

The Top 20 Brazilian Multinationals:

A Long Way Out of the Crises

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The Center of International Financial Management Studies (IFM) of the São Paulo School of Business Administration (EAESP) of Fundação Getúlio Vargas (FGV), Brazil, and the Columbia Center on Sustainable Investment (CCSI), a joint center of Columbia Law School and The Earth Institute at Columbia University in New York, are releasing today the results of their research report profiling the top 20 Brazilian multinational enterprises (MNEs),¹ ranked in terms of foreign assets. The report is part of the Emerging Market Global Players (EMGP) Project, a long-term study of the rapid global expansion of MNEs from emerging markets. The present report, conducted in 2017, covers the 2016 annual year.²

Highlights

In 2016, the top 20 Brazilian MNEs included in our survey had combined foreign assets of approximately US\$ 106.7 billion, foreign revenue (including exports) of more than US\$ 135.3 billion and 195,377 foreign employees (excluding outsourced, temporary and seasonal employees).³ On average, the foreign assets of the top 20 firms constituted 44.9% of those firms' total assets in 2016; foreign sales accounted for 61.6% of the firms' total net sales; and foreign employees accounted for 23.9% of their total employees, resulting in an average Transnationality Index (TNI) of 43.5% (Annex Table 1).

Of the top 20 Brazilian MNEs, the Oil and Gas Extraction, Food Manufacturing, Mining, the Primary Metal Manufacturing, and the Paper and Allied Products industries comprised almost 90% of the foreign assets (eleven companies). The top three companies (Petrobras,

¹ The report was prepared under the direction of Hsia Hua Sheng, Professor of Finance at FGV-EAESP with assistance of José Marcos Carrera Junior, Ph.D. candidate at EAESP/FGV. The authors would like to thank Nathalia Cristina Ribeiro da Costa, bachelor in Economics at Federal University of São Paulo (UNIFESP), and Marília Reinato Carrera for sharing efforts during the data collection process.

² The authors would like to thank the Applied Network Research and Knowledge of Fundação Getúlio Vargas (FGV) for financial support.

³ Financial firms are also excluded from the ranking as per the methodology of the Emerging Market Global Players project.

Vale, and JBS) accounted for approximately 62% of the total foreign assets of the top 20 Brazilian MNEs in 2016.

The top foreign investment destinations of the ranked Brazilian MNEs were: (1) United States – 19 out of the top 20 firms; (2) Argentina – 13 out of the top 20 firms; (3) United Kingdom – 13 out of the top 20 firms, and (4) China and Mexico – 11 out of the top 20 firms. Primary activities in these destinations included production and manufacturing units, and foreign sales and distribution centers (Annex Table 2; Annex Figure 2).

Notably, the top 20 Brazilian MNEs in 2016 were slightly different from the top 20 MNEs in 2015 (Table 1)⁴ due to the companies' performance and activity. Specifically, three firms that did not appear on the 2015 list of the top 20 were included in the 2016 ranking (Marfrig, Valid and Metalfrio). Among those firms, Marfrig was ranked in the top ten in the current survey. Despite this fluctuation, the year-on-year comparison is useful as a way to analyze trends.

⁴ Available at: <http://ccsi.columbia.edu/files/2013/10/EMGP-Brazil-Report-March-21-2017-FINAL.pdf>

The EMGP methodology relies heavily on data received directly from surveyed multinational firms. However, gathering the required information for Brazilian MNEs involved significant challenges. In particular, firms to which we reached out did not respond to requests to participate in a survey and the financial information that we were soliciting via the survey was not always readily available through other public sources. This report therefore identifies and analyzes only companies that are listed on the São Paulo Stock Exchange (BM&FBovespa) and that have publicly reported either primary or secondary data on foreign assets, foreign sales and foreign employees for the year of 2016.

As a result of this methodology, our sample does not include any large MNEs in the construction industry, which, in terms of their representativeness and overseas operations should be included in any ranking of top Brazilian multinationals. The main reason for that is because many of them are not listed, and we did not have access to their financial data. Moreover, the fact that some of these construction enterprises are also being investigated in relation to alleged corruption and involvement in overpriced contracts with state-owned organizations exacerbated difficulties in gathering data from them, because we were restricted to publicly available information.

Table 1 – Brazil: The top 20 non-financial multinationals, by foreign assets, 2016 (USD Million⁵)

Rank 2016	Rank 2015	Company	Core Industry	Status (% of state ownership - Voting Shares)*	Foreign Assets 2016	% of Total Assets	*
1	4	Petrobras	Oil and Gas Extraction	Listed (63.8)	28,614	11.6	a
2	1	Vale	Mining (except Oil and Gas)	Listed (24.9)	23,656	23.8	a
3	2	JBS	Food Manufacturing	Listed (21.3)	13,761	43.5	c
4	3	Gerdau	Primary Metal Manufacturing	Listed (Nil)	9,346	55.6	c
5	6	Fibria	Paper and Allied Products	Listed (29.1)	5,300	50.0	a
6	8	Embraer	Transportation Equipment Manufacturing	Listed (5.4)	3,895	33.3	a
7	9	Suzano Papel	Paper and Allied Products	Listed (Nil)	3,552	39.3	a
8	5	CSN - Sid. Nacional	Primary Metal Manufacturing	Listed (Nil)	2,821	20.8	a
9	-	Marfrig	Food Manufacturing	Listed (33.7)	2,712	43.5	d
10	10	BRF	Food Manufacturing	Listed (22.1)	2,554	43.9	a
11	11	Minerva	Food Manufacturing	Listed (2.5)	2,512	91.1	d
12	7	Braskem	Chemical Manufacturing	Listed (30)	2,246	14.1	a
13	14	Iochpe-Maxion	Transportation Equipment Manufacturing	Listed (Nil)	1,162	53.5	d
14	17	Marcopolo	Transportation Equipment Manufacturing	Listed (Nil)	1,141	74.6	d
15	13	Tupy	Transportation Equipment Manufacturing	Listed (61)	986	67.2	d
16	20	Magnesita	Mining (except Oil and Gas)	Listed (Nil)	947	50.1	d
17	18	Natura	Merchant Wholesalers, Nondurable Goods	Listed (Nil)	441	17.0	c
18	-	Valid	Printing and Related Support Activities	Listed (Nil)	386	60.5	a
19	19	Alpargatas	Leather and Allied Product Manufacturing	Listed (Nil)	371	31.8	c
20	-	Metalfrio	Machinery Manufacturing	Listed (Nil)	245	72.6	d
TOTAL					106,651	44.9	

* We have considered both direct and indirect state ownership through Brazilian National Development Bank (BNDES – *Banco Nacional de Desenvolvimento Econômico e Social*), pension funds of state-owned enterprises, state-owned banks, state-owned enterprises, state-owned funds, governmental agencies, and National Treasury.

a. Source: Estimated based on the companies' annual financial reports (DFP *Demonstrações Financeiras Padronizadas* - Standardized Financial Repots). Notes on investments in other enterprises.

b. Source: EMGP's Questionnaire.

c. Source: Bloomberg database.

d. Source: Ranking of Fundação Dom Cabral (FDC) 2017.

Our estimations, based on the companies' annual reports, do not show the precise value of the foreign assets of the top 20 Brazilian MNEs, but rather give an approximation of the magnitude of such investments. In Brazil, firms are not required to disclose their foreign assets. Therefore, this report estimates the foreign assets of the ranked firms using information contained in the "Investments in Subsidiaries" section of their respective annual reports⁶.

⁵ We used the year-end official Brazilian exchange rate (Ptax) published by Brazilian Central Bank (R\$ 3.2492 for each USD in the end of 2016).

⁶ Historical data: we collected the book value of all foreign invested companies and subsidiaries from the companies' annual report notes.

Profile of the Top 20

Head Office Location

The head office (the place where strategic decisions affecting the enterprise group as a whole are taken – this is the place where the board and the top management team are located) of each of the top 20 Brazilian MNEs was located in the South or Southeast of Brazil (Annex Figure 3). These are the most economically developed regions of the country.

The head offices of 13 of the top 20 Brazilian MNEs were located in São Paulo, the most populous and developed Brazilian state. São Paulo is the financial center of Brazil, which eases firms' access to financial and capital markets. It also has the best transportation infrastructure in the country and is home to some of the highest ranked Brazilian universities.

Outside of São Paulo, three firms were headquartered in Rio de Janeiro (Vale, Petrobras and Valid), two firms were headquartered in Rio Grande do Sul (Gerdau and Marcopolo), and one firm was headquartered in each of Minas Gerais (Magneisita), and Santa Catarina (Tupy).

