



Public Transportation Overview of Brazil

FIFA World Cup in 2014 Creates New Opportunities
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WHY BRAZIL?

- 190 million consumers with increased purchasing power
- GDP of over US\$1.5 trillion in 2008
- Trade between the US and Brazil was \$50 billion in 2008.
- Inflation Rate: 4.5 % year
- Achieved investment grade status (S&P Rating Services – April 2008)
- Falling inflation rate
- Declining interest rates
- Appreciating currency
- Over US\$200 billion in reserves
- Brazil's economy is growing in 2009 unlike many other economies in the world.

Opportunities

- Brazil will host the FIFA World Cup in 2014
- Regardless of the global economic situation, Brazil must invest significantly in its infrastructure to successfully host the games.
- On top of the US\$240 billion in infrastructure investments announced by Brazil's federal government through the Growth Acceleration Program (PAC), even more infrastructure investments have been pledged to stimulate the economy and create jobs
- Brazil is seeking to increase private concessions and Public Private Partnerships (PPP's) to generate new funds for investment in roads, rails, ports and airports.

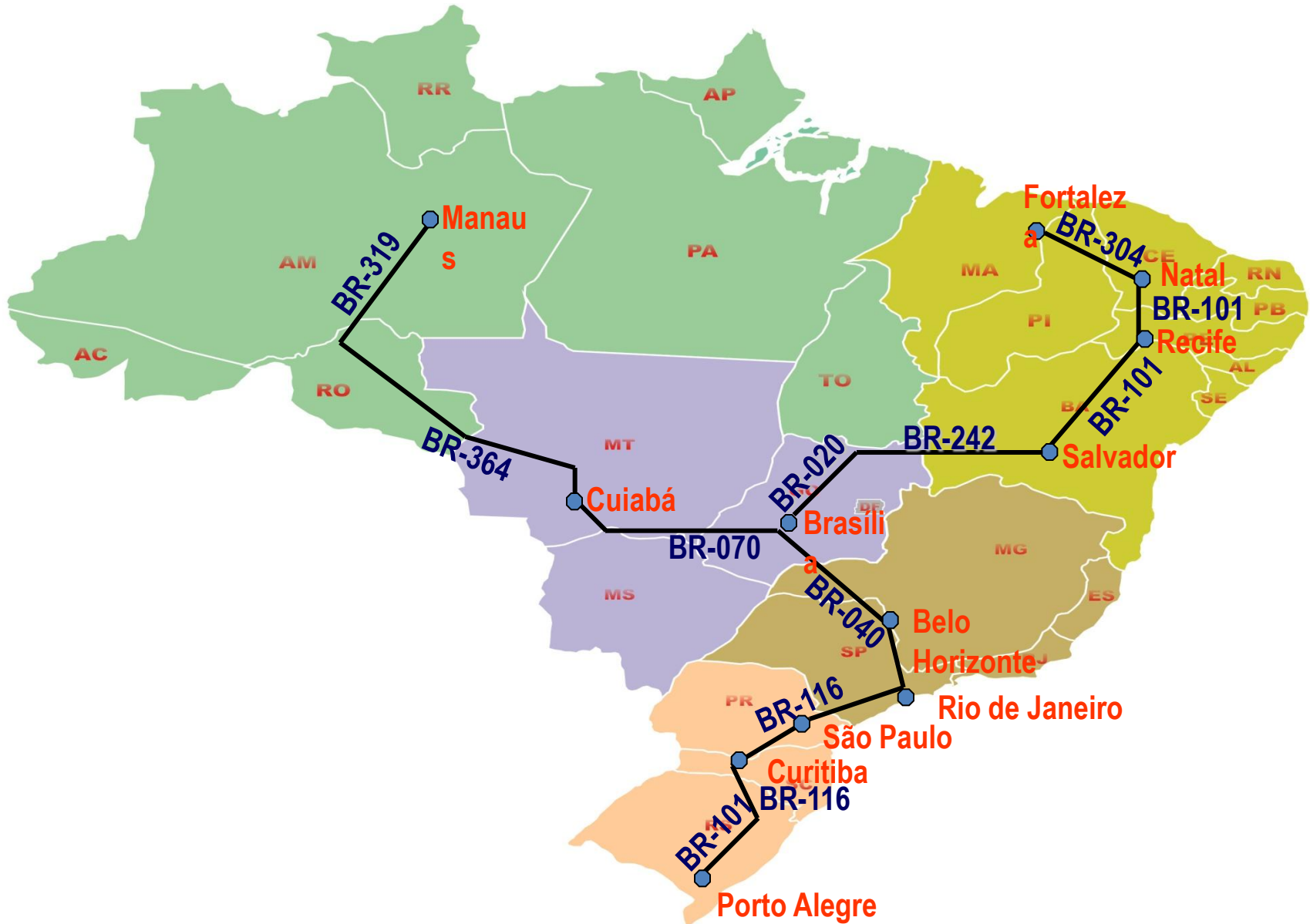
KEY Growth Acceleration Program [PAC] PROJECTS

