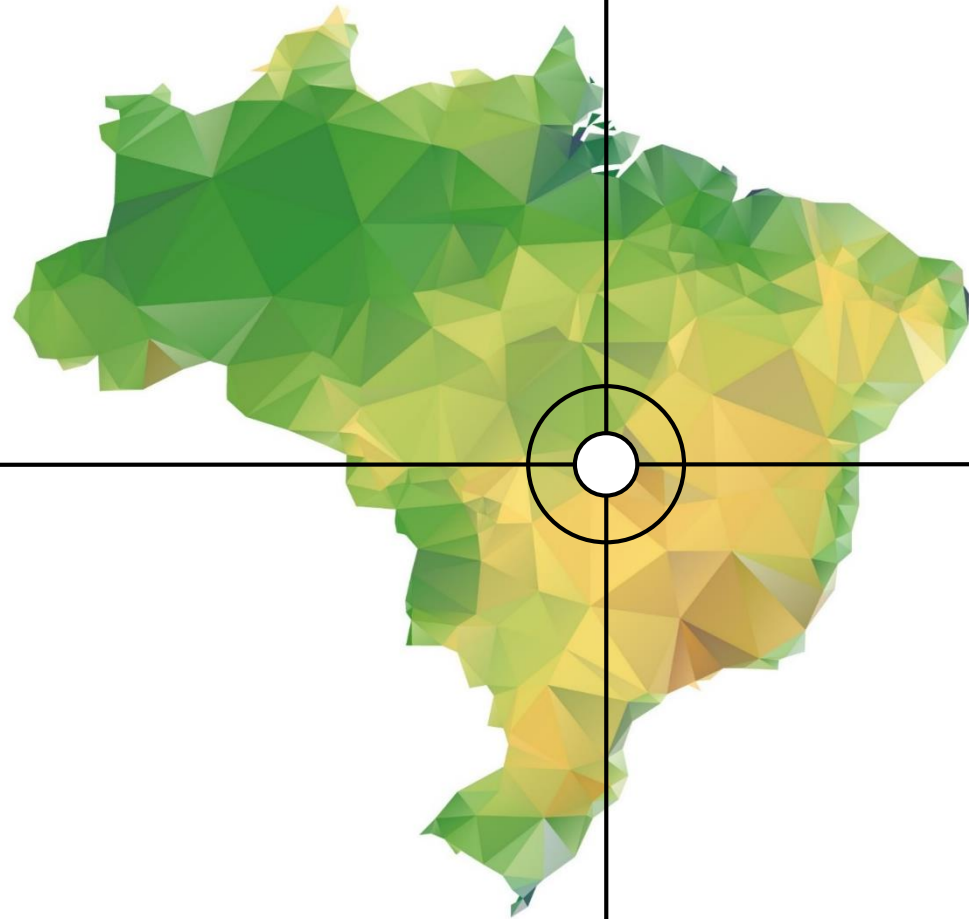


AN AGENDA FOR  
**BRAZIL**  
TO OVERCOME ITS CRISIS

2016 - 2018



José Augusto Coelho Fernandes  
V Briefing Diplomático | CNI 14/06/16



# THE ROADMAP

Recovering  
confidence



Avoiding shortcuts  
and coming to  
grips with what  
needs to be done



Exploring sources  
of growth  
(important for the fiscal  
agenda itself)



- ✓ Regaining long-term fiscal balance
- ✓ Actions to improve the business environment
- ✓ Modernizing institutions and the political system



- ✓ Acting to improve the macroeconomic environment and competitiveness
- ✓ Setting priorities for reforms
- ✓ Strengthening policies designed to increase productivity



- ✓ Consolidating exports as a priority and avoiding setbacks
- ✓ Consolidating initiatives to attract the private sector to engage in infrastructure projects
- ✓ Eliminating regulatory obstacles that affect investment and the operation of companies

# 7 KEY ACTIONS

## Ensuring fiscal sustainability

(reducing the fiscal deficit by controlling spending, de-earmarking federal revenues, and reviewing costs without increasing the tax burden)

## Ensuring legal certainty in labor relations

(outsourcing and collective bargaining)

## Extending deadlines for collecting taxes

(adapting deadlines for payments to business practices in order to reduce working capital needs for companies)

## Speeding up the process of granting infrastructure concessions to the private sector

## Giving priority to exports as a growth engine

(exchange rate policy, trade facilitation, trade agreements and Reintegra)

## Temporarily suspending the imposition of new ancillary obligations on companies and developing a program to simplify and reduce fiscal red tape

