

It's time for Brazil in Singapore



Bilateral ties | Economy | Finance | Technology
Trade & Investment | Biofuels | Environment
Capoeira | Football | Fashion | Tourism | Culture

**Success
Stories**





Embassy of Brazil
Singapore

Ministry of
External Relations



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Foreword

The pages that follow appear more than eight years after the last magazine of the Brazilian Embassy in Singapore was published. The bridge between these two publications is Mrs. Nomita Dhar, who has reenacted the idea of the magazine and coped with my (many) demands in the last few months. To her and her team at Sun Media, all my gratefulness and appreciation!

In the last decade, Brazil has managed to strengthen its economic fundamentals and consolidate a vibrant democracy. Singapore and Southeast Asia have also emerged much stronger from the Asian crisis. And both regions are getting closer as never before, boosted mainly, but not exclusively, by economic and financial ties. Thus, the pace of Brazil-Asia relations, including with Singapore, has never been faster. The next pages will show our readers some of the reasons why *"It's time for Brazil in Singapore"*.

Any institutional publication requires a teamwork effort, and this one has not been different. I have found immense support in collaborators from Brazil and Singapore, both from government and private sector institutions, to whom I am greatly in debt. Our small but effective and devoted team at the Embassy's trade section has been more than instrumental with translations and other pieces.

Finally, I must say that this magazine does not intend to encompass the full spectrum of Brazil-Singapore bilateral relations. Instead it attempts to portray a state of mind, glimpses of many people and aspects connecting Brazil and Singapore in the recent past. Many of the movers and shakers of *"Brazil in Singapore"*, although not all of them, have been included here. We look forward to profiling more of such actors and aspects in the next issue!

Enjoy the reading!

Tatiana Rosito

Economic and Trade Counsellor
Embassy of Brazil in Singapore



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Contents

- 4** Interview:
Ambassador Paulo Alberto Soares
- 9** Brazilian Economy Update
- 12** Capital Markets in Brazil
- 16** Trade and Investment
- 23** Brazilian Companies in Singapore
- 26** Biofuels in Brazil
- 31** In Focus: Brazilian Fashion

- 34** "Wines from Brazil"
- 38** Brazilian Football on TV
- 40** Culture Corner: Capoeira
- 44** Some Interesting Facts about Brazil
- 49** Architecture and Design
- 51** Tourism in Brazil
- 56** "Made in Brazil"

It's time for Brazil in Singapore



In an exclusive interview with Nomita Dhar, *Mr. Paulo Alberto da Silveira Soares*, Ambassador of Brazil to Singapore, reveals a fast-expanding bilateral agenda in the areas of diplomacy, trade and investment, cultural exchange and technological cooperation.

“

The fact that Brazil and Singapore are geographically distant and very different in many cultural aspects also means that diplomats have more fresh ground to explore, which only brings scale and diversity to my day-to-day activities.”

Mr. Paulo Alberto da Silveira Soares,
Ambassador of Brazil to Singapore



Your Excellency, you presented your credentials in Singapore in January of this year. How has your Singapore Experience been so far?

I feel truly privileged to serve as an Ambassador to Singapore, a nation that has first gained my admiration and respect through written accounts, due to its amazing development track record. Since I arrived here ten months ago, this admiration and respect have only grown larger. I and my wife have enjoyed every minute of our experience in this country through our contacts with government officials, politicians, businessmen, artists, scholars and many other representatives of the civil society, both Singaporeans and foreigners, including, of course, Brazilians living in Singapore.

How large is the Brazilian Community in Singapore?

More than 550 Brazilians live in Singapore today. Many of them work in Brazilian companies with local offices, but many others hold senior positions in companies such as Microsoft, Coca Cola, Johnson & Johnson and Dell, to name a few. There are Brazilians among the faculty members of INSEAD and the Lassalle College of the Arts, and also among SIA pilots. Some others run their small businesses, often trading with Brazil. And we have many Brazilians working in “Brazilian Churrascarias” around the island, not to mention some football players too. Most of these “expatriates” bring their families and our community has been growing fast with the increment in bilateral ties. Although small, the community is very active and resourceful, and we have often counted on their support to promote Brazilian events.

As a career diplomat you have served in many countries around the world. How is serving in Singapore different or similar to the other countries?

Singapore is very easy to adapt to, being so open to other cultures and so successful in connecting Southeast Asia to the rest of Asia and the world at large. Some aspects that are often considered as disadvantages by Singaporeans themselves – such as its small territory - make Singapore one of the most enjoyable places to live in and to do business I have ever been to. This is certainly also due to the special talents of the Singaporean

people. In the public sector, for instance, the efficiency and willingness to promote foreign and trade relations have often made easier my task of bringing Brazil and Singapore closer together. But this is also true of the thriving cultural scene.

The fact that Brazil and Singapore are geographically distant and very different in many cultural aspects also means that diplomats have more fresh ground to explore, which only brings scale and diversity to my day-to-day activities.

During your term in Singapore, what do you aim to achieve and what are the thrust areas?

My aim is to take Brazil-Singapore bilateral relations to a new level, building upon the sound relationship that has been nurtured by my predecessors and taking bold steps to benefit from the positive global and bilateral momentum. There are three main areas we are working on: political ties, trade and investment, and cultural exchange. On the first area, we have achieved great strides in the last ten months. For the first time, the Minister of Agriculture and the Deputy Minister of Development, Industry and Trade of Brazil came to Singapore. Moreover, Brazil has recently hosted a bilateral visit of the Minister for Foreign Affairs, George Yeo.

Inter-regional ties received a boost from the III Ministerial Meeting of the Forum for East Asia – Latin America Cooperation (FEALAC), which was held in Brasília, Brazil, last August. This Forum, created in 1999 on the basis of a proposal by then Prime Minister Goh Chok Tong, offers a fertile ground for strengthening the relationship between 33 countries in the two continents, now with concrete proposals included in the Declaration of Brasília. We are also working on an extensive agenda of other high-level meetings in 2007 and 2008, such as the first ASEAN-MERCOSUR Meeting. The economic agenda is fast expanding, fostered by the continuous growth of bilateral trade and investment, and based upon a marked

increase in the number of trade missions and participation in conferences and trade fairs in numerous sectors, such as ports, airports, biofuels, electronics, infocomm technology, food and beverage and medical and hospital equipment. We are working to intensify this economic agenda. Last but not least, cultural exchanges offer a vast potential, since mutual knowledge is just taking off. We also believe Brazilian football can have a much stronger presence here, given its large fan club.

What are the characteristics of the main economic exchanges between Brazil and Singapore?

On trade and investment, Brazil and Singapore are currently experiencing an excellent tide. In 2006, total bilateral trade flows were over US\$2.1 billion, or more than twice that recorded in 2004. This was the largest historical figure for bilateral trade, placing Singapore as the main trade partner of Brazil in Southeast Asia. Now, from January to August 2007, Brazilian exports to Singapore have already exceeded total exports in 2006. On the investment front, the partnership between Petrobras and Singaporean shipyards Keppel and Jurong are emblematic of the multiple possibilities for the two countries. In fact, Singapore is the second Asian investor in Brazil and we are proud to have many Singaporean companies there with a long term perspective, such as Keppel Offshore & Marine, Jurong, Sateri International, Flextronics, APL, Olam and Noble, just to mention a few. On the other hand, there is already a marked

“In 2006, total bilateral trade flows were over US\$2.1 billion, or more than twice that recorded in 2004. This was the largest historical figure for bilateral trade, placing Singapore as the main trade partner of Brazil in Southeast Asia.”

increment in the number of Brazilian companies that have their regional headquarters based in Singapore, covering the operations in Southeast Asia or in the entire Asia-Pacific region. And they keep coming. CVRD, today the world's second largest mining company, has just established an office here last September.

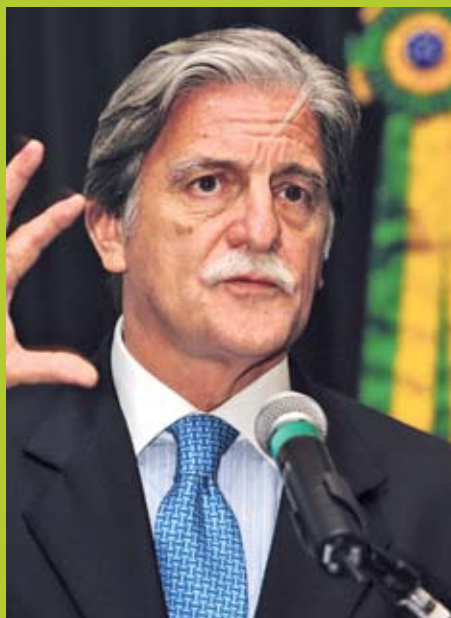
Brazil and Singapore share long standing bilateral ties, in recent times the interaction between the two countries has particularly intensified. Please highlight to us the various initiatives that have been taken in this direction.

I have mentioned above the various initiatives on the political side, especially the recent ministerial visits. But I would like to point out three important breakthroughs that will certainly have a lasting effect on bilateral ties. The first is the signing of a Memorandum of Understanding and an Action Plan on Trade and Investment between Singapore and Mercosur, the customs union formed by Argentina, Brazil, Paraguay and Uruguay. This document

offers a framework to continue increasing trade and investment and bringing companies and business people from both sides closer together, which will also benefit Brazil-Singapore bilateral relations. The second issue is the large representation of Brazil in the forum Latin Asia Business, organised by IE Singapore, which took place in the first week of October. This year, for the first time, the Brazilian delegation counted almost thirty people, among businessmen and officials from the Federal and State governments, led by Deputy Minister for Development, Industry and Trade Ivan Ramalho. The participation of a high-level Brazilian official, combined with representatives of two important members of our federation – Minas Gerais and the Federal District – and Brazilian companies already established or new to Asia, is, in my view, indicative of a turning point, which we should build upon in the coming months. We are also fostering a stronger cooperation between Brazil in Singapore in the field of science and technology and medium and small enterprises. Last June, the 'Movement Brazil Competitive', an agency in charge of increasing productivity in Brazilian entities, which has both private sector and public sector representatives in its board, signed an MOU with SPRING. Another new and promising area for bilateral cooperation is football. The union of the 20 major football clubs in Brazil, Clube dos Treze, has signed an MOU with the Singapore Sports Council and the Football Association of Singapore to promote the sport in Singapore by the exchange of athletes and coaches, the promotion of friendly games, and cooperation in management issues.

As an investment destination, what can Brazil offer Singapore investors, and why should they take the Brazil route to your part of the world?

Brazil combines at least three elements that should appeal to Asian businesses expanding globally. First, the very dimensions of the country are worthy of note: it is among the ten largest economies in the world, with a GDP in 2006 larger than, for instance, that of the Russian Federation, India, Republic of Korea, Mexico and Australia. Brazil has also a large domestic market, with the fifth largest population in the world, or around 188 million, currently. Second, Brazil is the gateway to South America, having around 50% of the population, GDP and land area of the region, and serving as an entry point to neighbouring countries. Brazil is also actively seeking to expand its network of trade agreements. Together with its partners of Mercosur (Argentina, Paraguay and Uruguay), Brazil is currently negotiating trade agreements with the EU, India, SACU and Israel, to name a few. Recently, a Working Group was also created



to focus on the modalities for a trilateral India-SACU-Mercosur Free Trade Agreement. Third, Brazil has a very rich cultural and natural diversity, which is sure to appeal to Asian travellers. Finally, it is important to consider those three elements in the broader context of a stable and growing economy, with a very dynamic private sector which is eager to partner with Asia.

In your opinion, which are the opportune sectors of investment that the Singaporean investors can tap on?

The continued growth of the domestic economy will require large investments in the next years in sectors such as infrastructure and logistics (ports, airports and highways), biofuels, electronics, IT, biotechnology, real estate and many others. A higher demand for services is expected to cater for the needs of a sizeable middle class and a population with growing per capita income.

Brazil is often called a “cultural melting pot”, what aspects of Brazilian culture do you intend to promote in Singapore?

We intend both to continue supporting those activities that have conquered their space in Singapore – such as capoeira and Brazilian music – and also enlarge our presence in the domain of visual arts, by bringing here exhibitions of Brazilian design, photography, architecture, among others. Brazilian musicians have been performing in Singaporean stages in the last few years in at least two regular events: WOMAD (Chico César, 2006, and Clube do Balanço, 2007) and the International Guitar Festival, which takes place every December. Besides, many artists have performed in Singapore in individual concerts, such as Gilberto Gil, Ana Caram, Cibelle and, more recently, Bebel Gilberto, who returned for her second concert here to a packed Esplanade Concert Hall audience on

October 2. So, music is one area where we have to continue our cultural exchanges, by also bringing in new talents, such as the guitarist Zé Paulo Becker, a master of “Choro”, who will perform here next December in the Guitar Festival.

Football is spun into the fabric of Brazil; there has been great deal of interest in the football collaboration between Singapore and Brazil. Please highlight the new and major initiatives?

We foresee a great avenue for bilateral cooperation in this domain. As mentioned before, Clube dos Treze — the union of the 20 major football clubs in Brazil – recently signed an MOU with the Singapore Sports Council and the Football Association of Singapore. The aim is to promote the sport in Singapore by the exchange of athletes and coaches, the promotion of friendly games, and cooperation in management issues. Last February, the first concrete initiative took place, when a Brazilian expert was in Singapore for two weeks to conduct football clinics for Singaporean kids. Then, last June, the Brazilian Football Portal was launched in Singapore, on the occasion of the the Broadcast Asia 2007 event. We see this as the first, but crucial, step to bring Brazilian football closer to Asia, both for old and – hopefully – new fans.

Brazil is famous world over for its beautiful landscape and vibrant culture. However not as many Singaporeans are travelling to Brazil as tourists. What initiatives would like you to take to change this and get more Singaporeans to travel to Brazil?

Although Brazil is yet to grow as an important tourist destination for Singaporeans, I am glad to say that we have registered significant increases in this flow in the last few years. Singaporeans are mostly attracted to natural landscapes such as the Iguazu Falls, on the border of Brazil,

Argentina and Paraguay. Many Singaporeans go to Brazil as part of cruise trips, which do not always allow them to explore in depth the diversity and cultural richness of the country. But the trend is generally positive, and we hope it for to increase even more as airline connection improves. So this is one important area where we have a lot to do in Singapore.

Airline connectivity remains one of the major hindrances in this direction. Are initiatives to improve this in the pipeline?

The traditional routes to Brazil are either through major European hubs, such as London, Paris or Frankfurt, or through South Africa. Although the trip is long, taking more than twenty hours of flight, I usually say that we must look at it with an open mind. For all practical purposes, it is possible to leave Singapore in the early morning and still arrive in São Paulo for dinner on the same day! A new route, via Dubai, was just launched last October, which shows that the demand for better connections is real and growing.

Brazil is well known for its stand on Environment issues. In light of the recently concluded APEC meeting, as the

world makes it one of the priority areas, how do you think Brazil can intensify its involvement in this direction?

Brazil is a very active member of all the main fora dedicated to environmental issues in the multilateral and regional scene, as a result of its rich biodiversity, but also as a major and conscious policy commitment. In light of the new concerns with global warming, Brazil has an even greater role to play in the international community, not only due to its long-standing experience with the production of biofuels, such as ethanol, but

“*Although the trip is long, taking more than twenty hours of flight, I usually say that we must look at it with an open mind. For all practical purposes, it is possible to leave Singapore in the early morning and still arrive in São Paulo for dinner on the same day!*”

also due to its positive track record in reducing deforestation in the last few years. Actually, this work has been recognized by the United Nations Champions of the Earth Award, which was given to the Brazilian Minister for

the Environment, at this year's ceremony in Singapore. Also, more than 85% of the electricity consumed in Brazil is generated from hydro power, a renewable source. Brazil has already intensified its involvement with partners in South and North America concerning the exploration of biofuels, and is also increasingly cooperating with other regions. In my view, Brazil and Southeast Asia have a lot in common in the area of environment and biofuels that can, and will, be further explored. ■

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Brazil: On the Road to Sustained Growth

The Brazilian economy fundamentals have strongly improved in the past years, paving the road for sustained economic growth based upon an expansion of domestic demand at low inflation rates and falling interest rates. Although Brazil is not immune to global uncertainties, the latest international economic turbulences in the United States sub-prime markets have left the country unscathed due to a sound current account position, large accumulated international reserves and a consistent improvement in the fiscal accounts. The overall credit expansion combined with targeted income programs and an increase in the total salary mass have provided for a steadfast increase in consumption and the emergence of what the Economist magazine has called in its 18-24 August edition “a new middle class”. The triad of monetary stability, reduction of the external vulnerability and fiscal responsibility, together with targeted social policies, is at the base of the new cycle of economic growth in Brazil.

Social inclusion and reduction of income inequalities are a crucial component of the recent acceleration of growth. Furthermore, a Growth Acceleration Plan (PAC – “Plano de Aceleração do Crescimento”) was launched in January 2007, aiming at increasing the pace of economic growth through large infrastructure investments and targeted tax incentives. Brazil seems thus well positioned to benefit from the relatively benign environment for emerging markets

and withstand uncertainties from the international capital markets. Actually, the country has managed to gradually improve its risk outlook and is well on the way to investment grade. International investors recognize Brazil’s potential and portfolio investments are flocking into the country, which boasts a quite solid financial system, subject to advanced requirements in terms of prudential regulation and transparency (see next section on Capital Markets).

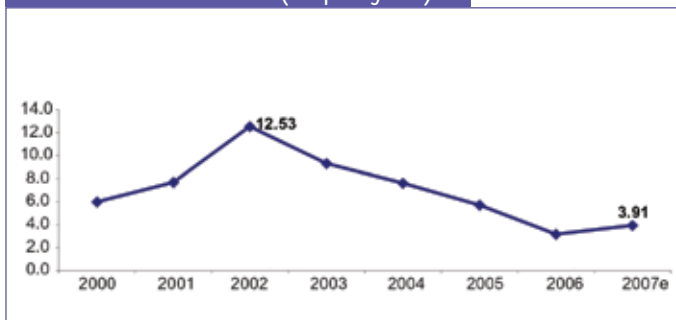
Monetary Policy: Low Inflation and Declining Interest Rates

Since 1999, Brazil adopted an inflation targeting framework to anchor its monetary policy, combined with flexible exchange rates and a consistent fiscal stance. The inflation target is set up by the National Monetary Council (“CMN – Conselho Monetário Nacional”) and monetary policy is subject to the decisions of the Monetary Policy Committee of the Central Bank (COPOM). In 2006 and 2007, the target for the inflation rate measured by the Consumer Price Inflation Index (IPCA) has been 4%, within a plus or minus 2% interval. In June, the CMN has confirmed the same target for 2008. As of October 11, market expectations for the IPCA in 2007 were 3.91%.

