been directly exposed to the US sub-prime market, there was anecdotal evidence that they might have felt some of the global trend towards rising funding costs. Finally, Brazilian non-financial corporations retained access to external funding, but possibly at a higher cost.

The financial channel has changed for the better after the promotion of the Brazilian sovereign rating to investment grade. There is new equity issuance, and both financial and non-financial corporations benefited directly from the reduction in sovereign premiums after investment grade. Thus, although the financial channel seemed to be operating at some stages of the crises, investment grade status might have eased major concerns. And as I mentioned before, GDP growth in Brazil is being led by domestic demand, which is being fuelled by raising employment, income and credit. This is a result of the stabilization of the Brazilian economy.

Inflation has increased in Brazil in the recent past, as almost everywhere else, rising from 3.0% at the end of 2006 to 5.6% last May - above the central target of 4.5% but still within the target range of 2 percentage points. Commodity price increases have a dual effect in the Brazilian economy, as, on the one hand, they reduce the real income of certain segments of the population, while on the other, as Brazil is a net exporter of commodities, they increase the income of other segments. At the same time they boost Brazil's capacity to import. We also have domestic factors that have increased inflation, related to very strong domestic demand.

The Central Bank has shown that its commitment to inflation targeting and prepared to act to safeguard price stability, which is a pre-condition for sustainable growth. Monetary conditions, in fact, have tightened since the beginning of the year, and the results will be clearer in due course, considering the usual lags of monetary transmission to prices. Thus, inflation expectations converge on the central inflation target in 2009 and 2010, and are indeed below the central target for 2011 and 2012.

About half of Brazilian exports have an important commodity component, and Brazil is a major player in the markets for metal and agricultural commodities. In fact, lately it appears that the correlation between the Brazilian real and so-called 'commodity currencies' has strengthened. Rising commodity prices imply positive shifts in Brazil's terms of trade, raising income and demand levels as well as the economy's ability to expand imports (which have grown by 40% in value in the twelve months up to May) without excessive deterioration in its external accounts.

Brazil is currently in a unique position in the global scene. It is possibly one of the few countries in the world with capacity to increase food production, having a large area of unused arable land that can be incorporated into regular production to respond to the growing demand for food worldwide. The Brazilian agribusiness sector has the technology, know-how and resources to meet the challenge. The recent discovery of oil reserves in deep waters will contribute to shifting Brazil from the position of net importer of oil that it had until 2006 to a net exporter in the next decade. Brazil is also in a unique position in terms of use of renewable energy sources, with ethanol playing a significant role. While the global use of renewable energy sources is

around 12%, and even less for advanced economies, the Brazilian energy matrix is relatively well balanced between non-renewable and renewable sources, particularly hydroelectric power generation and ethanol.

The economy has become more resilient to external shocks. Brazil today has a floating exchange rate regime, one that is best suited to act as a buffer against external shocks. Second, the Brazilian Central Bank has accumulated almost \$200 billion dollars of external reserves. Third, the economy has de-leveraged in foreign currency terms, and since January this year and Brazil has been a net international creditor - a status the public sector has actually enjoyed since June 2006. Fourth, while Brazil is likely to post a current account deficit this year, net foreign direct investment is well in excess of the deficit. Brazil's overall external exposure has shifted from debt to a larger equity component. This means that remittances and external obligations are more correlated to the Brazilian business cycle than when Brazil had major external debt and thus major fixed debt service outlays. In addition, the public

sector is showing consistent primary surpluses and the Central Bank is committed to the inflation target. All of this, together with domestic demand-driven GDP growth, creates a more resilient economic environment.

More resilient does not mean totally immune. Brazil is, of course, fully integrated in the world economy and would inevitably suffer some of the consequences of a severe slowdown, but probably in a much milder form than used to be the case. In fact, the global deceleration is why we expect GDP growth to slow down, from the 5.8% recorded over the last four quarters to 4.8% at the closing of the year.

In a nutshell, Brazil has taken steps in the last few years to increase the resilience of the economy to external shocks and, judging from what has happened, and especially from what has not happened to the Brazilian economy since turmoil erupted in major financial markets by mid-2007, we have reasons to believe that even taking into consideration the economic cycles and the present challenges, Brazil is now on a sustainable growth path as opposed to the 'stop and go' paths of the past.