State Ownership

The Brazilian government both directly and indirectly owned more than five percent of the voting shares in nine out of the top 20 Brazilian MNEs (Table 1). The Brazilian government was the controlling shareholder of Petrobras (63.8%), Tupy (61%), and Embraer (5.4%). In Embraer's case, the Brazilian government exerted influence and control through its "golden share" (the only shareholder that owns the golden share at Embraer is the Brazilian Government). The golden share is entitled to the same voting rights as the holders of common shares. However, the golden share entitles the Brazilian government to veto rights over some corporate actions including: change of corporate purpose, creation and/or alteration of military programs (whether or not involving Brazil), development of third party skills in technology for military programs, discontinuance of the supply of spare parts and replacement parts for military aircraft and transfer of control.

Out of the top five Brazilian MNEs in 2016, only Gerdau did not have any direct or indirect state ownership.

This result is consistent with the study of Hennart, Sheng and Carrera (2016),⁷ in which they show a positive correlation between the state ownership and the degree of internationalization of the Brazilian MNEs. Among the reasons for this positive correlation, the authors point out that the Brazilian government is interested in developing large multinational enterprises that are able to compete and succeed abroad. Therefore, in Brazil there are public policies to foster internationalization.

⁷ Hennart, J. F., Sheng, H. H., & Carrera, J. M. (June 2017). Openness, international champions, and the internationalization of Multilatinas. *Journal of World Business* 52(4), 518-532.

Ten of the top 20 companies exhibit no direct or indirect state ownership.

In addition to the direct investments in the ranked Brazilian companies, the government also invests in Brazilian companies indirectly through pension funds of state-owned enterprises, the Brazilian National Development Bank (BNDES – *Banco Nacional de Desenvolvimento Econômico e Social*) and its investing subsidiary BNDESPAR (*BNDES Participações S.A.*), and through other public firms, banks and funds.

Stock Exchange Listings

All companies covered on this report are listed on the São Paulo Stock Exchange (BM&FBovespa – *Bolsa de Valores, Mercadorias e Futuros de São Paulo*).

In addition to their BM&FBovespa listing, 15 of the top 20 Brazilian MNEs (excluding Marcopolo, Tupy, Natura, Alpargatas, and Metalfrio) were also listed on the New York Stock Exchange (NYSE) via American Depositary Receipt (ADR) (Annex Table 3). Vale, Gerdau, Petrobras and Braskem each had a third listing on the *Bolsas y Mercados Españoles* (BME - Labitex) in Spain.

Since 2010 Petrobras has also been listed on the Buenos Aires Stock Exchange (BCBA) in Argentina, and, also since 2010, Vale has been listed on the Hong Kong Stock Exchange.

Official Language

The official language of all the top 20 Brazilian multinational firms is Portuguese.

Industries

The top 20 Brazilian MNEs are primarily concentrated in the extractive and commodities sectors (Table 1; Annex Figure 1). Of the total foreign assets of all of the ranked firms, the Oil and Gas Extraction (Petrobras (26.8%)), Food Manufacturing (JBS, Marfrig, BRF, and Minerva (23.1%)), Mining (Vale and Magnesita (23.1%; with Vale alone accounting for 22.2%)), Primary Metal Manufacturing (Gerdau and CSN – Companhia Siderúrgica Nacional (11.4%)), and Paper and Allied Products Manufacturing (Fibria and Suzano Papel (8.3%)) together comprise 89.8%. One explanation for concentrations of Brazilian firms in extractives and commodities is that Brazil is rich in natural resources and has large areas suitable for agriculture and livestock.

The remaining 10.2% of foreign assets of the ranked firms were distributed among companies in six different industries including four firms in the Transportation Equipment Manufacturing industry (Embraer, Iochpe-Maxion, Marcopolo, and Tupy), and one firm in each of the Chemical Manufacturing (Braskem), Merchant Wholesalers, Nondurable Goods (Natura), Printing and Related Support Activities (Valid), Leather and Allied Product Manufacturing (Alpargatas), and Machinery Manufacturing (Metalfrio) industries.

Foreign Countries Where Firms Have Operations

On average, the top 20 Brazilian MNEs each have operations in more than 12 countries outside of Brazil (Annex Table 2).⁸ Magnesita operates in 27 foreign countries (not including Brazil), and Vale and BRF, operating in 25 foreign countries each, are at the top end of the spectrum. At the other end, Tupy and CSN – Siderurgica Nacional operate in 3 foreign countries.

The top foreign investment destinations of the ranked Brazilian MNEs were: (1) United States – 19 out of the 20 firms; (2) Argentina – 13 out of the top 20 firms; (3) United Kingdom – 13 out of the top 20 firms, and (4) China and Mexico – 11 out of the top 20 firms. Primary activities in these destinations included production and manufacturing units, and foreign sales and distribution centers (Annex Table 2; Annex Figure 2).

The main markets for Brazilian exports were the United States and China. The large presence of Brazilian multinational firms in these countries may reflect strategies to achieve proximity to their main customers.

There is also a significant presence of ranked Brazilian MNEs in Latin American countries, including Argentina, Mexico, Chile, Uruguay, Colombia, Paraguay and Peru. The presence of Brazilian MNEs in these countries may be explained by the geographical, institutional and cultural proximity. This may particularly be the case for neighboring Argentina, a significant importer market for Brazilian manufactured goods. Almost all of the companies (17 out of the top 20 firms) have operations in at least one Latin American country outside of Brazil (Embraer, Fibria and CSN – Companhia Siderúrgica Nacional are the exceptions).

Some of Brazilian firms are also establishing their operations in Paraguay due to its proximity to Brazil, its lower labor cost, and more favorable taxation policies.

Also notable is the fact that meat processing firms and slaughterhouses had significant assets in the United Arab Emirates to serve the important Middle East market, a large consumer of poultry.

Foreign Assets

In 2016, the top 20 Brazilian MNEs held approximately US\$ 106.7 billion (3.2492 Brazilian reais per US dollar) in aggregate foreign assets, which represented an increase of 11.2% compared to the approximately US\$ 95.9 billion held by the top 20 in 2015 (3.904 Brazilian reais per US dollar). When considering foreign assets calculated in Brazilian reais instead of US dollars, an overall decrease of 7.4% in comparison to 2015 is observed.⁹

In 2016 the aggregate foreign assets of the ranked firms accounted for 44.9% of the ranked firms' total assets. Minerva had the highest proportion of overseas assets with a 91.1%

⁸ For purposes of this report, we have considered a firm having a plant, a commercial subsidiary, a business office, a distribution center, or a research center as constituting operations in other countries.

⁹ Compared to the exchange rate used in the 2014 report, there was a 54.5% variation.

foreign-to-total asset ratio, while Petrobras had the highest absolute value of foreign assets (US\$ 28.6 billion).

Notably, compared to our 2015 report, the foreign asset to total asset (FA/TA) ratio for both Fibria and Marcopolo changed dramatically. Marcopolo had a challenging year in 2016. Its results were not as expected in the domestic market and the value of its total assets (domestic and foreign) decreased by 1.4% (in Brazilian reais). Marcopolo's FA/TA ratio increased because of its strengthened foreign to total assets, rather than any major new investments abroad. On the other hand, Fibria increased its total assets by 17% in 2016 (in Brazilian reais). However, the value of the assets of its foreign subsidiaries (almost all of which are trade service firms) decreased by 32% (in Brazilian reais). One partial explanation for this variation is that the Brazilian real appreciated by 16.8% in 2016 (end of year comparison), which had a particular impact on the bulk of the financial assets (primarily receivables) of Fibria's foreign subsidiaries. Like Marcopolo, there was no major new investments abroad.

Foreign Sales

In 2016, the top 20 Brazilian MNEs reported approximately US\$ 135.3 billion (3.2492 Brazilian reais per US dollar) in foreign sales (including exports), which represented an increase of 38.9% compared to the nearly US\$ 97.4 billion in foreign sales observed in 2015 (3.904 Brazilian reais per US dollar). When the figures are calculated in Brazilian reais as opposed to US dollars, an increase of 15.6% in foreign sales is observed (-16.8% of exchange rate variation in comparison to the exchange rate used in the 2015 report).

In 2016 the foreign sales (including exports) of the ranked firms represented on average 61.6% of total net sales. Vale had the highest foreign-to-total sales (92.5%), and JBS the highest absolute value of foreign sales (US\$ 44.9 billion).

Foreign Employees

In 2016, the top 20 Brazilian MNEs had a combined total of 195,377 employees (excluding outsourced, temporary and seasonal employees) abroad, which represented an increase of 12% compared to the 174,448 employees outside of Brazil in 2015.

For the 20 ranked firms, foreign employees represented an overall average of 23.9% of the total number of employees. Marfrig had the highest proportion of overseas workers (54%), while JBS had the greatest absolute number of foreign employees (100,340).

