

Successful entry in the Brazilian market

Mr. Sergio Rodrigues Costa – Founder & CEO

Strings[®]
Strategy • Investments • Global Business



REPÚBLICA DA ESLOVÊNIA
EMBAIXADA BRASÍLIA



SLOVENIAN
GLOBAL BUSINESS
NETWORK

About Strings®

Established in 2019, STRINGS® is a company based in **São Paulo, Brazil**, dedicated to providing **tailor-made solutions** to companies willing to **operate or invest** in Brazil. We design and implement the business **strategy** and provide **investment facilitation** to Foreign Direct Investment to have a soft landing, and a **safe, legal, fast-track**. We operate as local **business developers, connecting business partners, and investors**, enabling companies do business in a global scale while going **international**. STRINGS® can also be your local office in Brazil, **reducing entry risks and costs**.

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Credentials




Sérgio Rodrigues Costa

Founder and CEO

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Biography

Expert in investment promotion, Costa led internationally awarded investment promotion agencies such as Apex-Brasil and InvestSP. He led strategy and operations to attract more than USD 21 billion in new investments, promoting the image of Brazil and the State of São Paulo around the world.

Under his leadership, in 2018 InvestSP was awarded as the World's Best Investment Agency by fDi magazine, won the fDi Strategy Awards, while the state was ranked as the #1 State in Latin America for Investments. He is member of the jury of the Americas Cities of the Future ranking of fDi Magazine, Financial Times, which selected the best cities in the Americas for investments.

He is the founder and CEO of STRINGS@ – Strategy, Investments, Global Business, a company with global operations and partner of JD Consulting (UK) Elit Capital (Brazil and Usa), IVEJM (Slovenia), ProAmerica (Latin America), and Wavteq (UK) in strategic projects.

Sérgio holds a B.Sc. in Production Engineering from UFMG – Federal University of Minas Gerais and holds a Master's degree in Organizational Leadership from the Azusa Pacific University, USA.

Industries and main projects

- Automotive
- Agribusiness
- Life sciences
- Pharmaceutical
- IT, Data Centers
- Aerospace and defense
- Food and beverages
- Renewable energy
- R&D
- infrastructure
- Education
- Cosmetics and personal hygiene
- Machines & equipment
- Textile
- Investment promotion*



*Dominica, Ucrânia e COMESA RIA na África, em parceria com a Wavteq.

Brazil: one country, many opportunities



Where in Brazil?



REGION	POPULATION DISTRIBUTION (%)	HIGHLIGHT STATES
SOUTHEAST	42,0%	Sao Paulo, Minas Gerais, Rio
NORTHEAST	26,7%	Pernambuco
SOUTH	14,8%	Santa Catarina
NORTH	8,6%	Rondônia
MIDWEST	7,9%	Goiás

Source: IBGE – Census 2022

It will depend on:

- Your business strategy
- What your business offers
- What your business needs
- Where your market is
- How digital your business is
- Business environment + incentives (tax/non-tax)

Key topics to keep in mind



HUGE DOMESTIC MARKET: 203 MILLION PEOPLE ¹	A COUNTRY WITH CONTINENTAL DIMENSIONS AND ONE LANGUAGE	LEADING FDI DESTINATION ² 2022 - 5 th USD 86 Billion 2023 – 2 nd USD 34 Billion	CLEAN ENERGY MATRIX LEADER 49.1% RENEWABLES AUG 2024
IMPORTANT ECONOMY IN LATIN AMERICA USD 2.17 TRILLION GDP in 2023	HUGE POTENTIAL FOR DEVELOPMENT	DEMAND FOR GOODS AND SERVICES	TECHNOLOGY EARLY ADOPTERS IoT, AI
167.7 MILLION INTERNET USERS ³ (167.5 M Mobile, 114 M Social Media)	E-COMMERCE REVENUES: USD 36 BILLION IN 2022. EXPECTED TO REACH USD 70 BILLION BY 2025 ³	FOREIGN COMPANIES AND LOCAL COMPANIES HAVE EQUAL TREATMENT	STRONG PRESENCE OF INTERNATIONAL CORPORATIONS

