

5th EU-Brazil Business Summit

The Brazilian National Confederation of Industry (CNI), in collaboration with BUSINESSEUROPE, the Federation of Belgium Enterprises, and EU-ROCHAMBRES, held the 5th EU-Brazil Business Summit on October 4 in Brussels.

The event featured distinguished guests, among them the President of Brazil, Dilma Rousseff, the European Commission President Jose Manuel Barroso, the European Council President Herman Van Rompuy, the Belgian Prime Minister Yves Letterme as well as over 250 participants.

The Brazilian Minister Fernando Pimentel and Commissioner Karel de Gucht discussed the importance of bilateral economic relations during lunch. President Rousseff closed the event with President Barroso, and President Van Rompuy and Belgian Prime Minister Yves Letterme.

The issues discussed include energy and climate change, investment opportunities, increasing competitiveness through innovation, and the EU-Mercosur Association Agreement. The business meeting aims to deepen the partnership, with proposals to promote economic cooperation and expand the exchange of information between European and Brazilian business leaders.

For further information and the joint declaration, please visit:

<http://www.eubrazilsummit.eu>

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Brazilian Economic Outlook

GDP (3rd quarter) yoy	2.1%
Industrial production (sep) yoy	0.7%
Interest rate Selic (dec) per year	11.0%
Inflation (Nov) 12-month period	6.64%
Exchange rate (nov) monthly average	1.79
Exports (Nov) 12-month period	30.4%
Imports (Nov) 12-month period	25.3%
International reserves (Oct) total in US\$ billion	352.9

The Brazilian National Confederation of Industry (CNI) is the largest and highest-level representation of industry in Brazil with a mission to promote a favorable business environment, enhancing companies' competitiveness and promoting sustainable development in Brazil. CNI represents and coordinates initiatives gathering 27 state federations of industry, over 100,000 industrial firms and sectoral associations, encompassing issues such as: economic policy, infrastructure, environment, SME development, labor relations, social responsibility and international strategies.

Bilateral Relations

Brazil-Germany Economic Meeting

The 29th edition of the Brazil-Germany Economic Meeting was held in the city of Rio de Janeiro from September 18 to 20. Several panels were held on cooperation and business opportunities between the two countries. In workshops, participants of the meeting discussed about innovation and research, logistics, urban mobility, infrastructure, opportunities in oil and gas, businesses related to the World Cup and Olympics, international integration of small and medium-sized enterprises and cooperation in the area of health. The event also included several business roundtables.

The event is a joint initiative of CNI and its German counterpart, Bundesverband der Deutschen Industries (BDI). In 2013 the Economic Meeting will take place in Germany.

Bulgaria

By the request of President Dilma Rouseff, CNI's president, Robson Andrade, led the business delegation to Sofia on October 5. On the occasion, a workshop was organized to present to the local business sector opportunities of trade and investment in Brazil. The agenda of discussion focused on issues related to energy and infrastructure. At the event's opening ceremony, CNI and the Chamber of Commerce and Industry of Bulgaria signed a Technical Cooperation Agreement for the development of joint activities with the aim of strengthening trade relations between the two countries.

Turkey

CNI's president Robson Andrade, by the request of President Rouseff, led a Brazilian business delegation to Ankara (Turkey) on October 7. A seminar was held to present business opportunities in Brazil for the Turkish business community and was attended by about 650 people. CNI signed a Technical Cooperation Agreement with Tuskon - The Confederation of Businessmen and Industrialists of Turkey.

IBSA Dialogue Forum

The India-Brazil-South Africa Dialogue Forum was held on October 17 in Pretoria, South Africa. The Brazilian business delegation was led by CNI's Vice President, Paulo Tigre. The main topics of discussion were issues of great importance to the economy of the three countries, such as trade facilitation, investment, energy and climate change, infrastructure, mining, agribusiness and health.

CNI was also represented by Paulo Tigre at the 5th IBSA Government Summit, also held in Pretoria on October 18. The meeting was attended by President Dilma Rouseff, accompanied by several Brazilian ministers, as well as the Indian Prime Minister, Manmohan Singh, and South Africa's President, Jacob Zuma.

National Industry Conference – ENAI 2011

The 2011 edition of the National Industry Conference (ENAI) took place in São Paulo on the 26th and 27th of October. The conference is acknowledged as the most representative business event of the Brazilian industry.

The event brought together industry businessmen, associations, various sectors and of all states of Brazil. Its goal was to assess and discuss alternatives to strengthen national industry and create new sources of economic dynamism in the country.

The 6th edition of the Conference had the central theme of strengthening the competitiveness of Brazilian industry. It was discussed through lectures and plenary sessions, issues related to the economic, social and political contexts that influence the competitiveness of industry and the insertion of Brazil in the global market.

