1. **Politiek-besttuurlijke omgeving Santa Catarina**

**Facts & Figures**
- **Government**: Raimundo Colombo (PSD political party – Center left wing party)
- **Total Area**: 95,346,181 km²
- **Population**: total 6,634,250 hab. (2013)
- **Density**: 69.5/km²
- **Total GDP**: US$ 68,616,900 (2010)
- **GDP Per capita**: US$ 9,546 (2010)
- **Main cities**: Florianópolis, Joinville, Blumenau, São José, Criciúma, Lages, Itajaí, Chapecó e Jaraguá do Sul.

The state capital and seat of government is the city of Florianópolis. Florianópolis is located on the island of Santa Catarina, entirely south of the Capricorn Tropic, in the southern temperate zone. With a subtropical climate, Santa Catarina was, in historical terms, mostly colonized by European immigrants (Portuguese, German and Italian).

**Santa Catarina State**

Santa Catarina State is a significant exporter and consumer, which has one of the lowest rates of economic inequality in the country and the longest life expectancy, being the sixth richest state in the Federation of Brazil. With a diversified and industrialized economy, the state accounts for 4% of the Brazilian GDP and the highest GDP per capita of the south region of Brazil. The diversity of climate and landscapes stimulates the development of numerous activities, from agriculture to tourism, allowing that wealth does not become concentrated in just one area. Florianópolis stands out in the technology, tourism, services and construction. The North of the state concentrates companies acting in the technological, furniture and metalworking sector. The West focuses its activities on food production and furniture. In the mountain ranges and escarpments region, is located the paper industry, cellulose industry and wood industry. The South stands out for segments of clothing, disposable plastic, ceramic and coal. In Vale do Itajaí, predominates the textile and clothing industry, shipbuilding and technology companies. The state of Santa Catarina has a relatively good quality of logistics and transportation infrastructure, but still has a lot to improve, particularly in ports, airports, roads and railroads. The state is located in a strategic position in MERCOSUL. The capital, Florianópolis, is 1,850 km away from Buenos Aires (Argentina), 1,350 km away from Asuncion (Paraguay), 1,360 km away from Montevideo (Uruguay), 705 km away from São Paulo, 1,144 km away from Rio de Janeiro, 1,673 km away from Brasilia and 303 km away from Curitiba. Santa Catarina offers the means and the attractiveness of a solid infrastructure, necessary for their competitive participation in regional and global markets. The State has a skilled workforce, a consumer market with high purchasing power and offering various incentives for the installation of new businesses.

With the second highest HDI - Human Development Index - in Brazil, 0.840, behind only the Federal District, Santa Catarina has a great quality of life, and one of the lowest homicide rates. The most populous municipality is Joinville, with 492,101 inhabitants.

**Overview Florianópolis City**

Florianópolis is one of the three island capitals of Brazil. Being a capital city surrounded by beaches, Florianópolis receives thousands of visitors from different parts of Brazil and the world. Tourism ends up being one of the main generators of employment and income of the municipality. If the local tourism high season turns to the region's beaches, Florianópolis becomes a meeting point for business events, seminars and conferences. The technology centre of the capital of Santa Catarina is another important place of economic development. The sector is in the top fundraising cities since 2006, accounting for over 45% of GDP. The technology park of Florianópolis is made up of about 300 companies, many of them active in the international market.
The industrial area of Florianopolis is in region of “greater Florianopolis”. Neighbouring municipalities as Palhoça, Biguaçu and São José concentrate large companies and offer the necessary infrastructure for the creation of industrial districts.

The mariculture also figures as an important economic activity of the city. Currently, the state is the largest oyster producer in Brazil, generating income for many families through direct and indirect jobs.

**Politics**

PSD is a new political party of central-right wing that has being constituted in 2010. In Santa Catarina the PSD works together with federal government. Despite the fact that it has just a few years of constitution, the PSD counts with experienced politicians, i.e., that were in other parties before and are from a past generation.

The next year, 2014, it will be an election year. The governor intends to run for re-election. But with respect to support for the presidency post, it still has no decision taken for who is going to be support.

**Bottlenecks**

After Sao Paulo, Santa Catarina is the state most in need of professionally qualified staff. The industry demand in the state is 12,286 professionals. This is the actual need of the industry in the first half of 2013, together with business associations and the companies themselves. These data can be found in the survey PRONATEC Brasil Maior (National Program for Access to Technical Education and Employment “Greater Brazil”). Launched by President Dilma Rousseff in 2011, The PRONATEC substantially expanded course offerings for professional and technological education, and aims to solve the bottlenecks of human resources in strategic industries identified by the Greater Brazil Plan. In extension of the project was launched on September 19 of 2013 the offer of free courses according to the demand of the regional industry.