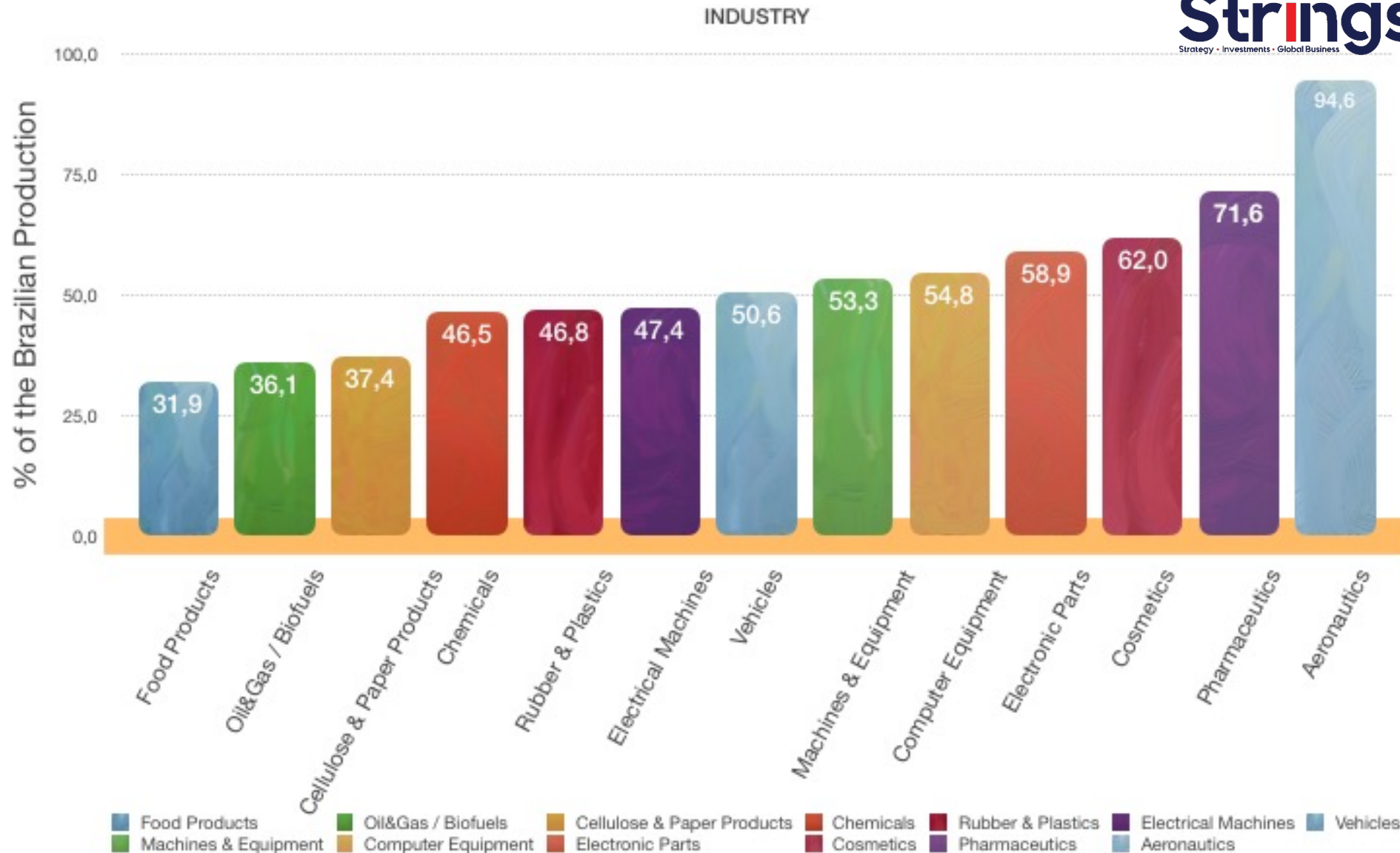
Sources: (1) IBGE 2023; (2) UNCTAD: World Investment Report 2023; (3) Statista 2023

Sao Paulo State alone has 57 providers running its 81 data centers, and 43 more under construction

Industries concentrated in the Southeast region

States: Espírito Santo, Minas Gerais, Rio de Janeiro, São Paulo.

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Sources: IBGE and the Central Bank of Brazil

Why target Brazil for investments?