While keeping inflation under control, the Brazilian Central Bank has been able to reduce the basic interest rate (SELIC) at an accelerated pace since the end of 2005. From July 2003 to October 2007, the SELIC rate has declined from 26.00% p.y. to 11.25%, while the real

interest rate has fallen below 8.00%. This and other accompanying measures to reduce the spreads for the final borrowers have also supported the expansion of credit for productive investment and consumption.

IPCA: Inflation Rate (% per year)



Source: Brazilian Central Bank Construction: Embassy of Brazil
2007e and 2008e: Market Expectations as of Oct. 11, 2007.

Interest Rate (SELIC) (% per year)

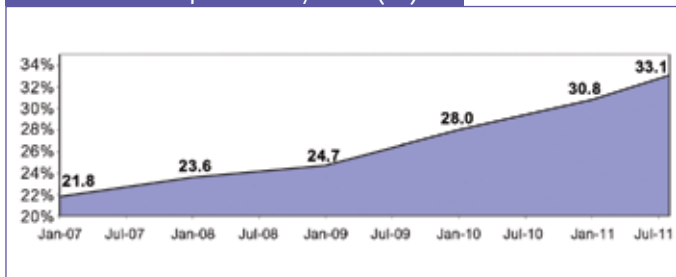


Source: Brazilian Central Bank Construction: Embassy of Brazil

Credit Expansion

Credit expansion has been spurred by the decline in interest rates, the general favorable investment climate but also by specific income transfer programs, such as the Bolsa Família ("Family Stipend"), the real increase in the minimum wage and the continuous decline in poverty rates. The total credit to individual consumers has grown from 5.0% of GDP to 11.2% of GDP from December 2002 to July 2007, while the total credit operations as a percentage of GDP have increased continuously between 2003 and 2007, as seen in the following graph.

Total Credit Operations/GDP (%)

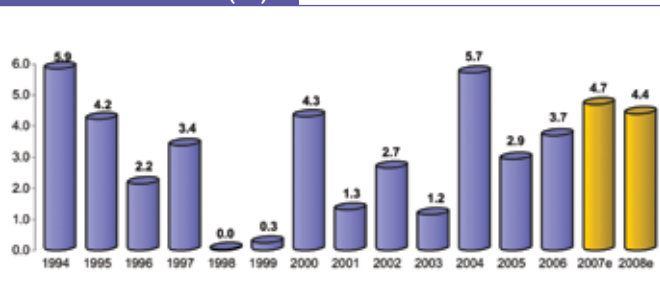


Source: Brazilian Central Bank Construction: Embassy of Brazil

Consumption and Growth

Growth in consumption and investment has been an important factor behind the recent increase in real GDP, which is expected to continue in 2008.

Real GDP Growth (%)

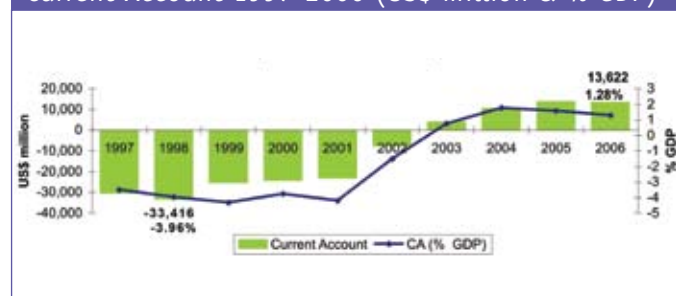


Source: Brazilian Central Bank Construction: Embassy of Brazil
2007e and 2008e: Market Expectations as of Oct. 11, 2007.

Current Account and Trade Balance

One of the most notable improvements in the fundamentals of the Brazilian economy has happened in the external sector. Both an impressive turning point in the current account, which should be in surplus for the fifth consecutive year in 2007, and a continuous flow of foreign direct investments have been responsible for a marked reduction in the external vulnerability of the country.

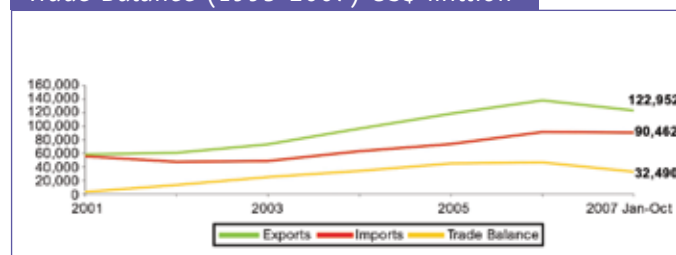
Current Account 1997-2006 (US\$ million & % GDP)



Source: Brazilian Central Bank Construction: Embassy of Brazil

The trade balance surpluses seen since 2001 in Brazil have been instrumental to the improvement in the current account, largely based on a strong expansion of exports, which have more than doubled in current dollars terms in the last six years. Although the higher growth rate should also boost imports in the medium term, the large trade balance surplus is expected to continue, due to a heated market for commodities and also a larger penetration of manufactured products in specific markets.

Trade Balance (1995-2007) US\$ million

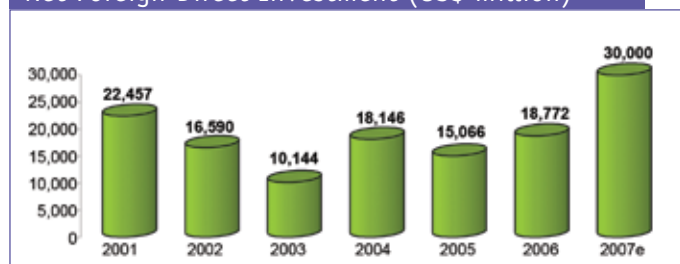


Source: Brazilian Central Bank Construction: Embassy of Brazil

Foreign Direct Investment

In 2007, Foreign Direct Investments are expected to reach US\$ 30,000.00, getting closer to the historic record attained in the year 2000. At the same time, international reserves are building up at a very fast pace. Although the cost of sustaining a high level of capital inflows and carrying large accumulated reserves has spurred debates both in Brazil and in other emerging markets, notably due to the pressure over the exchange rates, the recent international markets turbulence has proved that this “cushion” may be important for countries on the path to overcoming their external vulnerabilities.

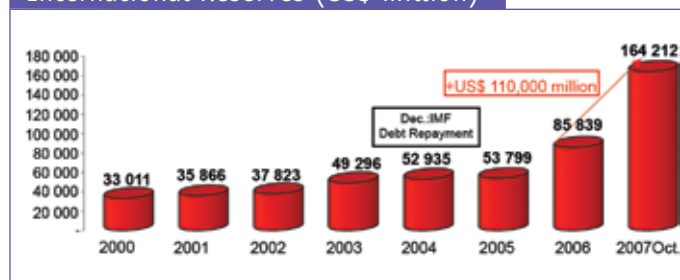
Net Foreign Direct Investment (US\$ million)



Source: Brazilian Central Bank

Construction: Embassy of Brazil

International Reserves (US\$ million)



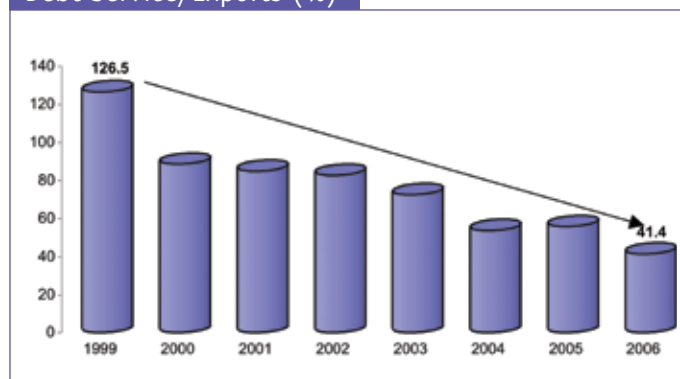
Source: Brazilian Central Bank

Construction: Embassy of Brazil

Indicators of External Sustainability

In the case of Brazil, the the traditional indicators of external sustainability based on debt ratios have all showed significant improvements, as depicted in the graphs below. For instance, total external debt as a percentage of GDP has been reduced from over 38.8%

Debt Service/Exports (%)

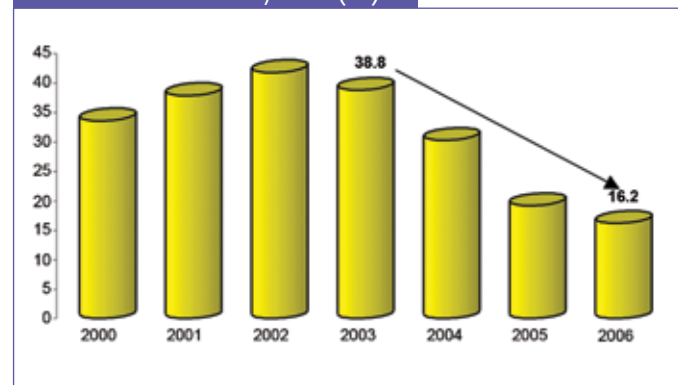


Source: Brazilian Central Bank

Construction: Embassy of Brazil

to 16.2% in the last four years, while the net public debt, one of the main concerns of the country less than two decades ago, is negative. The same applies to the ratio of total external debt to exports of good and services, which has broken the psychological barrier of 2 in the year 2004 and has continued to decrease, reaching 1.1 in 2006.

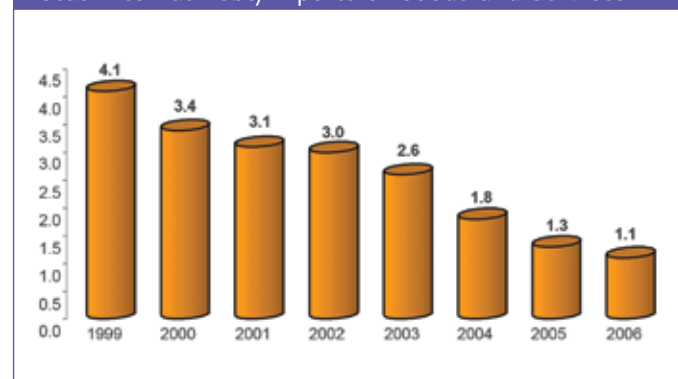
Total External Debt/GDP (%)



Source: Brazilian Central Bank

Construction: Embassy of Brazil

Total External Debt/Exports of Goods and Services



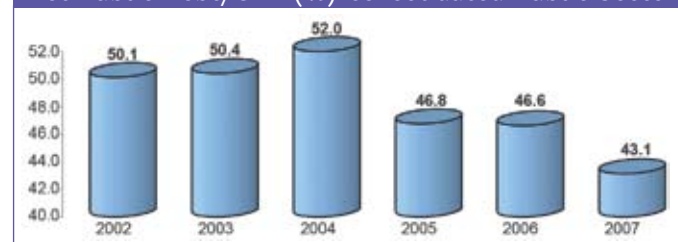
Source: Brazilian Central Bank

Construction: Embassy of Brazil

Fiscal Sustainability

One of the most important indicators of fiscal sustainability is the ratio of the public debt to the GDP. This ratio has been continuously declining, based on consistent primary surpluses of the consolidated public sector since 1999, which reached 4.2%, 4.4% and 3.9% in 2004, 2005 and 2006, respectively. Under the PAC projections, the net public debt/GDP ratio is expected to decline to 35.5% in 2010. ■

Net Public Debt/GDP (%) Consolidated Public Sector



Source: Brazilian Central Bank

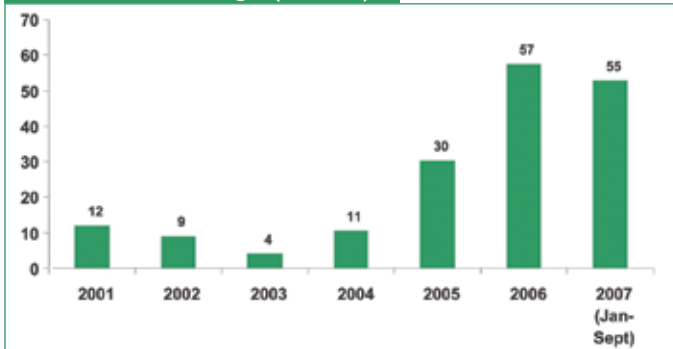
Construction: Embassy of Brazil

CVM — Brazilian Securities Commission

“Paving the Road for Capital Market Development”

by Sergio Weguelin, Commissioner

Securities Offerings (US\$ bi)



Source: CVM

Last year, the Brazilian Securities Commission (CVM) celebrated its thirtieth birthday. In 1976, when the Corporate and the Securities laws were passed and the Commission created, there was widespread perception that investing in the country's capital market instruments, equity in special, lacked in prudence and was even tantamount of “gambling”, as a popular expression deemed it. The briefly booming stock market had just collapsed due to uncontrolled speculation and this process helped to consolidate an equity investment aversion mentality among the general population.

Prior to the enactment of the new regulatory framework three decades ago, there were a few efforts to stimulate the market via fiscal incentives but these initiatives failed as investors were really focusing on protection. So the need to reestablish the flow of savings into productive investments, together with the perception that investors needed special reassurance that unfair practices by market intermediaries and players would not be heeded anymore, is what really explains the new chapter in the Brazilian capital market, with the CVM at its center.

Since then, a long road was trailed bringing about, along the way, significant improvements to the market's regulatory framework. Doing the utmost to touch only upon the most general ones, and with the hindsight of three decades, we will attempt to provide a brief account of them in the following lines.

The CVM monitors the day to day activities of all market segments and players and, based on the experience gathered, regulates demands that may further the market. It also enforces existing rules and punishes deviant behavior.

First of all, the young thirties Commission is now a very well established, well-equipped and respected institution. Its personnel have gathered experience and expertise to deal with all sorts of matters of concern to investors. And, with a wider scope of action than the US's SEC, the CVM deals today with the full spectrum of financial instruments and market players such as securities in general, futures markets, derivatives, all types of funds from money market to hedge funds, listed companies, market consultants, analysts, broker dealers and other intermediaries, SRO's and others. In the process of dealing with these areas and players, the CVM also deals with such aspects of market life as company reporting, offerings registration, accounting and auditing and investor education.

Evolution of market capitalization

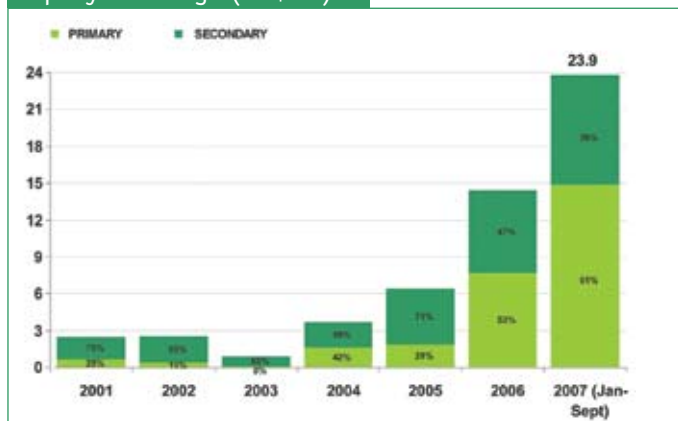


Source: CVM

The CVM monitors the day to day activities of all market segments and players and, based on the experience gathered, regulates demands that may further the market. It also enforces existing rules

and punishes deviant behavior. It can be fairly stated that CVM's activity to date has managed to remove those jurisdictional uncertainties that, until recently, so much worried investors. Today's visible and easily accessible track record of rule interpretations and enforcement decisions provides market participants with the necessary guidance on what to expect from their participation in the market and, also, the assurance that they will not be surprised by odd decisions and rule changes.

Equity Offerings (US\$ bi)



Source: CVM

The end result of all the action that has taken place in the last thirty years is the consolidation of a regulatory base capable of placing the market on its feet with a clear road ahead.

If, in the past, CVM had to struggle to enact legislation to start off different segments of the market – and, in those cases, acting out on theoretical instincts – today the situation is completely different: the new pieces of legislation that abound have to be produced in great rush to take care of the concrete needs of a booming market. That is, today the CVM is busily adjusting regulation and fine tuning it to fit the practical needs of the market in its many different areas.

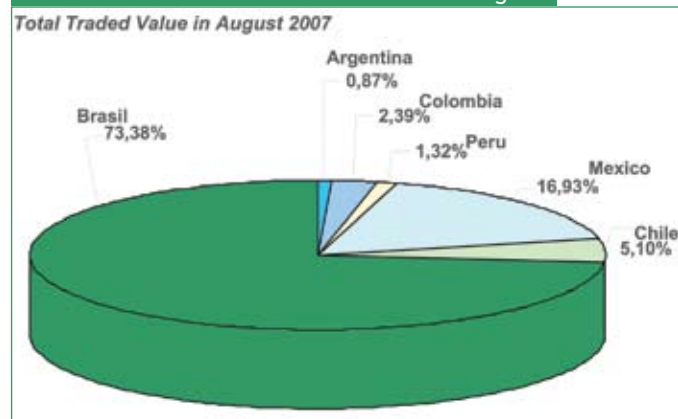
Another significant accomplishment that derives from the comprehensive (and sufficient) regulatory environment set in place, is the fact that a lot of the significant new action seems to be coming from the SRO activity going on (including the self-appointed SRO's). These players are very correctly filling the gaps that cannot and should not be dealt with by major regulation. So, there is a best-practices, codes-of-conduct and standards establishment-frenzy going on in our market, all of it conducted by players embedded with a legitimate concern about fostering or preserving a proper environment for the different segments of the market. This is a clear sign that our market has advanced to a higher level of responsibility.

This “caring” mentality, as opposed to the more predator behavior that prevailed in the past, together with other concerns such as the preservation of macro stability and the special focus on governance, for example, only demonstrates that the significant quantitative changes that our market is experiencing — such as the avalanche of IPO's and the taking off of until now dormant segments of the market, like ABSs, MBSs and REITs — has its base in the deep qualitative transformations that were diligently put in place along the last three decades and, specially, during the last one.

We may say that CVM's balancing of its regulatory, surveillance and enforcement activity with the concern, clearly demonstrated, of not overruling the market and stimulating it to respond whenever necessary (such as in public hearings or when market solutions seem appropriate), may be seen as one of the factors that explain today's rational exuberance in our market.

