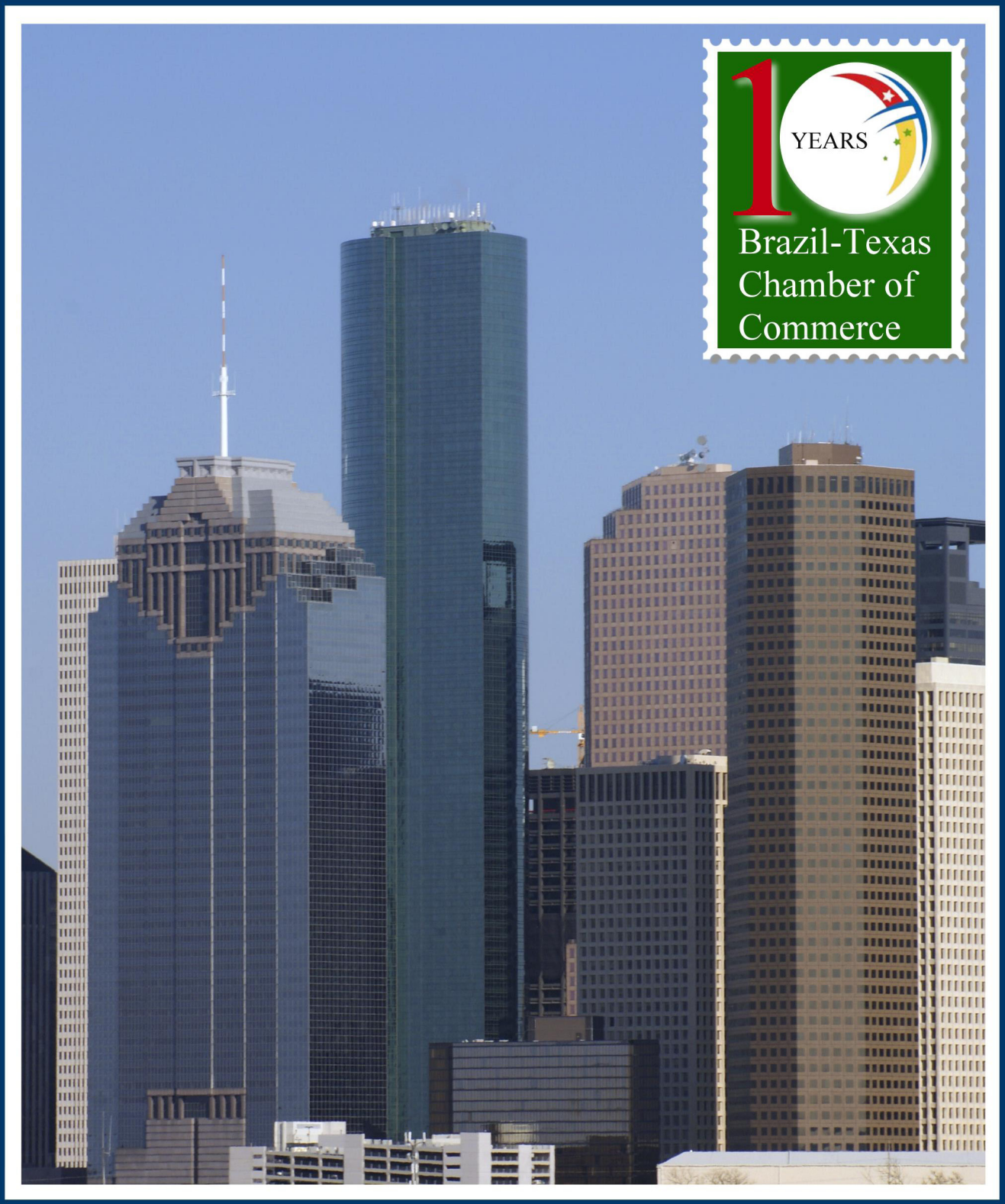
April - 2011

BRAZILIAN TEXAS

THE MAGAZINE FOR BUSINESS - SOCIAL LIFE - NEWS - POLITICS



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HEADLINE P 10

Ricardo Peduzzi

First of all, joining BRATECC facilitates the sharing of information.The chamber often receives inquiries on various types of service providers and it is quite effective to list those members by category, when asked for referrals. Also, BRATECC Membership Directory provides full contact info on Members, facilitating the reaching out for peer-companies and colleagues with similar interests and challenges.