- More of the **world's largest 2,000 companies in Brazil than rest of LATAM combined**
- Over **1 million agribusiness companies** (3rd highest in world. More than rest of LATAM combined)
- **250,000 software & IT companies** in Brazil (5th highest in world)
- **13.000 startups, 21 Unicorns valued at over US\$ 1 Billion** each
- Nearly **¼ million metals manufacturing companies** (2nd highest in world)
- Nearly **0.5 million financial services companies** in Brazil (6th highest in world)
- Nearly **25,000 chemicals firms** (5th highest in world)
- Nearly **25,000 industrial machinery firms** (10th highest in world)
- Over **10,000 medical devices manufacturers** (6th highest in world)
- **Third highest renewable energy capacity in the world** (more than rest LATAM combined)

Source: Wavteq; Strings;

What opportunities wait for you in Brazil?

- Healthcare and pharma + Telemedicine + Cosmetics
- Metallurgy, machinery and equipment
- Food and beverages
- “Tech” Companies (Agritech, Aerospace, Fintech, Edtech)
- IoT, 5G, Telecom infrastructure and services
- Clean tech and renewable energy
- Media and digital services
- IT infrastructure (DC). IoT, and IT related services (Cloud)
- Hospitality
- Startups

What opportunities wait for you in Brazil?

- Electric Vehicles (batteries and components)
- Agriculture
- Forestry + Carbon Market + Sustainability
- Water conservation, management and treatment
- Defense
- Financial Services (Fintechs, Insurance and Banking)
- Infrastructure (Public Private Partnerships, Concessions)
- Logistics + Mobility + Smart Cities
- M&As (Favorable exchange rate /market entry strategy)

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Challenges – World

- Complex geopolitics: Crisis, tensions, conflicts and wars
- Climate changes, energy transition, food security
- National security influencing global trade
- China X USA and their influence in global trade
- Population growth – 10 billion in the next 25 years (expected)
- Increasing protectionism, multilateralism, and non-tariff trade barriers
- Export restrictions based on technology, origin and destinations)
- Foreign Investment regulations – origin, data, screening
- Sustainable trade, investments, and development

Have a different perception about Brazil:

- Brazil offers huge opportunities in food security, clean energy security, environmental assets
- **Powershoring** – manufacture in Brazil with a cleaner energy matrix and reduced carbon footprint
- Brazil leads the G-20 in 2024 – an opportunity for dialogue
- Reliable food supplier, with efficient use of technology, in less cultivated area
- It will positively surprise you with its talents
- It is distant from conflict areas
- Sustainable development, trade and investments are mandatory: Social, economic, environmental standpoints
- 2nd largest exporter of processed food in the world

Challenges – Country-wise

- Fierce competition
- Continental dimensions
- Business environment that is new to you
- There is always a long-time learning curve
- Language
- Culture
- Relationships matter. Knowing the right people can unlock opportunities – networking
- You will need a local accountant and a lawyer
- Your company will need to adapt itself to the market

Start-ups

Challenges – Company-wise

- Plan a lot. Carefully design your strategy. Implement it.
- Learn about the country, before you decide – culture, business environment, standards, regulations, and taxes.
- Allocate resources for an exploratory phase of your initiative
- Count on local expert advisory – STRINGS®
- Be open to learn about how to do business in this new environment
- Be open to take advice. You know about your business, but may not know a lot about this new market
- Are JVs and M&As a possibility? Carefully select your target companies.
- Your success in other markets does **not** guarantee your success in Brazil.

How we can help:

Business Solutions



Strategy

Design and implementation



Business Development

Includes market research, market access, supply chain



Investments

Investment funds, opportunities, M&A, JV, turnaround, business partnerships



Institutional and Government Relations

Ethical and formal relations that create value



Internationalization and Investment Facilitation

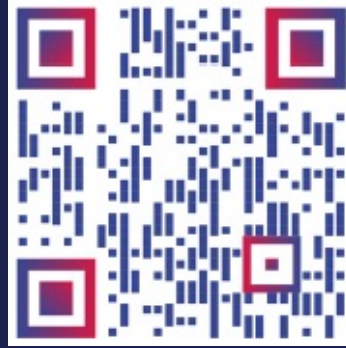
Market prioritisation, site location, tax and environmental advisory, FDI Strategy to support your business to set operations or expand anywhere



Conclusions



*Source: Brazil Central Bank – Sept 14th, 2024



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