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## Reception at the House of Commons

**F**or the third consecutive year, on 4th March, the Chamber organized a Reception at the House of Commons (Terrace Pavillion) to promote trade and investment. Sir Peter, the Chairman of The Brazilian Chamber of Commerce in Great Britain spoke at the event:

Thank Lord Howarth, Chair of the All-Party Parliamentary British-Brazil Group for hosting the reception tonight.

This is our third year in the House of Commons and we are very grateful to Bob Blizzard for allowing us to be here. We would also like to express our gratitude to Lord Bach, Government Spokesperson for Business, Enterprise

and Regulatory Reform, for Foreign and Commonwealth Office, for Justice and for HM Treasury for addressing our Members today. We would like to welcome our Honorary President the new Ambassador H.E. Carlos Augusto R. Santos-Neves and thank all the members of the Chamber and their guests who are attending this event. We are delighted with the large attendance tonight (around 145 guests!!!).

I would like to draw your attention to our forthcoming Gala Dinner of the Personality of the Year 2008. On 22nd April, the Embassy of Brazil and the Brazilian Chamber of Commerce in Great Britain, for the tenth consecutive year, will present 'Personality of the Year' awards to two individuals, one

British and one Brazilian, who have made outstanding contributions to the promotion of trade and investment between Brazil and the United Kingdom.

The Brazilian recipient this year will be the President of the Council of TAM Brazilian Airlines, Mrs Maria Claudia Amaro, in recognition of her important contribution towards the increase of cultural and economic exchanges between both countries, as well as the development of British tourism in Brazil.

The British recipient will be Mr. Peter Sutherland, KCMG, Chairman of BP plc, in recognition of the Company's investments and businesses in Brazil since 1957.

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## Change of speaker Luncheon Thursday 13 March 2008 Speaker Bob Blizzard MP

**M**embers will have received a notice for this lunch to honour Lord Triesman on 13 February at the Melia White House Hotel, Albany Street, Regent Park, London NW1 3UP. Unfortunately, the date was no longer possible for Lord Triesman. However, Mr Bob Blizzard, MP has kindly agreed to replace Lord Triesman as guest speaker.

Bob Blizzard, MP for Waveney, has Chaired several All Party Parliamentary Groups (APPGs), including: the British- Brazil APPG for ten years, the British- Offshore Oil and Gas APPG (1997-2007);

the Renewable Transport Fuels APPG (2007); and the British-Latin America APPG (2004-2007). He has also been Secretary of the Jazz Appreciation APPG (2004-2007) and you can visit his website at <http://www.bob-blizzard.co.uk>. He has been a strong supporter of our Chamber's events, and twice hosted our Reception at the House of Commons. The policy areas in which he has a special interest include energy, employment, health, transport, education and foreign affairs. He knows Brazil well and paid many visits there. The lunch was supported and sponsored by Banco Itaú.

# New Members

## The Brazilian Chamber of Commerce welcomes its new members

### Honorary Members:

**H. E. Ambassador Carlos Augusto R. Santos-Neves**

32 Green Street  
London W1K 7AT  
England

**Minister Flávio Marega**

Diplomat  
Embassy of Brazil  
32 Green Street  
London W1K 7AT

**Counsellor Regina Célia de Oliveira Bittencourt**

Diplomat  
Embassy of Brazil  
32 Green Street  
London W1K 7AT  
Phone: 020 7399 9253  
E-mail: rbittencourt@brazil.org.uk

### Corporate Members:

**Trident Trust**

7 Welbeck Street  
London W1G 9YE  
England  
www.tridenttrust.com  
Contact: Ms Roberta Canton - Client Services  
Phone: 02074870460  
Fax: 02074870461  
E-mail: rcanton@tridenttrust.com

Main interests: Company Formation

**Sadia UK Ltd**

Unit 2 Brindley Court, Gresley Road  
Warndon, Worcester WR49FD  
England  
www.sadia.com  
Contact: Mr Alexandre de Matos  
Phone: 019 0545 9740 & Fax: 019 0545 9758  
Contact: Mr Fernando Torronteguy -Trader  
Phone: 019 0545 9740  
Fax: 019 0545 9758  
E-mail: fernando.torronteguy@sadia.com.br

Main interests: Importers of Poultry: Chilled and frozen foods.  
Protein-based products coming from chicken, turkey, pork and beef.

