

# Strategic Map

OF INDUSTRY

**2013-2022**

SHORT VERSION

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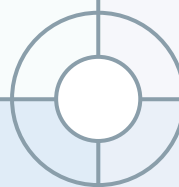
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Brazil

CNI. THE STRENGTH OF THE BRAZILIAN INDUSTRY



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Brasília, 2013

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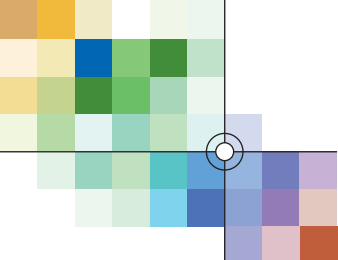
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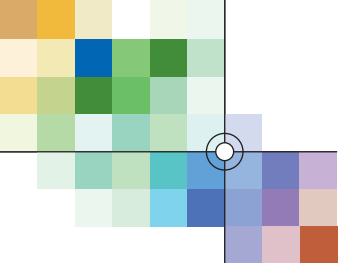


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# Introduction

**Brazilian industry presents its vision for the country.** The Strategic Map of Industry 2013-2022 resulted from the effort of more than 500 business representatives to identify necessary actions for Brazil to grow more and better and reflect on problems hindering its growth.

**Our landmark is 2022.** The year Brazil will celebrate 200 years of independence. It is an inspiration for us to step up our ambition and plan a strategy for what we want to be and what we need to do.

**The world has changed, so have Brazil and its industry.** We have new challenges and opportunities before us. The agenda we are presenting to Brazilian society is a prospective exercise on these changes.

**It is an agenda based on the perception that industry has a future in Brazil.** This future, however, is conditional upon our ability to act on our problems, to develop new competencies in education and innovation, and to adapt to the conditions of the global economy.

**We are part of the world.** Brazil should learn from the examples of other nations. Our benchmark should not be ourselves. The Strategic Map emphasizes the need to compare ourselves with other countries. The speed and reach of our reforms and advances should be assessed in the light of international comparisons.

**This comparison should guide our ambition and sense of urgency.** The National Confederation of Industry – Brazil invites entrepreneurs, society, and the branches of government to join forces and build a more competitive and fairer economy.

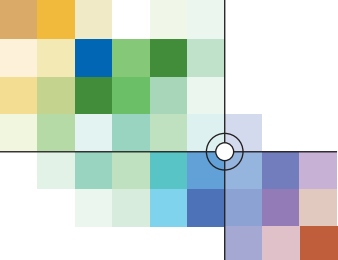
**The year 2022 is approaching.** We cannot afford to miss the opportunity to use it as a catalyst of the visionary desire of industry for Brazil.

***Robson Braga de Andrade***

*President of the National Confederation of Industry – CNI*







# 1 Global and prospective vision

Changes in the world economy require new responses from Brazil. A new geography of growth, production, and innovation has emerged, with clear effects on Brazil's insertion in the world.

Brazilian industry competitiveness is sensitive to these changes and to other external and internal changes. Future changes are largely permeated by a high level of uncertainty. However, it is possible to foresee certain phenomena whose future effects will have a strong impact on economic and industrial activity with a fair degree of certainty. These major future trends with an impact on industrial competitiveness in 2022 are summarized in the figure below.

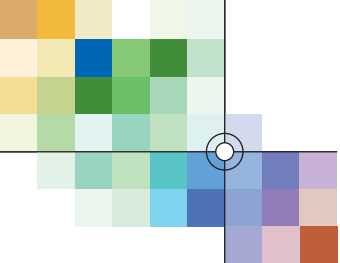
**FIGURE 1. SUMMARY TABLE OF GLOBAL AND DOMESTIC TRENDS WITH AN IMPACT ON INDUSTRY**

<b>Global trends with a strong impact on industry</b>
Growth of emerging countries
Knowledge and innovation as engines of the economy
New geography of global production
Emergence and dissemination of new technologies
Climate change and low-carbon economy
<b>Domestic trends with a strong impact on industry</b>
Strengthening of the domestic market
Demographic transitions
Spatial reconfiguration of economic activity

## **From 2013 to 2022**

These trends point to both threats and opportunities for Brazilian industry. Brazil can and should aspire for a strong and internationally competitive industry, but for that purpose it needs to face the challenge of raising productivity and efficiency levels by addressing key competitiveness factors. The Strategic Map of Industry 2013-2022 identifies these key factors and suggests ways for Brazil to take advantage of opportunities and to overcome obstacles.





## 2 Key factors to enhance the competitiveness of Industry

The main objective of the **Strategic Map of Industry 2013-2022** is that of **promoting competitiveness with sustainability**. The essence of this vision is that, by 2022, Brazilian industry will have gained a high **competitive edge** on the international market while duly observing **sustainability** criteria.

Competitiveness has a multidimensional character whose determinants must be addressed if it is to be promoted. **Productivity** is the main determinant of competitiveness. Actions to increase productivity must come from two sources: from the enterprises themselves, as a result of their strategies and operational actions; and from the external environment, beyond their operation, which can be influenced by entrepreneurs, but not decided by them. The key factors of the Strategic Map of Industry capture these two dimensions.

**Sustainability** has a direct relationship with productivity and innovation. Productivity gains reduce the use of natural resources and eliminate waste. **Innovation**, in turn, leads to new products, processes, and business models that generate less environmental and social impacts.

The quest for **competitiveness with sustainability** should guide the decisions, strategies, and actions of the Industry System (CNI, SESI, SENAI, IEL), as well as influence the actions and positions of Brazilian industrial enterprises and other institutions representing industry, government, and other organizations that deal with industrial matters directly or indirectly.

Taking these aspects into consideration, the **Strategic Map of Industry 2013-2022** is structured around **key factors** that can ensure the competitiveness of Brazilian industry over the next decade.

These key factors were selected in the light of two main criteria: *(i)* their relevant and direct impact on industry's competitiveness; and *(ii)* scope and durability of the impact of the key factor in terms of productivity gains. The proposal and selection of the key factors and their focus take into account opportunities and threats arising from changes under way in Brazil and around the world with the greatest impact on industrial activity, as discussed in the previous chapter.

The key factors can be classified in four groups:

- I. **education** is the basis of everything. An educated society is essential for building institutions and an environment conducive to business. Education is also the main input for innovation;
- II. then there is the group of key factors related to the **environment** in which industry operates, which create favorable conditions for the other factors to be present and influential. These are the **macroeconomic environment, government efficiency, legal certainty and red tape,** and **market development**;
- III. the third group has a direct bearing on production and investment **costs**, influencing supply conditions. It consists of bottlenecks to be directly tackled by public policies and entrepreneurial actions, namely, **taxation, financing, labor relations,** and **infrastructure**;
- IV. finally, there is the key factor of **innovation and productivity**, which is linked to the competencies of industrial enterprises.

The education key factor was stressed in the Map as the basis for the other factors, as without quality education a country will hardly be able to develop sustainably. The innovation and productivity key factor is in turn at the top because it largely results from creating a competitive environment and from the protagonism and action of the enterprises themselves.

For each key factor, a **macro goal** was established as a target summarizing the main result to be achieved, defining the challenge around which the best efforts of the actors involved should be deployed. The key factors are divided into **priority topics** and **objectives** that translate responses to the main bottlenecks identified in each factor. One or more indicators were defined to monitor each objective with a goal to be achieved by 2022. **Transformative actions** represent the most important steps to be taken to achieve each of the objectives. As a set, they are intended to achieve the defined objectives and can be carried out by the Industry System. The transformative actions provide strategic guidance for the action plans of the Industry System, where necessary projects for achieving the ultimate goal will be defined.

The framework of the Strategic Map of Industry 2013-2022 is shown in the figure below.

