



**GOVERNMENT OF BRAZIL  
MINISTRY OF INDUSTRY, FOREIGN TRADE AND SERVICES – MDIC  
NATIONAL COUNCIL OF THE EXPORT PROCESSING ZONES – CZPE  
EXECUTIVE SECRETARIAT - SE**

# **The Brazilian Regime of Export Processing Zones - EPZ**

# BRAZILIAN EPZ – CHALLENGES & BUSINESS OPPORTUNITIES

## The Situation

9th World Economy  
(IMF 2015)

Unbalance

25th World Exporter  
(WTO 2015)

## The Challenge

How can Brazil increase its share in the world trade?

## The Potencial

Huge Domestic Market

One of The Most Attractive Countries for FDI

Leading Regional Economy

Gateway to Latin America

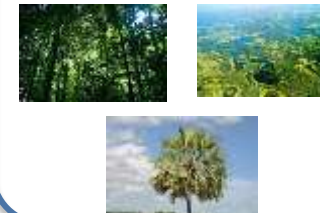
Mining Production  
(Global Player)



Agricultural Production  
(Global Player)



Biodiversity



High Profile Industrial Park



## EPZ Contribution

Brazilian Potentialities

Demand from International Markets

Business Opportunities

Direct Investments

Employment

Income

Exports

# BRAZILIAN EPZ - CONCEPT & INCENTIVES

## Concept

**EPZ: industrial areas intended for exports (Export Revenue  $\geq$  80%) under customs control (Primary Zones).**

## Tax Incentives

Purchases of goods and services in the domestic market – Suspension:

- IPI** (Tax on Manufactured Products)
- COFINS** (Social Contribution – Tax Presumptive Profit)
- PIS/PASEP** (Social Contribution on Gross Revenue).

Purchases of goods and services in the external market – Suspension:

- II** (Import Tax)
- AFRMM** (Additional Freight Charge for the Renovation of the Merchant Navy)
- IPI**
- COFINS - Import**
- PIS/PASEP – Import**

## Administrative Benefits

**Exemption of licenses or authorizations for import (raw materials and capital goods) and export operations.**

⇒ **Except: sanitary, national security, and environmental measures.**

## Long-Term Legal Certainty

**Period Granted: 20 years extendable for 20 years.**

## Others Incentives

**Regional Tax Incentives (North & Northeast)**

Reduction of The Corporate Income Tax (Limit = 75%)



**Free Import of Used Capital Goods**



**No State Value-Added Tax (ICMS)**



**IT – R&D Incentives**

# BRAZILIAN EPZ - LIMITS & REQUIREMENTS



The continuation of company in an EPZ depends on the minimum export of **80% of its total gross sales revenue.**

Note: Products sold to the domestic market will be subject to the payment of all taxes and contributions normally granted by the EPZ regime.



The tax suspension provided for the EPZ Regime applies only to the acquisition of capital goods, raw materials, intermediate products, and packaging materials.

Examples:

Capital Goods



Raw Materials



Intermediate Products



Packing Materials



The companies authorized to operate in EPZs are subjected to the same legal and regulatory provisions applicable to all national companies.

# BRAZILIAN EPZ– FOCUS & POTENTIAL

## FOCUS

Adding value to the exportable production.

### Agribusiness Potential

#### BRAZIL – WORLD RANKING 2015

Main Products	Productions	Export	Number of Destinations
Raw Sugar	1 <sup>o</sup>	1 <sup>o</sup>	80
Coffe Grains	1 <sup>o</sup>	1 <sup>o</sup>	90
Orange Juice	1 <sup>o</sup>	1 <sup>o</sup>	76
Soybeans	2 <sup>o</sup>	1 <sup>o</sup>	41
Beef <sup>1</sup>	2 <sup>o</sup>	3 <sup>o</sup>	87
Chicken Meat <sup>1</sup>	3 <sup>o</sup>	1 <sup>o</sup>	135
Maize	3 <sup>o</sup>	2 <sup>o</sup>	73
Soybean Meal	4 <sup>o</sup>	2 <sup>o</sup>	67
Crude Soybean Oil	4 <sup>o</sup>	2 <sup>o</sup>	23
Pork <sup>1</sup>	4 <sup>o</sup>	4 <sup>o</sup>	62
Cotton	5 <sup>o</sup>	3 <sup>o</sup>	37

Source: Ministry of Agriculture , Livestock and Food Supply (MAPA).