(e. g. NR 12 (regulatory standard), e-social, *Bloco K*)

## Regularizing credit conditions for companies

(improving access conditions, guarantees and cost system)

# An Agenda for Brazil to Overcome its Crisis 2016-2018

## GOVERNMENT EFFICIENCY

1 Reforming the Social Security System

2 Implementing mechanisms to control public spending

## TAXATION

3 Adopting the principle of financial credit for the PIS (Social Integration Program)-Cofins (Contribution to Social Security Financing)

4 Extending the deadlines for collecting the IPI (Tax on Industrialized Products) and PIS-Cofins

5 Allowing for Credit compensation between federal taxes

6 Validating tax incentives for the ICMS (Value Added Tax on Sales and Services)

7 Reforming the ICMS tax

## LABOR RELATIONS

8 Valuing collective bargaining

9 Regulating outsourcing

10 Suspend or change the text of the NR 12 (Regulatory Standard)

11 Excluding commuting accidents from the FAP (Accident Prevention Factor) calculation

## INFRASTRUCTURE

12 Reviewing the sharing regime in the oil and gas industry

13 Modernizing the conditions for accessing imported natural gas

14 Modernizing concessions for exploiting natural gas onshore

15 Charging the CDE (Energy Development Bill) proportionally

16 Considering total costs in electricity auctions

17 Increasing thermal generation at the base of the system

18 Increasing the participation of the private sector in water supply and sanitation services

19 Transferring port administrations to the private sector

20 Completing the process of reviewing the maps of the administrative jurisdiction of port authorities (*poligonais*) over organized ports

21 Improving working capital conditions for companies

22 Stimulating the expansion of private long-term financing

## FINANCING

23 Negotiating trade agreements

24 Improving trade financing mechanisms

25 Completing the trade facilitation agenda

26 Adjusting the *Reintegra* (Special Tax Reintegration Regime for Exporting Companies) rate

27 Creating conditions for keeping the exchange rate at competitive and stable levels

## FOREIGN TRADE

28 Disciplining procedures for disregarding legal personality

29 Strengthening regulatory agencies

30 Ensuring autonomy to the environmental licensing agency

31 Simplifying environmental licensing

## LEGAL CERTAINTY AND REGULATION

32 Regulating the National ST&I Code

33 Improving the so-called Law of Good

34 Ensuring that funds for innovation are actually made available to companies

35 Regulating access to genetic resources

36 Promoting operational improvements in the INPI (Brazilian Patent Office)

## INNOVATION

## 1. Regaining fiscal balance

- a. New Fiscal Target
- b. Mechanism for controlling spending growth (setting a ceiling)
- c. Reform of the social security system (avoiding early retirement)
- d. Review of budget rules and earmarked funds (DRU)

## 2. Resumption of privatizations

- a. Partnership and investment program (PPI)
- b. Review of the single operator requirement for the pre-salt oil fields
- c. Resumption of privatization and concession auctions

## 3. Review of the governance of state enterprises

- a. New rules for the pension funds of state enterprises
- b. Appointment of directors to state enterprises without political motivations (new criteria for appointing such directors)



## 1. Renegotiation with the states

- a. Review of the debt of the states
- b. Reform of the ICMS (Value-Added Tax on Sales and Services)

## 2. Labor relations

- a. More flexible labor rules
- b. Outsourcing

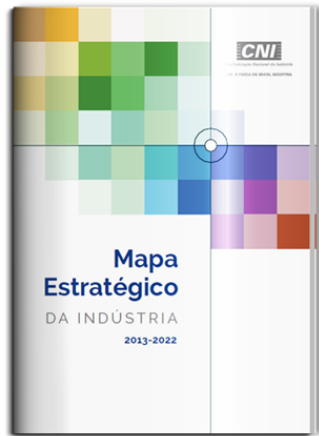
But the competitiveness agenda  
is not yet complete



# The industry agenda

2013

Long term guidelines



2014

Proposals for the 2014 elections



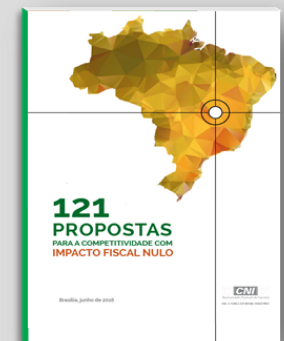
Short term agenda

Focus on regulation and on actions to eliminate red tape

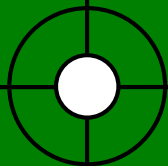
2015



2016







*Confederação Nacional da Indústria*

**CNI. A FORÇA DO BRASIL INDÚSTRIA**