HEADLINE P 18

Renato Tadeu Bertani

Today BRATECC continues delivering high quality events, providing relevant information to those willing to start or expand their businesses in Brazil or Texas. And with the huge investments that will be required in the new Brazil pre-salt oil developments the opportunities to expand the economic cooperation are endless.

HEADLINE P 20

Fernando Frimm

The big challenge for BRATECC is to expand its activities beyond the oil & gas and energy industries;to other areas such as medical,high tech,etc.The business environment in Houston is very dynamic and offer tremendous opportunities for Brazilian companies and in Brazil, the economic advances of the last couple of years offer significant opportunities for American businesses.

HEADLINE P 23

Cid Silveira

Nowadays, as the interest of US companies to invest in Brazil becomes increasingly high because of Petrobras' big projects, and all other infrastructure projects necessary to support the World Cup and the Olympics in the coming years, BRATECC is truly fulfilling its motto "Fostering Business and Friendship".

HEADLINE P 26

Mitchell Torton

BRATECC has enabled me to join the Brazil-Texas business community in ways that could not be replicated in any other environment. The Chamber is a source of invaluable information and a gathering place for those who wish to build partnerships and to be of service.

HEADLINE P 37

Alvaro Teixeira

I grew up listening that Brazil is the "country of the future", that is, it will be a rich and developed country. Presently, at the age of 75, I feel the future has arrived. Brazil is in the threshold of a of a strong and sustainable economic development, forecasted to become the fifth largest world economy in the next five years.

ABS congratulates the

Brazil-Texas Chamber of Commerce

on its 10th Anniversary

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To Our Readers,

We open our arms wholeheartedly to embrace and congratulate BRATECC in the passage of its 10th anniversary. During this period BRATECC fulfilled its mission to promote social, economic, and cultural activities between the American and Brazilian businesses communities. Leaders from both countries have promoted this growing relationship, clearly demonstrating the economic and technological potentials when the two largest democracies of North and South America join forces.

Some of the principal global corporations and key local small businesses supported the futuristic vision promoting their companies toward international and financial success. The Brazilian Texas Magazine takes this opportunity to reciprocate the commitment received from all these businesses dedicated to expanding the Texas-Brazil market activity by forging fruitful partnerships between our two countries. Today under BRATECC leadership all of us head toward a common goal which only a special edition can show to our communities the important work BRATECC has conducted during its first 10 years of existence, bringing these two markets closer together.

We wish our audience a pleasant experience reading the featured articles, interviews, and news to promote better business relationships, greater understanding and friendship between our countries. BRATECC facilitates the sharing of information, often receives inquiries for various types of services and quite effectively listing details on members by business category. BRATECC Membership Directory provides members' contact info, facilitating the connection between peer-companies and colleagues with similar business interests and challenges. There is also the economic advantage of Member rates compared to yet-to-become Members. Amongst the most important benefits to new (and existing) Members, are the networking event opportunities BRATECC promotes while implementing its Mission. These are very special occasions to meet with industry peers, evaluate potential opportunities and scenarios.

We offer BRATECC our recognition and congratulations to the Chamber's Board of Directors, for the vision, leadership and hard work - from its founding to bringing BRATECC today to this point a decade later. Special thanks to Mr. Ricardo Peduzzi for his support in the process, working, working, never stop!

Sergio Lima

BRATECC Member's Testimonials

Since its founding 10 years ago, BRATECC has been an important instrument supporting trade between Brazil and Texas, and strengthening ties between business communities in both counties. The seminar series "Brazil Energy & Power" organized by BRATECC, now heading to its ninth edition, has played an outstanding role providing information on the growing and dynamic opportunities the Brazilian economy offers foreign investors.

Entrepreneurs and local companies interested in benefiting from the expanding business opportunities in Brazil have had the opportunity of hearing and meeting some of the leading experts from a diverse variety of sectors in the Brazilian economy. BRATECC also appears as an important ally for the federal, state and city governmental missions from Brazil who have come to Houston along these years to promote their interests in their respective areas. The support the Chamber provides to these missions has been crucial to the positive results that have been obtained.

The Consulate General of Brazil in Houston is proud to be able to benefit from its partnership with BRATECC in its activities of promoting business and foreign investments in Brazil.