Multilateral Negotiations

CNI hosts side event on Carbon Management at COP 17

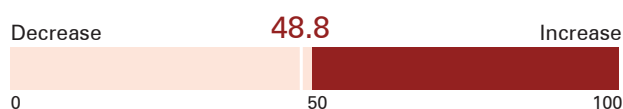
CNI was present at the 17th Conference of the Parties of the UNFCCC, held in Durban, South Africa, from November 28th to December 9th. As in previous years, CNI presented Brazilian industry positions on climate change and followed the negotiations closely.

This year, CNI also hosted its first UNFCCC Official Side Event at the Conference: "Business Initiatives for Carbon Management in Brazil". The event was organized in partnership with the Brazilian Business Council for Sustainable Development, the Business for Climate Platform and the Ethos Institute. The discussions focused on carbon management in Brazil - with presentations from Vale and Votorantim Industrial - and the Brazilian policy on climate change - with presentations from the Ministry of the Environment and the Ministry of Foreign Relations.

For more on CNI's participation at COP17, please visit: <http://www.empresasnacop.com.br> (Portuguese only)

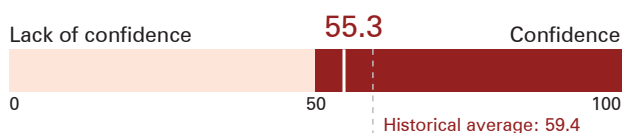
Industry Outlook

Production evolution (Oct/11)



www.cni.org.br/industrialsurvey

Business Confidence Index (Nov/11)



www.cni.org.br/businessconfidence

The October indicators show a negative outlook for Brazilian industry. Industrial production dropped once again in October (48.8-point index). The index for actual-usual Industry Capacity Utilization is now further away from the 50-point line. It fell from 45.0 points in September to 43.9 points in October, the lowest index since June 2009.

Notwithstanding this drop in production, stocks of finished products are up again in the month (evolution index of 52.4 points). The accumulation of undesired stocks has become a problem. The index for actual-planned stock levels grew from 52.9 points to 53.4 points.

The decline in manufacturing activity has affected expectations negatively. Optimism about demand evolution is less and less widespread in industry. The 53.3-point index is the lowest one since 2009.

The Business Confidence Index (ICEI) rose by 0.7 points in relation to the previous month and hit the mark of 55.3 points in November. In spite of this increase in the ICEI, it is still early to say for sure that the indicator will reverse the downward trend it has experienced since early 2010.



International Negotiations

MERCOSUL-European Union:

Due to the election calendar in Argentina and France, negotiations on the Mercosul-EU Association Agreement are advancing mainly on the normative texts, with the exchange of market access offers expected to mid 2012. The last round of negotiations took place in Montevideo from November 7th through the 11th, and the next round is scheduled to take place in Brussels from March 12th through the 16th.

Innovation

4th Brazilian Congress for Industry Innovation

CNI organized the 4th Brazilian Congress for Industry Innovation on August 3rd in São Paulo. The Congress brought together business and government representatives to discuss the Business Agenda for Innovation for Brazil. This agenda aims to enhance the effectiveness of instruments to support innovation in companies and the involvement of businessmen on the importance of innovation in the strategic management of their organizations.

During the discussions, the Business leaders delivered to the Minister of Development, Industry and Foreign Trade, Fernando Pimentel and to the Minister of Science and Technology, Aloizio Mercadante the document "The State of Innovation in Brazil: an agenda to stimulate innovation". The document details the innovation agenda proposed by the business leaders for Brazil focusing on areas such as R&D, intellectual property, human resources, small and medium enterprises and internationalization.

The event had the participation of speakers from national and international reputation, Brazilian business leaders and government officials. In total, the Congress was attended by almost 900 people.

www.inovacaonaindustria.com.br, in portuguese

Innovation Centers Network (RNI)

Aiming to sensitize and mobilize a greater number of companies to the importance of innovation, CNI has built an Innovation Centers Network (RNI) for regional and sectorial action on innovation. The goal is to create 35 innovation centers to operate throughout the Brazilian territory. The RNI works in partnership between CNI, SENAI, IEL, SESI, SEBRAE, state governments, universities and technology institutes to serve as agents for articulation with the businesses.

CNI and SEBRAE signed an agreement in the amount of R\$ 48.7 million for the design and implementation of plans for innovation in micro and small enterprises. Another agreement by CNI, the Ministry of Science and Technology and the Fund for Studies and Projects (FINEP) guaranteed R\$50 million more to support the centers in structuring methodologies for companies' business training and innovation management plans.

So far, 29 centers have been released – 23 regional and 6 sectorials.