**Smith & Williamson Limited**

Prospect House  
2 Athenaeum Road  
London N20 8YU  
England  
www.smith.williamson.co.uk  
Contact: Mr Stephen Drew - Director  
Phone: 020 8492 8600  
Fax: 020 8492 8601  
E-mail: stephen.drew@smith.williamson.co.uk

Main interests: Accountancy / Financial Advisers

### Company Members:

**Fasken Martineau Stringer Saul**

17 Hanover Square  
London W1S 1HU  
England  
www.fasken.co.uk  
Contact: Mr Leonardo Neves - Associate  
Phone: 02079178500 & Fax: 02079178605  
E-mail: lneves@fasken.co.uk  
Contact: Ms June Paddock - Partner  
Phone: 02079178565  
Fax: 02079178605  
E-mail: jpaddock@fasken.co.uk

Main interests: broad spread of legal services including corporate finance and company law, M&A, banking and financing, AIM and other London securities markets, project finance, commercial and competition law, commercial property, dispute resolution, employment, insolvency and restructuring, intellectual property, international trade and transport, IT and e-commerce, private equity publishing, retail, reputation management, taxation and notary services.

**Golant Films**

19-21 Crawford Street  
London W1D 4QW  
England  
www.golantfilms.biz  
Contact: Mr Patrick Towell  
Executive Producer / Chief Executive  
Phone: 08448849230  
E-mail: films@golantfilms.biz  
Main interests: Media Development, Production & Distribution



**The International Property Law Centre**

25 Floral Street  
Covent Garden  
London WC2 E9DS  
England  
<http://internationalpropertylaw.com>  
Contact: Mr Marcelo Ruiz Rodrigues dos Santos - Brazilian Lawyer  
Phone: 08445784004  
Fax: 08445784001  
E-mail: [marcelor@maxgold.com](mailto:marcelor@maxgold.com)  
Main interests: Law Firm

**International Business Wales**

Trafalgar House, 5 Fitzalan Place  
Cardiff CF24 0ED  
Wales  
[www.ibwales.com](http://www.ibwales.com)  
Contact: Mr Paul Viggers  
Position: Region Manager: Brazil  
Work Phone: 02920828790  
Fax: 02920822696  
E-mail: [paul.viggers@wales.gsi.gov.uk](mailto:paul.viggers@wales.gsi.gov.uk)

Main Interests: Government. Any opportunities or support that could benefit Welsh Companies & to offer advice and support to any Brazilian Companies who would consider investing in Wales.

**Meadow Laboratories Limited**

Suite 105 Olympic House  
28-42 Clements Road  
Ilford IG1 3LD  
England  
Contact: Ms Linda Topping  
Financial Director  
Phone: 08450944761 & Fax: 08450944762  
E-mail: [ltopping@meadowlabs.co.uk](mailto:ltopping@meadowlabs.co.uk)

**InterContinental London Park Lane**

One Hamilton Place, Park Lane  
London W1J 7QY  
England  
[www.ihg.com](http://www.ihg.com)  
Contact:  
Phone: 020 7409 3131 & Fax: 020 7493 3476

Main interests: hotel

**Newbreed Freight Limited**

10 Monks Way  
Abbots Park - Preston Brooks  
Cheshire  
[www.newbreed.co.uk](http://www.newbreed.co.uk)  
Contact: Ms Tania Miranda - Sales Executive  
Phone: 019 2870 4050 & Fax: 019 2871 1389  
E-mail: [tmiranda@newbreed.co.uk](mailto:tmiranda@newbreed.co.uk)

Main interests: Freight Forwarding Company

**Individual Members:**

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Exportation Consultant for Cutrale  
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Chairman  
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E-mail: [gabriela@gabrieladilaccio.com](mailto:gabriela@gabrieladilaccio.com)

Mr Richard Fine  
Pembury  
Director  
Mercham House 25-27  
The Burroughs  
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England  
[www.pembury.co.uk](http://www.pembury.co.uk)  
Phone: 02082039933 & Fax: 02082039944  
E-mail: [richard@pembury.co.uk](mailto:richard@pembury.co.uk)

Main interests: an event management company specializing in creating unique incentive trips and conferences around the world.