Transnationality Index (TNI)

The average 2016 Transnationality Index (TNI) – the average of the ratios of foreign assets to total assets (FA/TA), foreign sales to total sales (FS/TS), and foreign employment to total employment (FE/TE) – of the top 20 Brazilian MNEs was 43.5% (Table 3). Metalfrío had the highest TNI at 62.2%.

Table 2 – Brazil: Transnationality Index (TNI) of the top 20 non-financial multinationals, 2016

Rank by Foreign Assets – 2016	Company	Industry	FA/TA	FS/TS	FE/TE	TNI
1	Petrobras	Oil and Gas Extraction	11.6%	20.2%	5.3%	12.3%
2	Vale	Mining (except Oil and Gas)	23.8%	92.5%	22.6%	46.3%
3	JBS	Food Manufacturing	43.5%	85.6%	44.5%	57.9%
4	Gerdau	Primary Metal Manufacturing	55.6%	72.0%	50.2%	59.2%
5	Fibria	Paper and Allied Products	50.0%	89.7%	1.2%	47.0%
6	Embraer	Transportation Equipment Manufacturing	33.3%	89.2%	13.5%	45.3%
7	Suzano Papel	Paper and Allied Products	39.3%	66.4%	6.8%	37.5%
8	CSN - Sid. Nacional	Primary Metal Manufacturing	20.8%	54.9%	1.1%	25.6%
9	Marfrig	Food Manufacturing	43.5%	78.7%	54.0%	58.7%
10	BRF	Food Manufacturing	43.9%	52.3%	15.8%	37.3%
11	Minerva	Food Manufacturing	91.1%	66.9%	13.0%	57.0%
12	Braskem	Chemical Manufacturing	14.1%	48.3%	18.6%	27.0%
13	Iochpe-Maxion	Transportation Equipment Manufacturing	53.5%	79.5%	45.4%	59.4%
14	Marcopolo	Transportation Equipment Manufacturing	74.6%	32.5%	15.0%	40.7%
15	Tupy	Transportation Equipment Manufacturing	67.2%	83.3%	33.3%	61.3%
16	Magnesita	Mining (except Oil and Gas)	50.1%	45.2%	20.8%	38.7%
17	Natura	Merchant Wholesalers, Nondurable Goods	17.0%	32.3%	23.3%	24.2%
18	Valid	Printing and Related Support Activities	60.5%	49.9%	15.8%	42.1%
19	Alpargatas	Leather and Allied Product Manufacturing	31.8%	35.0%	21.6%	29.5%
20	Metalfrio	Machinery Manufacturing	72.6%	58.0%	56.0%	62.2%
AVERAGE			44.9%	61.6%	23.9%	43.5%

FA/TA = Ratio of Foreign Assets to Total Assets

FS/TS = Ratio of Foreign Sales to Total Sales

FE/TE = Ratio of Foreign Employees to Total Employees

Source: Bloomberg and Economatica database, firms' annual reports (*Formulários de Referência* and DFPS *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports), Fundação Dom Cabral's Brazilian Multinationals Ranking 2017¹⁰, and primary data through EMGP's questionnaires.

Compliance

Most of the top 20 Brazilian MNEs' public filings indicated that they have made changes in their company's policies and ethical and compliance codes to ensure that they comply with the highest international standards of responsible business conduct, including compliance with their host-countries' laws and regulations and also with the home- and host-countries' ethical codes.

The measures that were most frequently mentioned by the top 20 MNEs relating to compliance with laws, regulations and ethical codes were: the implementation of new internal ethical and compliance codes, the establishment of international ethics and compliance committees, making trainings available in various languages in all host countries and ensuring that these trainings were mandatory for employees, ensuring that legal advice was sought when conducting business internationally, and creating key performance indicators (KPIs) on sustainability.

¹⁰ Available at:

http://www.fdc.org.br/professoresepesquisa/nucleos/Documents/negocios_internacionais/2017/Ranking_FDC_Multinacionais_2017.pdf

Further, the São Paulo Stock Exchange (BM&FBOVESPA) designed the Corporate Sustainability Index (ISE – *Índice de Sustentabilidade Empresarial*) that aims to encourage corporations to be socially responsible.¹¹

The ISE, a groundbreaking initiative in Latin America, was designed to create an investment environment compatible with contemporary society's need for sustainable development and to encourage corporations to be ethically responsible. Its launch in 2005 was supported by the International Finance Corporation (IFC), the World Bank's private-sector arm.

The ISE's methodology was designed by the Sustainability Research Center (GVCes) of São Paulo School of Business Administration (EAESP) of Fundação Getulio Vargas (FGV) in order to comparatively evaluate the performance of the 200 most liquid companies listed on BM&FBOVESPA from the standpoint of corporate sustainability, based on economic efficiency, environmental equilibrium, social justice and corporate governance.

GVCes developed a methodology based on a questionnaire that considers the company's performance in seven different dimensions (nature of the product, equity/transparency/accountability, corporate governance, social, financial/economic performance, environmental, and climate change). In general, practices such as the company's commitment to sustainable development and global agreements were evaluated, as well as its transparency, and preparation of a sustainability report. The questionnaire also considers the nature of the relevant companies' products by posing questions on risks to consumers' and third parties' health. There was also an entire evaluation of each firm's corporate governance. Recently, the questionnaire started analyzing the theme of climate change, seeking to examine the commitment, strategies, opportunities and risks arising from climate change.

With the answers, the companies are required to provide documentation to support their responses. Quantitative scoring is based on the questionnaire, while qualitative performance is based on the documentation. Both factors result in a matrix of results, and the bottom line is the creation of a portfolio of approximately 40 companies that will compose the index.

According to BM&FBOVESPA, companies in the ISE portfolio have 10% to 19% higher market capitalization than the corresponding control group.¹²

Of the top 20 Brazilian MNEs, Braskem, BRF, Embraer, Fibria, and Natura are listed on the ISE.

¹¹ Description available at: http://www.bmfbovespa.com.br/en_us/products/indices/sustainability-indices/corporate-sustainability-index-ise.htm

¹² Available at: http://www.bmfbovespa.com.br/en_us/products/indices/sustainability-indices/corporate-sustainability-index-ise.htm



Figure 1 - Performance ISE vs. IBOVESPA

Table 3 - Brazil: Snapshot of the top 20 multinationals, 2014-2016 (USD million¹³ and number of employees¹⁴)

Variables* - USD Million	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
Assets					
Foreign Assets	106,651	95,901	120,672	11.2%	-20.5%
Domestic Assets	376,346	365,822	442,033	2.9%	-17.2%
Total Assets	482,997	461,724	562,706	4.6%	-17.9%
Share of Foreign in Total (%)	22.1%	20.8%	21.4%	1.31 p.p	-0.67 p.p
Sales					
Foreign Sales (including exports)	135,258	97,375	113,927	38.9%	-14.5%
Domestic Sales	106,173	109,616	192,449	-3.1%	-43.0%
Total Net Sales	241,431	206,991	306,376	16.6%	-32.4%
Share of Foreign in Total (%)	56.0%	47.0%	37.2%	8.98 p.p	9.86 p.p
Employment					
Foreign Employees	195,377	174,448	201,343	12.0%	-13.4%
Local Employees	488,239	522,628	550,199	-6.6%	-5.0%
Total Employees	683,616	697,076	751,542	-1.9%	-7.2%
Share of Foreign in Total (%)	28.6%	25.0%	26.8%	3.55 p.p	-1.76 p.p
Exchange Rate (Price in R\$ for each USD)	3.2492	3.904	2.5265	-16.8%	54.5%

* The top 20 Brazilian MNEs' sample from 2014, 2015 and 2016 differ from each other

Source: Bloomberg and Ecomatematica database, firms' annual reports (*Formulários de Referência* and DFPs *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports), Fundação Dom Cabral's Brazilian Multinationals Ranking 2017,¹⁵ and primary data through EMGP's questionnaire.

Note: p.p. denotes percentage points.

¹³ We used the year-end official Brazilian exchange rate (Ptax) published by Brazilian Central Bank (R\$ 3.2492 for each USD in the end of 2016).

¹⁴ Excluding outsourced or temporary (seasonal) employees.

