



MINISTRY OF DEVELOPMENT, INDUSTRY AND FOREIGN TRADE - MDIC  
NATIONAL COUNCIL FOR THE EXPORT PROCESSING ZONES - CZPE  
Executive Secretariat - SE

# Export Processing Zones in Brazil

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## Basic Information



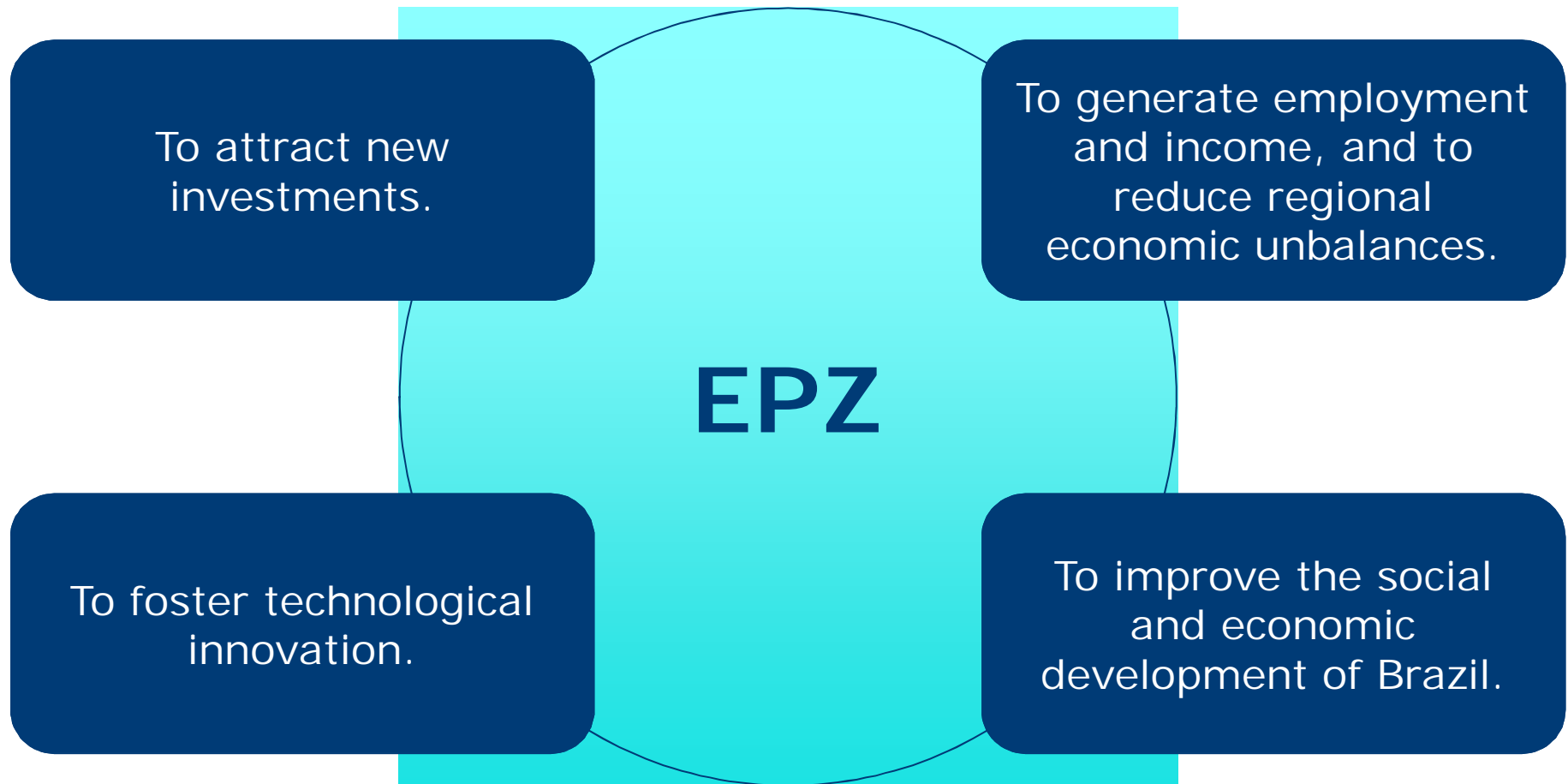
# BRAZILIAN EPZ CONCEPT

Export Processing Zones are characterized as industrial areas intended for exports.



