

The Bahia Investor's Day - the key points :

Objective Bahia Investor's Day aims to present the State of Bahia as a place of opportunities for foreign and domestic investors and as a new platform for bioenergy technology development.

The Investment Environment

Bahia has one of the largest economic growth indexes in Brazil. This fact secures the credibility of the State to investors and international financial institutions that grant resources for new development projects and investment attraction. Both investors that want to explore the domestic market or those who wants to build an export platform will find a very attractive environment in Bahia with favorable conditions for businesses implementation and development. Bahia has a very diversified economy, strategic geographic location, abundant natural resources, availability of inputs (chemical, petrochemical, metallurgical, agricultural, etc.) and qualified workforce.

Bahia's comparative and competitive advantages, the growing investments index and the strong industrial activities reveal the State as secure and competitive place for productive units and for the establishment of partnerships. Bahia can also be an entrance door for products and investments aiming at the North and Northeast regions of Brazil.

Special Focus - biodiesel

Biodiesel – a Strategic Investment focus

Bahia's agro economy is particularly well placed to capitalise on the rise in bioenergy and particularly regarding the recently announced Federal Biodiesel Programme, which sets ambitious targets for biodiesel in Brasil.

Brazil has excellent edaphic climatic conditions and is considered one of the most favorable countries for biomass exploration. Amongst the Brazilian states, Bahia enjoys special prominence for presenting excellent conditions to produce several oleaginous feedstock that serve as raw material for the production of biodiesel (which is not the case in other states).

Bahia stands out for the diversity of oleaginous feedstocks that can be used for the production of biodiesel, particularly the mamona, the soy, the palm oil, the cotton and the sunflower that is also being introduced in experimental areas with energy objectives.

To satisfy the biodiesel needs foreseen for the country in 2005 there will be more than **eight hundred million liters** of biodiesel necessary per year. In that sense, **Bahia is a strategic state for the Federal Government** to execute the goals foreseen in the program, because it has enormous potential for the biodiesel production due to the following points:

- Competence in R&D and production of Biodiesel UESC/UFBA;
- Excellent logistics infra-structure for distribution of fuels;
- Be Brazilian larger mamona producer with 92% of the National production;
- Second larger cotton producer in the country;
- Larger number of municipal district zones for the plantation of the culture of the mamona: 189 capable municipal districts;
- Excellent climate conditions, soil and readiness of areas for new plantations;
- Diversity of raw material used for biodiesel production as mamona, palm oil, cotton, sunflower and soy, besides the oils and available residual fats.

The referring data of the planted area (hectar), production (ton.) and productivity (kg/ha) of the agricultural crop 2004/2005 is described in the table below:

Table – Data of the planted area, production and productivity of main oleaginous in the State of Bahia. Crop of 2004/2005.

Oleaginous	Planted area (ha)	Production (kg)	Productivity (kg/ha/year)
Mamona	169,400	169,400	1,000
Soy	870,000	2,401,200	2,760
Cotton	247,000	498,000	3,300
Palm oil*	41,584	171,044	4,113
Sunflower	xx	xx	1,557
Pinhão-Manso	xx	xx	xx
xx = does not exist commercial crops		Source: Conab - April/2006 * IBGE/PAM 2004	

On the highway into Salvador - biodiesel on sale ...



Who's it for

Bioenergy European and Pan-American industries
Potential international and domestic investors and financial institutions
Brazilian industries from the bioenergy sector
Associations and Knowledge Institutions

Programme of events :

1st December

Morning Session : a mini-conference presenting perspectives in the State of Bahia for

- bioenergy
- the investment climate
- investment incentives and mechanisms
- funding via the international investment community
- a business case study

A detailed programme will be published here soon

Afternoon Session : a series of AL-INVEST III Roundtable Business Meetings
(see the webpage below for more details)

2nd December

A whole day study tour to investment sites by aeroplane for investors (limited availability) will also be organised.

How to participate

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More about Investing in Bahia

Bahia has a solid politics of incentives that consolidate its production and promote the attraction of new investments. The maintenance of this politics is guaranteed by two factors: a comfortable economic situation and a control of its public debt. Both were obtained through a fiscal and financial adjustment promoted by the State, by its own initiative.

With balanced finances and the constant attraction of investments, the State of Bahia has traced a stable and ascendant path. Today, the State has one of the largest Brazilian economical growth indexes, which assures great credibility along with the national and international financial institutions, guaranteeing resources for new development projects.

The economic growth allows the Bahian Government to accomplish projects in all the Bahian territory. In this way, the Bahian Government can take care of the specific needs of each sector, preparing workers through centers of professional training, that qualify the labor force according the needs of each segment.

Investment climate:

Amongst the incentives granted by the State, the Desenvolve Program (State of Bahia Industrial and Economic Integration Development Program) is our

In association with



Main partners



GOVERNO DA BAHIA

In conjunction with



Co-organiser



Organiser



flagship. Since its implementation in 2002, the Desenvolve program has obtained great success in the allocation of new investments under the responsibility of the State Secretariat of Industry, Commerce and Mining (SICM).

The Desenvolve Program¹:

Goal:

Ferment and diversify the State's industrial matrix, forming industrial densification in the economic regions and integrating the essential productive chains for the social and economic development and to generate jobs and income.

The Desenvolve program incentives aim at stimulating new industry installation and at the expansion, reactivation or modernization of installed industrial ventures, generating new products or processes, improving technological characteristics and reducing existing product or process costs.

Target Sectors:

Agro-industry, metallurgy, energy generation, plastic transformation and petrochemicals, beverages, automotive, clothing, equipment for irrigation, shoes, furniture, medications (vaccines) and food products.

Financing Lines:

- Dilation in the payment of owed Tax on Transactions Related to the Circulation of Goods, Interstate and Inter-municipal Transportation and on Communications (ICMS);
- Payment of 10%, 20% or 30% of the calculated ICMS value, depending on how the project fits-in to the Adhesion Matrix;
- Dilation of the parcel corresponding to the difference between the calculated tax and the tax that was paid;
- Interest corresponding to the Long-Term Interest Referential Fee (TJLP), capitalized yearly, on the parcel resulting from the dilation;
- Payment of the tax resulting from the dilation in a lump sum after a 6-year grace period;
- Incentive for advanced payments of the total owed (differed installment + interest), with the following progressive discounts:
 - Advanced payment in 5 years: discount of 90% on the balance;
 - Advanced payment in 4 years: discount of 85% on the balance;
 - Advanced payment in 3 years: discount of 80% on the balance;
 - Advanced payment in 2 years: discount of 45% on the balance;
 - Advanced payment in 1 year: discount of 30% on the balance;
 - Fruition of up to 12, 10 or 8 years.

¹ Legal Source: Law 7.980, dated to December 12th, 2001; Decree 8.205 of April 3rd, 2002.