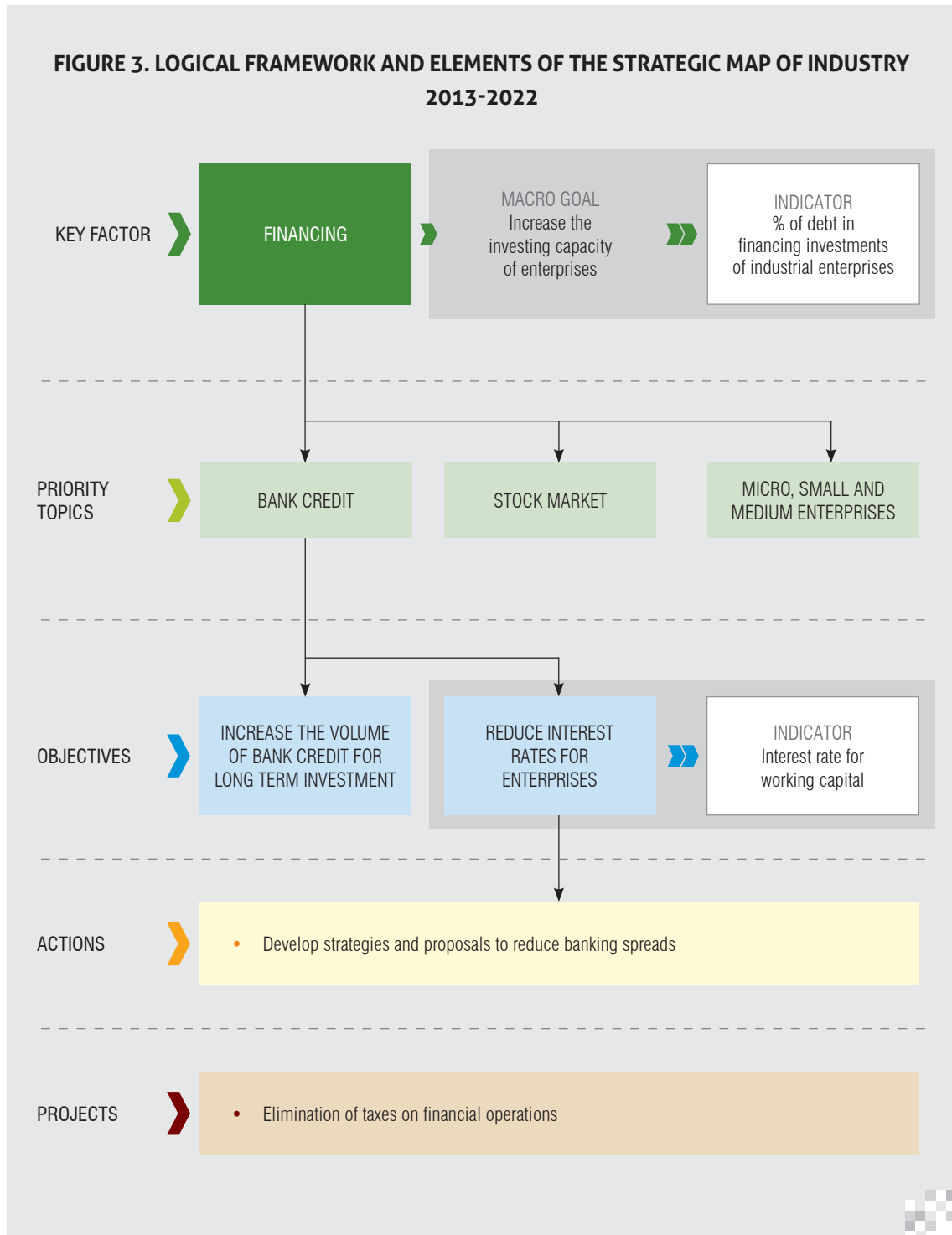
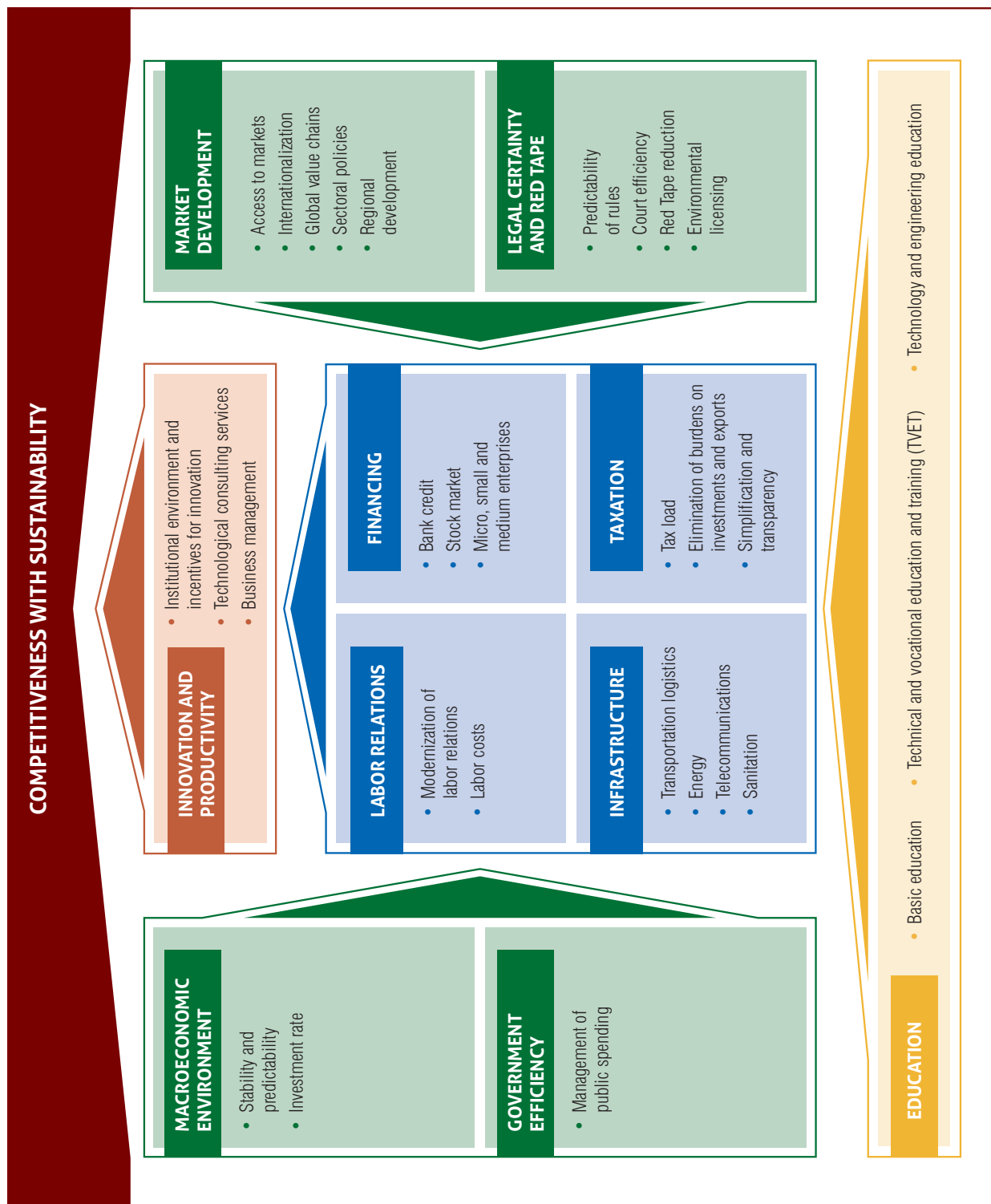
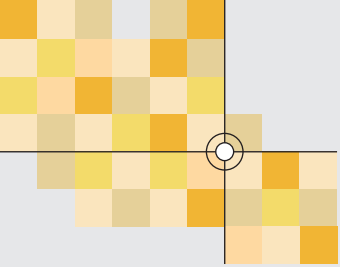


FIGURE 4. DIAGRAM OF THE STRATEGIC MAP OF INDUSTRY 2013-2022





## 2.1 Education

### Why Education?

Labor productivity is a major determinant of industry's competitiveness. Educated teams and well-trained engineers make better use the equipment, create solutions for day-to-day problems, adapt processes and products, and develop and implement innovations. In Brazil, the poor quality of basic education, the low supply of vocational training, and shortcomings in higher education hinder the innovative capacity of enterprises and productivity at large, with significant impacts on the competitiveness of enterprises.

### International Comparison

In the Global Competitiveness Report 2012-2013, Brazil was ranked 126<sup>th</sup> in terms of quality of primary education, behind countries such as Mexico, Chile, Russia and Spain, and 57<sup>th</sup> in higher education and training. In terms of availability of engineers and scientists, the same report ranked Brazil 113<sup>th</sup> among 144 countries.

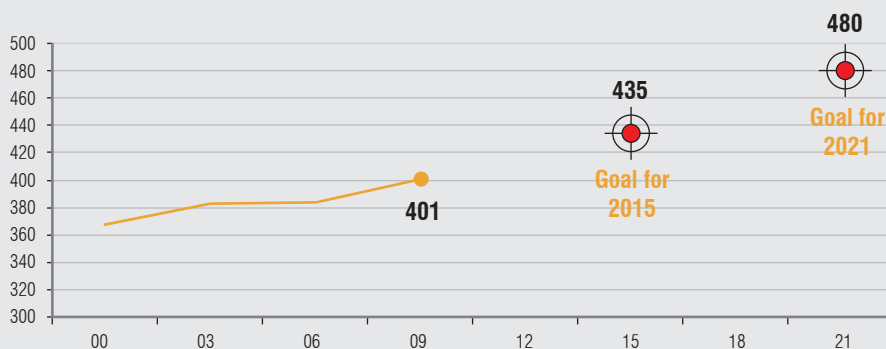
### Vision for 2022

In 2022, Brazilian industry will have more skilled workers, at a level close to that registered in more developed countries. The quality of basic education will rise. A greater supply of engineers and technologists and an increased availability of vocational training, combined with investments of enterprises in training workers, will create an environment conducive to innovation and enable Brazilian industry to face an increasing international competition.

**Macro goal** Improve the quality of education

**Indicator** Brazil's position in the PISA ranking (reading + math + science skills)

**Description** PISA average score.



COMMENTS:

- The goal is to move up from the 54<sup>th</sup> position in the 2009 ranking to the 43<sup>th</sup> position in 2021. For this purpose, Brazil's average score must increase from 401 in 2009 to 480 in 2021. Note that the tests are applied every three years.
- 480 is close to the average score of Spain in the last assessment (484 in 2009).

Source: OECD. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority Topics	Priority objectives
Basic education	Improve the quality of basic education
Technical and vocational education and training (TVET)	Expand the supply of technical and vocational education and training and improve its quality
Technology and engineering education	Expand the supply of engineers and graduates from industrial technology programs offered by universities



# 1. EDUCATION

## Improve the quality of education

» Brazil's position in the PISA ranking (reading + math + science skills)

FIGURE 5. SUMMARY TABLE OF THE EDUCATION KEY FACTOR

PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<b>BASIC EDUCATION</b>	<p><b>Improve the quality of basic education</b></p> <p>» Percentage of young people aged 19 with complete high-school education</p>	<ul style="list-style-type: none"> <li>Promote the qualification of elementary school teachers and public school principals</li> <li>Develop and deliver innovative pedagogical practices that are appropriate to public schools</li> <li>Encourage the adoption of extended school hours and actual student attendance</li> <li>Develop strategies to strengthen the teaching of Portuguese, math, and science in basic education</li> <li>Promote the adoption of curriculum guidelines focused on the world of work</li> <li>Stimulate closer links between technical content and basic education content</li> <li>Stimulate and implement actions to bring families closer to the reality of schools</li> </ul>
<b>TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)</b>	<p><b>Expand the supply of technical and vocational education and training (TVET) and improve its quality</b></p> <p>» Enrollments in high-school level technical courses</p>	<ul style="list-style-type: none"> <li>Boost the supply of TVET programs in line with industry needs</li> <li>Expand the number of places in TVET courses</li> <li>Implement a TVET Evaluation System</li> <li>Promote technical training in the workplace</li> </ul>
<b>TECHNOLOGY AND ENGINEERING EDUCATION</b>	<p><b>Expand the supply of engineers and graduates from industrial technology programs offered by universities</b></p> <p>» Share of enrollments in technology courses in total enrollments in higher education</p> <p>» Percentage of students graduating from engineering, production, and construction courses in relation to the total number of graduates</p>	<ul style="list-style-type: none"> <li>Enhance the supply of and reduce drop-out rates in higher education engineering-related courses and in industrial technology courses</li> <li>Develop proposals to facilitate the immigration of highly skilled technical professionals</li> <li>Disseminate the importance of professional technologists and raise awareness of it within enterprises</li> </ul>



## 2.2 Macroeconomic Environment

### Why Macroeconomic Environment?

Solid macroeconomic foundations reduce uncertainties about the future and enhance the confidence of investors. Price stability is an important condition for sustainable growth processes and it should be accompanied by actions to eliminate institutional obstacles preventing public and private investment from growing. For Brazil to become more competitive, investment rates need to increase significantly, as they are still lower than in other emerging countries, including in Latin American countries.