## *BRAZILIAN EPZ GOALS*

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# BRAZILIAN EPZ INCENTIVES

## MAIN INCENTIVES

### Tax

Exemption of Federal and state (ICMS) taxes & duties on domestic or imported raw materials and capital goods (new or used).

### Administrative

Exemption of licenses or authorizations to import raw material and capital goods. Except: sanitary, national security, and environmental.

## OTHERS

### Regional Development

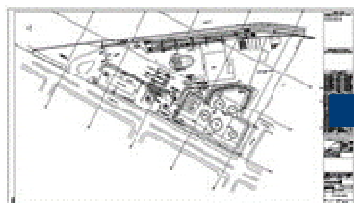
Up to 75% Income Tax exemptions (SUDAM and SUDENE areas).

### Export Promotion

Income Tax exemption on money transfers related to market research and export promotion activities.

### R&D and IT

Tax reductions for automation investments, brand registrations etc.



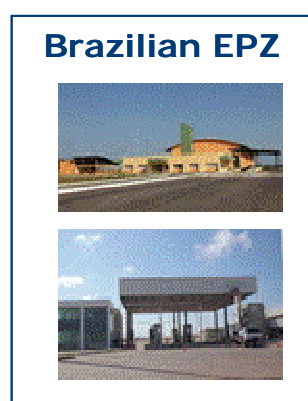
**Period Granted: 20 years that could be extended for another 20 years.**

# BRAZILIAN EPZ LIMITS & PREREQUISITES



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

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



## International Market

Exemption of all taxes and contributions in the raw materials and capital goods.



## Domestic Market

Payment of all taxes and contributions normally levied on the operation.



**At least 80% of the company's total gross revenue sales must be originated by exports.**



The start-up of a company operation into ZPE depends on:

- ⇒ EPZ administrator acceptance;
- ⇒ Approval of industrial projects by the National Council of Export Processing (CZPE); and
- ⇒ Authorization by Customs and environmental Brazilian authorities;

# EPZ AUTHORIZED IN BRAZIL



⇒ **Brazilian EPZ are in different stages of development.**

⇒ **2 EPZ concluded all pre-operational requirements of Customs Authority and are ready to operate:**

- **Acre EPZ/AC; and**
- **Pecém EPZ/CE.**

⇒ **The following number of industrial projects were approved by the CZPE:**

- **Acre EPZ (AC): 4.**
- **Parnaíba EPZ (PI): 3.**
- **Pecém EPZ (CE): 3.**



## CONTRIBUTION OF BRAZILIAN EPZ: Primary Goods Example.

FOCUS = Adding value to primary goods exports.

PRICE VARIATION IN EXPORTS Study on Selected Supply Chains - 2014					
Supply Chains	Description	Total of Brazilian Exp. (US\$ Millions)	Part. % on Total Brazilian Exportations	Average Price (US\$/Ton)	Price Variation
	<b>TOTAL</b>	<b>225,101</b>	<b>100,00%</b>	<b>-</b>	<b>-</b>
<b>Iron Ore and Steel</b>	Iron ore and concentrates	25,819	11.47%	74.97	-
	Semi-manufactured products of iron or steel	3,195	1.42%	507.54	<b>576.99%</b>
	Flat-rolled products of iron steel	1,565	0.70%	729.08	<b>872.50%</b>
<b>Aluminium</b>	Aluminium ore and concentrates	272	0.12%	32.61	-
	Unwrought aluminium	637	0.28%	2,056.09	<b>6,205.09%</b>
	Aluminium articles	53	0.02%	7,288.80	<b>22,251.43%</b>
<b>Wood and Furniture</b>	Tree trunk	25	0.01%	167.76	-
	Wood sawn or chipped	425	0.19%	594.02	<b>254.09%</b>
	Laminated wood	35	0.02%	1,060.99	<b>532.45%</b>
	Furniture and parts, except medical or surgical	666	0.30%	2,362.05	<b>1,307.99%</b>
<b>Leather and Footwear</b>	Hides and skins	2,937	1.30%	6,010.49	-
	Footwear parts and components	1,067	0.47%	20,729.20	<b>244.88%</b>