**Research and Development**

Federal University of Santa Catarina (UFSC) is among the 10 largest and finest institutions of higher education in Brazil. Here function more than 300 laboratories and research centres, many in collaboration with the Government and companies. There are 70 undergraduate and more than 90 masters and doctoral degrees available. Still in respect to higher education, established in 1974, the Santa Catarina Association of Educational Foundations (ACAFE) includes 15 institutions higher education, offering quality education in all regions of the state, serving as an educational network model for other states on Brazil.
2. **Economie en investeringen in Santa Catarina**

Santa Catarina remains between the three states in the nation in number of formally registered workers. It has been modernizing its management, using instruments and tools aiming to reduce public expenditure, revenue growth and especially to improve public services in Santa Catarina. It has substantially invested in technology and expertise. For the next years, in industry, the state government intends to prioritize automotive sectors, investments in food production, pharmaceuticals and renewable energy.

Despite the difficulties, effects of economic crisis in Europe and North America and of some exemptions and reducing transfers from the Federal Government that influenced the collection of states, the investments of the State of Santa Catarina totalled more than US 450 million in 2012, almost the same value 2011. For cost and maintenance, were invested US 660 million in health with growth of 8.29% over the year 2011, US 151 million in education (+19.40% compared to last year) and US 724 million in Public Safety. The State Government launched in 2012, the Pact of Santa Catarina, a program to manage projects that benefit the areas of Infrastructure, Health, Public Security, Justice and Citizenship, Social Welfare, Education and Sanitation. Santa Catarina is receiving more than US 7 billion to invest from the federal government. Santa Catarina is investing more than US 1 billion in infrastructure (construction and rehabilitation of 1.500 km of roads), US 226 million in health, US 121 million in construction and renovation of prisons and penitentiaries. The remaining funds will be allocated according to the priorities set by the government and society of Santa Catarina.

The Government of Santa Catarina established the possibility of Public Private Partnerships (PPPs) almost a year before the federal law that provides for this new way of concession. In this acts the private sector carries out the work and then begins to explore it to recover the investment. It was created the “SC-Partnerships”, a joint stock enterprise that aims to generate investments in the State, both by the regime of concession PPPs as conventional utilities. The Company’s Development Program of Santa Catarina (PRODEC), which already offered tax incentives, has been redesigned to allow more investment. The priorities set by the SC-Partnerships are duplication and construction of new roads, modernization of existing ports and installing new ones, the expansion of water and sewage systems, and expansion of equipment for the entertainment, leisure and increasing tourism.

Driven by the concessions of highways, railways, ports and airports, and the intensification of work for the World Cup and the Olympics, the GDP of the construction industry is expected to grow 2.5% in 2013.

**PRODEC (Program Development Company Santa Catarina)**

The PRODEC is a program with the purpose of providing incentives to the implementation or expansion of industry and commerce, which may produce and generate employment and income in the state of Santa Catarina. Incentives are: delaying the amount equivalent to a percentage of the value increment taxes generated by the project encouraged; deadline for enjoyment of incentives; need for early repayment. As the SDS - Secretary of State for Sustainable Economic Development in 2012, 24 companies joined the program, with an estimated 3.497 jobs and US $954.16 million in investments.

- **Exporting**

Santa Catarina is known for its industrial park, one of the major exporters of manufactured goods of Brazil. Its manufacturing industry is the fourth in the country in the number of businesses and fifth in number of workers. It is a leader in Latin America and Brazil in various segments. Has qualified workers and has invested heavily in innovation. Its municipalities are identified as the most dynamic in the country. From January to December 2012, exports of Santa Catarina reached the accumulated value of US $8.9 billion. The values exported by Santa Catarina corresponded to 3.7% of Brazilian exports. It occupies the tenth place in the national ranking. The main markets for the products of Santa Catarina in 2012 were the United States (11.4%), Argentina (6.8%), China (6.3%) and the Netherlands (6.3%).
3. **Overlap met NL-se topsectoren**

   - **Infrastructure**

**SEAPORTS**

The four seaports of Santa Catarina - Itajaí, São Francisco do Sul, Navegantes and Imbituba - are well equipped and maintain regular lines with the major port cities in the world. Together, they handle annually about 18 million tons. The Port of Itajaí is the second of Brazil (and 13th in Latin America and the Caribbean) in moving containers. In 2008, the ports of Itajaí, São Francisco do Sul and Imbituba handled 14.6 million tons. Santa Catarina is the only Brazilian state with three representatives in the ranking of the top 20 ports on that criterion (in Latin America and the Caribbean) – the one in São Francisco do Sul occupies the 6th place and Imbituba appears in 16th. The newest port in Santa Catarina, in the municipality of Navegantes is not yet included in the statistics of the National Agency for Waterway Transportation (Antaq), it came into operation in October 2007.