So, the mark of about 140 equity offerings since 2004, 88 IPO's (10% of the world's total), 59% of all Latin America's market capitalization and about 73% of its overall daily trading volume, the US\$ 550 billion under management in different fund categories, and a booming derivatives market owe their existence to the carefully developed market base.

BOVESPA and the other LatAm Exchanges



Source: WFE – World Federation of Exchanges

Alongside it, we must not forget the enormous amount of effort that has been placed in ensuring that investors get adequately informed and prepared to take educated decisions on their savings allocation.

Taking it from here, CVM's main challenge will be the correct grasping of all of these developments in order to be able to anticipate any necessary adjustments to keep the market on the go without any loss of momentum. ■

GFIA: Looking closer at the Hedge Fund Industry in LatAm and Brazil

Why GFIA, being a Singapore-based research firm specializing in alternative investment advice, has applied so much attention and resources to Latin America in general and Brazil in particular?

Latin America accounts for 7% of the world's PPP-adjusted GDP as well as approximately 8.5% of its population, and yet the indigenous hedge fund industry is considerably under-represented on a global basis with only between 3 and 5% of the total volume invested in that asset class, or US\$50bn in absolute terms.

We believe Latin American hedged assets hold a great deal of potential and may very well provide alpha-generating capacity that is in short supply elsewhere.

The region boasts an ample pool of high quality professionals whose investment and risk management skill sets are of international standards. Moreover, because local markets are inherently inefficient, less leverage is required to exploit those inefficiencies in comparison with G7 standards. Therefore, the resulting smaller balance sheet requirement is yet another factor strengthening the Latin case.

Although demand in the industry so far has been predominantly local, we expect the growth pace in foreign interest to pick up substantially as the industry matures during the course of the next few years.

Brazil accounts for some 53% of the region's capital markets and has consequently the most sophisticated onshore hedge fund industry. Brazilian mutual funds amass some US\$420 bn in assets, which in turn represent less than 40% of the country's GDP (with even smaller ratios elsewhere in the region), yet another clear indication of enormous asset growth potential.

How does Brazil compare to other emerging markets in the region?

In the two other large economies in Latin America - Mexico and Argentina - the onshore hedge fund space does not boast the same breadth and depth. We ascribe that phenomenon mainly to the fact that in Brazil local investment banks and branches



of foreign banks retained most of the traders who later went on to establish the pioneering hedge funds, whereas talented Argentine and Mexican professionals instead joined investment houses abroad (mostly in New York and London) during the early stages of industry development.

With hindsight, we can say that the price stabilization that took place in the early 90's after decades of high inflation helped create the conditions the sector needed to take off. To the same effect, the stronger financial fundamentals that resulted from the twin crises in Asia and Russia toward the end of that decade, as represented by lower systemic gearing and more stringent risk controls and practices, spurred a round of consolidation that was also beneficial to the system.

Yet another peculiar factor providing an edge to Brazilian industry development, outpacing its regional counterparts, was the foreign capital outflow (and consequent dismantling of onshore banking operations) that took place ahead of the leftist party coming to power in the 2002 election, an event that spawned a sizable harvest of local managers, and hence further boosted the human capital endowment to fledgling local hedge funds.

From the very outset, these Brazilian mavericks benefited extensively from the timely global growth acceleration and related commodity price boom of the past 5 to 6 years, as the additional wealth created boosted internal demand, which in turn found its way into their newly established enterprises.

What are the main risks for hedge fund industry in Latin America and how is the region coping with them?

Operational risk is a factor for Latin hedge funds. It is paramount that close attention be paid to a fund's structure, staff incentive schemes, robustness of risk managements systems and soundness of compliance routines, etc. However, in aggregate, the Latin industry is stronger than many emerging markets, as the size of the onshore hedge fund assets in many cases means that apparently quite small offshore hedge funds have strong operational infrastructure.

Notwithstanding, the investor community would welcome to see the appointment of non-executive directors to fund boards, a practice seldom adopted elsewhere in the world, that provides great comfort to investors that there is external oversight of a fund's activities.

A larger risk is the difficulty of diversifying effectively. While this is changing rapidly, it's still true that the Latin industry is dominated by macro, and equity long/short, with few peripheral strategies available to allocators. However, Latin hedge funds can provide

compelling diversification benefits to the global investor on the basis of their unique return patterns and underlying drivers. Established managers in the region have a proven strong track record trading their markets, preserving capital, and managing risk (especially during shocks and times of distress in the global markets), and the best of them offer world class investment propositions. ■

GFIA, established in 1998, researches hedge and absolute return managers in emerging markets, making available this research in a range of products and services, including the world's first offshore fund of Latin American hedge Funds, a fund of Asian hedge funds, and other advisory and management solutions for investors in emerging markets. Contact: GFIA Pte Ltd, 59 Club Street, second floor, Singapore 069434, Tel: +65 6222 3289, Email: gfia@gfia.com.sg, www.gfia.com.sg.



SEIZE OPPORTUNITIES IN THE BRAZILIAN CAPITAL MARKETS

BEST (Brazil Excellence in Securities Transactions) is a joint initiative by the Brazilian market institutions: the São Paulo Stock Exchange (BOVESPA), the Brazilian Clearing and Depository Corporation (CBLC), the Brazilian Mercantile & Futures Exchange (BM&F) and the National Association of Investment Banks (Anbid), with the support of Brazil's Securities and Exchange Commission (CVM), the Brazilian Central Bank and the Brazilian National Treasury to promote the Brazilian Capital Markets. BEST organizes road shows at the main financial marketplaces in the United States, Europe and Asia. The BEST events combined have attracted more than 1,500 people.

Apart from promoting direct contact with key international players, BEST maintains a permanent forum aimed at improving investment access to Brazil. The purpose is also to consolidate an image of safety, efficiency and reliability. It also produces a series of publications such as the guides on "How to invest" and the "Country Profile" which are available on the website: www.bestbrazil.org.br. So far, 15 seminars were organized at the cities of New York, San Francisco, London, Frankfurt, Hong Kong and Singapore.

Access www.bestbrazil.org.br and get the most updated information on:

- Brazilian Capital Markets Participants
- Rules and Regulations to Invest in Brazil
- Schedule for the coming events

Joint Initiative of:

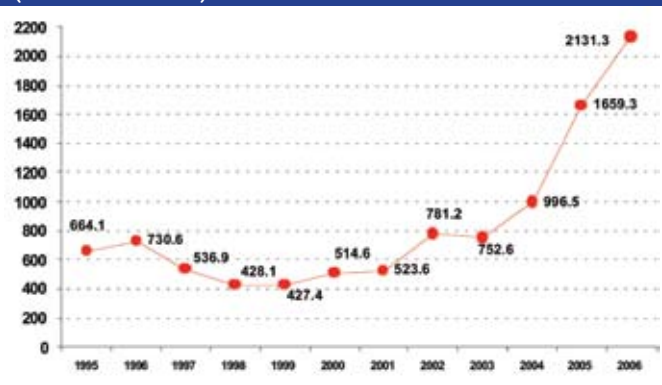


Supporters:



Bilateral Trade and Investment Overview

Evolution of the Trade Flow Brazil-Singapore
(in US\$ million)



Source: SECEX/MDIC

In 2006, exchanges between Brazil and Singapore amounted to US\$2.13 billion, over two times the figure recorded in 2004. With exports of US\$ 943 million and imports of US\$ 1.19 billion, there was a deficit of US\$ 247 million. “As of October 2007, Brazilian exports to Singapore have totaled US\$ 1.1 billion in the year, while imports from the Island State have reached US\$ 941.2 million, with the total cumulative trade almost matching that for the entire year of 2006.” The negative balance recorded in the last two years does not indicate an established trend, since deficits and surpluses have alternated with high frequency in the last ten years. What is certain is that total trade is in full expansion, Singapore being the largest trade partner of Brazil in ASEAN, and among the six largest in Asia.

Of the ten leading products in the Brazilian export range to Singapore, five are from the agribusiness sector, four from the meat sector plus instant coffee. The meats, jointly, accounted for about 18% of the Brazilian exports to Singapore in 2006, notably for “Chicken cuts and offals, frozen”(7.53%), “Other pork meats, frozen”(5.64%), “De-boned bovine meats, frozen” (2.60%) and “Chicken meat cuts, frozen” (1.20%).

In relation to the manufactured products, it is to be highlighted that the rise of Brazilian exports to Singapore of “Portable receivers of cellular telephony”, which constituted 5.0% of the total in 2006, percentage

Singapore is the leading trade partner of Brazil in ASEAN and among the six largest in Asia. It is also the second largest Asian investor in Brazil.

that was at 2.00% in 2005. There are yet many other mineral, electric-electronic, petrochemical and metal/mechanical-complex products that are exported to this end, though the amounts are below US\$ 8 million per year, or about 1% of the total.

With reference to imports, electrical-electronic products from chapters 84 and 85 among HS codes account for about 90% of the total, as shown in the table below. There was, however, increased concentration of the range, with these ten leading products coming to represent 62% of the total, percentage that was at 54% in 2005.

Brazil's Trade Turnover with ASEAN

Jan.-Sep. 2007	US\$	
Singapore	2,051,359,557	28.68%
Malaysia	1,362,402,742	19.05%
Thailand	1,335,433,846	18.67%
Indonesia	1,150,210,901	16.08%
Philippines	538,226,642	7.53%
Vietnam	707,210,728	9.89%
Cambodia	4,503,976	0.06%
Myanmar	1,443,466	0.02%
Lao PDR	231,279	0.00%
Brunei	576,110	0.01%

Source: SECEX/MDIC

Construction: Embassy of Brazil in Singapore

10 Leading Products among Brazilian Exports to Singapore in 2006

	Total	US\$ 943,203,980	%
1	Fuel oil	451,119,197	47.8
2	Chicken cuts and offals, frozen	70,994,679	7.5
3	Other pork cuts, frozen	53,187,672	5.6
4	Portable receivers of cellular telephony	47,116,882	5.0
5	Nickel cathodes, unworked	30,084,370	3.2
6	De-boned meat, frozen	24,530,332	2.6
7	Unsaturated propylene	17,457,420	1.8
8	Chicken cuts, frozen	16,836,203	1.8
9	Instant coffee, incl. Decaffeinated	11,316,062	1.2
10	Glycol propylene	10,316,064	1.1

To be noted is the great increase in imports of “Other parts for transmission and reception apparatuses”, which contributed 33% of the growth in absolute figures for imports, coming to represent individually almost 18% of those. In second place, representing almost 11% of the imports, are “Printed circuits mounted on transmission and reception apparatuses”, which accounted for 12.4% of the total growth of the imports. The imports of diesel oil remained in third place, registering, however, a slight drop in participation,

Brazilian Exports – Main Destination Markets (US\$)

	Country	Jan-Sep.2007	2006
1	United States	18,397,836,023	24,524,748,523
2	Argentina	10,347,327,849	11,739,591,939
3	China	8,197,564,529	8,402,368,827
4	Netherlands	6,294,973,740	5,748,569,555
5	Germany	5,159,555,836	5,691,017,971
6	Venezuela	3,274,945,484	3,565,424,415
7	Italy	3,257,592,079	3,836,379,418
8	Japan	3,221,174,166	3,894,521,360
9	Chile	3,127,298,633	3,913,549,324
10	Mexico	3,082,353,307	4,458,202,270
18	Republic of Korea	1,479,371,184	1,962,513,782
24	Singapore	1,110,193,039	944,772,127
28	Hong Kong	979,480,284	1,031,937,857
29	Uruguay	959,171,510	1,012,597,766
	Total	116,599,117,199	137,807,469,531

Source: SECEX/MDIC

Construction: Embassy of Brazil in Singapore

to 6.75%. Also eminent, furthermore, is the increment imports of “Memories of RAM type”, which practically trebled, to occupy the fifth place overall, or 5.82% of the imports from Singapore. Among the twenty-one major products of import from Singapore into Brazil, which constitute those with participation larger than 1.0%, only three (“diesel oil” and “other medications”) do not arise from the electric-electronic complex.

Investment Inflows

Singapore is the second largest Asian investor in Brazil, after Japan. In recent years, these investments have expanded, notably with the acquisition of national shipyards by Singaporean enterprises (Keppel Offshore acquired the former Verolme shipyard, while Jurong Shipyard acquired the Mauá shipyard, employing today, jointly, more than 10,000 workers). Additionally, there are significant investments in the area of paper and pulp (Sateri International, subsidiary of the RGM corporation, acquired control over Bahia Pulp, which is its leading supplier of pulp and paste), and Petra Foods bought a cocoa factory from Nestlé in Itabuna. In the electric-electronic sector, of note is the presence in Brazil of Creative Technology and of Flextronics, the latter the world

Brazilian Imports – Main Markets of Origin (US\$)

	Country	Jan-Sep.2007	2006
1	United States	13,739,906,450	14,657,316,068
2	China	8,739,892,986	7,990,439,051
3	Argentina	7,389,622,319	8,053,218,318
4	Germany	6,310,558,032	6,503,218,930
5	Nigeria	3,412,432,319	3,918,295,644
6	Japan	3,331,163,049	3,839,585,787
7	Chile	2,638,272,967	2,866,267,360
8	France	2,533,416,657	2,837,936,059
9	Republic of Korea	2,438,535,384	3,106,334,562
10	Italy	2,368,494,063	2,570,512,232
16	India	1,343,641,947	1,473,951,621
20	Russia	1,161,492,666	942,554,493
21	Bolivia	1,083,257,705	1,448,272,466
23	Singapore	941,166,518	1,188,105,310
24	Malaysia	877,024,315	901,200,376
	Total	85,661,602,916	91,350,531,622

Source: SECEX/MDIC

Construction: Embassy of Brazil in Singapore

10 Leading Products among Brazilian Imports from Singapore in 2006

Total	US\$ 1,188,105,310	%
1 Other parts for receivers/ transmitters	210,991,768	17.8
2 Electric circuits for receivers/ transmitters	128,690,265	10.8
3 Diesel Oil	80,185,898	6.7
4 Other analogical integrated circuits integrados	78,962,521	6.6
5 RAM memories, monted	69,093,365	5.8
6 Mounted integrated circuits, "Chipset"	61,675,738	5.2
7 Other electric equipment, accumulators	29,269,586	2.5
8 Mounted microprocessors	28,498,468	2.4
9 Ink-jet printers	27,511,446	2.3
10 Cartridges for ink-jet printers	26,707,502	2.3

leader in manufacture of equipment in telecommunications for the major brands, with global turnover of US\$ 14.5 billion in 32 countries. There are, also, companies in the sector of transportation and storage of commodities, such as APL, Olam and Noble. Finally, the Raffles Design Institute also established a branch in São Paulo. In total, there are more than 17 enterprises. Recently, Temasek has announced its intention to open an office in Brazil in 2008. ■

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Brazil in the Latin Asia Biz 2007



Mr. Lim Hng Kiang,
Minister for Trade and Industry, Singapore



Latin Asia Biz 2007



Mr. Ivan Ramalho, Deputy Minister for
Development, Industry and Trade of Brazil



Federal District and APEX-Brasil visit Biopolis



Mr. Lim Hng Kiang, Minister for Trade and Industry,
Singapore, and Deputy Minister Ivan Ramalho



Mr. Enrique Garcia, President of CAF

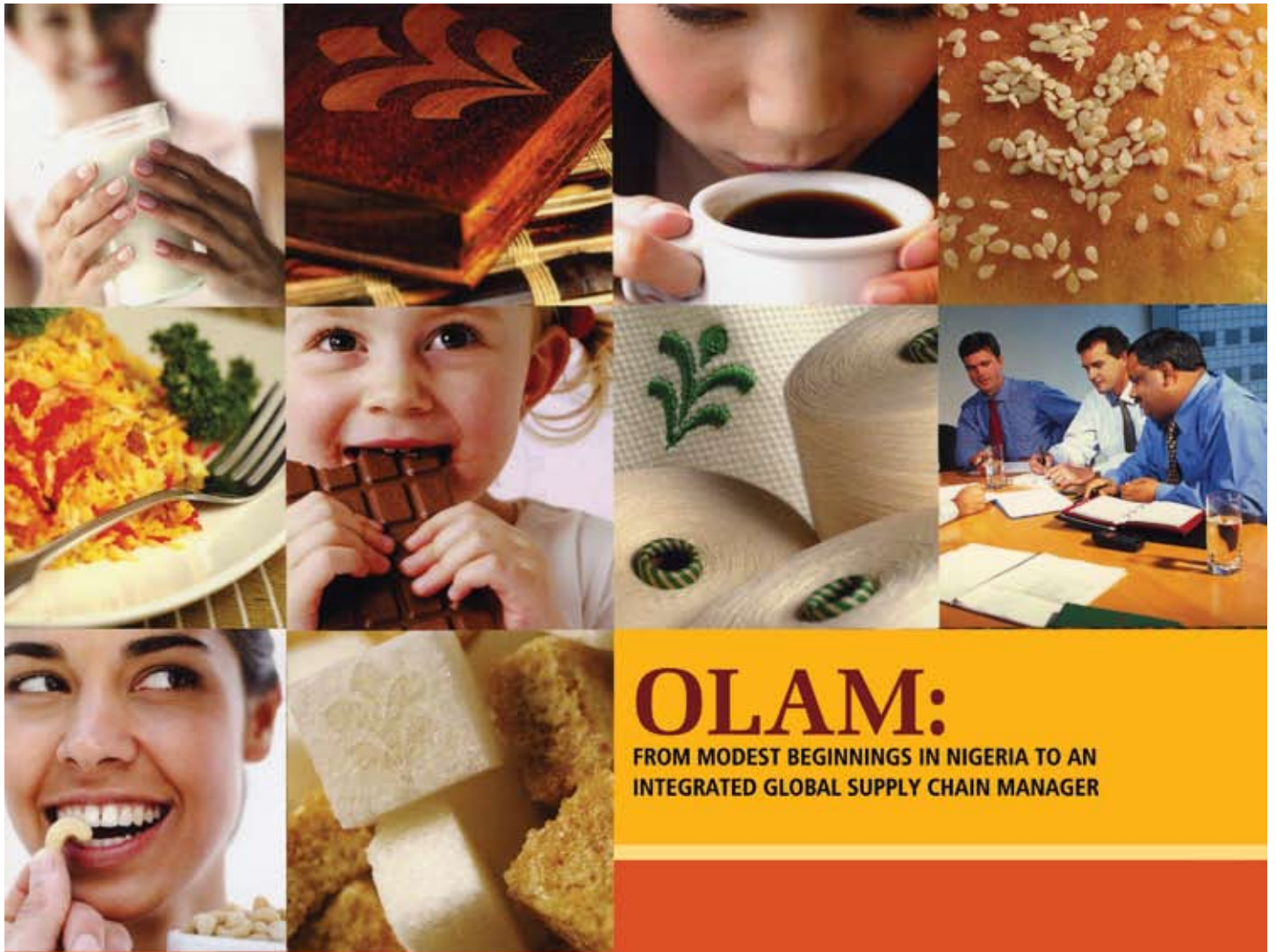


Adriano Amaral, Deputy Secretary for Economic Development of the Federal District; Clarence Hoe, Centre Director(SP)/IE Singapore; Ambassador Paulo Alberto Soares and Boniperti Oliveira, from APEX-Brasil | Mr. Eduardo Lery, President of the Institute for Integrated Development of Minas Gerais, Brazil | Federal District and APEX-Brasil delegation meet Mr. Ted Tan, Deputy CEO of IE Singapore



In 2007, the Brazilian participation at the Latin Asia Business Forum has been, by far, the most significant since its inception, in 2004. Deputy Minister of Development, Industry and Trade, Ivan Ramalho, has led a delegation comprised of approximately 30 members, including Federal Government and State Government Officials, APEX-Brasil, and businessmen from a variety of companies and sectors, including steel (Gerdau), oil and gas (Petrobras, GAIA, Orteng, Queiroz Galvão), mining (CVRD), aircraft industry (Embraer), food and beverage (Perdigão, Brasília Investimentos), chemicals (Rio Sagrado), banking (Banco do Brasil) and law and consulting (Buranello & Passos Advogados, Wilfrido Marques Advogados, Noronha Advogados and Ernst&Young Brasil).