¹⁵ Available at:

http://www.fdc.org.br/professorespesquisa/nucleos/Documents/negocios_internacionais/2017/Ranking_FDC_Multinacionais_2017.pdf

Table 4 - Brazil: Snapshot of the top 20 multinationals, 2014-2016 (BRL million and number of employees¹⁶)

Variables* - BRL Million	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
Assets					
Foreign Assets	346,531	374,399	304,879	-7.4%	22.8%
Domestic Assets	1,222,822	1,428,169	1,116,797	-14.4%	27.9%
Total Assets	1,569,353	1,802,569	1,421,676	-12.9%	26.8%
Share of Foreign in Total (%)	22.1%	20.8%	21.4%	1.31 p.p	-0.67 p.p
Sales					
Foreign Sales (including exports)	439,480	380,151	287,836	15.6%	32.1%
Domestic Sales	344,978	427,941	486,222	-19.4%	-12.0%
Total Net Sales	784,459	808,092	774,058	-2.9%	4.4%
Share of Foreign in Total (%)	56.0%	47.0%	37.2%	8.98 p.p	9.86 p.p
Employment					
Foreign Employees	195,377	174,448	201,343	12.0%	-13.4%
Local Employees	488,239	522,628	550,199	-6.6%	-5.0%
Total Employees	683,616	697,076	751,542	-1.9%	-7.2%
Share of Foreign in Total (%)	28.6%	25.0%	26.8%	3.55 p.p	-1.76 p.p

* The top 20 Brazilian MNEs' sample from 2014, 2015 and 2016 differ from each other

Source: Bloomberg and Ecomatica database, firms' annual reports (*Formulários de Referência* and DFPs *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports), Fundação Dom Cabral's Brazilian Multinationals Ranking 2017,¹⁷ and primary data through EMGP's questionnaire.

Note: p.p. denotes percentage points.

¹⁶ Excludes outsourced or temporary (seasonal) employees.

¹⁷ Available at:

http://www.fdc.org.br/professoresepesquisa/nucleos/Documents/negocios_internacionais/2017/Ranking_FDC_Multinacionais_2017.pdf

The Big Picture¹⁸

The year 2016 was marked by notable events in politics, which had a direct impact on the Brazilian economy. In August, former President Dilma Rousseff was impeached after being charged of manipulating the federal budget (the so-called “fiscal pedalling”). Then vice president Michel Temer became the interim president, signaling that his government plans would diverge from those of Mrs. Rousseff.

GDP – Gross Domestic Product and Inflation

The Brazilian GDP decreased 3.6% in 2016, a not so negative performance in comparison to the 3.8% observed in 2015. This result still reflects the negative influence of the political and economic crisis that Brazil has faced in recent years.

The inflation rate calculated by the Extended Consumer Price Index (IPCA – *Índice de Preços ao Consumidor Amplo*) measured by the Brazilian Institute of Geography and Statistics (IBGE – *Instituto Brasileiro de Geografia e Estatística*) decelerated to 6.3% in 2016, a much lower rate than the 10.7% of the previous year. This result was also below the ceiling of 6.5% set by the government. During 2016, the food manufacturing industry, an industry in which several ranked Brazilian MNEs are included, exerted upward pressure on the inflation rate because of a reduction in the food supply, and an increase in food prices. At the same time, the agricultural sector exerted downward pressure because the rising unemployment rate reduced the demand for goods. In 2016, the Brazilian unemployment rate reached 11.9%, representing approximately 12.3 million people. By way of comparison, in 2015 the unemployment rate was 8.5%.

During 2016, Brazil, which had lost its investment grade in 2015, had its sovereign bonds downgraded again by Standard and Poor’s (S&P) and Moody’s. The Brazilian rating was cut from BB+ to BB, with a negative perspective. According to S&P, Brazil’s credit profile was damaged by pronounced economic and political challenges.

Despite the economic and political instability, Brazilian entrepreneurs and consumers were more optimistic in 2016 regarding the country’s prospects. According to the Brazilian Institute of Economy of Fundação Getulio Vargas (IBRE / FGV), the Commerce Confidence Index (ICOM), the Services Confidence Index (ICS), and the Consumer Confidence Index (ICC) all increased in comparison to the figures of 2015.

¹⁸ The corruption scandal, “Lava Jato” operation, and more about the Brazilian political background were also addressed to a greater extent in the 2016 report that covered the year of 2015. It is available at: <http://ccsi.columbia.edu/files/2013/10/EMGP-Brazil-Report-March-21-2017-FINAL.pdf>

This optimism was also reflected in the stock market. The São Paulo Stock Exchange (BM&FBOVESPA) had an annual appreciation of 38.94% in 2016, the first annual valorization since 2012.

Despite such optimism, challenges remained, and those challenges were reflected in the performance of the top 20 Brazilian Multinational Enterprises. As we can see in Table 4, the domestic assets and sales in local currency (Brazilian reais), and the number of domestic employees of the top 20 Brazilian Multinational Enterprises decreased by 14.4%, 19.4% and 6.6% respectively.

As an alternative, the Brazilian multinational companies have been strengthening their position abroad. As we can see in Table 3, the foreign assets and sales in US dollars, and the number of foreign employees of the top 20 Brazilian Multinational Enterprises increased by 11.2%, 38.9% and 12% respectively.

Interest Rates

Aiming to foster the economy, and promote an increase in investments, the Brazilian Central Bank began reducing the Brazilian interest rate (SELIC). After being constant at 14.25% per year since the middle of 2015, the Brazilian interest rate was reduced to 14% in October 2016. This reduction may have a positive impact on the public debt denominated in reais because a reduced rate will result in decreased debt expenses.

A reduction in the Brazilian interest rates may reduce the cost of capital of Brazilian firms, and also may make credit less expensive for both companies and families, stimulating consumption. Consequently, along with the Brazilian economic recovery from the last quarter of 2016, with a lower cost of capital, Brazilian firms might invest more.

Exchange Rate and Foreign Trade

In January of 2016, the Brazilian real, at R\$ 4.16 for each US dollar, reached its lowest valuation since its creation in 1994. However, by the end of the year, the real experienced its first overall annual appreciation since 2010. Following the 48.4% devaluation in 2015, the Brazilian currency appreciated 17% in 2016 against the US dollar.

The Brazilian trade balance was at a surplus of US\$ 47.692 billion in 2016, against US\$ 19.685 billion in 2015 on account of a reduction of imports.

The Brazilian real appreciation is good for importers, however it makes international prices less competitive for Brazilian exporters.

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Emerging Markets Global Players Project

This report on Brazilian multinationals was prepared under the framework of the Emerging Market Global Players (EMGP) Project, a collaborative effort led by the Columbia Center on Sustainable Investment (CCSI). It brings together researchers on FDI from leading institutions in emerging markets to generate annual reports on the top multinationals in each participating country. Since 2007, reports on 16 economies have been published (some with multiple reports). For further information, visit: <http://www.ccsi.columbia.edu/content/emerging-market-global-players>.

Center of International Financial Management Studies (IFM) of Fundação Getulio Vargas

The Center of International Financial Management Studies (IFM) of Fundação Getulio Vargas is a venue for study of interdisciplinary topics related to corporate finance and international business. Its focus is financial management of domestic and multinational corporations in the main emerging markets. Its main areas of interest are: strategies and innovations for local and international financing, analysis of investment projects and valuation, corporate governance and ownership structure of multinationals, international mergers, acquisitions and restructuring, management of risks related to international financial exposure, treasury management, and international investment funds. For further information, visit: <http://easp.fgvsp.br/en/teaching-knowledge/finance-institute>

Columbia Center on Sustainable Investment

The Columbia Center on Sustainable Investment (CCSI), a joint center of Columbia Law School and the Earth Institute at Columbia University, is a leading applied research center and forum dedicated to the study, practice and discussion of sustainable international investment. The mission of the Center is to develop and disseminate practical approaches and solutions, as well as to analyze topical policy-oriented issues, in order to maximize the impact of international investment for sustainable development. The Center undertakes its mission through interdisciplinary research, advisory projects, multi-stakeholder dialogue, educational programs, and the development of resources and tools. For more information, visit <http://www.ccsi.columbia.edu/>.