**ROADS**

More than 62,000 km of federal, state and municipal roads compose the road network of Santa Catarina, the second best in quality in the whole country. All 293 municipalities have access to highways. The BR-101, main link between Santa Catarina and other states along the coast, was doubled between Florianópolis and Paraná to facilitate the cargo flow between consumer centres in the Southeast. US $1.1 billion are being invested in doubling the southern stretch between Palhoça (SC) and Osório (RS). The road network also has two other major highways: BR-116, 310 km long, running through the interior of the state from north to south, connecting it with neighbours states, and the BR-282, with 690 km extension, which cuts across the state, linking the capital Florianópolis to Argentina.

**AIR TRANSPORT**

The airports of the State provide rapid connections to neighbours countries. The main airports are: Hercílio Luz in Florianópolis, with a turnover of more than 2.95 million passengers, Navegantes with 1.2 million and Joinville with 485,000. (Source: INFRAERO 2011). The airport Hercílio Luz is located on the island of Santa Catarina, 12 km from the centre of Florianópolis, with access from the South Bay, and it has activities of Import, Export, pediment and Customs Transit.

**NETWORK AND CONNECTION OF THE RAILWAY**

Santa Catarina has 980 km of railways in full operation. Only two companies have the railroad concession in the state, the Railway Teresa Cristina and America Latina Logistics (ALL). The rail in Santa Catarina is connected with the main loop (Brazilian ports of Paranaguá and Rio Grande), with the railways of Argentina and Uruguay, with the port of São Francisco do Sul and has a link from the coalfield region to the Port of Imbituba.
ENVIRONMENT

In Santa Catarina, businesses and citizens are aware of their role in sustainable development. Among Brazilian states, it has the largest portion of the Atlantic Rainforest. Altogether, there are 15 Federal Conservation Units, nine state, plus 22 private reserves of natural heritage, numerous municipal parks and private. Preserved for scientific research and ecotourism, nature in Santa Catarina is also part of the business. The corporate environmental and social responsibility is manifested in actions such as the proper water treatment and implementation of management systems that include large investments in environmental education. The growth potential of green business is enormous, from the generation of clean energy to exploitation and utilization of waste.

- Business sectors

AGRIBUSINESS

Santa Catarina has a relevant food industry, being the largest producer of pork meat in the country, second in broiler production and leader in seafood. The food industry is the second largest employer among the industries of the State. In 2012, the agribusiness remained as flagship of Santa Catarina exports, accounting for 6 of the top 10 export products. The largest share is for chicken cuts and offal (15.77 %). Then comes the tobacco sector with 9.65%, and compressors with 5.65%. The estimate of the national harvest of cereals, vegetables and oilseeds in 2012, is 162.6 million tonnes, up 1.2 % compared to the 2011 harvest (160.1 million tons), according to the Statistics Coordinating Group agricultural - GCEA of IBGE. The area harvested in 2012 is 48.8 million hectares, an increase of 0.3 % compared to the previous year. The three main crops are rice, corn and soybeans, which represent 91.6 % of the production of cereals, vegetables and oilseeds in a year.

Among the major regions, the midwest has the largest share (43.7 %) with production of 70.8 million tons, followed by the South, which records 34.2 % share and 55.5 million tons. In the ranking of the largest producers of cereals, vegetables and oilseeds in Brazil, Santa Catarina lost its position to São Paulo, returning to occupy ninth place, with a share of 3.3%. The state of Santa Catarina continues a leading producer of cereals, vegetables and oilseeds in tonnes per hectare (4.18 t/ha) among the major states of the country, i.e., has the highest yield per area. The state remains second in the slaughter of chickens, with 230,299,554 heads in the 3rd quarter of 2012 (latest data reported by IBGE). Paraná is the first. The slaughter in the quarter, compared to the same quarter of 2011, show Mato Grosso (33.2 %) and Bahia. (16.0%) (Among the major states of the Federation).

In pork production, Santa Catarina remains the leader 2,274,361 cattle slaughtered in the 3rd quarter of 2012. Second comes the Rio Grande do Sul, with 1,934,085 heads, overtaking Paraná (1,842,436 heads). Santa Catarina jumped from sixth largest milk producer in the country to fifth, outpacing Goiás.

FISHERY AND MARICULTURE

According to the 2012 bulletin of the Ministry of Fisheries and Agriculture, for the year 2010 (latest data released), Brazil, produced 1.264.765 tons of fish, an increase of 2% compared to 2009. The country is the 18th on the world ranking in the production of fish.