Paulo Fontoura
Deputy Consul General
Head, Trade Promotion Department (SECOM)
Consulate General of Brazil in Houston

We Salute BRATECC on its 10th Anniversary

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BRATECC MISSION

Founded in 2001, BRATECC Membership today assembles 190 leading Houston and Brazilian companies represented by 340 delegates. Under the leadership of its Board of Directors, BRATECC implements the Mission "To Foster Business and Friendship, Networking Opinion and Decision Makers", organizing trade missions, seminars and conferences that address its Membership interests. Based in Houston, Texas, with a keen focus on the Energy Industry, the Chamber highlights the Oil & Gas sector, emphasizing ancillary services that support the industry requirements, such as, Engineering, Finance, Logistics, Technology, and Communications among others.

Honorary President of BRATECC
Mario Saade
Consul General of Brazil in Houston

Congratulation
10 Years of Se

Excellence

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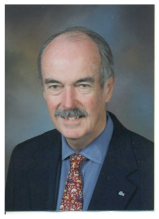
10 YEARS
Brazil-Texas Chamber of Commerce

Renato Tadeu Bertani
Thompson & Knight Energy Services
"President Emeritus"

Treasurer
Fernando Frimm
SBM Atlantia



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Atex International Corp

ns BRATECC Board Members
ervice to the Texas Community

José Orlando Melo de Azevedo
President of BRATECC and President of
Petrobras America Inc.

Expertise

Executive Director
A. Ricardo Debize
Peduzzi

Experience

Secretary
Rui Luis Abrantes
Securance Corporation

Secretary
Alexandre Almeida
Schlumberger

Secretary
Mitchell Torton
Continental Airlines

José Orlando Melo de Azevedo
President of BRATECC and President of Petrobras America Inc.

José Orlando Azevedo is President of Petrobras America Inc. in Houston, a whole owned subsidiary of Petrobras SA. Azevedo comes to Petrobras America from Petrochemical Complex of Rio de Janeiro (COMPERJ). As General Manager, he oversaw the construction, assembly, conditioning and pre-start up phases of the COMPERJ refining units. Those units have a total processing capacity of 150,000 bbl/day or approximately 7,400 tons of heavy oil. Prior to that, Azevedo was Business Enterprise Implementation Manager for Petrobras in Espírito Santo, where he gained extensive experience in on-shore and off-shore oil and gas production projects in Southeast Brazil.

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10 YEARS Brazil-Texas Chamber of Commerce

Ricardo Peduzzi

Founding BRATECC Board of Directors
Executive Director

A native of Rio de Janeiro, Antonio Ricardo Debize Peduzzi earned his B.A. in Economics and Political Science from the State University of New York at Oneonta, and his MBA from Thunderbird in Glendale, AZ. He is a member of the Alumni Association of Brazil's National War College A.D.E.S.G. Ricardo Peduzzi participated in the International Business Development Council of the Bay Area Houston Economic Partnership, attracting investments to the region serving NASA and the Johnson Space Center. He is a Member of the Greater Houston Partnership, and has served on the City of Houston's Mayoral Advisory Board on International Affairs and Development, promoting the city's focus on energy, and technology. Ricardo Peduzzi founded Houston based Peduzzi & Company in 1998, to assist customers explore international alliances. Peduzzi & Company represents the Winchester Division of Olin Corporation in the Brazilian market. In 2006 Ricardo became President of Camargo Correa USA, Engineering and Construction, Inc. of Houston, Texas. Along with other Houston firms operating in Brazil, Ricardo co founded BRATECC Brazil Texas Chamber of Commerce in 2001 where he is the Executive Director. He has led the City of Houston in missions to Brazil, and helped host Brazil Missions to the U.S. In 2009 Ricardo founded PANGEA The Houston Supply Chain and Logistics Institute, forming alliances with universities in Texas, such as Rice University, San Jacinto College, Texas A&M University, University of Houston to integrate intellectual capital with opportunities in the Energy Industry. Ricardo was part of City of Houston Trade Mission to the People's Republic of China, supporting Houston's interests in China. Ricardo Peduzzi returned there in 2010 accompanying Mission led by Houston Mayor Annise Parker. Ricardo met his wife Linda while both attended S.U.N.Y. and married soon after graduation. Linda teaches English as a Second Language at a Houston public school district. They have three children and five grandchildren.

INTERVIEW

What is your opinion about the situation of the division of pre-sal royalties between the goverment and Brazilian States?