Annex Table 1. Brazil: The top 20 multinationals: Key variables, 2016 (US\$ million¹⁹ and number of employees²⁰)

Rank by Foreign Assets - 2016	Company	Foreign Assets	Total Assets	FA/TA	Foreign Sales	Total Sales	FS/TS	Foreign Employees	Total Employees	FE/TE	TNI	No. of Host Countries
1	Petrobras	28,614	247,736	12%	17,549	86,972	20%	3,638	68,829	5%	12%	18
2	Vale	23,656	99,316	24%	26,939	29,125	92%	16,486	73,062	23%	46%	25
3	JBS	13,761	31,643	43%	44,898	52,438	86%	100,340	225,422	45%	58%	13
4	Gerdau	9,346	16,815	56%	8,338	11,588	72%	15,054	30,014	50%	59%	13
5	Fibria	5,300	10,600	50%	2,653	2,959	90%	52	4,224	1%	47%	9
6	Embraer	3,895	11,700	33%	5,883	6,597	89%	2,499	18,506	14%	45%	9
7	Suzano Papel	3,552	9,048	39%	2,018	3,041	66%	519	7,631	7%	37%	6
8	CSN - Sid. Nacional	2,821	13,589	21%	2,899	5,278	55%	262	23,736	1%	26%	3
9	Marfrig	2,712	6,235	44%	4,684	5,950	79%	15,769	29,203	54%	59%	10
10	BRF	2,554	5,815	44%	5,425	10,382	52%	16,151	102,463	16%	37%	25
11	Minerva	2,512	2,757	91%	1,987	2,970	67%	1,663	12,825	13%	57%	15
12	Braskem	2,246	15,949	14%	7,086	14,669	48%	1,456	7,810	19%	27%	10
13	Iochpe-Maxion	1,162	2,172	54%	1,667	2,098	79%	6,162	13,584	45%	59%	16
14	Marcopolo	1,141	1,529	75%	257	792	32%	1,921	12,813	15%	41%	11
15	Tupy	986	1,468	67%	834	1,002	83%	3,897	11,688	33%	61%	3
16	Magnesita	947	1,891	50%	472	1,044	45%	1,501	7,215	21%	39%	27
17	Natura	441	2,592	17%	787	2,435	32%	1,490	6,397	23%	24%	9
18	Valid	386	639	61%	265	531	50%	1,087	6,884	16%	42%	7
19	Alpargatas	371	1,164	32%	436	1,248	35%	4,073	18,886	22%	29%	8
20	Metafrío	245	338	73%	181	312	58%	1,357	2,424	56%	62%	5
TOTAL/AVERAGE		106,651	482,997	45%	135,258	241,431	62%	195,377	683,616	24%	43%	12

Source: Bloomberg and Economática database, firms' annual reports (*Formulários de Referência* and DFPs *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports), Fundação Dom Cabral's Brazilian Multinationals Ranking 2016²¹, and primary data through EMGP's questionnaire. Shades suggest the highest number in the column.

¹⁹ We used the year-end official Brazilian exchange rate (Ptax) published by Brazilian Central Bank (R\$ 3.2492 for each USD in the end of 2016).

²⁰ We did not consider neither outsourced nor seasonal employees.

²¹ Available at: http://www.fdc.org.br/professorespesquisa/nucleos/Documents/negocios_internacionais/2017/Ranking_FDC_Multinacionais_2017.pdf

Annex Table 2. Brazil: The top 20 multinationals: Number of host countries, 2016

Rank by Foreign Assets – 2016	Company	Industry	TOTAL	Developed Asia-Pacific	East Asia & The Pacific	Eastern Europe & Central Asia	Latin America & the Caribbean	Middle East & North Africa	North America	Other Europe	South Asia	Sub-Saharan Africa
1	Petrobras	Oil and Gas Extraction	18	1	1	0	8	0	1	2	1	4
2	Vale	Mining (except Oil and Gas)	25	2	4	0	4	2	2	3	5	3
3	JBS	Food Manufacturing	13	2	0	0	4	0	2	4	1	0
4	Gerdau	Primary Metal Manufacturing	13	0	0	0	9	0	2	1	1	0
5	Fibria	Paper and Allied Products	9	0	2	0	0	0	1	6	0	0
6	Embraer	Transportation Equipment Manufacturing	9	0	1	0	0	1	1	5	1	0
7	Suzano Papel	Paper and Allied Products	6	0	1	0	1	1	1	2	0	0
8	CSN - Sid. Nacional	Primary Metal Manufacturing	3	0	0	0	0	0	1	2	0	0
9	Marfrig	Food Manufacturing	10	1	2	0	2	1	1	1	2	0
10	BRF	Food Manufacturing	25	1	2	2	4	5	0	7	3	1
11	Minerva	Food Manufacturing	15	1	1	1	4	5	1	1	1	0
12	Braskem	Chemical Manufacturing	10	0	0	0	6	0	1	2	1	0
13	Iochpe-Maxion	Transportation Equipment Manufacturing	16	1	2	2	3	0	1	4	2	1
14	Marcopolo	Transportation Equipment Manufacturing	11	1	1	1	3	1	2	0	1	1
15	Tupy	Transportation Equipment Manufacturing	3	0	0	0	1	0	1	1	0	0
16	Magnesita	Mining (except Oil and Gas)	27	2	3	0	9	1	2	7	2	1
17	Natura	Merchant Wholesalers, Nondurable Goods	9	0	0	0	6	0	1	2	0	0
18	Valid	Printing and Related Support Activities	7	0	0	0	4	0	1	2	0	0
19	Alpargatas	Leather and Allied Product Manufacturing	8	0	0	0	1	0	1	6	0	0
20	Metalfrío	Machinery Manufacturing	5	0	0	2	1	0	1	1	0	0
Average			12.1	0.6	1.0	0.4	3.5	0.9	1.2	3.0	1.1	0.6

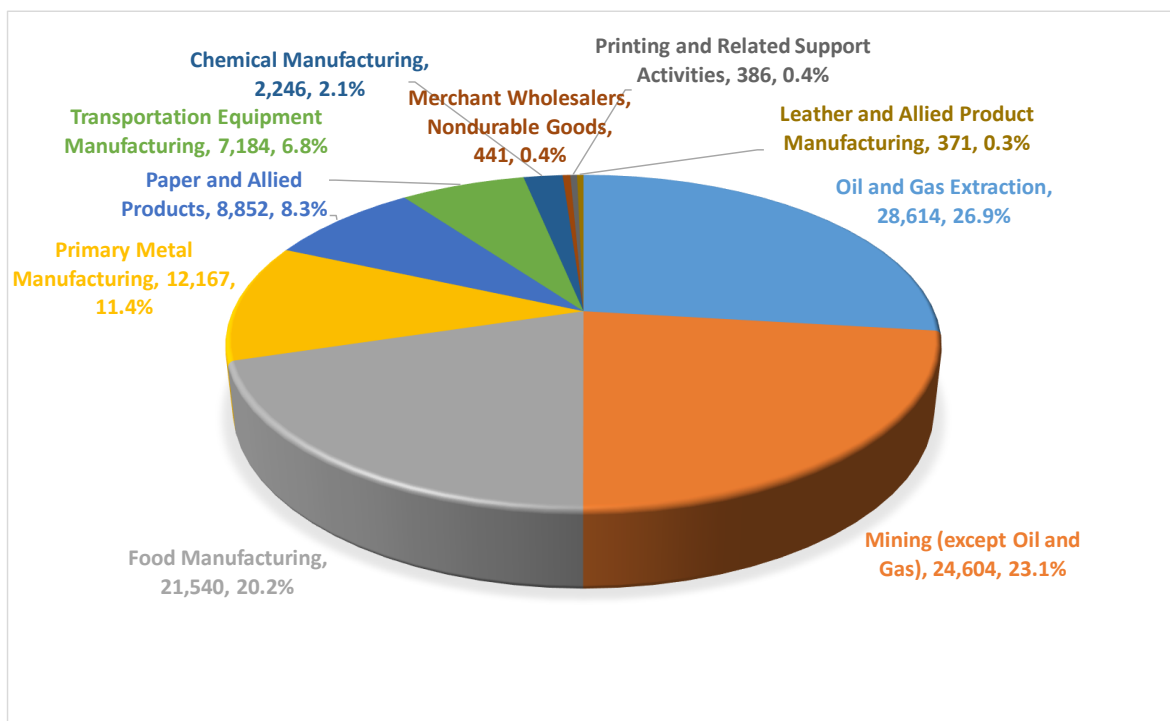
Source: Firms' Annual Reports (*Formulários de Referência* and DFPs *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports) and website. East Asia & The Pacific has excluded developed Asia-Pacific countries such as Japan, Australia, and New Zealand.