Through the Latin Asia Business Forum, IE Singapore has been providing a great opportunity to the strengthening of inter-regional ties. By bringing Latin American companies closer to their Asian partners in Southeast Asia, India and China every year, the LAB has already established itself as one of the major business and networking events for Brazilian companies and government officials in East Asia. This year, the presence of delegations of two State Governments, represented by officials from the Secretariat of Economic Development of both Minas Gerais and the Federal District, has opened new avenues of cooperation for trade and investments, with a focus on logistics (airports, ports), biotechnology, IT and academic exchanges. ■



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INTEGRATED GLOBAL SUPPLY CHAIN MANAGER

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APEX-Brasil discusses strategic partnerships in Singapore



Alessandro Teixeira

During the Latin Asia Business Forum, held in Singapore on October 1- 4, executives from APEX-Brasil (Brazilian Trade and Investment Promotion Agency) and the Brazilian Ministry of Development, Industry and Foreign Trade signed strategic partnerships with local representatives. APEX-Brasil has selected Asian markets as a priority area in its agenda.

According to Alessandro Teixeira, President of APEX-Brasil, the Brazilian Government is working both to consolidate traditional markets such as the United States and to open new markets for Brazilian businesses, including in Asian countries. “Real income in Asia is growing fast. China has been growing strongly in the last ten years, for instance. More than 300 million people have been included in the consumer mass. That must not be overlooked and it means we have to be there”, says the executive.

In fact, APEX-Brasil will be working on several actions in Asia next year. “Not only China, but also Vietnam, Singapore and Hong Kong will be targeted, since they are countries that are growing fast as well. Asia is an important region, and requires a different treatment because of its particularities and potentialities”, says Alessandro Teixeira.



New business opportunities in Brazil have been announced to Asian leaders in crucial areas, such as infrastructure, biofuels, venture capital and private equity, aerospace industry, mining, agribusiness and biotechnology.

During the Forum, the Brazilian team also discussed the signing of cooperation agreements regarding university exchange programs for professional enhancement, internships in government organs and private sector enterprises, as well as the creation of technological centres. Another topic in the agenda was the creation of partnerships with Singaporean companies to share experiences in the fields of urban planning, logistics and transportation. The APEX-Brasil delegation has also held meetings related to the real estate market (hotels and spas, for example), electronics and the creation of Masters in Business Administrations (MBAs) in partnership with Singaporean entities. ■

For more information: www.apexbrasil.com.br

Opportunities in Minas Gerais

During the Latin Asia Biz Forum held in Singapore, representatives from the State of Minas Gerais made a strong call for investors to use the state as their next destination for investment in Brazil. We spoke to Under Secretary for International Affairs, Luiz Antonio Athayde, who is Head of Public-Private Partnerships Unit. Here are the excerpts:



Luiz Antonio Athayde

You are here to promote the state of Minas Gerais, tell us about it.

The State of Minas Gerais is located in Southeast of Brazil; it covers 7% of Brazil's territory and has a population base of 19.6 million people. The state accounts for 9.86% of the country's GDP, it has a privileged geographical location, with great infrastructure facilities and easy access to about 78% of the Brazilian consumer market. For investors, we would say, Minas Gerais is what we can call the right partner in the right place.

You mentioned infrastructure, please elaborate?

Minas Gerais boasts the country's largest network and an extensive railway network. It has 23,000 km highway network as well as an extensive 5,080 km railway network. There are 70 paved airports besides The Tancredo Neves International Airport (TNIA). We also have the first "Industrial Airport" in Brazil. We also have five inland ports for expediting exports and imports. We have some of the best hydroelectric power plants and we generate 18.65 % of the country's energy. This guarantees adequate logistics network for transportation of goods, an important advantage for investors.

What would you say are the opportunities that the investors can tap on?

Firstly, the state provides highly pro-business environment and a one-stop centre to obtain all the approvals in a short period of time for investors to start a company. We have been one of the most sought-after destinations in Brazil for new investments and for international business

deals. There are huge opportunities in Auto parts, foundry industry, steel, electrical, electronics, mining, decorative stones, cement, lumber and furniture industries, textile, footwear, biotechnology, cosmetics, plastics, coffee, milk, beef, agricultural products and tourism, to name a few.

Why should investors choose Minas Gerais as their next investment destination?

Infrastructure, abundance of mineral, natural resources, and pro-business policies make the state an investor's choice. We look forward to having Singaporean investors part of the multiple opportunities that the state offers. ■

GAIA Oil & Gas Consulting

Yet another company that was represented at the Latin Asia Biz was GAIA.

GAIA is a Brazilian company, with its Head Office in Rio de Janeiro and an operational base in Macaé. Since its formation in 1995, its focus has been the search for solutions to processes, products and services for the entire oil & gas production chain.

Wide-ranging knowledge of the industry and all its players in Brazil and throughout the world, especially the potential and difficulties in the Brazilian market, make GAIA a partner without equal in the search for strategic and operational solutions for whoever acts in the Brazilian oil market.

Said Mr Rafael Bodanese, Partner, GAIA Consulting, "We are here to explore opportunities and possibilities of expansion in Singapore and the region".

Brazilian Companies in Singapore

Brazilian companies in Singapore may not be large in number, but the handful that have their operations in this Island State have a wide portfolio. As Asia is the epicenter of growth in the world currently, companies with operations here have found a special niche and are well positioned to be part of the Asian miracle. We take a tour of three of these companies, from the oil, engineering and shipping sectors.

Petrobras: Oiling the Economy



Petrobras, a leading Brazilian oil company, mixes with the history of Brazilian oil itself. It is an integrated oil company which has a solid presence in the broader energy business. Their main activities encompass oil byproduct exploration, production, refining, marketing, and transportation, both in Brazil and abroad. But Petrobras is also a big player in gas and biofuels. The company, as a matter of policy, takes the social responsibility of environmental preservation very seriously. In the oil world, the company has its conquest trajectory crowned by countless records and international acknowledgement.

With more than 100 production platforms, sixteen refineries, 30,000 kilometers of ducts and more than 6,000 gas stations, Petrobras' strong presence can be seen contributing to Brazil's development

in many ways. Headquartered in the city of Rio de Janeiro, Petrobras has offices and administration managers in major Brazilian cities, such as Salvador, Brasília and São Paulo. Given the new highly competitive scenario of the energy industry, Petrobras has taken a new stance towards the future, using the most modern management tools. A new strong, well-positioned structure is helping the company achieve its strategic goals of growth, internationalization, profitability and productivity.

"Petrobras Singapore operations have been initiated to support its petroleum and by-product trading in Asia, except China and Oceania. We started the Singapore operations in 2001 and, in the last five years, have about 27 people working in this office out of which nine are from Brazil, while rest of them are locals", says Odilia Maria Cavalcanti de Macedo Dauzaker, Director General, Singapore operations.

According to her, the oil industry, besides many other sectors, offers great opportunities for Singaporeans. As the production of oil back home grows, and with the demand in Asia on the rise, growth and more opportunities for Petrobras, both within Singapore and in the region, are inevitable, feels Odilia.

WEG : Engineering Growth

WEG Singapore Pte Ltd is a young Brazilian company that has recently ventured into the Singapore market. According to Djalma L. Wolf, WEG Singapore, an electric motor company, started its operations in beginning 2006.

WEG was founded in Southern Brazil in September 1961. The company's path along these years has been marked by success, and now WEG is present in the areas of Automation, Motors and Energy all over the world. Production for the company is concentrated in seven manufacturing plants in Brazil, three in Argentina, two in Mexico, one in Portugal and one in China. With more than 17,000 employees, WEG is consolidating itself not only as a motor manufacturer, but also as a global solutions provider.

"WEG Singapore coordinates the promotion and sales activities in Singapore, Indonesia, Malaysia, Philippines, South Korea, Taiwan, Thailand and Indochina countries. We believe that the right mix between natives and people from the HQ builds the multi-cultural environment and provides the cultural exchange that is necessary to capture the company's own culture and values without losing the local identity", says Mr. Wolf.

WEG intends to expand in Asia by having more manufacturing facilities. They are also increasing their partners in several countries, as well as opening new opportunities to more Brazilians to share their expertise and take part in the Asian growth, adds Mr. Wolf.



In Mr. Wolf's words, "With the overall environmental concerns, more and more efficient products and the application of technology are necessary to save energy and to minimize the negative effects of the gas emissions, or even to avoid it. I believe WEG has plenty of solutions to offer good alternatives in this area."

Forship : "In the forefront"



Forship, as the name suggests, is a company engaged in the shipping sector. They are in the business of oil & gas, naval and energy industries, notably in the conversion of offshore units for operation in the Campos Basin. They also manage electric power generating plant projects, having achieved a high degree of excellence in commission and correlated services, such as operation and maintenance.

Forship Brazil was founded in 1998, and its name has become synonymous with excellence in engineering services, in projects and ventures, both in Brazil and overseas. Triggered by growing opportunities in Asia, Forship's Singapore operations were started one and a half years ago and, according to Paulo Elias Mendonça, Vice President, Forship Singapore is establishing a solid presence here.

At its Brazil headquarters, Forship has been exploiting cutting edge technology to the full, with its highly qualified teams, and fields approximately 300 professionals, including engineers, operators and technicians.

Forship has developed its capabilities in the following areas: process, utilities, naval systems, VAC, Telecom, electrical, instrumentation, control, mechanical, piping, structure and naval architecture, which other Singapore and regional companies can leverage on. In Singapore, according to Mr. Paulo Elias Mendonça, opportunities are multifold and the company hopes to have a steady share of the market in their sector.

Commenting on the Singapore experience, Mr. Paulo Mendonça said it is interesting to work in a professional environment famous for its transparency and efficiency, and he feels more Brazilian companies would benefit by using the city-state as a hub to the region. ■

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Biofuels in Brazil:

From Pioneer to Leader and International Partner

“**E**thanol is the best and most effective way to reduce pollution in large urban centres; sugarcane is the best and most efficient raw material for ethanol production; and Brazil is the most efficient and largest producer of sugarcane”. This triad, as simplistic as it may be, is behind the global buzz about Brazil’s potential as a great producer and exporter of ethanol. And it carries a lot of truth. Brazil is the world’s second largest producer of ethanol (accounting for 45% of global ethanol production) and the largest exporter of the product, with a volume of 3.4 billion liters in 2006, or about 75% of its total production. Brazil’s production uses sugarcane, while that of the United States – the world’s largest producer – uses corn as a feedstock. Today, ethanol production in Brazil generates US\$25 billion annually, providing business for 72,000 small and large-scale farmers, and employing around 3.6 million people directly and indirectly. Programmed investments by Brazilian and foreign companies through 2010 exceed US\$ 8.5 billion, and will reach US\$ 17 billion if 2013 is considered.

In the last years, thanks to its head start and also to specific policies, Brazil has increased the participation of renewable sources in its energy matrix to 45%, whereas the world average is 14%. Productivity has

more than doubled in the same period, which ensures that the cost of Brazilian ethanol per liter is a fifth of that produced in the United States. And Brazil’s production follows the best standards in international trade, without any subsidies. One important aspect of that competitiveness is certainly the genetic improvements achieved through research. Another is the fact that Brazilian mills use sugarcane bagasse and straw to heat their boilers, which means that residuals are converted into energy and can still generate additional energy. Co-generation projects are expected to receive more than US\$ 2 billion in investment from 2007 to 2011.

A few questions immediately come to mind regarding the Brazilian experience with biofuels, and how (and if) it could be replicated abroad: How efficient and environmentally sound is ethanol? Do biofuels compete with food crops? Is the Amazon Forest threatened by the expansion of sugarcane crops? Here we will state a few facts about the Brazilian experience with biofuels, elucidate some questions and try to dispel some misconceptions often associated with the issue.

Origins of the Brazilian Experience

The first sugar mill was built in Brazil around 1530, to be followed by more than two centuries of sugarcane cultivation and export as the main economic activity

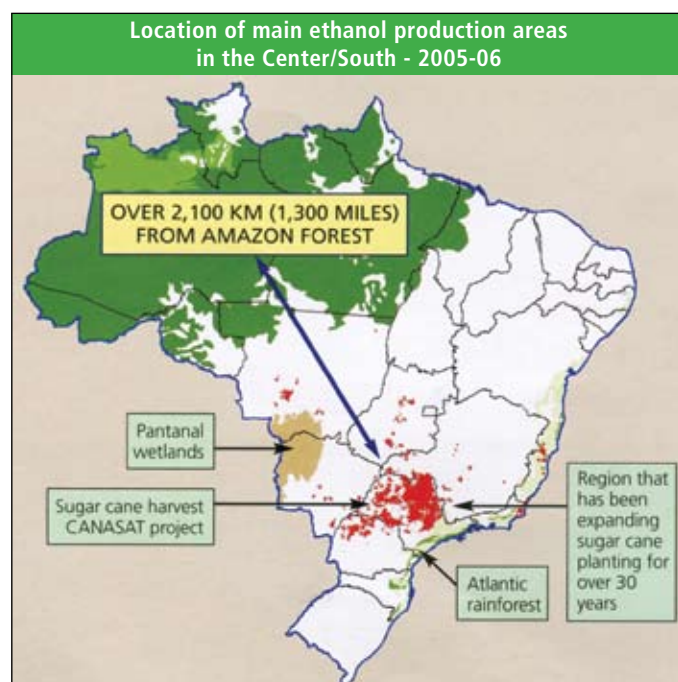
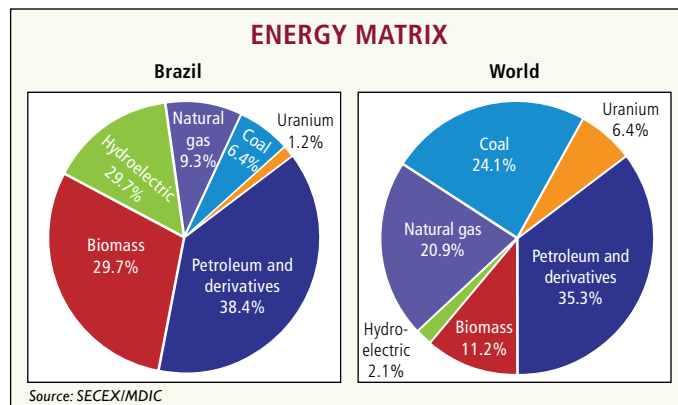
of the colonial territory. The production was then mainly concentrated in the Northeastern coast. Only in the beginning of the 20th century did the sugarcane culture shift to the Southeast of the country. Today, approximately 85% of ethanol produced in Brazil comes from this region, which is more than 2,100km away from the Amazon forest. The reason is that sugarcane needs a long dry period to attain adequate levels of sugar and alcohol, and is not very adaptable to humid soils. The few sugar mills existent today in the North of the country have no real economic significance and are likely to be replaced with sustainable agro-forestry projects.

Transforming Experience into Leadership

In the past three decades, and firstly as a response to the oil shocks of the seventies, Brazil has operated the largest renewable energy program in the world, using ethanol from sugarcane to supply its auto fleet, partially or entirely. Brazil has pioneered the flex-fuel technology and the production of flex-fuel cars, which can be run on any mix of ethanol and gasoline. The Brazilian fleet of flex-fuel vehicles today is 4 million units, which is equivalent to the entire fleet of Sweden. And the proportion is increasing, as almost 90% of the new cars sold are of the flex-fuel type. Companies like Volkswagen and General Motors have even stopped producing gasoline-only engines in Brazil. The leadership has been acquired by investment in research focused on genetic improvement and biological control practices by Brazilians institutions such as the Brazilian Agricultural Research Corporation (Embrapa), the Sugarcane Research Centre (CTC), the Campinas Agronomy Institute (IAC).

The Amazon Forest

Much of the concerns regarding a possible negative impact on the Amazon Forest due to sugarcane expansion are misguided, since more than 85% of the sugar and ethanol production comes from Southern states. Much of the confusion revolves around the concept of Legal Amazon ("Amazônia Legal"), which includes 61% of the Brazilian territory (or around 522 million hectares) but only 70% of the forest. Amazônia Legal is an administrative concept created for development purposes, whereas the Amazon Forest spreads in Bolivia, Brazil, Colombia, Ecuador, Guyana, French Guyana (a French territory), Peru, Suriname and Venezuela, occupying a total of 550 million hectares, of which 367 million hectares in Brazil (66%).



Sugarcane & Ethanol vs. Food Crops

Due to its vast agricultural land and productivity increases over the last decades, Brazil has been able to avoid any conflict between biofuel expansion and food crops. Some data are useful to dispel common fears: In 2007, Brazil overall production of grains is estimated to reach 134.5 million tons, or a 140% increase over 1990, while the total planted area grew, in the same period, 40%, reaching 64 million hectares. Part of this results from the reallocation of land previously used as grazing, but there has been a clear increase in productivity. In the same period, Brazil saw a continuous expansion of both its exports and its domestic supply of foodstuffs.