Mr Ian R. Murray  
Priors End  
Priory Road  
Newbury RG14 7QS  
Phone: 01635582341 & E-mail: [iainmurray1@btinternet.com](mailto:iainmurray1@btinternet.com)

Mr Sérgio Gullo  
London - England  
E-mail: [sergiogullo@hotmail.com](mailto:sergiogullo@hotmail.com)

**Note to Members:** This edition of the Brazil Business Brief includes details of the main interests of the New Members with the logos that were supplied. The Editor would very much like to include such details for all of the other members of the Chamber in the forthcoming editions and would be grateful if you could send them to [nkerecuk@brazil.org.uk](mailto:nkerecuk@brazil.org.uk)

# News from our Members

## BP, Santelisa Vale, and Maeda unveil plans to invest R\$1.66 billion biofuels

On 24th April 2008, BP announced that it intends to take a 50 per cent stake in Tropical BioEnergia SA, a joint venture established by Brazilian companies Santelisa Vale and Maeda Group, which is constructing a 435 million litre (115 million US gallons) a year ethanol refinery in Edéia, in the State of Goiás, Brazil.

The joint venture, in which Santelisa Vale and Maeda Group would each hold 25 per cent, also intends to progress plans to build a second ethanol refinery, investing a total of approximately R\$1.66 billion (US\$1 billion) in the two refineries.

Assuming all the required approvals are received, BP will pay around R\$100 million (US\$59.8 million) for the 50 per cent stake, subject to working capital adjustments, and provide funding for agreed future investment in line with its shareholding. The parties said that they hoped to be able to complete the transaction before the end of June 2008.

"This investment, the largest made by an international oil company in the Brazilian ethanol industry, represents a significant step in delivering BP's strategy for biofuels which centres around sustainable feedstock that do not impact on food supplies, and investing in research work to develop the technologies required to produce advanced biofuels," commented Phil New, head of BP Biofuels. "BP is delighted to be partnering with two Brazilian companies with leading positions in their sectors and we look forward to a long relationship with them."

The joint venture will focus on potential sugarcane production and the manufacturing and marketing of conventional ethanol, including the associated agricultural assets and cogeneration plants. Sugarcane is the most efficient source of bio-fuel currently available. Sugarcane lends itself to further improvement through the use of advanced biofuels technology and will therefore be a compelling source of renewable fuel for the foreseeable future. It provides a greenhouse gas emissions reduction of up to 80 per cent.

Operations at the first refinery are expected to commence during the second half of 2008, with full capacity anticipated by mid-2010. The refineries will be positioned to supply the Brazilian ethanol markets with the potential to export to the US, Europe and Asia markets.

Besides developing sustainable biofuels, the refineries are expected to be able to sell surplus electricity, with each of them

exporting at least 30 MW of surplus power from integrated bagasse cogeneration facilities. The facilities are also intended to offer a potential platform for deploying future technologies such as lignocellulosics and biobutanol.

The Maeda Group is one of the largest cotton producers in the world. "BP's decision to join Tropical Bioenergía in this new venture is significant," said Jorge Maeda, chief executive officer of Maeda Group. "Today we are demonstrating how Maeda's unique agriculture expertise, attendant network of relationships, and knowledge of the region's soils, climate and rural labour conditions combined with Santelisa Vale's sugarcane expertise can provide sustainable renewable and reliable solutions for fuel."

Santelisa Vale Group is the second-largest sugar cane crusher in Brazil and the first in energy cogeneration from bagasse. As it already operates a number of ethanol refineries, Santelisa Vale has expertise along the entire value chain of ethanol/sugar production.

"BP's proven logistical, technological and fuel supply chain experience will enable a significant enhancement of our strategic plans," noted Anselmo Lopes Rodrigues, chief executive officer of Santelisa Vale.

### Notes:

1 Santelisa Vale, Brazil's second largest sugar and ethanol producer and first in energy cogeneration from bagasse, expects to crush 18 million tons of sugar cane in 2008. The company will produce 25 million bags of sugar and 770 million litres of ethanol. Santelisa Vale also produces and sells a surplus of 420,000 MWh of electricity from sugar cane bagasse - enough to supply a population of one million per year. The company, with over 70 years of history, is a leader in technology and innovation within the segment.

2 Maeda Group is recognized worldwide as being one of the most vertically integrated players in the cotton value chain with 80 years in the industry. The company has one of the few cotton seed crushing businesses in Brazil, producing several products from cotton seeds: vegetable oil, which contains no "trans fat" and is used as input in the food industry; linter (the material around the cotton seeds), used for special products such as money paper and LCD screens; and cotton seed meal, used as animal feed.

## Fasken Martineau named Global Mining Law Firm of the Year for fourth consecutive year by Who's Who Legal

For the fourth consecutive year, Fasken Martineau has been honoured with the distinction of Global Mining Law Firm of the Year by the Who's Who Legal Awards in the compendium edition of The International Who's Who of Business Lawyers 2008. The firm has won this distinction every year since the award's inception in 2005.