Annex Table 3. Brazil: The top 20 multinationals: Stock exchange listing, 2016

Rank by Foreign Assets - 2016	Company	Domestic (Brazil)	Foreign
1	Petrobras	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2000 Bolsas y Mercados Españoles (BME - Labitex) - Since 2002 Buenos Aires Stock Exchange (BCBA) - Since 2006
2	Vale	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2000 Bolsas y Mercados Españoles (BME - Labitex) - Since 2000 Hong Kong Stock Exchange - Since 2010
3	JBS	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2000
4	Gerdau	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1999 Bolsas y Mercados Españoles (BME - Labitex) - Since 2002
5	Marfrig	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2010
6	Fibria	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2000
7	Embraer	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2000
8	Suzano Papel	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1993
9	CSN - Sid. Nacional	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1997
10	BRF	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1996
11	Minerva	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2011
12	Braskem	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1998 Bolsas y Mercados Españoles (BME - Labitex) - Since 2003
13	Iochpe-Maxion	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 1994
14	Marcopolo	São Paulo Stock Exchange (BM&FBOVESPA)	None
15	Tupy	São Paulo Stock Exchange (BM&FBOVESPA)	None
16	Magnesita	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2010
17	Natura	São Paulo Stock Exchange (BM&FBOVESPA)	None
18	Valid	São Paulo Stock Exchange (BM&FBOVESPA)	New York Stock Exchange (NYSE) - Since 2011
19	Alpargatas	São Paulo Stock Exchange (BM&FBOVESPA)	None
20	Metalfrio	São Paulo Stock Exchange (BM&FBOVESPA)	None

Source: Firms' Annual Reports (*Formulários de Referência*)

Annex Figure 1. Breakdown of the foreign assets of the top 20 multinationals, by main industries, 2016



TOTAL FOREIGN ASSETS - 2016 - USD Million*	N. of firms	Foreign Assets 2016 - USD Million*	% of Total
Oil and Gas Extraction	1	28,614	26.8%
Mining (except Oil and Gas)	2	24,604	23.1%
Food Manufacturing	4	21,540	20.2%
Primary Metal Manufacturing	2	12,167	11.4%
Paper and Allied Products	2	8,852	8.3%
Transportation Equipment Manufacturing	4	7,184	6.7%
Chemical Manufacturing	1	2,246	2.1%
Merchant Wholesalers, Nondurable Goods	1	441	0.4%
Printing and Related Support Activities	1	386	0.4%
Leather and Allied Product Manufacturing	1	371	0.3%
Machinery Manufacturing	1	245	0.2%
TOTAL	20	106,651	100.0%

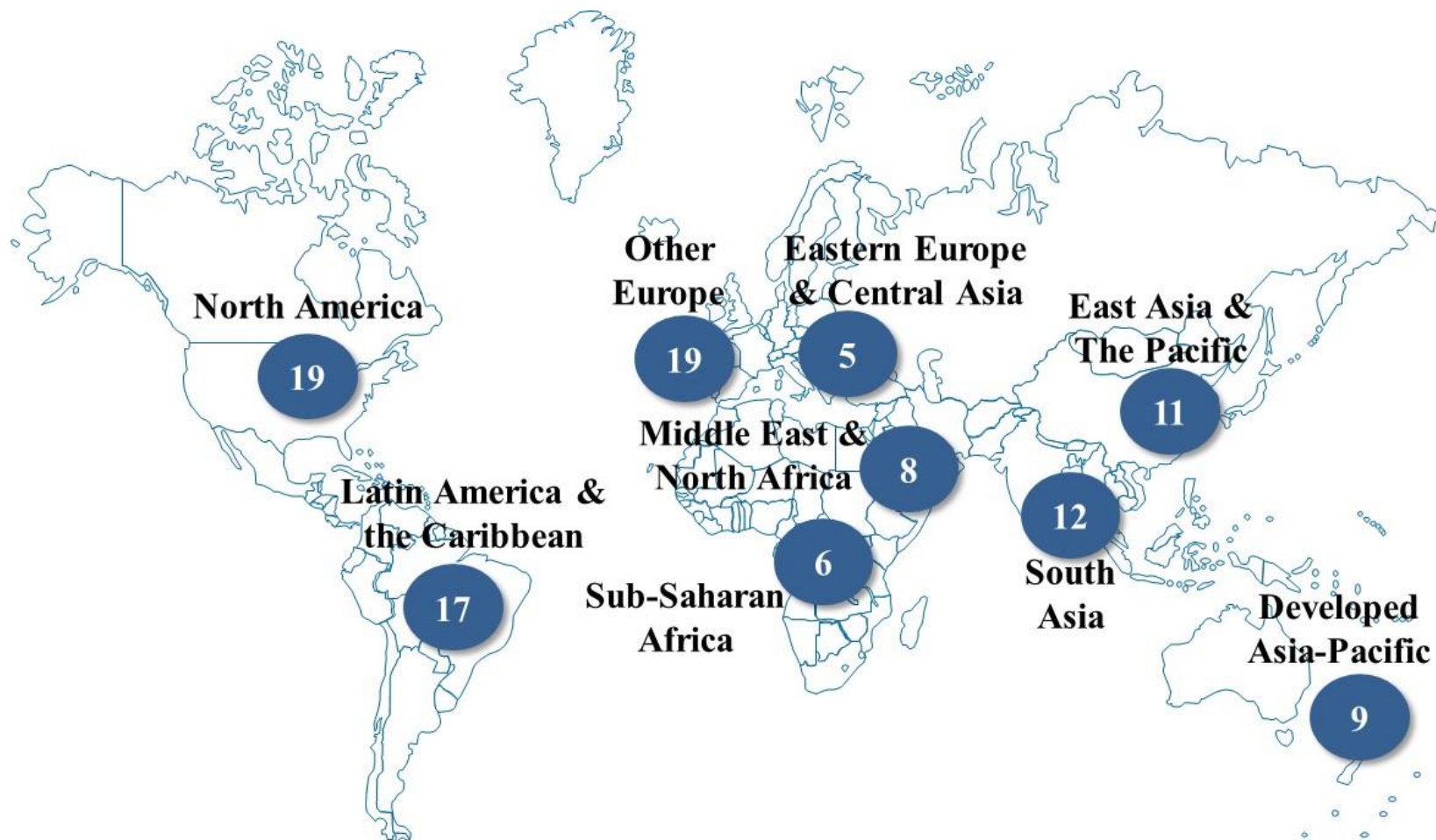
* The exchange rate used was the official Brazilian exchange rate (Ptax) published by Brazilian Central Bank on the last working day of 2016 (BRL 3.2492 for each USD in 2016).

Source: Bloomberg and Economatica database, firms' annual reports (*Formulários de Referência* and DFPS *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports), Fundação Dom Cabral's Brazilian Multinationals Ranking 2016²², and primary data through EMGP's questionnaire.

²² Available at:

http://www.fdc.org.br/professorespesquisa/nucleos/Documents/negocios_internacionais/2017/Ranking_FDC_Multinacionais_2017.pdf

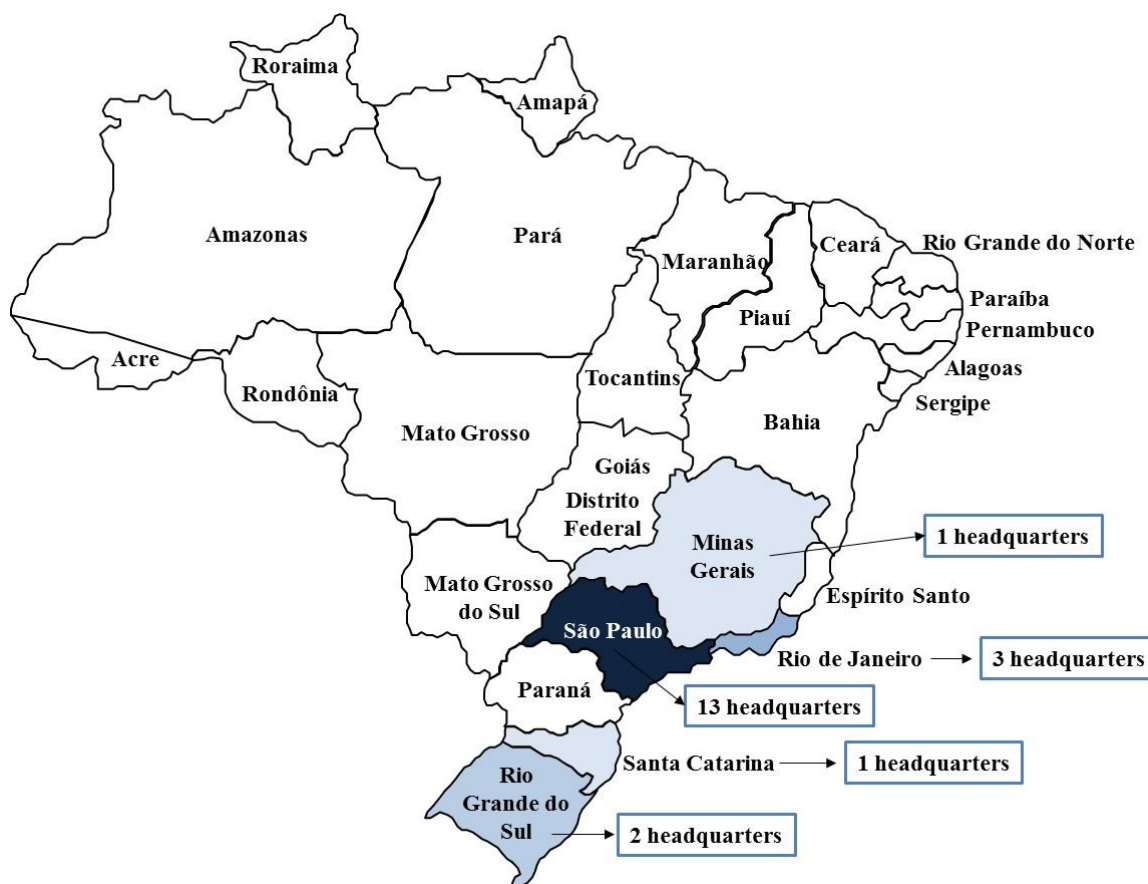
Annex Figure 2. Brazil: Number of firms with operations²³ in each region, 2016



Source: Firms' Annual Reports (*Formulários de Referência* and DFPs *Demonstrações Financeiras Padronizadas* – Standardized Financial Reports) and website.