The recent expansion of ethanol production has not prevented Brazil to continue to be the largest world producer and exporter of sugarcane. As for the production of feedstock for ethanol and biodiesel, it is expected to occupy, by the end of 2008, an area of 4.7 million hectares, or less than 8% of the total



Equipav: a Brazilian construction and infrastructure group with a growing sugar and ethanol presence

cultivated area. Moreover, according to official sources, the country has a strategic reserve of 91 million hectares, which can be occupied without damage to any native forests. But Brazil is not the only country with potential for biofuels. Many countries, especially in Southeast Asia, have the natural conditions to explore bio-energy. Brazil is committed to sharing its technology and management experience for production of both food and biofuels.

International Partnerships

The Brazilian biofuels strategy is associated with concerns over energy security and sustainability, factors that have encouraged various countries to seek alternatives to fossil fuels and adopt measures to reduce greenhouse gas emissions. In the case of Brazil, this strategy consists of a variety of actions, organized under three approaches, global, regional and bilateral.

In its global approach, Brazil has advocated the adoption of international standards and technical requirements that would facilitate the establishment of a global market for such products. In order to create a coordinating mechanism among the largest producers and consumers of biofuels, the International Biofuels Forum was created in March 2007, in New York. Additionally, Brazil’s goal is to stimulate scientific studies and technological innovations that ensure both the long-term sustainability of biofuels production and ways of preventing the production of biofuels from interfering with food production.

In 2006, the sugar/ethanol industry accounted for around 2% of Brazil’s GDP and 17% of the agricultural output. In 2006, total sugarcane production reached 423 million tons and total sugar production totaled 28.7 million tons. In the same year, Brazil exported 18.3 tons of sugar, or 41% of world exports. Brazilian ethanol exports in 2006 were around 1 billion gallons, or 52% of the world’s market. The cost of sugar production in Brazil is around US\$ 170-210 per ton, significantly lower than in other countries (South Africa: US\$ 250 per ton, Mexico: US\$ 308 per ton; United States: US\$ 525 per ton, and Italy US\$ 770 per ton), according to the OECD.

Source: UNICA, CNA and OECD

Regionally, Brazil has advocated the energy integration of South America by promoting diversification of the energy mix in the countries of the region and by providing incentives for renewable sources of energy. Also, a Mercosul Memorandum of Understanding was signed to expand cooperation in this area. By integrating the chains of production, distribution and sale of ethanol and biodiesel in the region, including applicable regulations and inspections, the aim is to promote a more effective use of the South American countries’ important competitive advantages in the biofuels field, acknowledging that the region presently has an opportunity to produce wealth and development in a sustainable manner.



First Biodiesel Plant in West Amazon

The third aspect of Brazil's engagement, working bilaterally, covers technical cooperation initiatives, including research on alternative sources for producing biofuels, as well as promoting scientific and academic exchanges. Making such exchanges operational has been achieved by signing memoranda with Brazil, India, South Africa (i.e. IBSA), Chile, Denmark, Ecuador, Paraguay, Sweden, Uruguay, and other countries. The Memorandum of Understanding signed with the United States in March 2007 also provides for Brazil-U.S. cooperation in third countries to foster the development of biofuels. (Extracted from <http://www.mre.gov.br> Biofuels)

The Future of Ethanol

Just as targeted investments in applied research have allowed for a dramatic expansion in sugarcane productivity in Brazil, it is expected that new research on raw materials such as cellulose extracted from bagasse, grasses and other vegetable residuals will offer new paths for the production of ethanol. These new technologies would allow for the elimination of a potential conflict between food crops and biofuels, creating instead important synergies among them. Embrapa, the Brazilian Agricultural Research Corporation,

a public agency which has been behind most of the productivity advances of the last decades in the Brazilian agriculture, is actively engaged in this research.

Biodiesel

The approach to biodiesel has been very different than that regarding ethanol, since the feedstock to its production is usually not used for human consumption and its land needs do not rival with other food crops. In Brazil, for instance, the production of biodiesel from castor seed is combined with the production of beans, which helps balance the soil, maximize yields and increase overall food supply.

Biodiesel production is actually seen as a means to increase rural incomes and incentivize occupation of small farm plots. The addition of biodiesel in diesel produced from petroleum reduces pollutants and increases efficiency, being another important contribution to the reduction of greenhouse gases. ■

Based on "Brazil: A Brand of Excellence" June 2007 and Biofuels edition.



Embrapa in action: the vegetable biotechnology research lab

Biofuels: A Southeast Asian Perspective

by Paul Khoo

Southeast Asia has not been immune to the biofuels megatrend. Unlike the ethanol driven US and Brazil markets, the focus has been in biodiesel, mainly due to large domestic diesel markets (150 myn MT for Asia) and the attractiveness of exports into Europe. Substantial capital spending and fund raising occurred in 2006. Credit Suisse estimates that 3 myn MT (million metric tones) of biodiesel capacity will be built in Singapore, Malaysia, and Indonesia. Early movers include Wilmar, Natural Fuels Limited, and PT Cilandra, among many others.

Actual consumption has been limited, with demand at 0.2 myn MT in 2006, but expected to grow at a CAGR (compound annual growth rate) of 90%. But much of this is dependent on tax and regulatory initiatives by national energy planners.

From an agricultural policy perspective, policymakers find biodiesel attractive in creating new markets for palm oil and other tropical crops, enhancing rural incomes. One of the challenges for standalone biodiesel producers has been long term supply availability of crude palm oil. The recent surge of CPO prices to over 700 USD per MT has made standalone refining uneconomical. This favours integrated plantation players whose have different cost economics outside the market price.

Palm oil is the dominant input of choice due to the sheer size of acreage devoted to its growth and its plantation sized efficiencies. But it has attracted much controversy from NGOs who argue about the link between deforestation, the haze, and new palm oil acreage. There have been attempts to commercialize alternative crops like jatropha and coconut. But these inputs do not enjoy the commercial scale economics of palm yet.

The sheer size of the Brazilian sugar economy at 270 myn MT of sugar cane grown, 18.5 myn MT of sugar, plus 12 myn MT of ethanol per year offers many areas for synergy and cooperation for Asian companies. Despite



being overshadowed at times by palm oil, Southeast Asia still retains significant sized sugar economies, with Thailand at 6 myn MT, Indonesia and Philipinnes at 2 myn , and further afield India at a massive 32 myn.

Brazilian sugar companies are worldleaders in agronomic practices, crop varieties, sugar milling and refining processes. They have also developed a generation of processing technology at lower capital costs than historical OECD producers.

From a biodiesel perspective, Brazil offers a paradigm and experience in the policy and practices of integrating oil companies, automobile makers, and state policy with bio-fuels within a free market context. From an ethanol perspective, there is scope for Brazilian ethanol imports as countries like Thailand mandate ethanol in their gasoline mix. Brazilian fermentation and equipment technology is very appropriate from the sugar cane feedstock route chosen by many Asian countries due to their domestic sugar economies. ■

Paul Khoo has worked in direct investments in sugar milling, refining, and ethanol. He is currently in the distressed and high yield debt investing area. CFA, MBA University of Chicago.

In Focus: Brazilian Fashion

The country is the sixth largest producer of textiles and garments and is betting on “Brazilianness” as the distinguishing factor

Brazil is today an important global player in the textile and fashion segment. Second largest producer of denim, sixth producer of textiles and clothing and seventh greatest producer of yarn, the national production is gaining ground internationally, mainly by differentiation of products, including the woven ones, always permeated with ‘brasilidade’, a word created by Brazilians to describe this unique style of the country. There are 7.2 billion pieces produced annually, boosted by self-sufficiency in the production of cotton.

Programme Texbrasil

With the aim of congregating and supporting the business of the textile and garment chain for the organized offer of Brazilian products abroad, the Brazilian Textile & Apparel Industry Association (ABIT - www.abit.org.br/english) created in 2001 the Strategic Programme of the Brazilian Textile Chain (Programme Texbrasil) in partnership with the Brazilian Trade and Investment Promotion Agency (APEX-Brasil - www.apexbrasil.com.br).

“The Programme Texbrasil acts on various fronts that range from tools intended to identify and enable Brazilian companies with potential to contend in the export market, ranging up to actions of Trade Promotion, which facilitate the participation of national brands and industries in international fairs and events and also promote missions and business rounds in Brazil and overseas”, says Rafael Cervone Netto, Manager of the Programme Texbrasil.

Photos: Márcio Madeira, Summer 2008 - SPFW



Ellus

Since its inception, the Texbrasil Programme has promoted Brazilian participation in 95 editions of international fairs, besides the undertaking of Trade Missions in various target countries of the Programme. It promoted the visits of 373 international journalists to Brazil, advertising the textile and apparel sector in the chief vehicles of the whole world, and of 385 buyers as well. Additionally, to assist in the dissemination of information and services, reinforce the sector's image and attract buyers, there came to be the Portal ABIT/ Texbrasil in English and Portuguese, with content generated by journalists and a growing number of visitors, having its audience jump from 38,000 monthly visits in 2002, to almost one million and a half monthly visits in 2007, with 60% of those accesses being international.



Iódice

The Buyers' Project

About 980 enterprises from 19 Brazilian states have already participated in the Programme, distributed throughout various segments of the textile chain. For an organized offer of these services and products, ABIT launched the Directory Texbrasil, with records of almost 30 thousand businesses of the Brazilian textile chain and of international buyers. The Directory Texbrasil (www.guiatexbrasil.com.br) enables access for free, only registration being necessary. The international buyers can

also participate at events in Brazil, with domestic and international tickets, accommodation and meals financed by the Texbrasil Programme. So far, the project has performed 98 editions of the Buyers' Project. To participate in the next events of the kind, one must make contact by the e-mail: abit@abit.org.br and pass through the selection process.

Innovation in fabrics

One of the reasons for the Brazilian success abroad is the purity of the cotton fabric and the combinations of artificial or synthetic fibres that guarantee a soft touch, full of lightness, besides the comfort intrinsic to noble fabrics. The Brazilian textile production, additionally, seeks to act in a socially responsible manner, following an environmental protocol (Cleaner

Production Programme) and offering a positive response to the world's ecological concerns (reduction of polluting residue, the saving of energy, etc.)

Beach Fashion

With differentiation in cut, exclusive patterns and much innovation, Brazilian Beach Wear is known worldwide as one of the most creative. In great part because of the great territorial extent of the country, with over 7,300km of maritime coast, which guarantees a fast realm of research in trends, and also due to harbouring some of the most famous beaches of the globe, such as those of Copacabana and Ipanema in Rio de Janeiro, the country displays a selection of special pieces. For this same reason, one of the most contested fashion weeks is the summer edition of Fashion Rio, in Rio de Janeiro, that convenes important companies of this segment. Another important sector is the one of fitness, since the country presents industrial parks of high technology, essential for the pieces intended for the practice of sport.

Jeanswear

With innovation from the thread to the final stages of production, Brazilian jeans fashion bets always on the development of new products, this being possible due to the strong integration between the segments of the textile chain. Since the country holds the position of second largest produce of denim, the country's businesses invest in coordinated work from the inception of the yarn up to the weaving, to keep up with the high level of development of this fabric. Innovation is the key word of the segment.

Children's Wear

The wager on innovative materials, such as organic cotton, in addition to shapes and colours of very Brazilian and tropical flavour, makes Brazilian children's wear a modern option for the new generations. Recently, due to the support to the Texbrasil Programme, the Brazilian companies were approved to participate in the fair Pitti Imagine Bimbo, the most important of the segment in the entire world, which happens in Florence,



Cia Maritima

in Italy. This is a well-deserved recognition of the good work that is being undertaken by the brands.

Women's and Men's Fashion

The use of handicraft techniques blended with high technology, the search for new designs and the investment in 'brasilidade' transform the Brazilian garments into pieces of high added value, turning them into coveted items wherever they may be put up for sale. One of the differential factors that is seeing great success overseas is the use of the 'Renasçença' bobbin-lacework technique devised in the Northeastern region of the country and handed down from generation to generation. The coloured natural cotton that already

germinates in the desired colour, without the need to apply dyes, is another innovation that is placing the country at the centre of global fashion. The country is known, likewise, for the investments in social and environmental actions that range from the use of polyamide fibre (that can be produced by recycling rubber such as from tyres and safety belts) to the work in tandem with NGO's (Non-Governmental Organisations) that employ people of disadvantaged social and economic status. ■

Article by: *Gabriel Rajão*,
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(Translation: *Embassy of Brazil*)

Beijaflor brings Brazilian Fashion to Singapore



Christine Amour-Levar

Brazilian fashion fever hits Singapore this December with the opening of Beijaflor. Beijaflor is Singapore's first ever Brazilian multi-label boutique, and first retailer in South East Asia to present an exclusive ready-to-wear collection from the finest of Brazilian fashion. Seven top Brazilian fashion labels - Cantão, Redley, Totem, Zoomp, Ellus, Carmim and Shop 126 - from the runways of São Paulo and Rio de Janeiro will be made available at Beijaflor.

Situated in the heart of Singapore's fashion street, Beijaflor is located on the third level of Wisma Atria, on Orchard Road. While the edgy Brazilian identity is retained, with a burst of colours inspired by the vibrant streets of Rio de Janeiro, the 678 square foot store will have a sophisticated and elegant touch to complete the modern Brazilian image.

"I want a store that is both vibrant and colourful, but it needs to stand out and represent the modern Brazilian fashion mindset," explains Christine Amour-Levar, the Managing Director and Founder of Beijaflor Singapore. Of French and Filipino descent, Christine grew up between Manila, Paris and Tokyo, and has traveled extensively due to her work commitments. It was a decade ago, when she was responsible for Public Relations for Nike in Latin America, that Christine grew to love Brazil. She was part of the

original team to launch the brand's sponsorship of the Brazilian Football Federation and, ever since, Christine has maintained a genuine passion for Brazil and its people. Christine dismissed the idea initially when a friend suggested that she bring Brazilian labels into Singapore. However, after much thought about the absence of Brazilian fashion in the Singapore market, coupled with her strong personal affinity towards Brazil, Beijaflor was born.

Helmed by an experienced team with combined retail knowledge of over 30 years, coupled with Christine's training in marketing and public relations, Beijaflor is bound to be a big hit in Singapore. Brimming with optimism and confidence about the compatibility of Beijaflor concept within Singapore, Christine shares that "The whole Brazilian

fashion concept is extremely hot right now and Singapore is a perfect launch pad for sexy Brazilian labels and hip and trendy fashion. Also, there are no Brazilian brands present in Singapore at the moment, and the market is ready for such a concept."

Beijaflor opens in December 2007 at Wisma Atria, #03-11. For more information, please visit:
<http://www.beijaflor.com.sg>



Totem



“Wines from Brazil” arriving in Asia

The actions to consolidate the presence of Brazilian wine in the international market have started to get meaningful results. In the first semester of 2007 alone, the export rate of Brazilian wine grew by 58% in relation to the same period in 2006.



If you thought Brazil was too tropical for fine wines and champagne, think again. Rio Grande do Sul, the southernmost state of the country, is home to crisp winters, highland-bound valleys, Italic or Germanic-sounding folks, and fine beverages that will warm your heart. And Northeastern states of Brazil have also proven to be a promising land for certain varieties of grapes that adapt to the very hot weather, with the right irrigation.

In February 2007, the Miolo winery took a first shot at Singapore, by staging a wine-tasting at Q Bar, marking a pioneer introduction of Brazilian wines here, since then having become available at fine tables in Singapore. Mr. Carlos Nogueira is now back, presenting Miolo's wines at the 'Wine for Asia' exhibition at Suntec City from 25 - 27 October, under the joint booth of the Embassy of Brazil and the Brazil's export-consortium programme named 'Wines from Brazil' (WFB).

However, Brazil's south is more than just still wines. Going one step further, Brazil's champagne-producer 'Georges Aubert' is set to share the booth at Wine for Asia. Ms. Carina Cousseau will be adding her French-sounding name to a display of Brazil's diversity of flavours and cultures from the country's charming old-world, hilly, winter-laced and yet sun-bound south

The actions to consolidate the presence of Brazilian wine in the international market have started to get meaningful results. In the first semester of 2007 alone, the export rate of Brazilian wine grew by 58% in relation to the same period in 2006. Initiatives like the Wines from Brazil Sectorial Integrated Project, associated with the Brazilian Institute of Wine (Ibravin), have contributed to achieve these results, supported APEX – Brazilian Exports Promotion Agency.

According to the commercial promotion manager of Wines from Brazil, Andréia Gentilini Milan, the companies that participate in the project accounted for 70% of the total exports registered in the first semester of 2007. "A positive factor for the commercialisation of wines abroad is the growth of the number of exporting companies, which has practically doubled in relation to the same period last year". Today, the project comprises 20 wine companies from Rio Grande do Sul, Santa Catarina and Bahia, and has

attracted the interest of other companies. The results obtained by the project ensure the consolidation in markets such as Germany, United Kingdom, USA, Japan, Czech Republic, Finland, Luxemburg, Denmark, Italy, Sweden, Switzerland, France, Canada, Russia and England, and the possibility of opening new markets in Chile, Colombia, Angola, Estonia, Uruguay, Argentina, Arab Emirates, Suriname, Scandinavia, and Asia. Of the 20 markets where the products were exported to, five were entered in 2006; they are: England, Arab Emirates, Suriname, Chile and Estonia. 55% of the total export was to the United States, Switzerland and Japan, and 49% to European countries.

According to the commercial manager, the growth in export was fostered mainly by entering worldwide disputed markets such as the United States, Czech Republic and Germany, where efforts to intensify the marketing promotion of the Brazilian wine have been made since last year.

The presence of Rio Grande do Sul

In 2006, companies from Rio Grande do Sul that are part of the project accounted for over 80% of the exports of WFB. Rio Grande do Sul is responsible for 90% of the national wine production. According to the Winegrowing Registration of 2007, the State has 702 wine companies, of which 128 make over 10,000 liters per year of fine wines. In Brazil, an estimated 800 wineries are registered, according to a survey carried out by Ibravin.

Production in Brazil

Brazil has consolidated as the fifth largest producer of wines in the southern hemisphere and worldwide. With a production foreseen for this year of 3.2 million hectoliters, Brazil is only beaten by Argentina (14.864 million hectoliters), Australia (10.3 million), South Africa (8.9 million) and Chile (8.4 million). According to data from the International Organization of Wine and Vine (OIV), the wine production in Brazil will have a strong growth in the next years. According to the general director of OIV, Federico Castellucci, this growth will be gradual, as the new plantations start to produce fruit. The cultivated area, which had 66 thousand hectares in 2001, increased to 88 thousand in 2006. Even when its production is aimed at the domestic market, which has been on the rise since the beginning of this decade, Brazil has gained market share in several countries, thanks to the actions to promote the Brazilian wine.