### International Comparison

According to the Global Competitiveness Report 2012-2013, the macroeconomic environment is one of the twelve pillars of a country's competitiveness. In this regard, Brazil was ranked 62<sup>th</sup> among 144 countries, below its position in the general index (48<sup>th</sup>). The index combines five indicators, in three of which Brazil ranked low: savings (78<sup>th</sup>), inflation (97<sup>th</sup>), and gross debt (109<sup>th</sup>).

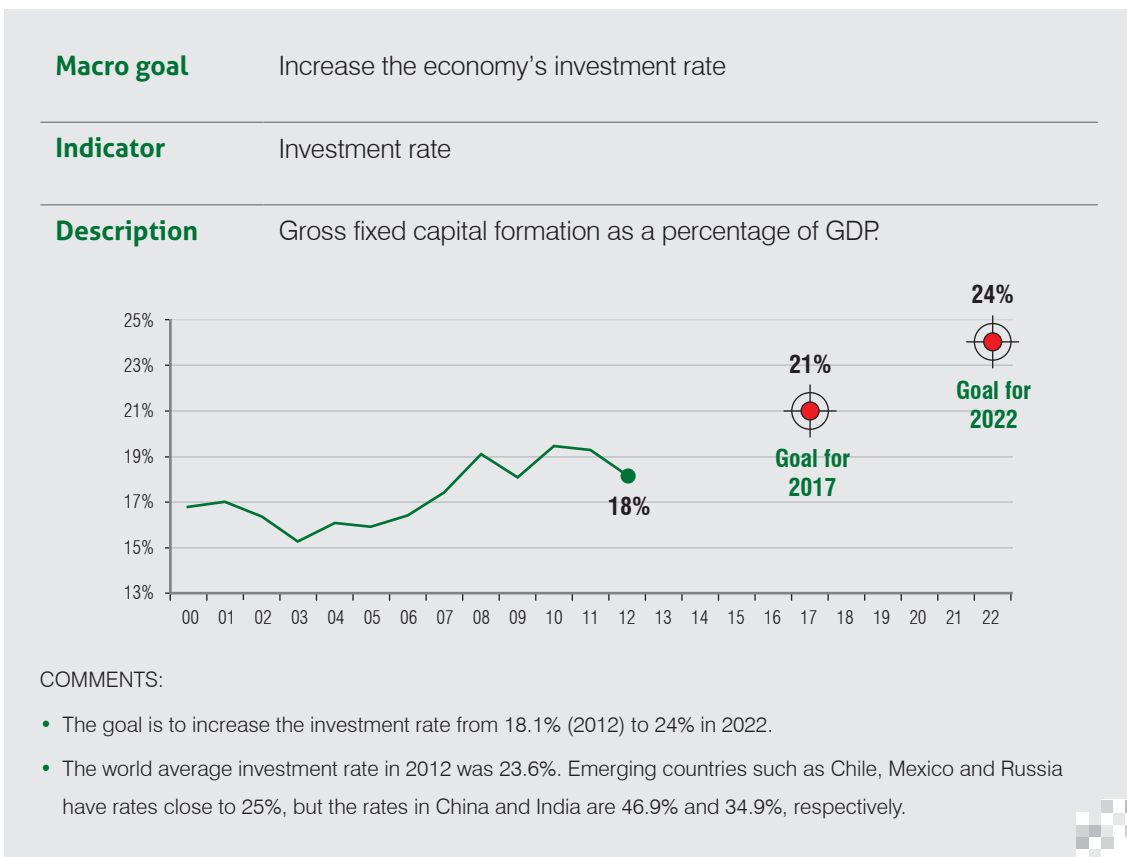
#### COMPONENTS OF THE MACROECONOMIC ENVIRONMENT

	Brazil's Position
Balance of the government budget	64
Gross domestic savings	78
Inflation	97
Government gross debt	109
Credit Rating	34

Source: WEF, 2012.

### Vision for 2022

Brazil's growth in coming years will be supported by consistently rising investment rates funded by higher public and private savings. Lower inflation and competitive interest and exchange rates will stimulate productive activity. A solid fiscal situation, with lower public spending, which will gradually become more efficient, will reduce the tax burden and thus create an environment that is more conducive to business.



Source: Brazilian Institute for Geography and Statistics – IBGE. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority Topics	Priority objectives
Stability and predictability	Consolidate macroeconomic stability
Investment rate	Increase investment rate

## 2. MACROECONOMIC ENVIRONMENT

FIGURE 6. SUMMARY TABLE OF THE MACROECONOMIC ENVIRONMENT KEY FACTOR

		<b>Increase the economy's investment rate</b> » Investment rate
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<b>STABILITY AND PREDICTABILITY</b>	<b>Consolidate macroeconomic stability</b>  » Inflation » Gross debt divided by GDP	<ul style="list-style-type: none"> <li>• Stimulate long-term public planning</li> <li>• Carry out actions to stimulate convergence between inflation and interest rates toward OECD standards</li> <li>• Develop strategies to review the social security system with a view to lending greater sustainability to it</li> <li>• Contribute to the improvement of the exchange rate policy, so as to reduce transaction costs, the volatility of the exchange rate, and negative effects on competitiveness</li> </ul>
	<b>Increase investment rate</b>  » Investment rate	<ul style="list-style-type: none"> <li>• Propose a cap on current spending to increase the saving capacity of the public sector</li> <li>• Propose new models and practices to improve the capacity to plan, prepare, and implement public and private investment projects</li> <li>• Develop proposals to reduce investment costs</li> <li>• Stimulate private investment in public infrastructure and services based on public-private partnerships, concessions, and delegations</li> </ul>
<b>INVESTMENT RATE</b>		





## 2.3 Government Efficiency

### Why Government Efficiency?



The inefficiency of the State has two main effects on competitiveness: it extracts more resources from enterprises than necessary, reducing their efficiency, and provides public goods that generate positive externalities, such as education, infrastructure, and public safety, that are inadequate both in terms of quantity and quality. The Brazilian State spends too much on current spending. Increasing the efficiency of the State means more funds for investment. The composition of public spending needs to be improved by ensuring a higher share of investment. For this purpose, it is necessary to improve the capacity of the State to plan and implement its policies and investments.

### International Comparison



The Global Competitiveness Report 2012-2013 ranked Brazil 111<sup>th</sup> in terms of government efficiency, behind countries such as Egypt (106<sup>th</sup>) and Peru (100<sup>th</sup>), and 135<sup>th</sup> in terms of the quality of its public spending, with only Argentina (136<sup>th</sup>) and Venezuela (143<sup>rd</sup>) behind it in South America.

### Vision for 2022

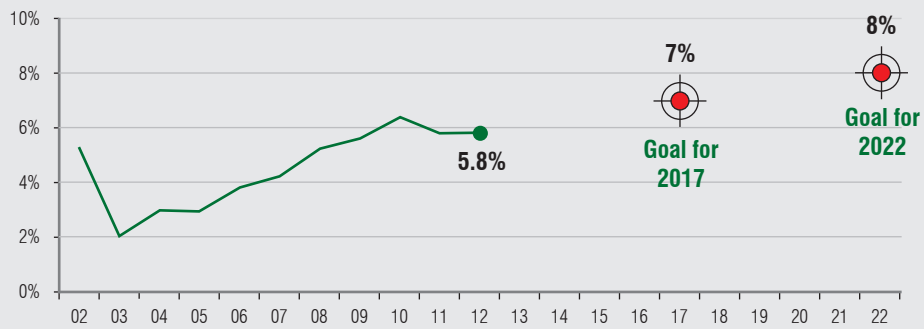


By 2022, the Brazilian State will have improved its management efficiency significantly. There will be continuous improvements in the process of preparing and implementing the federal budget. Its capacity and speed of implementation of investments will have improved significantly. The effects of these improvements will be clearly felt in the quality of infrastructure and services and in the fiscal balance.

**Macro goal** Improve the composition of public spending

**Indicator** Share of investment in total primary spending of the federal government

**Description** Share of investment in total primary spending of the federal government.



COMMENTS:

- The goal is to increase the share of investment from 5.8% in 2012 to 8% in 2022.
- Over the past five years, the OECD average was 8%. The rate in Chile was 12% and in South Korea it was 18% (prepared by CNI based on OECD data).

Source: CNI, using data provided by the National Treasury. Goals set by CNI.

**PRIORITY TOPICS AND OBJECTIVES**

Priority topic	Priority objective
Management of public spending	Improve the efficiency of public investment



### 3. GOVERNMENT EFFICIENCY

FIGURE 7. SUMMARY TABLE OF THE GOVERNMENT EFFICIENCY KEY FACTOR

<p><b>Improve the composition of public spending</b></p> <p>» Share of investment in total primary spending of the federal government</p>		
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<p><b>MANAGEMENT OF PUBLIC SPENDING</b></p>	<p><b>Improve the efficiency of public investment</b></p> <p>» Percentage of executed versus budgeted investments</p>	<ul style="list-style-type: none"> <li>• Develop proposals to improve the budgeting process of the federal government</li> <li>• Develop strategies to influence the process of defining and implementing the federal budget to make it possible for high-impact actions to be taken to promote the competitiveness of industry</li> <li>• Develop actions and propose measures to promote the institutional strengthening of government agencies and bodies involved in regulating markets</li> </ul>





## 2.4 Legal Certainty and Red Tape

### Why Legal Certainty and Red Tape?



The lack of clarity about rights and duties and increasing amendments to laws and regulatory frameworks are detrimental to competitiveness. The lack of confidence that institutions will uphold existing laws raises doubts about the stability of legal relations and uncertainties about the consequences of acts based on legal rules in force, i.e. creates legal uncertainty. Such an environment is not conducive to enhanced economic activity, hindering the competitiveness of enterprises. The additional burden of the state bureaucracy and its relationship with private entities, marked by excessive and complex procedures, result in a hostile environment to business that hinders investment and increases transaction costs for goods and services.