Editor-in-Chief Callum Campbell explains: "In a highly competitive field, being the only firm to receive the...Award for Mining is an outstanding achievement".

With consistently positive feedback recognizing the firm's "exceptional individual and collective talent", Campbell says there are no hesitations in declaring Fasken Martineau the leader in this area once again.

Who's Who Legal publishes the names of only the leading practitioners in each field, and Fasken Martineau had more practitioners mentioned in the mining area than any other firm.

For over ten years, Who's Who Legal has conducted independent research using thou-

sands of nominations received from clients and private practice professionals to determine today's leading law firms in over 50 countries and five U.S. states.

Who's Who Legal is the Strategic Research Partner for the American Bar Association's Section of International Law. 2008 Who's Who Awards were granted based on feedback received in ongoing research, past performance in research, and overall aggregate number of weighted votes cast in their favour.

*CARTA RÉGIA*  
*ABERTURA DOS PORTOS BRASILEIROS*  
*ÀS NAÇÕES AMIGAS*

*Conde da Ponte, do Meu Conselho, Governador e Capitão General da Capitania da Bahia, Amigo. Eu, o PRINCIPE REGENTE vos Envio muito saudar, como aquele que Amo. Atendendo à representação, que fizestes subir à Minha Real Presença, sobre se achar interrompido, e suspenso o commercio desta Capitania com grave prejuizo dos Meus Vassallos, e da minha Real Fazenda em razão das criticas e publicas circunstancias da Europa; e querendo dar sobre este importante objecto alguma providencia prompta e capaz de melhorar o progresso de taes danos: Sou Servido Ordenar interina e provisoriamente,*

*em quanto não Consolido hum systema geral*

*que efectivamente regule semelhantes materias, o seguinte.*

*Primo: Que sejam admissiveis nas Alfandegas do Brazil todos, e quaisquer Generos, Fazendas e Mercadorias transportados ou em Navios Estrangeiros das Potencias, que se conservão em Paz, e Harmonia com a Minha Real Corôa, ou em Navios dos Meus Vassallos, pagando por entrada vinte e quatro por cento; a saber: vinte de Direitos grossos, e quatro do Donativo já estabelecido, regulando-se a cobrança destes direitos ou Pautas ou Aforamentos, por que athe o presente se regulão cada huma das ditas Alfandegas, ficando os Vinhos, Aguas ardentes e Azeites doces, que se denominão Molhados, pagando o dôbro dos Direitos, que athe agora nellas satisfazião. Segundo: Que não só os Meus Vassallos, mas tambem os sobreditos Estrangeiros possão exportar para os Portos, que bem lhes parecer a beneficio do Commercio e Agricultura, que tanto Desejo promover, todos e quaisquer Generos e Produccões Coloniaes, á excepção do Pau Brazil, ou outros notoriamente estancados, pagando por sahida os mesmos Direitos já estabelecidos nas respectivas Capitancias, ficando entretanto como em suspenso e sem vigor todas as leis, Cartas Regias, ou outras ordens que athe aqui prohibião neste Estado do Brazil o reciproco Commercio e Navegação entre os Meus Vassallos e Estrangeiros. O que tudo assim fareis executar com o zelo, e actividade, que de vós espero.*

*Escrita na Bahia aos vinte e oito de Janeiro de 1808*

*Para o Conde da Ponte.*

Printed version of the Charter of Prince Regent John VI, King of Portugal, Opening of the Brazilian Ports to Trade with Friendly Nations of 28th January 1808

# Brazil Business Brief

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2008

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# Brazilian Chamber of Commerce in Great Britain

The Brazilian Chamber was founded in 1942 and has been active in promoting trade and business in general between Brazil and Great Britain. To this end, the Chamber maintains close liaison with the Embassy of Brazil and the Brazilian Ambassador is the Honorary President of the Chamber.

The Brazilian Chamber provides direct services and programmes to help you be more competitive and profitable.

The Chamber organizes seminars, conferences, networking opportunities, luncheons and dinners with speakers, free counselling and business opportunity meetings. The Chamber has also created the "Personality of the Year" awards. These awards are given each year to individuals who have contributed in an outstanding way to the strengthening of the economic, financial or commercial relations between Brazil and the United Kingdom.

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