Companies that are part of Wines from Brazil

Adega Cavalleri
Boscatto Indústria Vinícola
Casa Garcia
Casa Valduga
Champagne Georges Aubert
Cooperativa Vinícola Aurora
Estabelecimento Vinícola Armando Peterlongo
Fante Indústria de Bebidas
Lovara Vinhos Finos
Miolo Wine Group
Pizzato Vinhas & Vinhos
Sociedade de Bebidas Mioranza
Sulvin Indústria e Comércio de Vinhos
Vinhos Don Laurindo
Vinhos Marson
Vinhos Salton
Vinícola Boutique Lídio Carraro
Vinícola Cordelier
Vinícola Cordilheira de Sant'ana
Vinícola Panceri

The evolution in wine production follows the increase in the consumption of wine in Brazil. In accordance with the data from the organization, while the consumption of wines in Brazil was 3.079 million hectoliters in 2001, it reached 3.5 million hectoliters in 2006.

Exports

The so-called 'Wines from the South', which include the production in countries such as Argentina, Brazil, Uruguay, Chile, Bolivia and Peru, represented in 2006 a total of 18.5% of the worldwide production, according to OIV. The organization also states that exports of the Southern Hemisphere in the 80's represented only 1.7% of the total sales abroad, whereas today they reach 23.2%. Castellucci believes that the tendency towards an increase in the export of Brazilian wines must be maintained. Last year, the Brazilian winegrowing sector sold 34 thousand hectoliters to several countries.

The drinks made in the New World are destined specially for Great Britain, United States and Canada, markets where wines made in France, Italy and Spain have lost market share. At the same time, the winegrowing area in these countries has not stopped growing since 1995, particularly in Chile and Australia, and it represented in 2006 10.9% the total global area.



The Project

The Wines from Brazil Integrated Sectorial Project has the objective to increase the export of fine wines, sparkling wines and grape juice with added value, consolidating the Brazilian grape and wine products in the international market, entering new wineries in the foreign market. An estimated total of US\$ 2 million in exports are expected by the end of 2007. ■

For further information:

WINES FROM BRAZIL / IBRAVIN

Andreia Gentilini Milan

Export Manager

Alameda Fenavinho, 481 - Ed. 29 - Caixa Postal 2577

95700-000 Bento Gonçalves - RS - Brasil

Phone: +55 54 3455 1800 Fax: +55 54 3455 1814

E-mail: export@winesfrombrazil.com

Web site: www.winesfrombrazil.com



BRAZIL WINE IN SINGAPORE

“Brazilian wines, beverages and beers offer an excellent balance for those seeking quality with affordability,” says Gopi Nathan an Importer of Brazilian products in Singapore. His quest to bring in quality, offbeat beverages led him to various Latin American countries and in his words, “the search stopped in Brazil.” Nandini Narayanan spoke to him about his experience with these products in the Singapore market.

Why did you choose to import Brazilian products?

In Singapore, the choice of wines, beverages and beers is limited and very predictable. We, at Garnet & Peridot, have always wanted to bring in quality products, interesting flavours at affordable prices from various parts of the world. Our quest led us to Brazil. There we found flavours and varieties that were not available in Singapore, and we decided to import them in.

What are the products that you import from Brazil and where are these products available?

We started with beer, and went on to wine and guaraná, a popular Brazilian non-alcoholic drink, and cachaça. Among wines, we bring in premier quality wines, like Lote 43, Merlot Terroir and RAR. Chardonnay and Seleção are the other popular ones which we import in. Brazilian drinks such as guaraná and cachaça are novelties here. They are available in mostly in restaurants, and pubs currently. As the drinks gain more popularity, we look forward to having them on the supermarket shelves so that more people can enjoy them. Besides,

in the next few years, as Singapore's Integrated Resorts projects take off, there will be a huge demand for products like these. In the meanwhile, the products would have gained larger acceptance and patronage amongst the locals.

What is the future of these products in Singapore and the region?

In Asia, you may be surprised to know that Japan is a very large importer of Brazilian beverages and wines. Japan as you know is a very quality conscious market; this is a clear indication of the good quality of these products. Here in Singapore although these products may be at infancy in terms of market penetration, in my opinion these products are here to stay in the long term. They have all the ingredients of success - quality, affordability and novelty.

What are your future plans?

In this globalised world, shipping products around the globe has become a breeze. As the acceptability of these products improves in Singapore, we should be able to import more variety of wines in future. We are very confident about these products and are trying to generate more awareness about them, through various wine tasting promotions etc. We also participated in the “Wines for Asia” show, where the wines were a great success.

For further enquiries & information:

Garnet & Peridot: tel: +65 6583 0227,

email: gnperl@singnet.com.sg www.garnetnperidot.com.sg



(From left to right) Mr. Paulo Samuel Peres, Finance Director of Clube dos 13, Mr. Philip Koh, Managing Director of ST Teleport, Dr. Fábio André Koff, President of Clube dos 13, Ambassador Paulo Alberto Soares and Mr. Tan Tong Hai, CEO and President of Singapore Computer Systems, at the launch of the Brazilian Football webportal | Ambassador Paulo Alberto Soares and Dr. Fábio André Koff at the launch of the Brazilian Football webportal.

Broadcast of the Brazilian National Football Championship

Conquering football viewers in the Asia-Pacific market

Brazil, the most successful nation to have won a record-breaking five times the World Cup championship title and ranked as the best in the world by FIFA in July 2007, truly epitomizes the 'cradle' of football civilization. In the vast multi-cultural and multi-racial melting pot where the game is more than a national passion, football is a culture, a way of life and a 'religion', that bred charismatic National icons such as Pelé and Romário, two players in the world who have scored more than one thousand goals each.

Its brand of samba football, which is as rhythmic and as pulsating as the beat of its music, is mesmerizing and exciting to behold. It is not surprising that legions of fans all over the world await in eager anticipation every four years to watch the Brazil National Team "dance" its way to a win. Always magical, never boring and leaving its viewers craving for more. It is with this sentiment in mind that Clube dos 13, the Union of the Major Brazilian Football Clubs, representing the interest of the top twenty most powerful clubs in Brazil, has embarked on a mission to satisfy the fans' needs by promoting the broadcast rights of the Brazilian National Football Championship, specifically in the Asia-Pacific region.

On 6 February 2007, Clube dos 13, made a historic signing of a Memorandum of Understanding (MOU) with the Singapore Sports Council and the Football Association of Singapore at the Ritz Carlton Hotel to cement a partnership of co-operation and friendship to help in the area of football development in Singapore. With an intent to make Singapore its Asian hub, the Clube aims to seek like-minded partners to support and promote Brazilian Magic Football in the Asia region. The objective of the MOU was to promote its dynamic brand of Brazilian football and to help partner countries develop the game through a full fledged exchange programme, comprising of attachment programmes, exchange of information, knowledge and expertise.

As a gesture of its sincerity and support, Clube dos 13 sponsored the visit of a FIFA Club World Cup 2006 Champion, Sport Club Internacional's Technical Director, Professor Dr Elio Carravetta, to Singapore, to conduct a series of football clinics for children. The clinics gave more than one hundred children from a selected school and a social welfare centre, a taste of the vibrant Brazilian football culture. The Clube intends to follow-up this successful initiative with

more upcoming plans which will see its Brazilian football stars and top football league teams, making special appearances here, in the region, and playing international friendlies.

Following the signing of the MOU, the Clube's delegation travelled extensively to Hong Kong, Macau, Malaysia,



Prof. Dr. Elio Carravetta with Singaporean kids who took part in the football clinics he conducted in February 2007.

United Arab Emirates, India, Japan and China to secure relevant broadcast deals with major broadcasting partners. It is believed that in Singapore, negotiations are about to reach fruition.

Clube dos 13 also launched its Singapore-based Brazilian football web portal (www.clube13.com.sg) on 19th June during the regional broadcast event, 'Broadcast Asia 2007', to showcase an interactive, world-class e-commerce portal in several languages (English, Arabic, Mandarin and Japanese and, in the future, extending to other Asian languages) to address the entire Asia-Pacific and Middle East market. In addition to news and information about Clube dos 13 and the 20 football clubs it represents, viewers of the



Dr. Fábio André Koff, President of Clube dos 13, signs MOU with SSC and FAS, witnessed by **Mr. Zainudin Nordin**, Mayor of Central Singapore District and Deputy President, Football Association of Singapore.

interactive portal will have access to exclusive Brazilian football statistics, photos and video galleries containing highlights of Brazilian National Football Championship matches. Online polls and online forums will be available in

the future to further the interaction between fans and the football clubs.

Soon, football fans in Singapore and other Asian countries will get their staple of the exhilarating Brazilian samba football, the highly acclaimed Brazilian National Football League Championship with the bonus of some entertainment segments on the country, before kick-off and during half-time, showing the best of Brazil and its music and culture.

"This is the best way to bring Brazilian football closer to our Asia-Pacific and Middle East fans and friends. For many years, we realise and value the great support shown towards our National Team and players. We want to share our league's football culture and our country's heritage with the rest of the world. After all, our football clubs in Brazil are the birthplace of the best football players in the world!"

- **Dr. Fábio André Koff**, President of Clube dos 13, commenting on the broadcast deals

With the launch of the Brazilian Football and Leisure Channel and the organization of Clube dos 13 and its associated partners and sponsors, fans will now be able to see legions of potential stars in the making. And, with a little luck, some viewers may just get to meet these legends, through many exciting online and TV contests to allow the happy winners to travel all the way to Brazil to watch a live match, as Brazil makes its challenging bid to host the World Cup in 2014. ■

Exciting times lie ahead from the football promised land. The time, truly is for Brazil!

Brazilian Amateur Team "Joga Bonito" in Singapore

The BFA-Brazilian Football Association of Singapore was formed in 1992 to play friendly games against other expatriates and local teams. Sponsored by Petrobras since 2002, the Brazilian amateur team has won five trophies over the last 2 years:

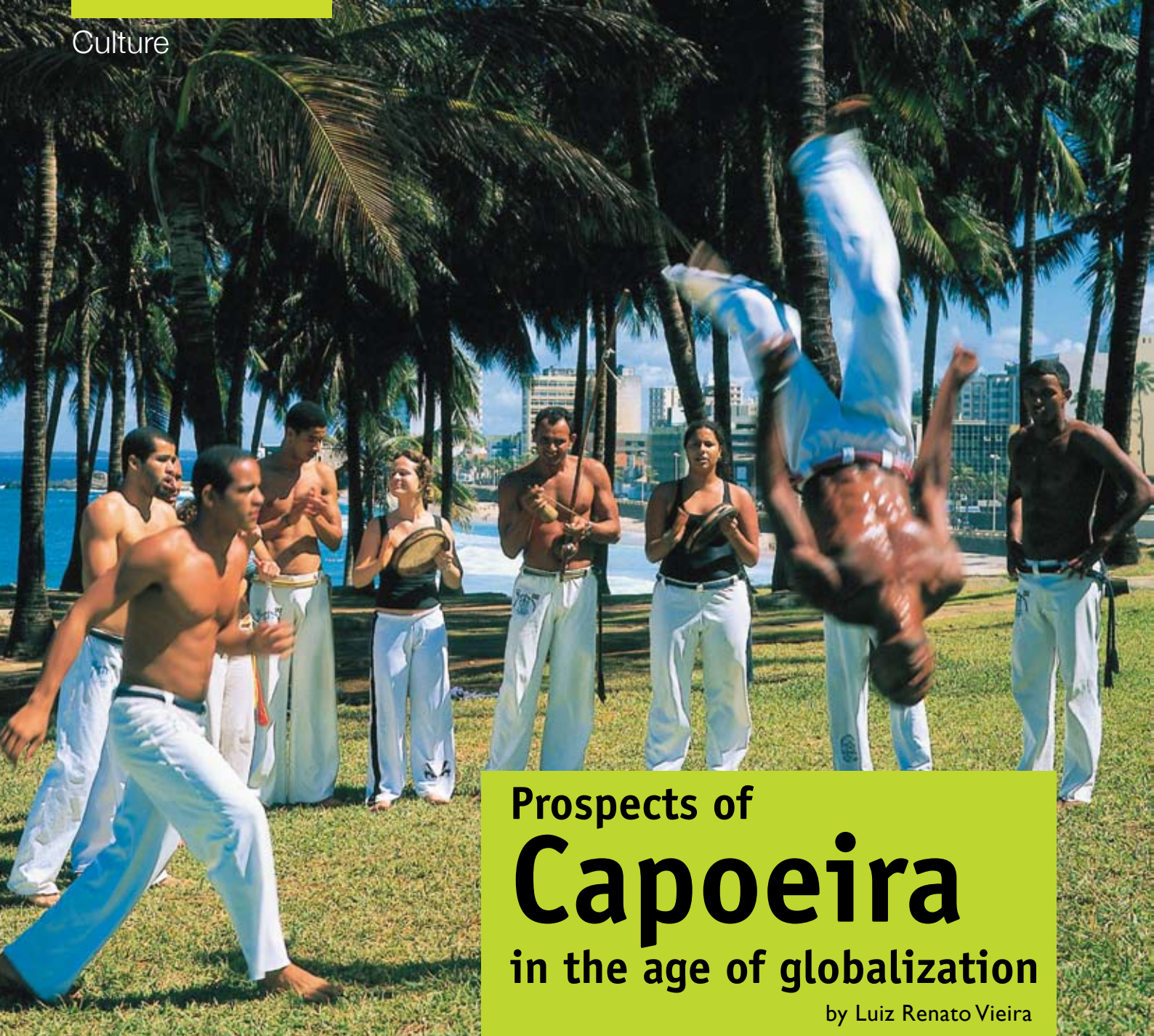
- Champion of the Singapore amateur league Apex (2004, 2005 and 2006)
- Champion of the APEX (2006)
- Champion of the Platts Futsal Challenge (2006 and 2007), competing against 24 teams formed by oil companies from 12 countries
- Champion of The Kaoloon International Tournament, (May 2007). The final game was played at Jalan Besar Stadium (BFA won by 6 X 1 against Korea).

Recently, recognizing the performance of the Brazilian team, the New Paper published a two-page article about



BFA under the title "JOGA BONITO MADE IN SINGAPORE". BFA's coach is Mr. Zoroastro Campos, Vice-President of Alliance Marine, also a co-sponsor of

BFA, assisted by Mr. Nelson Portillo, senior team player since 1994 and Consular Officer at the Embassy of Brazil. If you are interested in joining the team please send an email to fzcampos@gmail.com



Prospects of Capoeira in the age of globalization

by Luiz Renato Vieira

Capoeira is a manifestation of Brazilian culture that bears very peculiar features: it is a blend of fight, game and dance executed to the sound of musical instruments, claps and chanting. Aside from being an exceptional self-defence and fitness system, capoeira stands out among the sports range for being the sole one founded on Brazilian cultural traditions. For all this, capoeira is gaining ever more ground in schools and universities in Brazil and worldwide.

There is great controversy with regard to the history of capoeira, particularly in reference to the period comprising its birth – likely in the seventeenth century – and the nineteenth century, when reliable records appear bearing descriptions in more detail of this cultural expression.

One of the discussions that most captivated the scholars addressing the art-fight revolved around this question: was capoeira born in Africa or in Brazil? Presently, this is considered a matter already settled, since the vast majority of authors that write on the history of capoeira agree with the hypothesis that it would have been created in Brazil by the African negroes brought by the Portuguese from the beginnings of colonization for slave labour in plantations, livestock-rearing, mining and urban activities.

Although it has been sufficiently clarified that capoeira is a Brazilian martial art, it is necessary to consider it as part of the constant dynamics of the Afro-Brazilian culture. Thus, capoeira arose from a set of pre-existing aspects in the cultures of the African communities (rituals, dances, games and musical culture).

The appearance of capoeira must be thought of, in a certain way, as in the very martial arts traditional of the Orient that are the philosophical expressions of their creator peoples and that are integrated with other facets of social life, such as religion and work.

Luiz Renato Vieira is a master of capoeira of the Group Beribazu, trained with Master Zulu. As a sociologist, he is also one of the pioneers of academic studies of Capoeira in Brazil and, in the last few years, has carried out research on public policies directed toward the use of capoeira as an educational instrument and social integration activity. He has a PhD from the University of Paris – Sorbonne and is a Legislative Consultant at the Federal Senate, in Brasília, Brazil.

It is thus that we must understand the question: capoeira arose in Brazil as a resistance fight of a community that brought an immense cultural baggage from its original land and that needed to develop a set of attack and defence techniques by virtue of the situation of oppression that it experienced during slavery. Further still, we must deem capoeira a part of the entire process of resistance by slaves in Brazil that also expressed itself in religion, arts, cuisine, etc. In other words: it was necessary for the slaves to not just remain alive and fight for their freedom, but also to preserve aspects of their ancestral culture.

Gradually, capoeira managed to overcome prejudices and became a martial art acknowledged all over Brazil. It came to be employed at schools and universities as an instrument toward educating on, and the treasuring of, popular culture. Throughout the twentieth century, capoeira conquered many spaces and, from the 1980's, the process of publicizing it in other countries intensified. Capoeira, with its music and aesthetic

wealth, came to be known worldwide as one of the principal symbols of Brazilian culture. The fact of its being at the same time a form of fight, body evolutions and a sport of acrobatic characteristics practised to the sound of musical instruments confers to capoeira an enormous potential to be explored in the formal and informal educational processes. One of the main tasks of the researchers into capoeira nowadays consists of analyzing the educational potentials of capoeira, bearing in mind its insertion in distinct societies and cultures.

Great, in fact, are the challenges placed before the international expansion of capoeira. Indeed, as it becomes recognised internationally as a sport and an important instrument in the educational process, there arises the possibility of occurrence of modifications in its features. The question that poses itself is related to the possibility of adapting capoeira to the countries in which it is accepted and practiced, preserving, at the same time, that which defines it as a fight born from resistance by slaves in Brazil. We grasp that this historical linkage and this cultural reference should not be lost.

Indeed, although capoeira is a martial art of much aesthetic and beauty, it is not just that. Its richness is found precisely there where the spectator does not see at first instance: in the traditions, in the respect toward the figure of the Master, in the rituals, in the music and in its historical memory.