Notes:

1 – In Natura.

2 – Cotton, not carded nor combed.

# BRAZILIAN EPZ– FOCUS & POTENTIAL

**BRAZILIAN  
AGRIBUSSINES  
POTENCIAL**



**EPZ REGIME**



**INVESTMENT  
OPPORTUNITIES**

## MAIN PRODUCERS OF AGRICULTURAL PRODUCTS – 2022/2023 (Projections of Brazilian Ministry of Agriculture, Livestock and Food Supply)

Products	Volume (million ton)	% Participation in International Trade	Ranking (World)
Corn	18,6	13,4%	4th
Wheat beans	63,8	44,2%	1st
Beef	1,9	19,9%	2nd
Chicken meat	4,8	41,7%	1st

**Local  
Processing**



**Generation of  
employment and  
income**



**Economic and Social  
development**



# CONTRIBUTION OF BRAZILIAN EPZ

**FOCUS = Adding value to primary goods exports.**

## PRICE DIFFERENTIAL IN BRAZILIAN EXPORTS Study on Selected Supply Chains - 2015

Supply Chains	Description	Total of Brazilian Exp. (US\$ Millions)	Part. % on Total Brazilian Exportations	Average Price (US\$/Ton)	Potential Added Value in Exports
	<b>TOTAL</b>	191.134	100,00%	-	-
<b>Soya</b>	Soya beans	20.984	10,98%	386,27	-
	Crude soyabean oil	1.055	0,55%	679,19	<b>75,83%</b>
	Refined soybean oil	99	0,05%	850,73	<b>120,24%</b>
	Soy proteins, peptones and their derivatives	23	0,01%	4.563,09	<b>1081,32%</b>
<b>Maize</b>	Grain maize	4.938	2,58%	170,83	-
	Crude maize oil	16	0,01%	800,17	<b>368,40%</b>
	Refined maize oil, in containers holding 5 litres or less	1	0,00%	1.299,03	<b>660,42%</b>
<b>Coffe</b>	Raw coffe beans	5.555	2,91%	2.770,72	-
	Roasted coffee, decaffeinated or not	10	0,01%	6.001,96	<b>116,62%</b>
	Soluble coffe	556	0,29%	7.123,08	<b>157,08%</b>
<b>Cotton</b>	Raw cotton	1.290	0,68%	1546,77	-
	Cotton yarns	8	0,00%	4941,47	<b>219,47%</b>
	Cotton fabrics	151	0,08%	6710,31	<b>333,83%</b>



# Brazilian EPZ – The Most Developed Projects

## ZPE NO BRASIL

□ ZPE CRIADAS ATÉ 1994  
 ● ZPE CRIADAS NO ÂMBITO DA LEI Nº 11.508/2007

AC: SENADOR GUIOMARD	MT: CÁCERES	RO: PORTO VELHO
BA: ILHÉUS	PA: BARCARENA	RR: BOA VISTA
CE: PECÉM	PE: SUAPE	SC: IMBITUBA
ES: ARAGRUZ	PI: PARNAÍBA	SP: FERNANDÓPOLIS
MG: TEÓFILO OTONI E UBERABA	RJ: ITAGUAÍ	TO: ARAGUAÍNA
MS: CORUMBÁ E BATAGUASSU	RN: ASSÚ E MACAÍBA	

CONSELHO NACIONAL DAS ZONAS DE PROCESSAMENTO DE EXPORTAÇÃO - CZPE  
Secretaria Executiva - SE

□ 19 EPZs in effective deployment (18 STATES)

□ EPZs are in different stages.  
 □ Acre (AC), Parnaíba (PI) and Pecém (CE): the most advanced EPZs

□ EPZs of Acre (AC) and Pecém (CE): bonded by Customs Authority.