### International Comparison

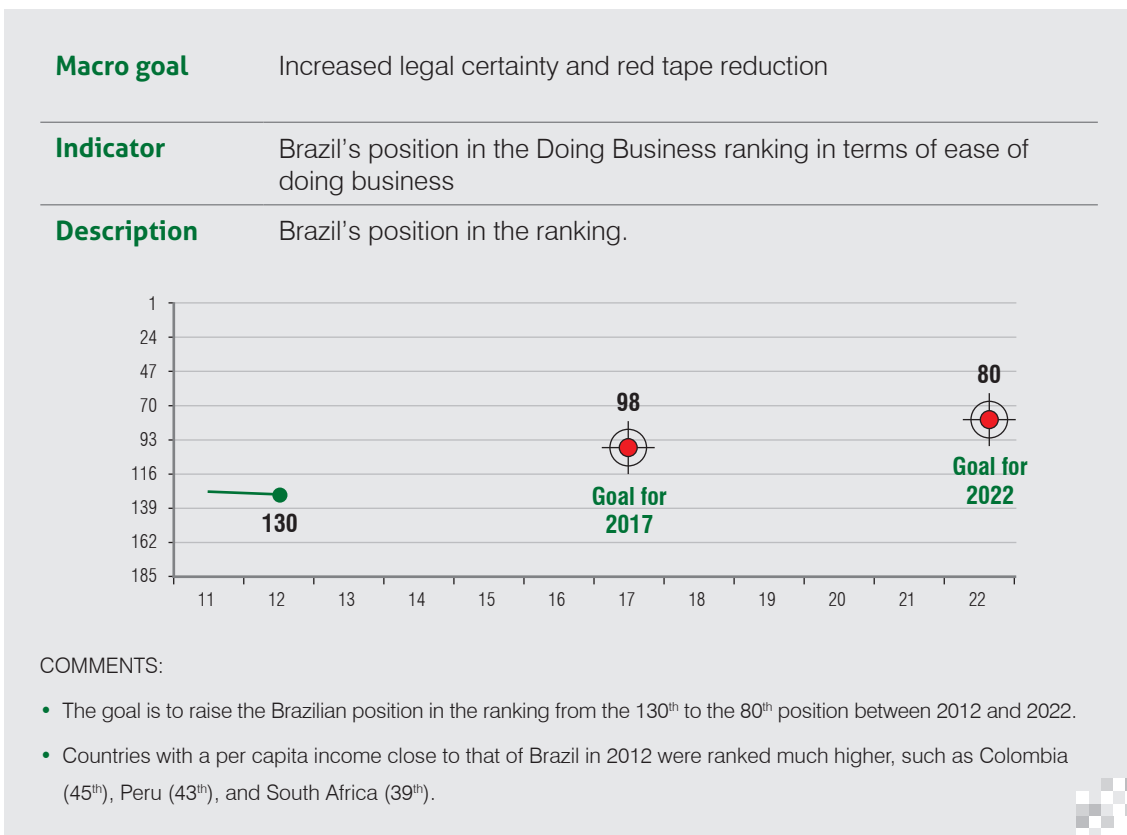


The World Bank Doing Business report 2013 ranked Brazil 130<sup>th</sup> among 185 countries in terms of ease of doing business, behind the average registered in Caribbean and Latin American countries (97<sup>th</sup>), due to the poor performance of the country in indicators such as ease of opening a business (121<sup>th</sup>), of settling disputes (116<sup>th</sup>), of resolving insolvency cases (143<sup>th</sup>), and of protecting investors (82<sup>th</sup>). The Global Competitiveness Report 2012-2013 ranked the country 84<sup>th</sup> in terms of the efficiency of its legal framework to settle disputes and placed it in the last position (144<sup>th</sup>) in terms of the burden of state regulation.

### Vision for 2022



In 2022, laws and regulations will be more stable and applied in a more predictable fashion. State regulation will be transparent, objective, and only applied as strictly necessary, without excesses and always taking costs and benefits into account. A significant reduction in the time required for judging court cases, simplification of bureaucratic requirements related to business activity, and streamlining of processes for obtaining and keeping licenses will make the overall environment more conducive to business.



Source: World Bank. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Predictability of rules	Lend clarity to rules and predictability to their application
Court efficiency	Court cases being judged in less time
Red Tape reduction	Reduce bureaucratic requirements
Environmental licensing	Improve the environmental licensing system

# 4. LEGAL CERTAINTY AND RED TAPE

FIGURE 8. SUMMARY TABLE OF THE LEGAL CERTAINTY AND RED TAPE KEY FACTOR

<p><b>Increased legal certainty and red tape reduction</b></p> <p>» Brazil's position in the Doing Business ranking in terms of ease of doing business</p>		
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
PREDICTABILITY OF RULES	<p><b>Lend clarity to rules and predictability to their application</b></p> <p>» Quantity of rules issued in a year</p>	<ul style="list-style-type: none"> <li>Take action to improve legislation that interferes in the business environment</li> <li>Propose consultation procedures in the process of drafting and issuing legal and statutory acts</li> <li>Improve the monitoring system and operating strategy in cases of greater relevance to industry in Superior and Administrative Courts</li> <li>Develop strategies and proposals for improving the laws with the aim of strengthening legal personality provisions</li> <li>Promote strategies and actions focused on stimulating the guiding character of inspection actions</li> <li>Propose measures to ensure compliance with due process in administrative actions against enterprises</li> </ul>
COURT EFFICIENCY	<p><b>Court cases being judged in less time</b></p> <p>» Rate of congestion of first-instance lawsuits</p>	<ul style="list-style-type: none"> <li>Work on the issuance and updating of binding abridgements</li> <li>Develop studies and proposals for creating extrajudicial mechanisms for out-of-court settlement of disputes with public authorities</li> <li>Encourage the use of mediation and arbitration mechanisms</li> </ul>
RED TAPE REDUCTION	<p><b>Reduce bureaucratic requirements</b></p> <p>» Brazil's position in the <i>Doing Business</i> in terms of ease of doing business</p>	<ul style="list-style-type: none"> <li>Develop strategies and proposals to reduce red tape</li> <li>Encourage self-regulation of productive sectors</li> <li>Propose measures to simplify and streamline the process of getting licenses and permits</li> </ul>
ENVIRONMENTAL LICENSING	<p><b>Improve the environmental licensing system</b></p> <p>» Average time required to get environmental licenses</p>	<ul style="list-style-type: none"> <li>Consolidate diagnoses and define strategies for actions of industry in connection with environmental licensing</li> <li>Propose a national standard to discipline and harmonize the environmental licensing process</li> <li>Study the cost of delays in infrastructure projects and industrial undertakings caused by licensing procedures, identifying causes and proposing recommendations</li> <li>Work on the definition of activities to be licensed by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and by state or local environmental agencies, as well as on the setting of clear rules to prevent overlapping of competencies in the inspection of licensed activities to regulate provisions already contained in laws</li> </ul>





## 2.5 Market Development

### Why Market Development?



Markets have a bearing on the competitiveness of enterprises. The size of the domestic market generates scale, allows for the existence of a diversified industrial base, and creates options for the country. This asset needs to be reinforced by Brazil's insertion in the global economy. Participation in international trade and in global value chains induces increased productivity and greater innovation capacity on the part of industry through economies of scale, exchange of knowledge, and access to more sophisticated consumer markets. Brazil faces the challenge of increasingly integrating itself into higher-value stages of global chains and of taking advantage of development opportunities available in sectors in which it has significant comparative advantages based on its natural, human, and technological resources and on its economic framework.

### International Comparison

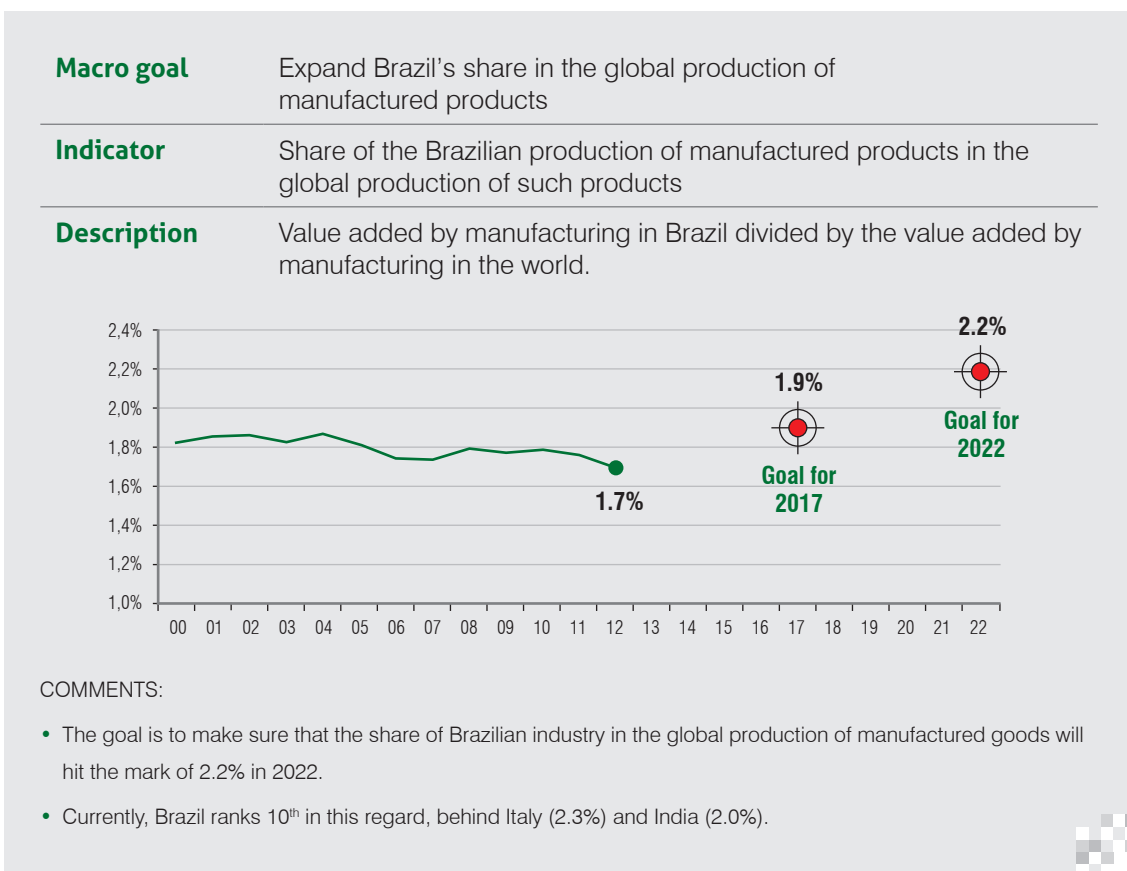


The Global Competitiveness Report 2012-2013 sees the size of a market as one of the 12 pillars of a country's competitiveness. Brazil was well ranked in the size of its domestic market (7<sup>th</sup> position in a ranking of 144 nations), but not that well in terms of the size of its external market (24<sup>th</sup> position). In terms of exports as a percentage of GDP, Brazil was ranked 140<sup>th</sup> among 144 countries in that report.