| SECTOR | MINISTRY | FUNDING |
|---------------------------------------|---|-------------------------|
| Infrastructure | Civil Cabinet, Ministry of Transportation and Ministry of Finance | USD 240 Billion |
| Sanitation | Ministry of Cities | USD 19 Billion |
| Science and Technology | Ministry of Science and Technology | USD 16 Billion |
| Education | Ministry of Education | USD 3.8 Billion |
| Security | Ministry of Justice | USD 3 Billion |
| Youth Programs | Ministry of Labor | USD 2.5 Billion |
| Health Care | National Health Foundation | USD 1.9 Billion |
| Transportation | Ministry of Cities | USD 214 Million |
| TOTAL PLANNED PAC EXPENDITURES | | USD 287 Billions |

World Cup Host Cities

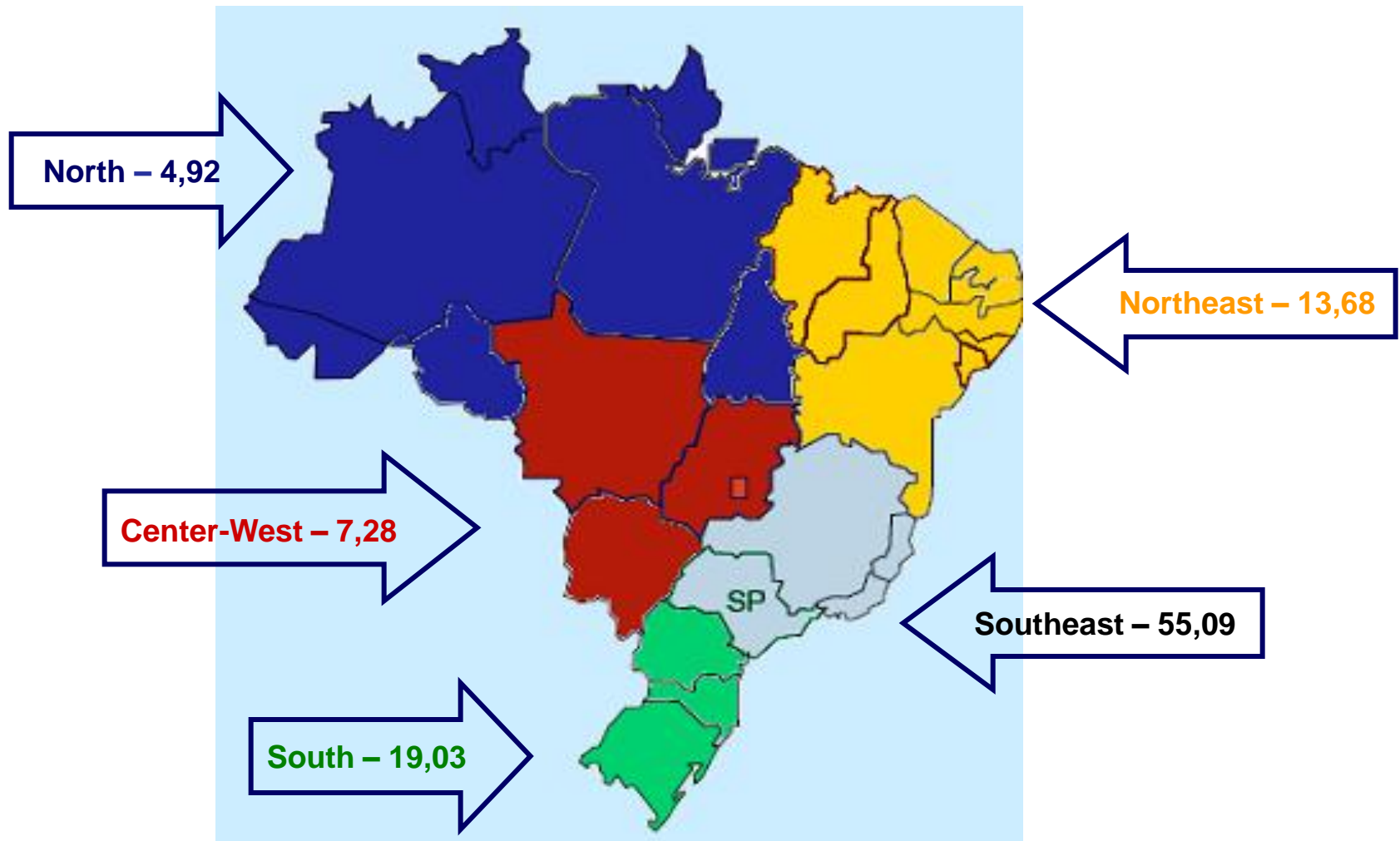
- 1-Fortaleza (Ceará) - Estádio: Castelão
- 2-Natal (Rio Grande do Norte) - Estádio: Cidade das Dunas
- 3-Recife (Pernambuco) - Estádio: Cidade da Copa
- 4-Salvador (Bahia) - Estádio: Fonte Nova
- 5-Brasília (Distrito Federal) - Estádio: Estádio Nacional de Brasília
- 6-Belo Horizonte (Minas Gerais) - Estádio: Mineirão
- 7-Rio de Janeiro (Rio de Janeiro) - Estádio: Maracanã
- 8-São Paulo - (São Paulo) - Estádio: Morumbi
- 9-Curitiba (Paraná) - Estádio: Arena da Baixada
- 10-Porto Alegre (Rio Grande do Sul) - Estádio: Arena do Beira-Rio
- 11-Manaus (Amazonas) - Estádio: Vivaldão
- 12-Cuiabá (Mato Grosso) – Estádio: Verdão