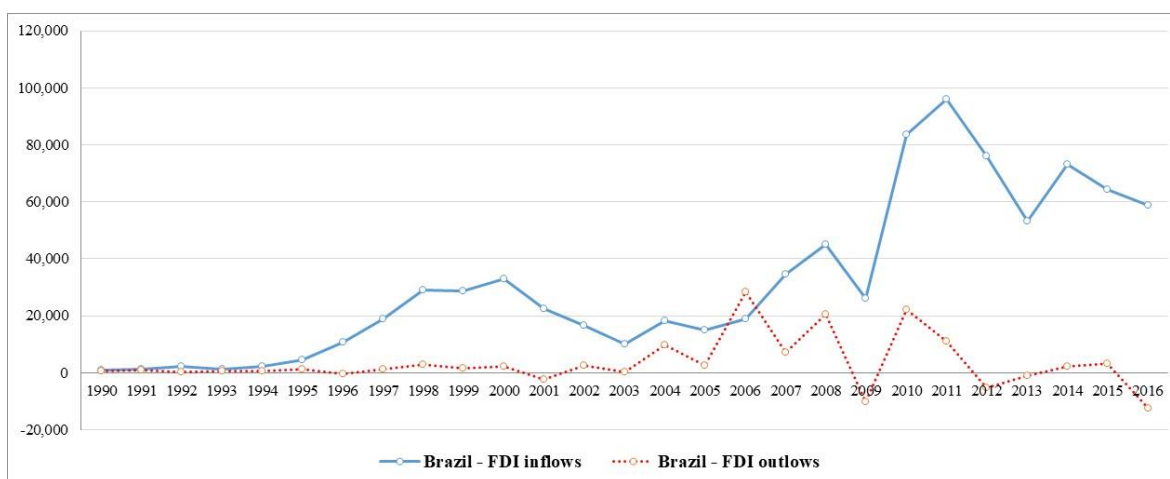
²³ We have considered either a plant, a commercial subsidiary, a business office, or a distribution center.

Annex Figure 3. Brazil: Head office locations of the top 20 multinationals 2016



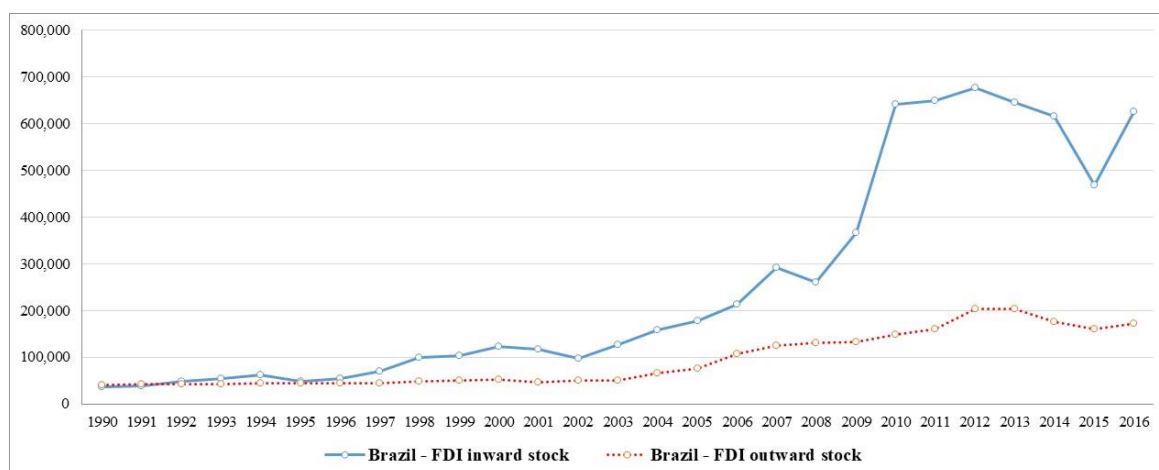
Source: Registering Forms (*Formulários Cadastrais*) and companies' websites

Annex Figure 4. Brazil: Inward and Outward FDI flows, 1990-2016 (USD million)



Source: United Nations Conference on Trade and Development (UNCTAD), FDI STAT On-line database, (Geneva: United Nations Conference on Trade and Development). Available at: <http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Annex-Tables.aspx>

Annex Figure 5. Brazil: Inward and Outward FDI stock, 1990-2016 (USD million)



Source: United Nations Conference on Trade and Development (UNCTAD), FDI STAT On-line database, (Geneva: United Nations Conference on Trade and Development). Available at: <http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Annex-Tables.aspx>

Annex II: Brief Profiles of the Top 20 Multinationals²⁴

No. 1. Petrobras

<http://www.petrobras.com.br/en/>

Petróleo Brasileiro S.A., or Petrobras, is a partially state-owned Brazilian multinational Energy Corporation headquartered in Rio de Janeiro, Brazil. Petrobras operates on an integrated basis and specialized in the oil, natural gas and energy industry. The company is present in the exploration and production, refining, marketing, transportation, petrochemicals, oil product distribution, natural gas, electricity, chemical-gas and biofuel segments. It is one of the largest companies in the Southern Hemisphere by capitalization and one of the largest in Latin America measured by revenue.

No. 2. Vale

<http://www.vale.com/brasil/EN/Pages/default.aspx>

Vale is one of the largest metals and mining firms and one of the largest companies in the world. Vale is the world's largest producer of iron ore and iron ore pellets, key raw materials for steelmaking, and the world's largest producer of nickel, which is used to produce stainless steel and metal alloys employed in the production of aircraft, autos, mining and energy equipment, mobile phones, batteries, special batteries for hybrid electric vehicles and several other products. Vale also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals, gold, silver, cobalt, potash, phosphates and other fertilizer nutrients, important raw materials for the global industrial and food production industries.

No. 3. JBS

<http://www.jbs.com.br/en>

With over 60 years' experience, JBS is currently the world's largest producer of proteins. The company processes beef, lamb, pork and chicken as well as leather. The company also markets hygiene and cleaning products, collagen, metal packaging, biodiesel and other items. The group's extensive portfolio includes world-renowned brands such as Swift, Friboi, Maturatta, Cabana Las Lilas, Pilgrim's, Gold Kist Farms, Pierce and 1855. This wide range of products and the company's operations in 24 countries on five continents (including production platforms and offices) serve customers in over 150 countries. The company went public in 2007 and its stock is currently traded on the BM&FBovespa.

No. 4. Gerdau

<http://www.gerdau.com/br/en/home>

Gerdau's history dates back to 1901, when it started as a nail factory in Porto Alegre, Brazil. Today, Gerdau has hundreds of locations in 14 countries around the world and its products are present in the daily lives of millions of people. Annually, millions of tons of scrap are recycled and turned into quality steel, which serves the construction, industrial,

²⁴ All the information provided in this section was taken from the firms' websites and reports.

agricultural and automotive sectors. Gerdau is the leading producer of long steel in the Americas, Europe and Asia, and one of the largest suppliers of special long steel in the world. Additionally, Gerdau is the largest supplier to the automotive industry worldwide. In Brazil, Gerdau also produces flat steel and iron ore, which expands its product mix and improves the competitiveness of its operations.

No. 5. Fibria

<http://www.fibria.com.br/en/>

Fibria is a Brazilian company with a strong presence in the global forest products market. The firm invests in the cultivation of forests as a renewable and sustainable source of life, generating wealth and economic growth, promoting human social development and ensuring the conservation of the environment. Fibria is the global largest producer of eucalyptus pulp. In partnership with Cenibra, it operates Portocel, in Aracruz, the only Brazilian port specialized in pulp shipments. In October 2012, the company entered into a strategic alliance with the Canadian company Ensyn to invest in renewable fuels derived from wood and biomass.