### Vision for 2022



In 2022, Brazil will be more integrated into the international economy and will be taking part in some major global value chains, which will contribute to more innovation, exchange of knowledge, and a more value-added domestic industry. The internationalization of enterprises and intra-industry trade will increase. Specific sectoral policies will contribute to developing the country's industrial framework. As a result, the Brazilian share in the international trade of manufactured products will increase.



Source: UNIDO. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Access to markets	Improve foreign market access conditions
Internationalization	Increase the international presence of Brazilian enterprises
Global value chains	Increase the participation of Brazilian industry in global value chains
Sectoral policies	Promote sectoral development
Regional development	Develop competitive factors in less industrialized regions



# 5. MARKET DEVELOPMENT

FIGURE 9. SUMMARY TABLE OF THE MARKET DEVELOPMENT KEY FACTOR

<p><b>Expand Brazil's share in the global production of manufactured products</b></p> <p>» Share of Brazilian production of manufactured products in the global production of such products</p>		
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<p><b>ACCESS TO MARKETS</b></p>	<p><b>Improve foreign market access conditions</b></p>	<ul style="list-style-type: none"> <li>Propose measures for restructuring Mercosur with the aim of ensuring greater flexibility in signing trade agreements</li> <li>Develop a strategy to promote greater integration with South America with a focus on trade, investment, logistics, and energy</li> <li>Actively participate in multilateral negotiations on trade, investments, and technical and environmental standards</li> <li>Develop strategies and specific proposals for trade and investment with Africa, the US, the EU, China and India</li> <li>Identify bottlenecks and propose measures to improve export credit guarantee instruments</li> <li>Propose measures to improve foreign trade laws</li> <li>Propose measures to ensure the feasibility of establishing export consortia</li> <li>Prepare trade facilitation proposals (customs procedures, payments, insurance, international rules and standards)</li> </ul>
	<p>» Share of markets in which Brazil has trade agreements in the world market</p>	
<p><b>INTERNATIONALIZATION</b></p>	<p><b>Increase the international presence of Brazilian enterprises</b></p>	<ul style="list-style-type: none"> <li>Develop studies and proposals to adjust Brazilian tax practices to internationalization needs</li> <li>Identify obstacles and propose measures to support foreign direct investment</li> <li>Defend the interests of Brazilian industry abroad and in international organizations more strongly</li> <li>Encourage coordinated and integrated actions in support of the internationalization of enterprises on the part of different public and private organizations</li> </ul>
	<p>» Brazilian direct investment abroad</p>	
<p><b>GLOBAL VALUE CHAINS</b></p>	<p><b>Increase the participation of Brazilian industry in global value chains</b></p>	<ul style="list-style-type: none"> <li>Improve and expand training programs for small and medium enterprises as suppliers in the production chain</li> <li>Develop studies and proposals to improve Brazil's insertion in global value chains</li> <li>Encourage trade partnerships between specific sectors to foster productive integration, address regulatory issues, and promote training and innovation</li> </ul>
	<p>» Exports + imports of intermediate manufactured goods/exports + imports of manufactured goods</p>	
<p><b>SECTORAL POLICIES</b></p>	<p><b>Promote sectoral development</b></p>	<ul style="list-style-type: none"> <li>Develop and propose industrial policy strategies to take advantage of development opportunities</li> <li>Implement a process to consolidate sectoral demands in relation to industrial policy with a view to promote joint actions</li> <li>Improve local content policies with the aim of ensuring greater added value and enhanced competitiveness</li> <li>Develop studies and proposals with the aim of reducing institutional incentives to verticalization of industrial activity</li> <li>Propose policies designed to provide incentives to technology- and design-intensive sectors</li> <li>Carry out studies and evaluate technological scenarios with the aim of identifying opportunities and actions to increase the participation of technology-intensive sectors</li> <li>Develop studies and proposals on green economy</li> <li>Develop studies and strategies to take advantage of opportunities and reduce mitigation costs related to climate change</li> </ul>
	<p>» Share of Brazilian production of manufactured products in the global production of such products</p>	
<p><b>REGIONAL DEVELOPMENT</b></p>	<p><b>Develop competitive factors in less industrialized regions</b></p>	<ul style="list-style-type: none"> <li>Step up capacity-building initiatives for workers to meet the industry's demand in regions experiencing growth</li> <li>Strengthen services in support of Local Productive Arrangements (APLs) and smaller companies with the aim of promoting local development</li> <li>Take action to design a new model of incentives to regional development considering the reform of the Tax on Circulation of Goods and Services (ICMS)</li> <li>Define strategies to implement logistics hubs to promote regional competitiveness</li> </ul>
	<p>» Share of less industrialized regions in industrial jobs in Brazil</p>	





## 2.6 Labor Relations

### Why Labor Relations?



In Brazil, the legal and institutional system governing the labor market is outdated, inflexible, and legally uncertain, undermining the competitiveness of enterprises and jeopardizing the country's economic growth. Modern, clear, and safe rules are required to promote economic efficiency and the well-being of workers.

### International Comparison

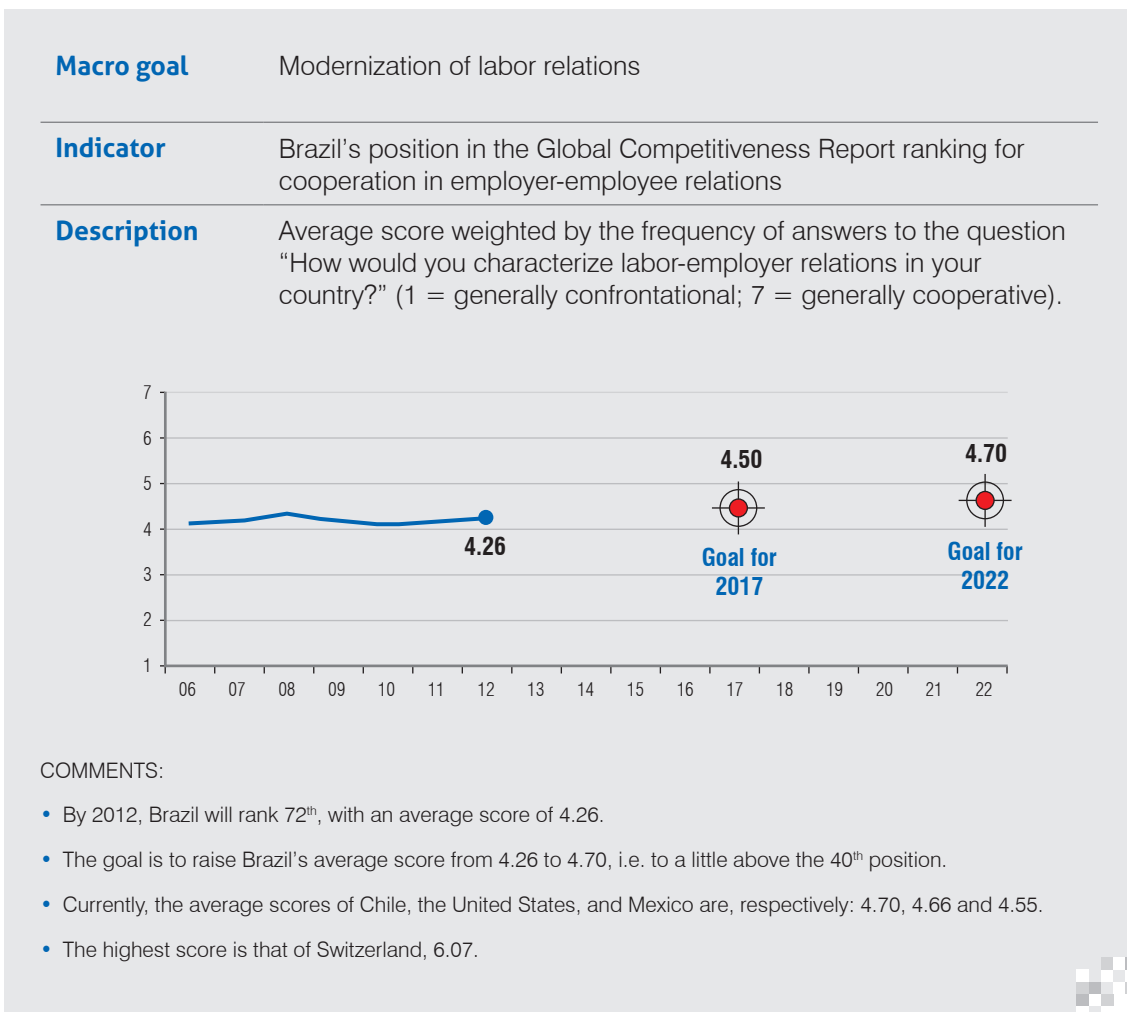


According to the Global Competitiveness Report 2012-2013, there are difficulties to hire and dismiss workers in Brazil. In the eight components of the “efficiency of the labor market” pillar, Brazil is among the worst ranked countries in relation to the “flexibility in wage determination” and “hiring and firing practices” indicators, as it was ranked 118<sup>th</sup> and 114<sup>th</sup>, respectively, in a list of 144 economies.

### Vision for 2022



In 2022, labor relations will be more suited to the needs of the economy. There will be greater recognition of agreements between workers and employers, with positive impacts on investment in human capital and productivity.