## Acre/AC EPZ



### Amazon Biodiversity



### Transoceanic Road



### Access to Ports in the Pacific Ocean

## Parnaíba/PI EPZ



### Food Production



### New Brazilian Agricultural Area MATOPIBA



### Pharmaceutical Raw Materials

## Pecém/CE EPZ



### Pecem Port Infrastructure



### Multinational Companies



### Global Production Chains



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## ACRE EPZ (SENADOR GUIOMARD CITY/ACRE STATE)

- **Size (ha\*):** 130.17
- **Potentialities:**
  - Amazon biodiversity
  - Wood processing
  - Brazilian nuts
  - Rubber (latex)
  - Fruits
  - Fish farming
- **Industrial Projects Approved:**
  - **Amazon Polímeros:** plastics
  - **Anawa:** soybean oil and sugar
  - **Acreprarquet:** wood furniture;
  - **Superfruits:** açaí berry (fruit flakes/ freeze-dried powder)

### The use of raw materials available in the region



### Transoceanic Road



### Access to Ports in the Pacific Ocean



\* 1 "hectare" (ha)= 2.4710439 American acres

# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## ACRE EPZ (SENADOR GUIOMARD CITY/ACRE STATE)



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PARNAIBA EPZ (PARNAÍBA CITY/PIAUI STATE)

- **Size:** 348.80 ha
- **Potentialities:**
  - Grains (soyabean)
  - Food processing (fruits, honey)
  - Pharmaceuticals
  - Waxes and fibers
  - Fish
- **Industrial Projects Approved :**
  - **DK Frutas:** food processing
  - **KTA Farma:** salts of pilocarpine
  - **Agrocera:** wax (carnaúba)
  - **Ecopellets:** pellets (carnaúba)

### Grains & Food Processing (Fruits)



### New Agricultural Frontier MATOPIBA



### Regional companies with regional export operations.





# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PARNAIBA EPZ (PARNAÍBA CITY / PIAUÍ STATE)



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PECEM EPZ (SÃO GONÇALO DO AMARANTE CITY / CEARÁ STATE)

- **Size (ha\*)**: 4,271.41
- **Potentialities:**
  - Steel mill
  - Leather & footwear
  - Textiles
  - Ceramics
  - Granite
  - Food processing (fruits and fish)
- **Industrial Projects Approved:**
  - **Companhia Siderúrgica do Pecém** – **CSP**: steel plates
  - **Vale Pecém**: ores
  - **White Martins Pecém**: industrial gases
  - **Phoenix do Pecém**: waste

### Pecem Port Infrastructure



### Multinational Companies



### Global Production Chains



\* 1 "hectare" (ha) = 2.4710439 American acres



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PECEM EPZ (SÃO GONÇALO DO AMARANTE CITY / CEARÁ STATE)





# THE MOST ADVANCED BRAZILIAN EPZS IN DEVELOPMENT



## ZPE DO PECÉM (SÃO GONÇALO DO AMARANTE CITY/CEARÁ STATE)

### Pecém Steel Company(CSP)

- **Investment: US\$ 5,4 billion**
- **Annual Production (1st phase): 3 million tons of steel plate**
- **Direct employees (1st phase of plant operations): 2.800**
- **Joint venture: Vale (50%), Dongkuk (30%) e Posco (20%)**
- **Impacts on regional development (potential increase)**
  - **GDP of the state of Ceará: 12%**
  - **Ceará's industrial GDP: 48%**



# THE MOST ADVANCED BRAZILIAN EPZS IN DEVELOPMENT



## ZPE DO PECÉM (SÃO GONÇALO DO AMARANTE CITY / CEARÁ STATE)

- Awarded by fDi Magazine (Financial Times): Global Free Zones of the Year 2016.

### ➤ Categories:

- **Winner**

- **Large tenants** – Latin America and Caribbean

- **Bespoke awards:**

- **Supporting education and training**
- **Infrastructure upgrades**
- **Expansions**



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