Santa Catarina, according to the MPA, remains the largest fish producer in Brazil, with 183.770 tons, followed by the states of Pará (143.078 t) and Bahia (114.530 t). The state is also the largest producer of fish coming from the extractive fishing fleet of Brazil, in 2010, contributing 23% of national production and production of 124.977 tons. In recent data published by EPAGRI - Agricultural Research and Rural Extension of Santa Catarina - the production of shellfish (mussels, oysters and scallops) in 2011 was 18.253.8 tons, an increase of 16.75% over 2010. Involving a contingent of 695 shell fishermen generate an estimated gross revenue of more than US 20 million for the state.

AUTOMOTIVE

In the automotive sector it is worth mentioning the recent opening of a BMW factory. The shipbuilding industry is the 3rd of the country in the number of workers, concentrating more on Navegantes and Itajai.
PHARMACEUTICAL

In 2010 was released in Florianopolis the announcement of the construction of the Reference Centre for Pre-Clinical Pharmacology (CRF), which is part of the CERTIFoundation (Reference Centres for Innovative Technologies) and aims to attract to Florianopolis pharmaceutical industries that are currently concentrated in Southeast of Brazil. CRF functions as a promoter of development and improvement of pharmaceuticals and serves to conduct pre-clinical trials required for the development of medicines, an area which is still very lacking in the country. The CRF emerged from an agreement signed between the Financier of Studies and Projects (FINEP), Ministry of Health, Ministry of Science and Technology and, more recently, counts with the support of FAPESC.

INFORMATION TECHNOLOGY

The greatest flurry of investment activity is around the state’s nascent IT sector. It is noted for its flexibility and client-orientation since it grew on the back of the strong industrial demand for IT solutions to specific problems. Conscious of the potential of the sector to fill a gap generated by the decline of traditional industry, the government is promoting this sector. Under its SC@2022 Plan, the government aims to make the state the most innovative in Brazil within ten years.

AERONAUTICS

In 2012 the state government signed a protocol with Novaer Craft and SCPar (entity to promote investment in Santa Catarina), to create a factory for small aircraft, establishing a new cluster aerospace industry, which is expected to operate in 2014. The Polo will feature a high-tech engineering center in Park Sapiens, in Florianopolis, and supply chain in Lages. In five years, Novaer Craft will produce 120 aircraft per year at an average price of US$ 700,000 each.

The industry is global supplier of landing gear and keeps with an American company a commitment to purchase the first 200 aircraft T-Xc. Surrounding the Novaer Craft rotate two dozen suppliers. Today the aircraft industry is mostly installed in São Paulo, attracted by the strategic hub of Sao Jose dos Campos, a result of 50 years of federal government investment. In the future that industry will migrate or will be developed in Santa Catarina, preferably in the Sea Mountains, for convenience logistics.

The aircraft T-E, which will be produced in Santa Catarina, will serve both the civilian transport market as military aerobatic. It was designed by mechanical engineer Joseph Kovács, the same who developed the Tucano, the most successful aircraft of Embraer in the area of defense and security. Kovács is also designer of the T-25 Universal, prime aircraft of the Brazilian Air Force, which will replace the current T-Xc.

SUBSIDY AND INCENTIVES FOR IT

In 2007 was created the Board of Development of Science, Technology and Innovation (DCTI) with the primary function of preparing proposals and projects and motivate the Santa Catarina society on relevant topics to the development of science, technology and innovation in the state, having as the main "partner" FAPESC - Foundation for Support of Scientific and Technological Research of the State of Santa Catarina (entity within the Secretariat of State for Sustainable Economic Development). To fulfill its role DCTI is organized into two managers, the Management of Development of Science and Technology and Innovation and the Management of Attraction and Ventures in Technology Based.

Santa Catarina was the second Brazilian state to have an Innovation law approved (2008) and the first to regulate it. This law allows: to stimulate the interaction of research institutions with the productive sector, the possibility of additional compensation or purse for public officials involved in research, direct state support for research in innovative companies (via public notice), support for independent inventors, among other advances.
TOURISM

The state of Santa Catarina was elected in 2012, the sixth consecutive year, the best tourist destination in Brazil (Magazine Travel and Tourism). 51 events were held to promote and encourage tourism. The state received, January-March 2012 (latest data) over 6 million tourists from home and abroad, and recorded an estimated revenue of more than US 4 billion. Considering only January and February, the movement of tourists was 4.6 million to revenues of over US 3 billion.

The Argentines represent the largest number of foreign tourists in the state (63%). Then come the Paraguayans (7.6%), Chileans (7.2%) and Uruguayans (7%). Of domestic tourists, after catarinenses own, the gauchos are the ones who visit the state (22.5%), followed by Paraná (15.7%), São Paulo (9.3%) and Rio (1.7%).

Sources:

Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística - IBGE)
The Brazilian Institute of Geography and Statistics, a federal government agency, calculates the National Consumer Price Index (INPC) and the Enlarged Consumer Price Index (IPCA), both released on a monthly basis. The IPCA is used as the reference for the inflation target.

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