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<b>Soya</b>	Soya beans	23,277	10.34%	509.44	-
	Crude soyabean oil	999	0.44%	846.22	<b>66.11%</b>
	Refined soya oil	131	0.06%	1,048.54	<b>105.82%</b>
	Soya proteins, peptones and their derivatives	26	0.01%	4,610.60	<b>805.03%</b>
<b>Corn</b>	Corn in grain	3,876	1.72%	187.80	-
	Crude corn oil	1	0.00%	882.48	<b>369.90</b>
	Refined corn oil	1	0.00%	1,468.27	<b>681.83%</b>
<b>Coffe</b>	Raw coffe beans	6,041	2.68%	3,041.06	-
	Roasted coffee, decaffeinated or not	12	0.01%	7,314.31	<b>140.52%</b>
	Soluble coffe	563	0.25%	7,521.59	<b>147.33%</b>
<b>Cotton</b>	Raw cotton	1,357	0.60%	1,811.99	-
	Cotton fabrics	142	0.06%	8,263.53	<b>356.05%</b>
	Cotton yarns	7	0.00%	11,562.22	<b>538.10%</b>
	Cotton "T-Shirts"	11	0.01%	31,701.09	<b>1,649.52%</b>

# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## ACRE EPZ (Senador Guiomard/AC)

- Proponent: State of Acre
- Creation: 30th June 2010
- Size (ha\*): 130.17
- Initial Industrial Profile: Processing of wood, the Brazilian nuts, and rubber (latex).
- Industrial Projects Approved :
  - Amazon Polímeros Importação e Exportação Ltda (Plastics);
  - Anawa (Soybean oil and sugar);
  - Acreparquet (Wood furniture and artefacts);
  - 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*

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## ACRE EPZ (Senador Guiomard/AC)



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PARNAIBA EPZ (PARNAÍBA/PI)

- Proponent: State of Piauí
- Creation: 30th June 2010
- Size (ha): 348.80
- Initial Industrial Profile: Chemical sector (salts of pilocarpine), waxes and fiber ("carnauba" and "babassu" palm trees), and food processing (fruit, honey and milk).
- Industrial Projects Approved :
  - DK Frutas e Concentrados do Nordeste Ltda. (food processing)
  - KTAFarma Indústria e Comércio Ltda. (salts of pilocarpine)
  - Agrocera Piauí Ind. Com. e Exp. de Cera Vegetal Ltda. (carnaúba)

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



### Infrastructure projects



### Regional companies with regional export operations.





# *THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT*

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## PARNAIBA EPZ (PARNAÍBA/PI)



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PECEM EPZ (SÃO GONÇALO DO AMARANTE/CE)

- Proponent: State of Ceara
- Creation: 16th June 2010
- Size (ha): 4,271.41
- Initial Industrial Profile: Steel mill (anchor company), textiles, agribusiness, ceramics, granite and food processing.
- Industrial Projects Approved :
  - Companhia Siderúrgica do Pecém - CSP. (Steel slabs). The CSP is the biggest industrial project in construction in Brazil.
  - Vale Pecém Ltda (Ores).
  - White Martins Pecém.

### Pecem Port Infrastructure



### Multinational Companies



### Global Production Chains



# THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT



## PECEM EPZ (SÃO GONÇALO DO AMARANTE/CE)





# *THE MOST ADVANCED BRAZILIAN EPZ IN DEVELOPMENT*



## PECEM EPZ (SÃO GONÇALO DO AMARANTE/CE)

Pecém Steel Mill Company (CSP): Total Investment - US\$ 5 billion



## *SE/CZPE – CONTACT INFORMATION*

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Executive Secretariat - SE**

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