The challenge of the master of capoeira acting outside Brazil is, precisely, to build paths toward incorporation of capoeira into the sport and education scene of the country in which he is, but always preserving the most important features, so that the Brazilian martial art may, ever more, consolidate itself as an important cultural expression in a globalised world.



Singapore hosts IV International Capoeira Festival



Capoeiristas in an elated mood after the Batizado

The IV International Capoeira Festival was held in Singapore, from September 10 to 14, at the Toa Payoh Sports Hall. Capoeira, a Brazilian martial art form, is a non-contact sport that instantaneously hooks you, with its rapid fire energy and the pure *joie de vivre* exhibited by its practitioners, known as capoeiristas. The Festival included an Open House, when the Guest-of-Honour, Master Luiz Renato, talked about slavery in Brazil and described how Capoeira has evolved into a multi-cultural phenomenon over time. The Festival also involved an intensive 3-day workshop conducted by renowned Brazilian Masters from Brazil, Austria, Germany, Holland, Philippines, France and Malaysia.

The Festival also featured the Batizado (“Baptism”) and Graduation Ceremony, where around 50 Singaporean practitioners were formally accepted as capoeiristas. The students were dressed in white, while the Masters were conspicuous in red tops and white slacks. While the students were warming up, we got a chance to talk to Master Oscar, from the Brazilian School of Capoeira, who had come down from Brazil especially for the occasion. He explained how Capoeira had many “systems”, and the colour of the belt determined the level, much like in the Eastern martial art forms. However, he cautioned, there are so many different systems, that there is no way to know how “advanced” a capoeirista is at first glance. He explained that Capoeira has two main “federations”: the traditional

and the modern, and there has been a debate about whether there should be an overall governing body, to regulate the practice of Capoeira.

Capoeira is a complicated martial art form. One of the questions posed to Master Luiz Renato after his speech was why is there no uniformity in the belts and styles internationally and whether there have been any efforts to standardise all of them into one system. Master Luiz Renato’s reply was fascinating. He said there have been efforts, but, under Brazilian law, there is no specific organisation to regulate the practice of this sport. Which, he continued, is good for Capoeira because of its diverse cultural manifestations. These different schools led to very interesting versions, and it is important to preserve these very differences. The variety observable in Capoeira is, if anything, more difficult to organise into one single “system”. Also, any “standardization” of the rules and forms would result, inevitably, in a loss of some of its richness. That would be unfortunate, indeed. Mr. Luiz concluded by stating, “While studying the history of Capoeira, do not trust simple explanations. There aren’t any”.

His talk was followed by the Singaporean practitioners and students demonstrating their art form. The demonstrations began with the 50-odd students gathering in formation to showcase their talent and skill. This was followed by demonstrations by the Masters. The beauty of Capoeira was in full display, with the powerful beats of the music guiding the movements of the Capoeiristas. The athletic movements soon gave way to graceful dance-like choreography, all accompanied by furious drumming and hypnotic chanting of Afro-Brazilian songs. The drumming kept increasing in tempo, and so did the movements of the Masters, each of them taking turns to goad another into a display of sparring (known as *jogo*). Their frenzied motions soon became blurred, and they turned into furious, and unbelievable – are human beings capable of moving this fast? – hurricanes moving across the wooden floor. They were all so light on their feet, flitting about like butterflies, and yet showcasing their incredible power. Everyone was completely pulled into the spirit of the music and there were cheers going all around,

encouraging the already-perfect performances. The students had gathered in a circle around the Masters, in what is known as a *roda* ("circle"). The Masters continued with their skills display, and the chanting rose to a hypnotic level. The scene was surreal enough to transport the onlooker to the times of slavery, and somehow, it isn't difficult to imagine the joy, and the acute sense of kinship, that the slaves would have got out of capoeira, and to understand why they practiced it with such utter passion.

The practice of capoeira is closely linked with philosophy, with emphasis on the individual, on the belief that the greatest opponent of an individual is himself, on respect and responsibility. One of the Masters ended the gathering with a call to "be proud of yourself", and to be proud of your work, your beliefs and your life. Again, it was not hard to picture slaves reaffirming their dignity through the practice of capoeira. Truly, this spirit of capoeira shone through during the demonstrations that evening. ■

History of Association of Capoeira Argola de Ouro



Master Ousado (centre, yellow shirt) and Masters invited for the IV International Capoeira Festival

Master Ousado had first began teaching Capoeira at the Association of Filhos de Luanda in Brazil, which he founded in 1980. Master Ousado was the first master of Capoeira that arrived in London and founded the Association of Capoeira Argola De Ouro (London) in 1990 and in 2002 he brought capoeira to Singapore with the first school to be established in South-East Asia - the Association of Capoeira Argola De Ouro (Singapore).

Master Ousado having 36 years of experience in studying and teaching the Brazilian martial arts and art

form of capoeira, has travelled extensively to spread the culture of Brazil and the philosophy of Capoeira. He has participated in professional competitions and has won several titles including being twicewrowned Champion of Paulista Federation of Capoeira (Adult Light Category), the All-Brazilian Vice- Champion of Capoeira and bronze medalist in the Open Games held in Santos Brazil. He has played an active role in promoting the study of the music and folklore behind capoeira by holding workshops in academic institutes such as the University of Rio de Janeiro, Queen Mary University in London, the National University of Singapore and Nanyang Technological University in Singapore.

As a member of the Brazilian Capoeira Confederation, Master Ousado is actively involved in teaching capoeira and is highly regarded by other capoeiristas (capoeira students) from schools in America, Europe and Asia who have invited him to participate in their "batizados" (grading ceremony and baptism when students are initiated into the capoeira community).

Capoeira in Singapore

NUS Capoeira Sub-Club NUS, Sports & Recreation Centre Dance Studio (Level 2)

Training Schedule:

Wednesday from 7.00pm to 9:00 pm

Friday from 7.00pm to 9:00 pm

The NUS Capoeira Sub-Club caters only to NUS students and staff.

The Substation Dance Studio

45 Armenian Street

Singapore 179936

Training Schedule:

Saturday from 4.00pm to 6.00pm

Sunday from 3.00pm to 5.00pm

Toa Payoh East Community Club

160 Lor 6 Toa Payoh, Singapore 319380

Training Schedule:

Sunday from 10.00am to 11.30am

Contact Person: Kevin

Contact Number: (65) 62567601

HomeTeamNS-JOM @ Balestier

31 Ah Hood Road, Singapore 329979

Training Schedule:

Saturday from 10.30am to 12.00pm

Contact Person: Salina

Email: salina@hjc.org.sg

Contact Number: (65) 6478 2506

Master Ousado

Founder-Secretary

Association of Capoeira Argola de Ouro (S)

www.adocliffe.com

Tel/Fax: (65) 67327611

Some interesting facts about Brazil

Brazil, India and South Africa have established the IBSA Dialogue Forum to promote South-South cooperation



IBSA is a trilateral, developmental initiative between India, Brazil and South Africa to promote South-South cooperation and exchange. It was set up in the aftermath of discussions between the Heads of State and/or Government of the IBSA countries at the G-8 meeting in Evian in 2003, and formalized through the adoption of the “Brasilia Declaration”, in Brasilia, on June 6, 2003. The relevance of this Forum transcends its positive contribution to Indian - Brazilian - South African relations. IBSA has already established a clear identity, having allowed its members to speak with one voice in several multilateral fora. Recently, the Forum has expanded its agenda, and the 2nd IBSA Summit was held in South Africa from October 14-17 2007, with the presence of the Heads of States of the three countries.

In the words of the Brazilian Minister of External Relations, Celso Amorim, “As an innovative alliance among three large, multicultural, democratic developing countries, IBSA is laying the ground for an international system in which the aspirations and views of developing countries are no longer treated as secondary afterthought. IBSA also aims for an ambitious trade agreement involving Mercosur, the South African Customs Union and India. When ready, this trilateral arrangement will create the largest unified economic area among developing countries, encompassing 1.5 billion people and a total GDP of more than US\$ 2 trillion.”

IBSA also represents a new approach in South-South cooperation. The IBSA Fund for Poverty and Hunger Alleviation is concretely contributing for the enhancement of the living standards in two of the

poorest countries in the world – Haiti and Guinea-Bissau –, having received the United Nations South Alliance Award, as an example of how South-South cooperation can have an impact in the daily life of people in need.

More information on www.ibsa-trilateral.org.

Brazil is the leading exporter of meat to Singapore



Granja: www.cahpadaodosul.ms.gov.br

So you thought your chicken meat came from Malaysia, your pork hailed from China and your beef arrived only from Australia or other Anglo-Saxon partners. Well, think again: slowly but surely, Brazilian meat on this island has grown quietly and steadily, thus stealing the scene and becoming the leading supplier of the combined three varieties of meat to Singapore, and beating, in 2007, Singapore’s traditional suppliers from Asia-Pacific, Europe and North America. Is it any wonder that there are already eight churrasco-styled restaurants on this island? In another first-ever move, two Brazilian plants obtained in 2007 permission to supply turkey-meat to Singapore, what with the Christmas celebrations around the corner!

Brazilian meats are among the few able to pass the stringent requirements of Singapore’s Agri-food and Veterinary Authority, with plant by plant achieving the coveted accreditation from AVA that eludes so many other plants in other countries that fail to display the sanitary technology and controls, the vertically-

integrated production and export-oriented quality management that have become synonymous with vast



Brazilian agribusiness enterprises, a veritable green revolution for the world to marvel at and delight in its flavours. It is to be highlighted that this export growth toward feeding the entire world occurs not at the expense

of Brazil's forests: in fact, Brazil still has vast tracts of arable and grazing land that won't incur in tree-felling. No matter what journalists and culinary pundits have told you in the dailies' gastronomy pages: the distributors, supermarkets, hawker-centres, hotels and restaurants will tell you that their Brazilian meat is here to stay.

On 18 September 2007, Brazil and China launched CBERS-2B, the third satellite within the bilateral co-operation programme aimed at peaceful uses of the outer space



CBERS-2/INPE

The CBERS programme, which is being developed jointly by Brazil and China since 1988, represents a successful example of South-South co-operation in

high-tech initiatives and is one of the pillars of the strategic partnership between the two countries. Currently CBERS is one of the main remote sensing programmes in the world along with the American LANDSAT, the French SPOT and the Indian ResourceSat.

The CBERS satellites, which are developed in Brazil by the National Institute for Space Research (INPE), constitute an element of great significance within the context of The National Spatial Initiatives Programme (PNAE) co-ordinated by the Brazilian Space Agency (AEB). In addition to promoting the development of the Brazilian Space industry, the CBERS Programme generates employment in the high-tech sector which is fundamental for the development of Brazil.

The CBERS satellites have provided Brazil with an additional tool for the management of its territory. Their images are used all over Brazil in applications in areas such as forest surveillance and support for agriculture. The data relayed by the Chinese-Brazilian satellites are used, for instance, by the Brazilian Government in a successful effort to fight deforestation in the Amazon.

Since April 2004, over 350 thousand CBERS images were distributed to over five thousand Brazilian institutions. In China, following the adoption of data distribution policy that is similar to that of Brazil, over 200 thousand images were distributed and the Ministry of Land and Natural Resources is the main user. Furthermore, both Brazil and China have been distributing CBERS images freely to the neighbouring countries and offering technical training programmes on the use of the images. As from 2008, distribution of CBERS images should also begin in Central American, Caribbean, African and South-eastern Asian countries as the new data reception centres become operational. The CBERS satellites have increasingly become a fundamental tool for international co-operation benefiting developing countries.

CBERS-2B is the third Sino-Brazilian satellite to be launched. CBERS-1 was launched in 1999 and operated until 2003, when the CBERS-2 was launched, which continues to be operational. In order to ensure the

Some interesting facts about Brazil

continuity in data reception, Brazil and China agreed to develop the CBERS-2B in 2004. At least two other technologically more advanced satellites in this series are planned: CBERS-3, to be launched in 2010, and CBERS-4 in 2013.

(Extracted from <http://www.brazil.org.uk>)

In the last three years the rate of deforestation in Brazil has decreased by around 50%, reaching a historic positive record by mid-2007

According to the Amazon Deforestation Monitoring Project ('PRODES') of the National Aerospace Research Institute ('INPE'), the area that suffered deforestation in the Legal Amazon from July 2006 to August 2007 was of 14,093 km², which represents a 25% drop in the deforestation rate in relation to the preceding period (2004-5).

In relation to the period of 2003-4, the new data accrue a 49% fall in the deforestation rate. The current deforestation rates have reached a positive historic record and they are comparable to the rates

that had been reached in the 1970s.

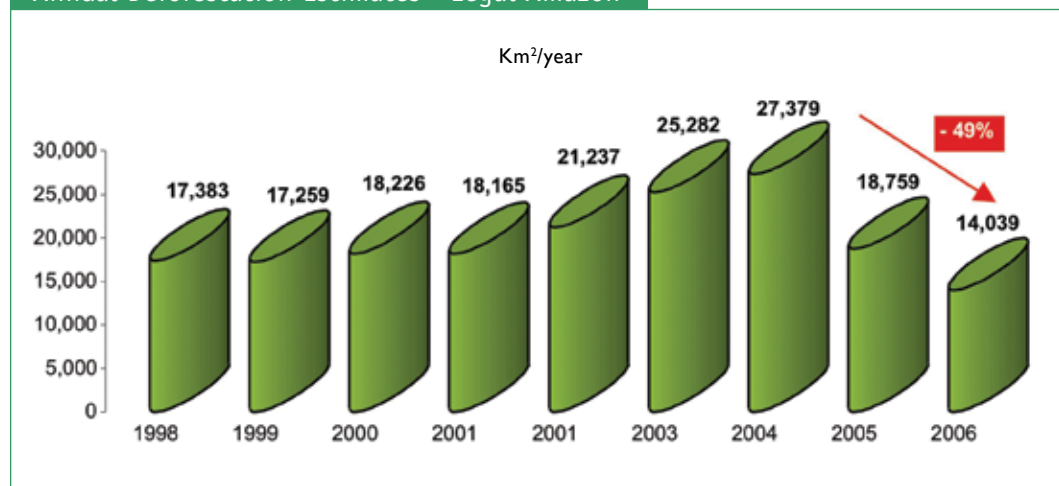
The figures achieved represent an important victory in the fight against deforestation in the Legal Amazon as they indicate an aggregate downward trend in the deforestation rate. The indicators also reflect the outcomes of the initiatives implemented by the Government, as the Action Plan for Protection and Control of Deforestation in the Legal Amazon ('PPCDA') launched by President Luiz Inácio Lula da Silva in 2004, which is co-ordinated by the Permanent Inter-ministerial Group supported by thirteen Ministries. The Plan comprises a set of 231 actions structured on the basis of three thematic axes: (i) Territorial planning in forest areas; (ii) Monitoring and inspection; and (iii) Promotion of sustainable productive activities.

These policies are consistent with the standpoints that Brazil has adopted internationally, particularly in the United Nations Forum on Forests (UNFF). Within this context, Brazil has been pointing out that forests are natural resources upon which States exercise their sovereignty. In the international debate, we have



The Amazon Forest

Annual Deforestation Estimates - Legal Amazon



Source: PRODES/INPE, Ministry for Science and Technology, Brazil

argued for a balanced treatment of the matter, focusing due attention upon all of the forest systems (tropical, boreal and temperate) with a wide-ranging treatment of the issues related to sustainable management of forest resources.

In Brazil's view, therefore, international debates on forests must take into account not only aspects related to environmental protection (reduction of deforestation, expansion of forest coverage), but also economic issues (for instance, setting values, use of economic instruments), trade issues (market access), and socio-cultural issues (protection of traditional knowledge). Within this very complex picture, Brazil has highlighted the pathway of international co-operation as an effective contribution to the sustainable development of forests.

Source: Ministry of the Environment of Brazil

In 2008, Brazil and Japan will celebrate the 100th Anniversary of the Japanese immigration to Brazil

Brazil will celebrate with great joy the 100th



Anniversary of the Japanese immigration, in 2008. Since their arrival in the Kasato Maru vessel at the Santos Port, Japanese immigrants

have perfectly integrated with the Brazilian society, to which they have given a significant contribution. Today, the fifth generation of Japanese immigrants is already an integral part of the Brazilian nation,

totaling approximately 1.5 million people, of which an estimated 12% were born in Japan. Just like other peoples who came to Brazil and joined its destiny, the Japanese presence in Brazil has assumed its own identity. The discipline, organization, preciseness and determination of the Japanese have joined the creativity, entrepreneurship, liveliness and harmony of the Brazilians. This amalgamation of values constitutes our defining trace. Japan and Brazil are united not only by its identity and the complementary nature of their political and economic system, but mainly by their human values, which comprise the most valuable asset of their relationship.

The decision of President Lula and former Prime-Minister Koizumi to celebrate in 2008 "The Year of the Exchange Brazil-Japan" has emphasized the need to revitalize and reshape bilateral relations both in traditional and in new fields of the international agenda. Since 1980, the immigration flow has taken a reversed sign. Today, the Brazilian community in Japan reaches 313,000 people and is the third largest Brazilian immigrant population abroad, and the third largest in Japan. This inflow took place spontaneously, without any official stimuli. For the most part, the Brazilian community in Japan is comprised of descendants of the first Japanese immigrants, who likewise went to their ancestors homeland to seek a better life.