Highway Projects Connecting World Cup Host Cities



REGIONAL DISPARITIES

GDP share - % of total GDP - 2008



Bus Rapid Transit (BRT) Projects



Bus Rapid Transit (BRT) Projects

- The bus rapid transit (BRT) system - such as the one installed in Curitiba in the 1970s – can be an efficient solution for smaller host cities.
- In the BRT system, fees are charged at stations and not on the buses, making it faster. Implementation of the system is also much cheaper than a subway.
- While 1km of metro costs about US\$100mn, a BRT system costs US\$10mn.
- In addition, it can be implemented in 24-36 months, whereas subway lines can vary enormously.
- The Belo Horizonte subway has been under construction for 27 years.
- In addition to Brazil, BRT is used in countries such as Colombia and Chile.

SAO PAULO EXAMPLE

- São Paulo's state government plans to invest US\$9.37 billion in public transportation through 2012.
- The metropolitan transport expansion plan aims to provide the system with 99 new trains, new rail and metro lines, and new transport technology, such as hydrogen-run buses.
- In the metro system, US\$500 million will be invested by the São Paulo municipal government to expand a metro line. When ready, the line will transport 22,000 people/day.
- The state will invest another US\$4 billion in the metro system, with support coming from the federal transport budget, the Inter-American Development Bank, the World Bank, DB, World Bank and the Japan Bank for International Cooperation. The plan is to expand two lines by a total 17.8 km.

PRIVATE SECTOR ROLE

- Decisions about the privatization of airports (INFRAERO), ports, a high speed train and more road concessions are being considered in Brazil this year.
- These privatizations will create many new opportunities for suppliers in the industries.
- Brazil has laws that establish the general rules for public-private partnerships (PPP) and is supplementary to the existing public bidding and concession laws.
- A PPP is defined as a concession agreement and is essentially a build-operate-transfer concession designed for projects that require additional government support to take off.



Thank you !



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