Source: WEF. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Modernization of labor relations	Modernize labor regulations
	Expand collective bargaining between workers and employers
Labor costs	Reduce labor costs

# 6. LABOR RELATIONS

FIGURE 10. SUMMARY TABLE OF THE LABOR RELATIONS KEY FACTOR

PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<p><b>MODERNIZATION OF LABOR RELATIONS</b></p>	<p><b>Modernize labor regulations</b></p>	<ul style="list-style-type: none"> <li>• Develop strategies and influence outsourcing regulation</li> <li>• Develop strategies and proposals for eliminating red tape from labor relations</li> <li>• Propose the creation and/or implementation of alternative dispute settlement mechanisms</li> <li>• Develop strategies and actions to modernize labor relations</li> </ul>
	<p>» Brazil's score in the Global Competitiveness Report in hiring and dismissal practices</p>	<ul style="list-style-type: none"> <li>• Develop strategies to enhance the importance of collective bargaining and of recognizing collective labor instruments agreed upon</li> <li>• Train corporate leaders of the industrial sector in collective bargaining</li> </ul>
<p><b>LABOR COSTS</b></p>	<p><b>Reduce labor costs</b></p>	<ul style="list-style-type: none"> <li>• Develop strategies to reduce the burden on the payroll</li> <li>• Develop strategies to extend differential treatment to micro and small enterprises in labor laws</li> </ul>
	<p>» Unit labor costs in industry</p>	

**Modernization of labor relations**

» Brazil's position in the Global Competitiveness Report ranking for cooperation in employer-employee relations





## 2.7 Financing

### Why Financing?



The growth pace of an economy and the competitiveness of its industry depend on the availability of funds for investment and on the ability of the financial system to mediate them at a low cost and broadly. Insufficient finance at high costs or with short repayment schedules frustrates investment projects. Notwithstanding advances in this area, Brazilian enterprises are still struggling to finance their productive activities both in terms of access to finance and costs and repayment schedules.

### International Comparison

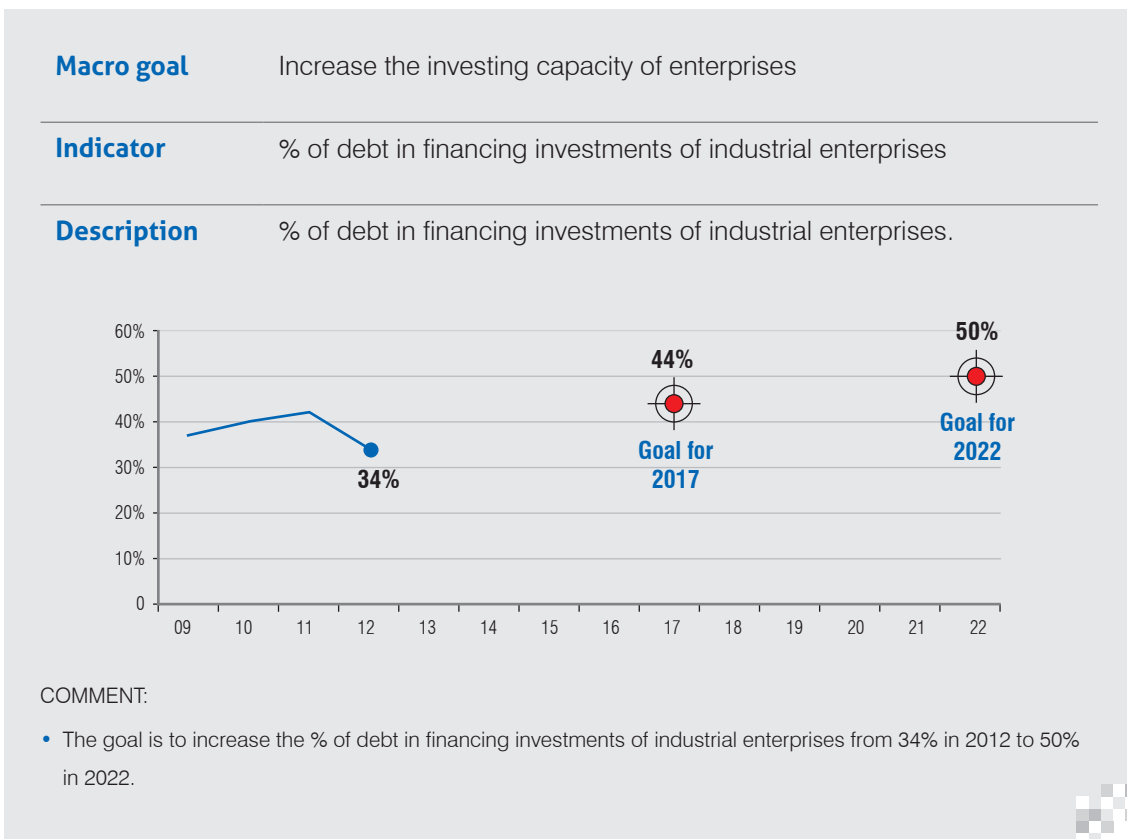


The World Bank Doing Business report 2013 ranks Brazil 104<sup>th</sup> in “getting credit,” behind the average registered in Latin America and Caribbean countries (87<sup>th</sup>) and seven positions behind that recorded for the country the year before. The Global Competitiveness Report 2012-2013 ranks Brazil 46<sup>th</sup> in the financial market development pillar and, with regard to access to financial services, it was ranked 62<sup>nd</sup>.

### Vision for 2022



By 2022, greater ease of credit access, combined with lower costs made possible by enhanced bank competition and lower banking spreads, will have increased the share of debt in financing investments of industrial enterprises of all sizes. With a well-developed capital market, in which many and diverse institutions interact, long-term financing will become more available in Brazil, reducing dependence on public banks.



Source: CNI. Goals set by CNI.

### PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Bank credit	Increase the volume of bank financing for long-term investment
	Reduce interest rates for legal entities
Stock market	Expand the corporate fixed-income market
	Develop the stock market
Micro, small and medium enterprises	Make more financing available for micro, small and medium enterprises



# 7. FINANCING

FIGURE 1.1. SUMMARY TABLE OF THE FINANCING KEY FACTOR

PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
BANK CREDIT	<p><b>Increase the volume of bank credit for long-term investment</b></p> <p>» Total long-term financing divided by GDP</p>	<ul style="list-style-type: none"> <li>Propose the creation of incentives for long-term private financing</li> <li>Encourage the establishment of long-term investment funds</li> <li>Develop proposals for BNDES (Brazilian Development Bank) funding programs</li> </ul>
	<p><b>Reduce interest rates for enterprises</b></p> <p>» Interest rates for working capital</p>	<ul style="list-style-type: none"> <li>Develop strategies and proposals to reduce banking spreads</li> <li>Develop strategies and proposals to reduce the cost of working capital</li> </ul>
STOCK MARKET	<p><b>Expand the corporate fixed-income market</b></p> <p>» Total value of debentures (without leasing) divided by GDP</p>	<ul style="list-style-type: none"> <li>Develop proposals to stimulate liquidity in secondary markets for bonds and other private papers</li> <li>Propose measures to encourage the placement of fixed-income securities by industrial enterprises</li> <li>Develop studies and proposals for the role of public and development banks as levers of long-term corporate credit</li> </ul>
	<p><b>Develop the stock market</b></p> <p>» Number of listed companies (BM&amp;F/Bovespa)</p>	<ul style="list-style-type: none"> <li>Prepare proposals to facilitate access to and reduce the cost of IPOs and of maintaining publicly-traded companies</li> <li>Develop proposals to stimulate the establishment of private equity and venture capital funds</li> </ul>
MICRO, SMALL AND MEDIUM ENTERPRISES	<p><b>Make more financing available for micro, small and medium enterprises</b></p> <p>» BNDES (Brazilian Development Bank) disbursements for micro, small and medium enterprises</p>	<ul style="list-style-type: none"> <li>Develop proposals for establishing new credit assurance mechanisms for MSMEs and improve the existing ones</li> <li>Implement a credit guidance program</li> <li>Prepare proposals to reduce the red tape involved in accessing public finance</li> </ul>

**Increase the investing capacity of enterprises**  
 » % of debt in financing investments of industrial enterprises



## 2.8 Infrastructure

### Why Infrastructure?

The availability of an effective intermodal transportation network is essential to ensure industry's competitiveness. Efficient logistics allows for production inputs to be delivered and industrial products to be distributed to the market safely and at appropriate times, increasing the competitiveness of enterprises. Besides a logistical infrastructure, the availability of electricity and of an appropriate framework for high-speed (broadband) data transmission without fluctuations and interruptions and at competitive costs is a key input for the organization and production of industrial enterprises.

### International Comparison

Brazil was ranked 70<sup>th</sup> in terms of infrastructure in the Global Competitiveness Report 2012-2013, below the average registered in countries at a similar development stage. In this regard, Brazil ranked poorly in areas with a strong impact on industry's competitiveness, such as in terms of quality of ports (135<sup>th</sup>), airports (134<sup>th</sup>), highways (123<sup>th</sup>), and railways (100<sup>th</sup>).

#### INFRASTRUCTURE INDICATORS (BRAZIL'S POSITION IN A RANKING OF 144 COUNTRIES)

Ports	<b>135</b>
Airports	<b>134</b>
Highways	<b>123</b>
Railways	<b>100</b>
Electricity supply	<b>68</b>

Source: WEF, 2012.

The same report ranks Brazil 68<sup>th</sup> in terms of quality of electricity supply. Besides the low quality of electricity supply in the country, its costs are high. The average electricity rate for industry in Brazil is almost 50% higher than the average in a set of 27 countries worldwide for which data is available with the International Energy Agency. The difference can be as high as 134% when Brazil is compared to other BRIC countries (Russia, India, and China).

▶ In relation to telecommunications, Brazil rose from the 54<sup>th</sup> position in 2002 to the 60<sup>th</sup> one in 2011, according to the ICT Development Index (IDI) prepared by the United Nations International Telecommunication Union (ITU). The result indicates that Brazil lags behind in taking full advantage of the benefits afforded by Information and Communication Technologies (ICT).

In the area of sanitation, Brazil still needs to make a lot of progress: only 46.2% of its population has access to sewage systems and 81.1% have access to drinking water.

## Vision for 2022

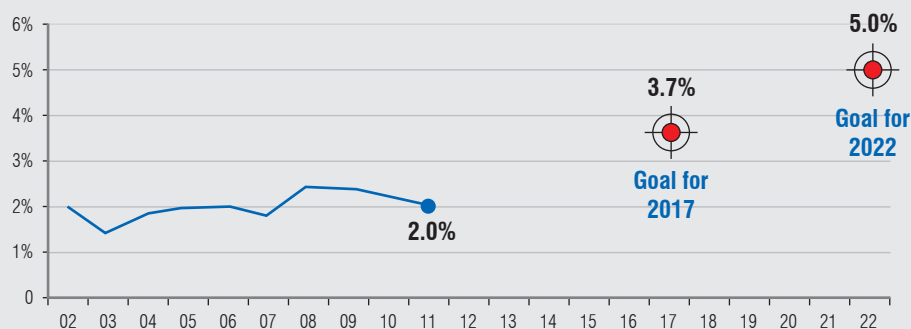


Public and private investments in infrastructure will have increased significantly by 2022. The Brazilian logistics system will be more efficient and integrated, with a better distribution among different modes. Railroad systems and coastal shipping will be used to handle cargo, while the quality of roads will be improved and the capacity and efficiency of ports will be expanded. The supply of energy at competitive prices in relation to other countries and the quality of broadband services will contribute to enhance industry's competitiveness.