No. 6. Embraer

<http://www.embraer.com/en-us/Pages/Home.aspx>

Embraer has become one of the largest aircraft manufacturers in the world. With headquarters in São José dos Campos, Brazil, and offices, subsidiaries and customer service bases in China, France, Portugal, Singapore and the United States, Embraer is a customer-oriented company with decades of experience in designing, manufacturing, selling and supporting aircraft for the global airline, defense and business aviation markets. Founded in 1969 as a state-owned company, Embraer was privatized in 1994. Embraer also provides a product package, with comprehensive aircraft and after-sales support for parts, services, and technical assistance.

No. 7. Suzano Papel e Celulose

<http://www.suzano.com.br/portal/suzano-pulp-and-paper.htm>

Suzano Pulp and Paper, is a centenary forestry based publicly held company that is present in two segments: market pulp (paper grade and fluff), paper (coated and uncoated printing and writing paper) and paperboard. The company is the second largest producer of eucalyptus pulp in the world and leader in the paper market in Latin America. Suzano also operates in the biotechnology industry through FuturaGene, the first company in the world to obtain approval for the commercial use of genetically modified eucalyptus, that focuses on the genetic development of forestry and biofuel crops, with research laboratories in Israel and China.

No. 8. CSN – Companhia Siderúrgica Nacional

http://www.csn.com.br/default_eni.asp?idioma=1&conta=46

Founded in April of 1941, CSN is one of the most efficient integrated steel-producing complexes in the world. The company operates in five strategic sectors of the economy: steel, mining, logistics, cement and energy. Currently, among its assets, the company has an

integrated steel mill; five plants, three of which are abroad; iron ore, limestone, dolomite and tin mines; a strong distributor of flat steel; port terminals; interest in railways; and interest in two hydroelectric plants. CSN was the first integrated flat steel producer in Brazil - a landmark in the country's industrialization process. In 2001, CSN began its internationalization process with the acquisition of the assets of Heartland Steel.

No. 9. Marfrig Global Foods

<http://www.marfrig.com.br/en>

Marfrig Global Foods is one of the world's largest beef, lamb, poultry and fish-based food companies. With production, commercial and distribution units in 16 countries, Marfrig is also considered one of Brazil's most international and diversified companies. Its products reach the tables of consumers in over 110 countries every day. The company is split into three business units – Marfrig Beef, Moy Park and Keystone Foods, operating in different locations around the world. Operating in the market since 1986, Marfrig began an intense process of expansion in the early 2000s.

No. 10. BRF

<http://www.brf-global.com/brasil/en/>

BRF is a Brazilian food company created in 2009 from the merger of Perdigão and Sadia. The company is one of the largest producers of fresh and frozen protein foods in the world. BRF is responsible for 14% of the world trade in poultry. BRF owns 47 plants in all regions of Brazil and 42 distribution centers, 27 of which are in the domestic market and 15 of which are in its export markets. In the international market, BRF has a leading brand, Sadia, in various categories in Middle Eastern countries.

No. 11. Minerva Foods

<http://portal.minervafoods.com/en>

Minerva Foods produces and sells beef, leather, exports live cattle and meat products, and processes beef, pork and poultry. One of the leading companies in the industry in South America, Minerva Foods has a privileged position in the international market, exporting to more than 100 countries in five continents.

No. 12. Braskem

<http://www.braskem.com.br/home-en>

Created in August 2002 by the integration of six companies from Odebrecht Group and the Mariani Group, Braskem is currently the largest producer of thermoplastic resins in the Americas, the world leader in the production of biopolymer and the largest producer of polypropylene in the United States. Its production focuses on polyethylene, polypropylene and polyvinylchloride (PVC) resins, in addition to basic chemical inputs such as ethylene, propylene, butadiene, benzene, toluene, chlorine, soda, and solvents, among others. Together, they make up one of the most comprehensive portfolios in the industry by also including the green polyethylene produced from the sugarcane ethanol, from 100% renewable sources.

No. 13. Iochpe-Maxion

<http://www.iochpe.com.br/Default.aspx?linguagem=en#>

Founded in 1918, Iochpe-Maxion is a leading global company in the segments in which it operates, particularly in the production of wheels and structural components for light and commercial vehicles. The firm is also a leader in the segment of railway equipment in Brazil. Iochpe-Maxion has industrial units located in different countries. In the automotive segment, the company operates through the divisions: wheels and structural components. Its structural components division produces side bars, crossbars and complete chassis for commercial vehicles, and structural stamped items for light vehicles. In the railway segment, Iochpe-Maxion produces freight cars, wheels as well as railway and industrial castings through its joint venture AmstedMaxion.

No. 14. Marcopolo

http://www.marcopolo.com.br/marcopolo_sa/en/

Marcopolo is a Brazilian bus and coach manufacturer founded in 1949, in the southern Brazilian city of Caxias do Sul, state of Rio Grande do Sul. The company manufactures the bodies for a whole range of coaches, e.g. microbus, intercity and touring coaches. Marcopolo produces over half of the bus bodies made in Brazil and exports its coaches to more than 60 countries. Currently Marcopolo has four plants in Brazil and plants in Argentina, Australia, Colombia, India, Mexico, South Africa, and China. Recently it announced a joint-venture with Tata Motors to enter the Indian market.

No. 15. Tupy

<http://www.tupy.com.br/ingles/home/index.php>

Founded in 1938, Tupy has an annual production capacity of 848 thousand tons of cast iron parts in four industrial plants: two in Brazil, and two units in Mexico. Tupy employs 11,000 people, and exports over 80% of its annual production to more than 40 countries. Besides Brazil, for the commercialization and customer service, Tupy counts on offices located in United States and Germany. A large share of Tupy's production consists of components developed under request for the automotive sector, which includes trucks, buses, agriculture and road construction machinery, passenger vehicles, industrial and marine engines, etc. The parts include engine blocks and heads and parts for brake, transmission, steering, axle and suspension systems. Tupy also manufactures and commercializes malleable cast iron pipe fittings, steel shots and grits and continuous casting.

No. 16. Magnesita

<http://www.magnesita.com.br/en/home>

Magnesita is a Brazilian company devoted to mining, production and marketing of a broad range of refractory materials. The products are mainly used by steel, cement and glass manufacturers. The company has the benefit of one of the largest and best magnesite, dolomite and talcum reserves in the world. Furthermore, it prospects other mineral deposits all over the world. Currently, the company operates 28 industrial and mining units, 16 of them in Brazil, three in Germany, three in China, two in France, one in the United States, one in Belgium, one in Taiwan and one in Argentina. Magnesita is the third largest

producer of refractory products in the world and a leader in integrated solutions with refractory products.

No. 17. Natura

<http://www.natura.com.br/>

Natura is a Brazilian manufacturer and marketer of beauty products, and personal care, skin care, solar filters, cosmetics, perfume and hair care products. The company was founded in 1969 and became a public company in 2004. Currently the company is the second largest Brazilian cosmetics company by revenue. In 1974, Natura adopted direct sales as its sales model. It has “consultants” (resellers) spread throughout countries including Argentina, Brazil, Chile, Colombia, France, Mexico, and Peru.

No. 18. Valid

<https://www.valid.net/>

Valid is Latin America leader in telecommunications, payment methods and documents identification solutions, present in the two greatest markets in the region – Brazil and Argentina – and, since early 2014 in Colombia. In Europe, its strong operation in Spain as telephone cards supplier is a case of success. When it entered United States in 2012, expanded its global reach, with a plan to support migration of the financial sector of banking cards to smart cards with microchips.

No. 19. Alpargatas

<http://www.alpargatas.com.br/#/conheca-empresa>

Alpargatas is the leader and the largest footwear manufacturing company in Latin America. Together, Havaianas and Dupé lead the domestic sandal market. It also has licenses for the Mizuno and Timberland brands. Havaianas is the most recognized Brazilian consumer goods brand internationally. Topper is the leader of the Brazilian soccer market and the first athletic footwear brand in Argentina. Mizuno is the leading brand in high performance running, and Timberland, in premium outdoor footwear. The portfolio is completed by Rainha, Brazil’s most traditional brand of sporting goods and Sete Léguas working boots. The company operates four factories in Brazil and eight in Argentina. It has operations in the United States and Europe and exports Havaianas to more than 100 countries.

No. 20. Metalfrio

<http://www.metalfrio.com.br/site/brasil/en/home/home.aspx>

Metalfrio Solutions operates in the plug-in commercial refrigeration market. Its customers include the leading international and regional brands of beverages, ice cream, food and retail businesses. With the most complete portfolio of commercial refrigeration products, Metalfrio Solutions is currently one of the largest refrigeration companies in the world and continues to grow as a result of a strong expansion program. With a production capacity of 1.5 million units per year, it operates on almost every continent, with 4 strategically located production facilities – Brazil, Mexico, Turkey and Russia – producing equipment with state-of-the-art technology, and has a global distribution structure in over 80 countries.