(Excerpt translated from <http://www.japaocentenario.mre.gov.br>)



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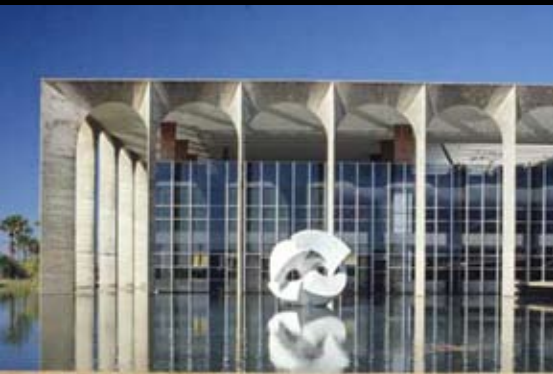
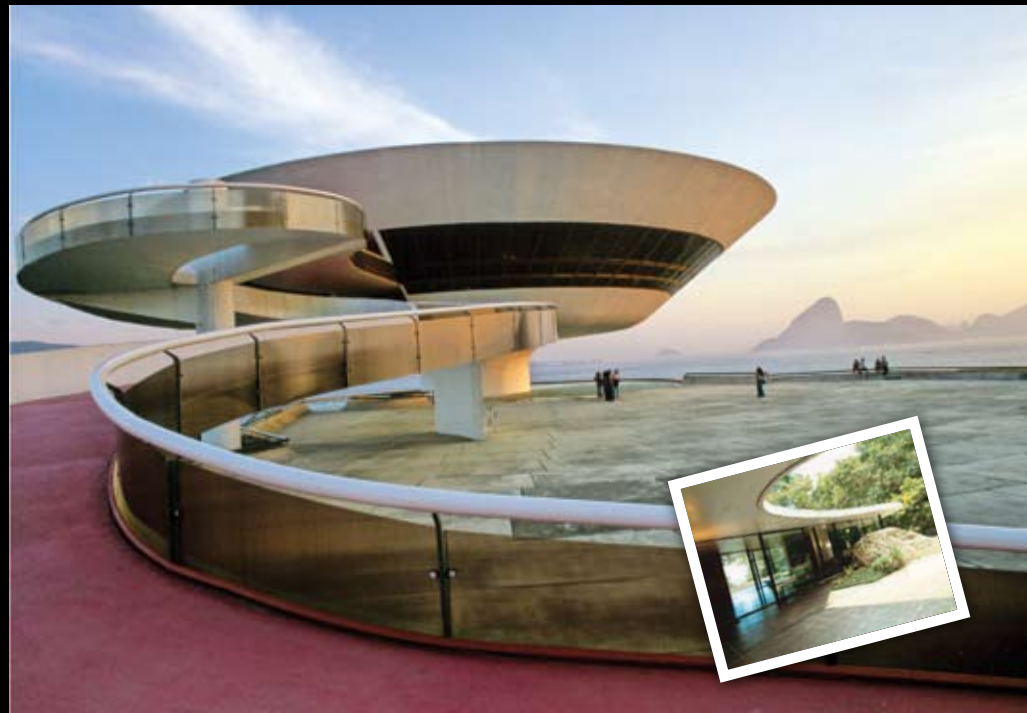


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Brazil: a sensational country



The statue of Christ Redeemer, in Rio de Janeiro, voted in 2007 one of the New 7 Wonders of the Contemporary World

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Photos: Embratur - Banco de Imagens

Sunshine all year round, warm transparent waters and the chance to sit for hours in the shade of coconut trees, sipping sweet, refreshing coconut water, on some of the beaches that tourists from all over the world have declared to be the most beautiful on Earth – this may seem too good to be true but it does exist. It's Brazil, a sensational country for you to visit on business or just for pleasure; on your own or together with friends or family. And, if you think Brazil is limited to just Sun and Beach, you will be surprised.

Ecological Reserves, mountains, innumerable waterfalls and ecological trails are all part of the trip, too. Brazil is made up of six different Biomes with the most varied landscapes, vegetation and climates imaginable: Cerrado savannahs, Atlantic Forest, Caatinga scrublands, the Amazon, the Pantanal wetlands, and the Pampas. Here, in this immense country, you will find the greatest and most famous forest in the world: the Amazon Rainforest. Brazil is also a perfect setting for sports activities. Brazil's waters, skies and lands offer amazing

landscapes, a wide range of possibilities and the best spots in the world for scuba diving, mountain climbing, canyon rappelling, bungee jumping, rafting, canoeing, paragliding, hang-gliding and golf, among many others.

Nowadays, Brazil's enchantment is not limited to its amazing natural beauty or the great range of options for having fun. Brazilian hospitality is widely renowned. Here are happy people that have sprung from a mixture of cultures that have produced unique sounds, aromas, flavors and architecture. Here, the cultural richness of the people can be seen in museums, musical shows, plays, art exhibitions, or even on the streets where the greatest festival in the world takes place: the Carnival.

Getting to know Brazil might be like taking a journey through time, a journey back to the past — traveling through historic cities, heritages—, or a journey into the future— through the modernity of its planned cities like Brasília, the Brazilian capital. So, pack your bags. Get to know Brazil and become a fan!

Beaches



Trancoso, Bahia, Northeast



Rio de Janeiro

It was along the beaches, over 500 years ago, that Brazil was first discovered by foreign tourists. The Portuguese were the first to get to know some of Brazil's most precious treasures: their beaches. These beaches have great surprises in store for visitors. With over 8,000 kilometers of marine coastline, it is easy to imagine the diversity that the beaches of Brazil have to offer. The tropical climate also helps a lot. Sunshine accompanies the tourist all year long. There are so many options available that it is difficult to decide which to visit first; it is quite possible that no other place in the world offers so many options.

Beginning with Rio de Janeiro, one of the world's most famous cities, we take a look at some of the Must See beaches in Brazil. Copacabana is one of Brazil's best-known beaches. In addition to being extraordinarily beautiful, it is home to one of the biggest New Year's Eve celebrations in the world. Copacabana's wide seafront sidewalk is the ideal spot to take a stroll at the end of the day. Ipanema and Leblon are busier beaches. Barra da Tijuca is the longest of Rio de Janeiro's beaches, with its 18 km of fine, light sands. Here, the waves are strong and tubular and are really good for surfing or body boarding. It is at this beach that several stages of the Brazilian Surf Championships are held and even some world championship events like the World Championship Tournament.

And then there is the paradisiacal archipelago of Fernando de Noronha, a World Heritage Site of UNESCO. The small islands formed by volcanic rocks make for a breathtaking coastline, of which Fernando de Noronha Island is the biggest one. The landscape surrounded by natural beauty is breathtaking. Among the Mar de Fora (Outer-sea) beaches, the Leão (Lion) Beach is considered to be one of the most beautiful beaches in Brazil. The beaches at Sueste Bay and Atalia are additionally known for mangrove swamps and reefs teeming with marine life, respectively. The Mar de Dentro (Inner-sea) beaches include Cachorro (Dog) Beach, located near the Fortaleza dos Remédios. The waves here are weak so you can take the opportunity to relax in the natural pools formed by the reefs. The scenery found at Sancho Bay will take your breath away. Visibility in the waters and the diversity of marine life make this beach one of the best options for scuba diving.

Scuba diving enthusiasts, make your bookings to travel to the State of Alagoas. In addition to the warm transparent waters, you will come across a coastline full of agreeable surprises, including the coral reef formations. The formations of natural pools and the color of the sea, sometimes greenish, sometimes turquoise, make up absolutely unforgettable scenery. So, as the beaches beckon, pack your bags and head to Brazil!

The Amazon



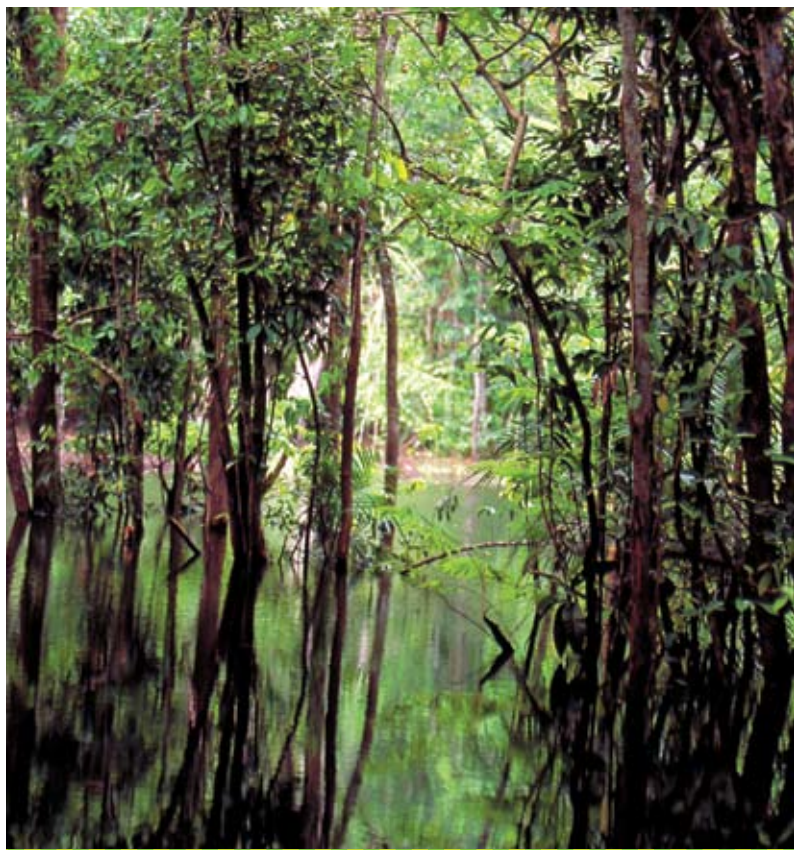
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Scarlet Macaw



A flock of Guarás at the Marajó Island, Pará



The Amazon Forest

For those arriving in Brazil by plane, the green of the Amazon is impressive. The area of the legally defined Amazon region in this country is over 5 million square kilometers, spread out over several Brazilian states. Together, it corresponds to the greatest reserve of tropical forest in the world. The Amazon is also home to one of the greatest biodiversities in the world: 1.5 million plant species, 2000 species of fish, about 950 types of birds, 300 mammal species, as well as countless insect, reptile and amphibian species already catalogued. Animals, like the Amazon manatee; the Scarlet Ibis, flocks of which lend a special splash of color to the afternoons of the Marajó Island with their brilliant scarlet plumage; or the poraque, an electric eel that uses an electrical discharge to stun its prey, are unique to this region. Most of the Amazon fauna inhabits the canopy formed by the treetops some 50 meters above the forest floor.

This biome, which occupies almost half of Brazilian territory, is made up of 10 ecosystems varying from dense forest to semi-permanent flooded forest or igapós, and the systems are distributed in 23 eco-regions and transition zones with neighboring savannah, scrubland and wetland biomes. In the Amazon region you will be introduced to the Amazon River, originating

in the Andes and flowing out into the Atlantic Ocean. It is the longest river in the world, and the largest hydrographical basin. It is also the most voluminous, even more than the River Nile.

The gateway to so much natural beauty is Manaus, a metropolis of almost 1.5 million people and the capital of the Brazilian state of Amazonas. Manaus is impressive for its natural beauty, ecological parks, and large green spaces. The hotel infrastructure meets the needs of not only visitors on business, with hotels that are located in the city center, but also, the more adventurous, with jungle hotels that can only be accessed by boat on the Negro River.

To get some idea of the immensity of the Amazon Forest, the only way is to take an enchanting trip on a boat up the vast waters of the Negro River. The acidity of the water deters mosquitoes and makes this one of the best options. Other tributaries of the Amazon are also worth visiting, for example, the Tapajós River that cuts through the beautiful Amazon National Park.

The best time for visiting is in the winter (southern hemisphere) from July to October, when the days are cloudless and the temperature is pleasant.

EcoTourism - In Focus: Fernando de Noronha



Fernando de Noronha, Pernambuco, Northeast



Diving in Fernando de Noronha

Fernando de Noronha is a World Natural Heritage site. Part of this archipelago of 21 islands is a National Marine Park and an Environmental Protection Area. Surrounded by loving care and attention, the Island protects its fauna, which counts spinner dolphins and migratory birds among its main attractions. The flora has a characteristic that is extremely rare in oceanic islands: mangrove swamps. The trails are your means of visiting the beaches and visits are permitted with due authorization from the Brazilian Institute for the Environment and Renewable Natural Resources.

Fernando de Noronha is a reproduction site for the green turtle (*Chelonia mydas*), which lays its eggs in the period from January to June. Outstanding for the excellent conditions it offers for undertaking research into marine turtle behavior, the Fernando de Noronha archipelago is now one of the main bases of the TAMAR project (Nature Center for Marine Turtle Conservation and Management). This project has a visitor's center with excellent infrastructure. At the Center you can attend lectures on the theme of environmental preservation that take place every evening.

At Dos Porcos Bay, unparalleled warm, turquoise-blue waters and some dark rocks make up one of the most beautiful views in Brazil. Together, they form

natural aquariums full of colourful fish. Golfinhos Bay is the place selected by the spinner dolphins to rest, breed, and suckle their young. It is considered to be the world's largest natural aquarium of this species of animal. Access to the bay itself is forbidden, but they can be observed daily from a lookout point. At sunrise, the dolphins enter the bay and, in the afternoon, they go off to feed on small fish and squid in the open sea.

Fernando de Noronha has a very irregular relief with various high points. The biggest of these, Morro do Pico, the most beautiful and most important natural landmark on the island, can be seen from all points of Fernando de Noronha. Another sight to be seen is the Dois Irmãos Rocks. They are made up of dark volcanic rocks with whitish streaks of rare beauty. On the high ground are the ruins of the Sao Joao Batista Fort from where you can look out over all the beauty. Access to the ruins is along a trail.

Indeed, protecting natural and cultural resources is the basis of sustainable tourism, and consequently, that of Fernando de Noronha also. Here, the aim is to establish equilibrium between man and Nature. They have managed to offer good infrastructure to welcome visitors and, at the same time, preserve one of the most important ecological sanctuaries in the world.

Carnival, Other Larks



Salvador, Bahia



Rio de Janeiro



Recife, Pernambuco



Olinda, Pernambuco



Sambódromo, Rio de Janeiro

It can be said without fear of contradiction that the Carnival is an explosion of Brazilian happiness. The Carnival is one of the biggest and most popular festivals in the country, and one of the biggest folk celebrations in the world. It brings together emotions, creativity, colours, sounds, plasticity and much joy. In the months of February and March, this happiness takes over the streets, clubs and hotels, from the North to the South of Brazil.

In Rio de Janeiro, the rhythm of the Carnival unfolds to the sound of the sambas, the drums and the people parading through the 'Sambódromo', the place where the 'Samba School' parades take place on the Marquês de Sapucaí Avenue. The heart beats faster, it is impossible not to enter into the spirit of the fancy dresses, the sambas, and all the creativity of the Brazilian people coming together to make the Carnival a unique and unforgettable celebration.

Sumptuous or original costumes are elements of a theatrical performance in the halls of Hotel Gloria, on the afternoon of the Saturday of Carnival. The huge and dazzling costumes represent historical characters or different concepts, according to the imagination of the gentlemen, ladies and of drag queens that participate in the event.

It is said that it is impossible to stand still if you are behind a truck mounted mobile stage with a band playing on it (trio elétrico). To check that out, join in with the two million Carnival celebrators that dance, jump, and have fun along the 25 kilometers of streets and avenues during Salvador's Carnival celebrations, in the State of Bahia. The trio elétrico is a Brazilian invention: big trucks with huge amplifiers for the music, real mobile stages that entice the multitude along behind them in a festive and happy spirit.

In Olinda, giant dolls parade up and down the steep hills, getting everyone in the mood to party. The Olinda Carnival is renowned as one of the most attractive and democratic Carnivals in the world. So, go out on to the streets, and let yourself go to the rhythm of the 'Frevo', a local kind of rhythmic dance music played by small bands with wind instruments.

The biggest Carnival troupe in the world opens the celebrations in Recife, also in the State of Pernambuco. It is called the Galo do Madrugada, and marks the official opening on Ze Pereira Saturday, the first day of Carnival. Show off your imagination in your fancy dress and have a great time. You will be enchanted by the variety of rhythms: frevo, maracatu, bois, caboclinhos, and by the small troupes that form spontaneously, as well as the big samba associations.

"Made in Brazil"

By Carlos Pheysey



Carlos Pheysey

A clear "Made in Brazil" is not always there, but chances are that you are engaging them all the time without being aware. Take paper, cardboard or granite, for instance. No tag or brand is visible, and yet, Brazil is a major supplier of the flooring-slabs on which you are stepping as you stride into public buildings, or while washing your hands at bathroom sinks. These buildings have used superb steel and frames produced by Brazilian high-tech mills not found elsewhere, and even wooden boards from renewable conifers have lined the beautiful interiors (and even the scaffolding that was there during the building's erection!). The taxis, cars, buses or even heavy vehicles on which you are riding are using automotive components from Brazil. Related to this, leather is to be found in its upholstery, and in the sandals or ladies' shoes you wore inside your vehicle, or on that granite-lined precinct. At least the footwear will say "Made in Brazil"!

Ask your dentist where his dentistry chair is from, there being a fair likelihood that the seat on which you reclined for her to examine you hailed from Brazil. Further, the implant she used to improve your dental firmness could well be from Brazil's Gnatus, the largest supplier worldwide of this product.

Still speaking of journeys and seatings, did you venture on holidays into medium-sized aircraft while exploring remote corners of Southeast Asia's islands? Embraer, the 4th largest aircraft manufacturer globally, is the leading supplier to the medium-range airlines in the Asia-Pacific region. As for SIA, the planes may not be Brazilian, but the pilots often are, there being almost twenty professionals from Brazil among the company's fliers!

Along this line, a bevy of Brazilian beauties have filled your magazines, brochures, leaflets, videos, television ads, and other media: the girls - some of them Asian-looking due to Eastern ancestry - are talents who come for a month or two of shootings and are constantly replenished with new incoming faces of



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beautiful, multi-racial Brazil. Needless to say, their daring bikinis and fitness-wear are beginning to fill the racks of niche outlets in Singapore. At bookshops and coffee shops, restaurants and reception-lounges, you are swaying to the rhythms of bossa nova and other Brazilian sounds. Brazil's soap-operas could not make it into the language-segmented television of Singapore, but ask your fellow TV-watching Southeast Asians and they will tell you who their favourite Brazilian hunk or hottie is! As for hot wheels on television, expect Felipe Massa to gain a new edge at next year's Formula One in downtown Singapore!

This being Singapore, let's talk about food, glorious food! Brazil is the leading supplier of combined meats (poultry, pork and beef) to Singapore, so unless you are vegetarian, you have been eating Brazilian food on a daily basis at hawker centres, fast-food joints, hotel buffets, and in your own kitchen or dining room. Brazil is also the 6th largest supplier of apples to Singapore. Needless to say, you will find various Brazilian instant-coffee brands on supermarket shelves, though coffee has long ceased to be a leading item in Brazil. Then there are sweets, the orange-pulp that goes into fruit-juice cartons, and other products, not forgetting the sugar-cane *cachaça*, a strong distilled brandy-like beverage that makes up the lemon-flavoured *caipirinha* you find at the eight *churrasco*-styled restaurants around the island, and also at a growing number of pubs. Linked to alcohol, expect to see Brazil's miraculous biofuel arriving soon for your future hybrid vehicles: ethanol, from sugar-cane, is the offspring of a homegrown technology developed over decades that the world is now eager to buy.

Expect to see more of Brazil in Singapore, even as you engage it while being unaware of its presence!

Carlos Brian Pheysey is Trade

Advisor at the Embassy of Brazil in Singapore.

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