**Macro goal** Improve infrastructure

**Indicator** Share of infrastructure investment in GDP

**Description** Total investment in infrastructure divided by GDP.



COMMENTS:

- The goal is to increase the share of infrastructure investment in GDP to 5.0% in 2022.
- In the 1970s, a period marked by heavy investment in infrastructure, the average share was 5.4%.

Source: INTER. B. 2012. Goals set by CNI.

## PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Transportation logistics	Expand the supply and improve the efficiency of modal transportation
Energy	Ensure the supply, improve the quality, and reduce the cost of electricity
	Increase the supply of natural gas and reduce costs to international competitive levels
Telecommunications	Reduce the cost and increase the speed of broadband services
Sanitation	Ensure universal access to water supply and sewage services

# 8. INFRASTRUCTURE

FIGURE 12. SUMMARY TABLE OF THE INFRASTRUCTURE KEY FACTOR

PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<b>TRANSPORTATION LOGISTICS</b>	<p><b>Expand the supply and improve the efficiency of modal transportation</b></p> <ul style="list-style-type: none"> <li>» Volume of cargo transported by rail</li> <li>» Quality of highways and roads</li> <li>» Share of coastal shipping in port operations</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and compare the logistic costs of major domestic production chains with the logistic costs of production chains in other countries</li> <li>• Identify bottlenecks and propose measures to enhance the efficiency and reduce the costs of major domestic logistics hubs</li> <li>• Identify legal bottlenecks that hinders the growth of public and private investment in the Brazilian railway infrastructure and propose solutions</li> <li>• Identify and propose actions to simulate competition among ports</li> <li>• Identify legal bottlenecks that hinders the growth of public and private investments in the Brazilian port infrastructure and operations and proposing solutions</li> <li>• Stimulate the expansion and upgrade the road system through concessions and Public-Private Partnerships (PPPs)</li> <li>• Identify legal bottlenecks that hinders the growth of public and private investment in coastal shipping and propose solutions</li> <li>• Identify regulatory and infrastructure bottlenecks in the airport system and propose solutions</li> </ul>
<b>ENERGY</b>	<p><b>Ensure the supply, improve the quality, and reduce the cost of electricity</b></p> <ul style="list-style-type: none"> <li>» Cost of electricity for industry</li> </ul> <p><b>Increase the supply of natural gas and reduce costs to international competitive levels</b></p> <ul style="list-style-type: none"> <li>» Relative cost of natural gas in Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and propose actions to ensure electricity supply at competitive prices and with quality</li> <li>• Identify regulatory and management changes to encourage public and private investment in the Brazilian electricity industry</li> <li>• Propose legal amendments to stimulate the expansion of energy efficiency practices</li> <li>• Carry out studies to identify potential opportunities to modernize and diversify the domestic energy matrix</li> <li>• Define and propose amendments to the existing legal framework with a view to expand the supply of gas (increase in production and in pipeline systems) at competitive prices</li> <li>• Propose policies to stimulate the use of natural gas in industry as a competitive factor</li> <li>• Stimulate the production and distribution of unconventional gas when competitive</li> </ul>
<b>TELECOMMUNICATIONS</b>	<p><b>Reduce the cost of and increase the speed of broadband services</b></p> <ul style="list-style-type: none"> <li>» Average annual download speed</li> </ul> <p><b>Ensure universal access to water supply and sewage services</b></p> <ul style="list-style-type: none"> <li>» Percentage of households served by a sewage system</li> </ul>	<ul style="list-style-type: none"> <li>• Identify regulatory and management bottlenecks in the Brazilian telecommunications industry and propose solutions to government</li> <li>• Propose measures to increase public and private investment in telecommunications</li> <li>• Stimulate the holding of new frequency auctions with a view to modernizing and expanding telecommunications services</li> </ul>
<b>SANITATION</b>	<p><b>Ensure universal access to water supply and sewage services</b></p> <ul style="list-style-type: none"> <li>» Percentage of households served by a sewage system</li> </ul>	<ul style="list-style-type: none"> <li>• Propose measures to simulate supply improvements in, and modernization of the management of sanitation services</li> </ul>

## Improve infrastructure

» Share of infrastructure investment in GDP

## 2.9 Taxation

### Why Taxation?

A costly and complex tax system reduces competitiveness and discourages investment. Brazil has one of the highest tax loads among countries at similar development stages. Apart from having a strong bearing on the production of goods and services, the tax structure is complex, often resulting in cumulative taxes. The challenge in this field is to strike a balance between the need of the State to collect taxes and that of ensuring a sound business environment, avoiding excessive costs for enterprises.

### International Comparison

Among all the criteria checked in the World Bank's annual Doing Business report 2013, Brazil ranks worst in "paying taxes," in connection with which the country was ranked 156<sup>th</sup>. The criterion that was used combines indicators that measure tax load and the bureaucratic cost generated by the tax structure.

#### INDICATORS OF DOING BUSINESS 2013 FOR PAYING TAXES – BRAZIL, LATIN AMERICA AND OECD

Indicators*	Brazil	Latin America and the Caribbean	OECD
Payments (n. per year)	9	30	12
Time spent (hours per year)	2,600	367	176
Profit tax (% of profits)	24.6	21.5	15.2
Labor taxes (% of profits)	40.8	14.4	23.8
Other taxes (% of profits)	3.8	11.3	3.7
Total tax rate (% of profit)	69.3	47.2	42.7

The lower amount of payments is not reflected in less time spent paying taxes, as is usually seen in other countries.

The total tax rate amounts, in average, to almost 70% of the profit of enterprises.

Source: World Bank, 2013.

\*The indicators were calculated according to standard tax conditions in the second year of operation of an enterprise.

## Vision for 2022



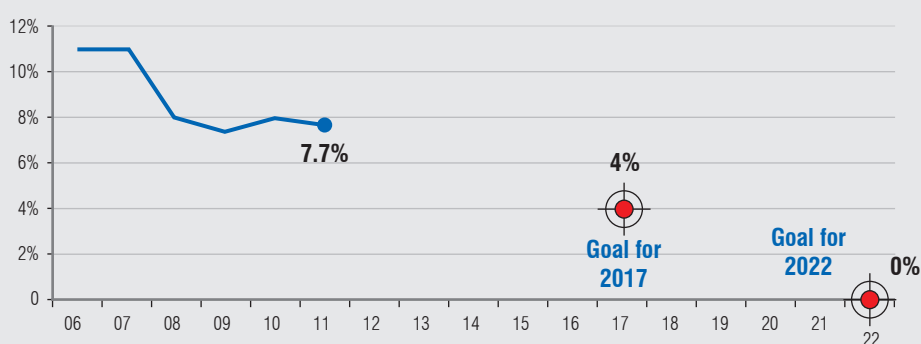
By 2022, the Brazilian tax structure will be simpler and more transparent. The number of taxes on the same tax base will decrease significantly. A homogeneous taxation standard will be applied, putting an end to tax wars. Entrepreneurs will actually get credits from taxes that will be levied in the earlier stages of the production chain. Governments will enhance their spending productivity, allowing for a reduction in the tax burden.



**Macro goal** No cumulative taxes with a lower tax burden

**Indicator** Percentage of tax revenue generated from cumulative taxes in the total tax revenue

**Description** Percentage of the tax revenue generated by cumulative taxes in the total revenue from the following taxes: Tax on Circulation of Goods and Services (ICMS), PIS/PASEP (Social Integration Program), Cofins (Contribution to Social Security financing), Tax on Industrial Products (IPI), Tax on Services (ISS), *CIDE Combustíveis* (Contribution for Intervention in the Economic Domain – fuels) and IOF (Tax on Financial Operations).



COMMENT:

- The goal is to eliminate cumulative taxes in Brazil by 2022.

Source: CNI, using data provided by Brazil's Internal Revenue Service (*Receita Federal*) and Brazilian Institute for Geography and Statistics IBGE. Goals set by CNI.

## PRIORITY TOPICS AND OBJECTIVES

Priority topics	Priority objectives
Tax load	Reduce the tax load
	Eliminate cumulative taxes
Elimination of burdens on investments and exports	Relieve the tax burden on investments
	Relieve the tax burden on exports
Simplification and transparency	Simplify the tax structure

# 9. TAXATION

FIGURE 13. SUMMARY TABLE OF THE TAXATION KEY FACTOR

<p><b>No cumulative taxes with a lower tax burden</b></p> <p>» Percentage of tax revenue generated from cumulative taxes in the total tax revenue</p>		
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<b>TAX LOAD</b>	<b>Reduce the tax load</b>	<ul style="list-style-type: none"> <li>Propose a cap on current spending growth to increase the saving capacity of the public sector</li> <li>Propose a cap on the tax burden</li> <li>Prepare proposals to adjust deadlines for tax payments</li> <li>Study and propose improvements to modernize the Brazilian tax framework</li> <li>Propose improvements in the structure of import tariffs in Brazil, with a focus on competitiveness</li> </ul>
	<b>Eliminate cumulative taxes</b>	<ul style="list-style-type: none"> <li>Propose the incorporation of the ISS tax into the ICMS tax</li> <li>Propose the elimination of assessments within taxes</li> <li>Propose the end of the inclusion of a tax in the assessment base of another tax</li> <li>Prepare a proposal for merging the IPI, PIS and COFINS taxes and contributions into a federal value-added tax with offset credits</li> <li>Develop proposals for appropriation of credit on use and consumer goods in the ICMS tax</li> <li>Prepare proposals for compensating debit balances of federal taxes in social security debts</li> </ul>
<b>ELIMINATION OF BURDENS ON INVESTMENTS AND EXPORTS</b>	<b>Relieve the tax burden on investments</b>	<ul style="list-style-type: none"> <li>Define actions for immediate recovery of tax credits of investment projects (ICMS, PIS/COFINS)</li> <li>Propose a reduction to zero of the IPI tax on capital goods and other goods for use as fixed assets</li> <li>Develop actions to adopt the accelerated depreciation mechanism on a permanent basis</li> </ul>
	<b>Relieve the tax burden on exports</b>	<ul style="list-style-type: none"> <li>Propose actions to speed up operational mechanisms for recovering tax credits related to exports (ICMS and PIS/COFINS)</li> <li>Keep mechanisms for compensation of non-recoverable taxes in exports while a cumulative tax system persists</li> </ul>
<b>SIMPLIFICATION AND TRANSPARENCY</b>	<b>Simplify the tax structure</b>	<ul style="list-style-type: none"> <li>Prepare proposals to simplify and rationalize federal taxation</li> <li>Develop strategies to improve and unify the national ICMS tax law with transfer of the tax to the state of destination and incorporation of the ISS tax assessment base</li> <li>Identify opportunities to simplify tax assessment regimes</li> <li>Develop a proposal to discipline the use of the tax replacement mechanism in connection with the ICMS tax and define an influence strategy to implement it</li> </ul>
	<b>Number of hours spent paying taxes</b>	



## 2.10 Innovation and Productivity

### Why Innovation and Productivity?



Productivity is the key determinant of competitiveness that is most dependent on the actions of industry itself. Enterprises can increase their productivity based on “learning by doing,” by taking advantage of economies of scale or through improvements in management. However, to achieve continuous productivity gains, they need innovation, which is defined as the introduction of a new good or service, process, method, or business model.

### International Comparison



Between 2000 and 2010, labor productivity in manufacturing in Brazil grew by only 0.6% a year in average. This rate is much lower than that recorded by industry in countries such as South Korea (5.6%), the United States (5.2%), Singapore (3.4%), the UK (3.1%), and Australia (2.0%). Although corporate spending on research and development is on the rise, the comparison with other countries is unfavorable to Brazil. The Global Competitiveness Report 2012-2013 ranks Brazil 113<sup>th</sup> with regard to the availability of scientists and engineers. In the remaining factors related to innovation, Brazil was ranked 33<sup>rd</sup> in terms of private spending on research and development and 34<sup>th</sup> in terms of ability to innovate in a list of 144 countries.

### Vision for 2022

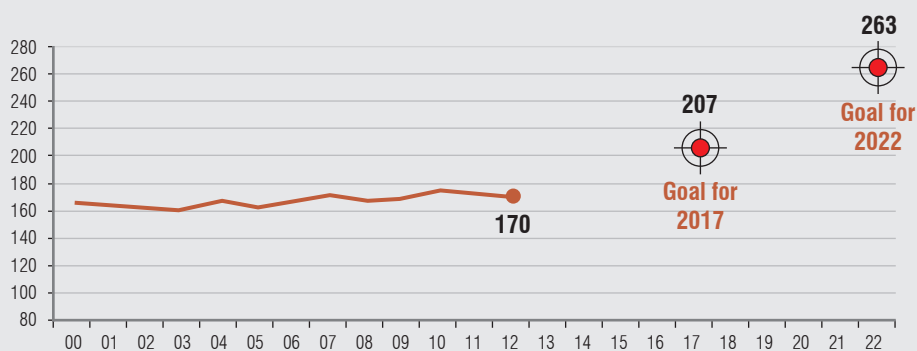


By 2022, the institutional environment and the structure of finance and incentives will stimulate innovation in enterprises of all sizes. The provision of technological services to Brazilian industry will increase substantially. The capacity of Brazilian industry to invest in new technologies and processes will increase and it will adopt management methods that will contribute to stepping up its productivity on an ongoing basis.

**Macro goal** Increase the productivity of industry

**Indicator** Growth rate of labor productivity in industry

**Description** Brazilian Institute for Geography and Statistics – IBGE’s physical production indicator divided by CNI’s worked hours indicator, considering manufacturing industry. Base index: average in 1992 = 100.



COMMENTS:

- The goal is to ensure an average annual productivity growth rate of 4.5% between 2011 and 2022.
- Over the past 20 years, the Brazilian industrial productivity grew by 2.3% a year in average.
- The average rate registered in the United States, France and Japan was higher than 3% a year over the same period. South Korea recorded an increase in productivity of 8% a year (BLS/USA).

Source: CNI, based on its data and IBGE’s data. Goals set by CNI.

**PRIORITY TOPICS AND OBJECTIVES**

Priority topics	Priority objectives
Institutional environment and incentives for innovation	Improve the institutional environment
	Facilitate access to financing and incentives
Technological consulting services	Increase the provision of technological consulting services to companies
Business management	Improve the quality of business management

# 10. INNOVATION AND PRODUCTIVITY

FIGURE 14. SUMMARY TABLE OF THE INNOVATION AND PRODUCTIVITY KEY FACTOR

<p><b>Increase the productivity of industry</b> » Growth rate of labor productivity in industry</p>		
PRIORITY TOPICS	OBJECTIVES AND INDICATORS	TRANSFORMATIVE ACTIONS
<b>INSTITUTIONAL ENVIRONMENT AND INCENTIVES FOR INNOVATION</b>	<p><b>Improve the institutional environment</b></p> <p>» Quality of the institutional environment for innovation</p>	<ul style="list-style-type: none"> <li>• Identify hurdles and propose measures to improve the law in favor of innovation</li> <li>• Develop joint sectoral innovation plans involving the private sector and government</li> <li>• Carry out studies and prepare proposals for access to and development of activities based on Brazilian biodiversity</li> <li>• Propose measures to modernize the law on intellectual property and fight piracy</li> <li>• Prepare proposals and carry out actions to facilitate exchanges between industrial companies, universities, and research institutions</li> <li>• Propose measures to stimulate innovation relying on the purchasing power of the State</li> </ul>
	<p><b>Facilitate access to financing and incentives</b></p> <p>» Percentage of companies that innovated and used public incentives for this purpose among all enterprises that innovated</p>	<ul style="list-style-type: none"> <li>• Propose measures to improve funding and incentives for innovation with the aim of ensuring greater access of private companies to them</li> <li>• Consolidate Brazilian Industrial Research and Innovation Association (EMBRAPII) as a means of supporting pre-competitive R&amp;D</li> <li>• Propose measures that allow enterprises to use the sectoral funds directly</li> </ul>
<b>TECHNOLOGICAL CONSULTING SERVICES</b>	<p><b>Increase the provision of technological consulting services to companies</b></p> <p>» Quality of scientific research institutions</p>	<ul style="list-style-type: none"> <li>• Act to expand and modernize technological institutes in Brazil</li> <li>• Promote an alignment between the supply of technical and technological services according to the demand from enterprises</li> </ul>
	<p><b>Improve the quality of business management</b></p> <p>» Level of business sophistication</p>	<ul style="list-style-type: none"> <li>• Stimulate training for entrepreneurs in different management approaches</li> <li>• Stimulate the development of an entrepreneurial and innovative culture</li> <li>• Create a specific program to increase the productivity of industrial MSMEs</li> </ul>
<b>BUSINESS MANAGEMENT</b>		





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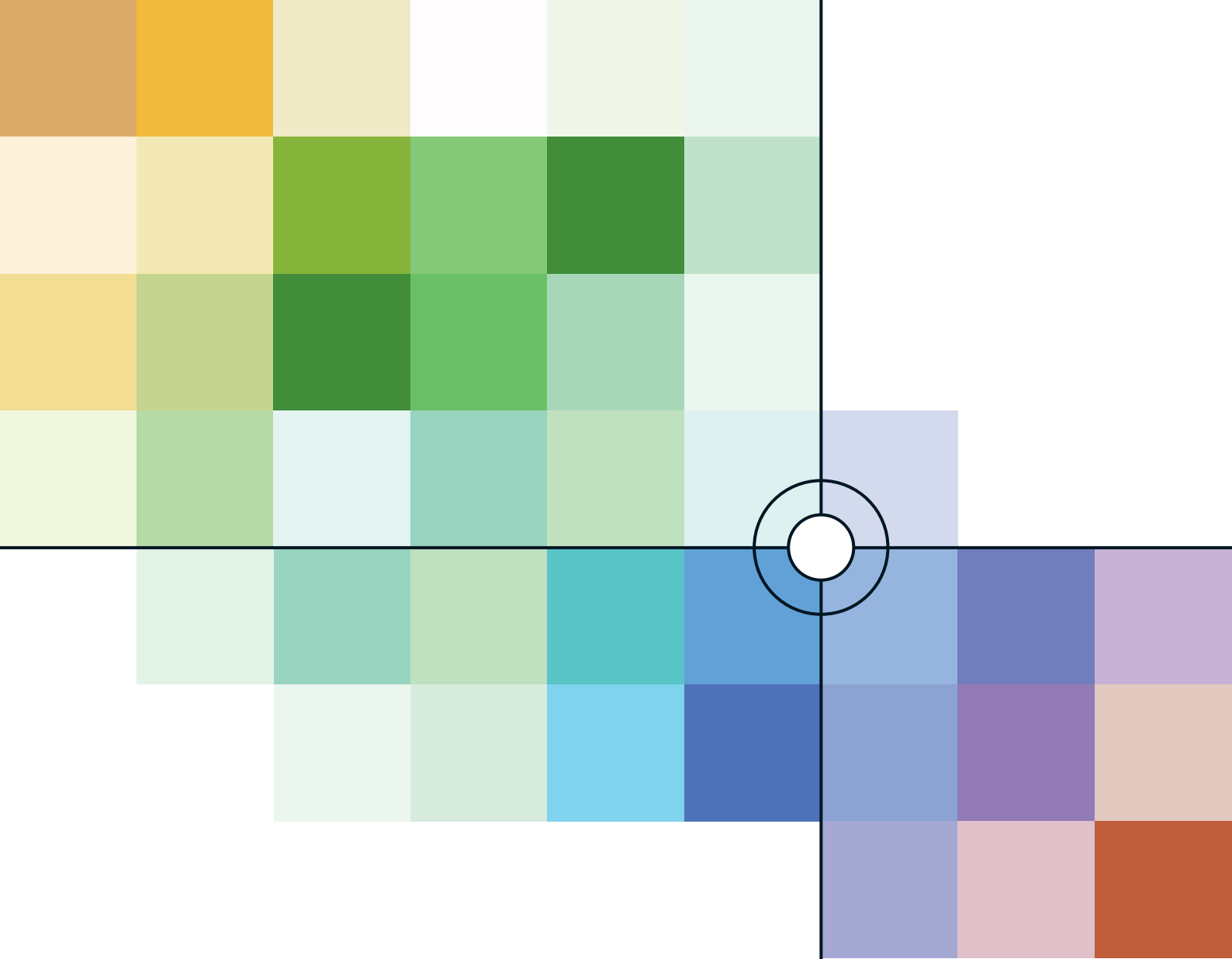
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