RP: An ideal world would have royalties generated from E&P (Exploration and Production) directed to allow the local sustainable, social and economic development, synchronizing strategies between federal and state governments - it does sound easier said than done, and it presents a daunting task.The newly-found pre-salt deposits provide Brazil with a significant opportunity to upgrade local labor skills, roll out the infrastructure so desperately needed, revamp models dating back to colonial times, and take Brazil to the forefront of the 21st century. Quite a mountain to climb? Yes - but Brazilian authorities will certainly capture this moment.

Tell us about BRATECC 2001 and BRATECC 2011.

A perfect storm percolated between Brazil and Texas back in the second half of the 1990's. After coming out of a hyper-inflationary cycle back, the Brazilian government then followed with an aggressive program to privatize various state-operated initiatives, as well as to "flexibilize" the state monopoly on the petroleum industry that it exercised back then. Such moves caused various international and Houston-based companies to take a hard look at those potentials in the Brazilian market, and either start or expand operations there. Brazilian corporations too were also looking for growth, and some targeted the U.S. as an avenue for investment and expansion. Amongst them, Petrobras took the lead - deciding to significantly enhance its footprint in the U.S. Meanwhile, a small group of "Houstonians", comprised of American and Brazilian business people, noticed that emerging need for a forum to discuss Brazil issues, networking players and teams with business interests to develop opportunities between Brazil and Texas - and the dream of a Chamber of Commerce was born in the late 90's.
That "perfect storm" mentioned before, was actually catalyzed by the interference of two key players, then Brazil's Consul General Carlos Augusto R. Santos-Neves, and Petrobras America, Inc. President Renato Tadeu Bertani.
Both men were able to share the vision for a chamber of commerce to support Brazil and Texas business interests, and together provided the leadership for that "small group" to bring BRATECC to fruition.
Equally important, those two visionaries would later be able to impress upon their successors at their organizations on their role in maintaining that forum open and alive. In recognition for their instrumental advice, Brazil's Consul General traditionally leads the office of BRATECC Honorary President, as the President of Petrobras America, Inc. leads as BRATECC President. From Ambassador Santos-Neves to Ambassadors Carlos Alberto de Azevedo Pimentel, Antonio Jose Rezende de Castro, and Mario Saade, the current Brazil Consul General, BRATECC works closely with the Brazilian Consul General on the Chamber's initiative. Likewise, from Bertani to Alberto Guimaraes, to Jose Orlando Azevedo de Melo, the current President of Petrobras America, Inc., BRATECC relies on that office for the strategic guidance, leadership, and support. To carry forth its Mission, the Chamber depends on the advice of a stellar Board of Directors who prime for the 5-A's, "always alert and always accessible" to steer BRATECC initiatives toward its Mission. The Board is comprised of men and women who are experts in their fields and totally dedicated to the Chamber's success in providing quality service to Members and the communities where the Chamber operates. In 2001 BRATECC was officially launched, and promptly embraced as Mission "To Foster Business and Friendship, Networking Decision and Opinion Makers". From its early years BRATECC sought to solidify its Vision and Mission. Now ten years later - BRATECC remains committed to the vision inspired by its Board of Directors

What are some of the benefits BRATECC has to offer to new members?

First of all, joining BRATECC facilitates the sharing of information. The chamber often receives inquiries on various types of service providers and it is quite effective to list those members by category, when asked for referrals.Also, BRATECC Membership Directory provides full contact info on Members, facilitating the reaching out for peer-companies and colleagues with similar interests and challenges. **Cont. next page**

Ricardo Peduzzi

INTERVIEW

There is also the economic advantage of Member rates compared to yet-to-become Members.Amongst the most important benefits to new (and existing) Members, one can list the networking opportunities BRATECC provides while implementing its Mission. Those are very special occasions to meet with industry peers, evaluate potential opportunities and scenarios.

What relationships does BRATECC maintain with BRATECC- like-organizations?

BRATECC focuses on Brazil and Texas, with a special concentration on the energy sector and the ancillary industries serving needs in that area, such as engineering, technology, finance, logistics, only to name a few.Since BRATECC's founding, the Chamber has worked closely with the Brazilian General Consulate in Houston for support and leadership. The Chamber often teams with the Consulate to produce initiatives that interest Brazil and Texas constituencies.

BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

Because of BRATECC's specialization, the chamber is often invited by other organizations to help coordinate or promote other events in Houston and Brazil. BRATECC carries a keen determination to build alliances that help foster its Mission, and regularly joins efforts with our friends at the Greater Houston Partnership, the premier business advocate in Houston.
When it comes to academia, BRATECC proudly signed up with Texas A&M University, Universidade Federal do Rio de Janeiro, University of Houston, and The University of Texas. The Chamber also works closely with the U.S. Department of Commerce promoting Brazil opportunities for U.S. companies.BRATECC Board of Directors was delighted to pull forces together with the Houston World Affairs Council hosting former Brazil President Fernando Henrique Cardoso in Houston. The Chamber has led trade missions to Brazil with the City of Houston. BRATECC regularly aligns with traditional partners in Brazil, often working with IBP the Brazilian Petroleum Institute on various initiatives such as the Biofuels Houston Summit, and in Brazill conferences such as Rio Oil & Gas, Rio Pipeline. BRATECC also teams with our friends at the American Chamber of Commerce AmCham-Rio to co-organize "Brazil Energy & Power", now in its ninth edition. BRATECC has organized business meetings showcasing opportunities in the Port of Suape, in the State of Pernambuco in Brazil. Currently the Chamber develops with the City of Rio de Janeiro a business development mission to Houston during OTC 2011.

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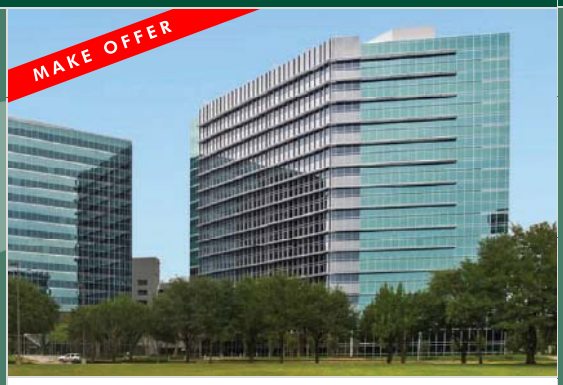

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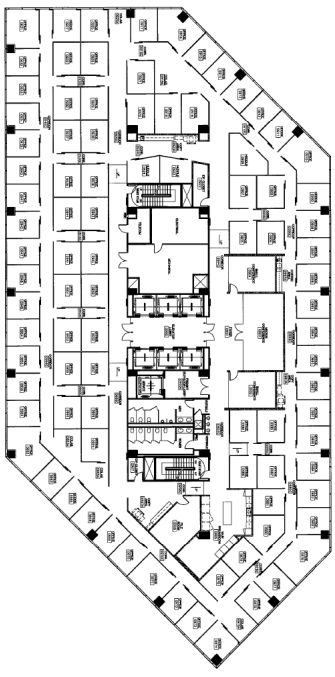
Floor 9: 23,488 RSF (example of moveable wall system layout)



BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

Honorary President of BRATECC

Ambassador Mario E. Saade
Consul General of Brazil in Houston

Mr. Saade was born on April 6, 1948, in Vitoria, the capital city of the State of Espirito Santo. He began his diplomatic career in 1970. During his almost 40 years in the Brazilian foreign service, Mr. Saade served in Los Angeles (as head of the commercial office), Montevideo (twice, both at the bilateral Embassy and at the Mission before the Latin-American Integration Association-ALADI), Washington D.C., Mexico City (as Deputy Chief of Mission), Boston and now in Houston. In Brasilia, Mr. Saade held various directing positions at the Chancellery. Most recently, he was in charge of the Brazilian Technical Cooperation Program towards developing countries and the Director of the Brazilian Trade Promotion Department. Mr. Saade was promoted to the rank of Ambassador, the highest level in the diplomatic hierarchy, just before being appointed Consul-General in Boston, where he served between November 2006 and August 2010. Mr. Saade has a BA in Law, in Economics and in Diplomacy. He is married to Marcia (also a member of the Brazilian Foreign Service), with whom he has one daughter (Karina) and one son (Mario Jr.)

INTERVIEW

Tell me a little bit about the Consulate of Brazil in Houston. What type of services do you offer to Brazilian citizens and people of other nationalities?

The Consulate offers a large range of services to the Brazilian community. We act as notary and registrar, that is, we take care of birth and marriage certificates as well as legalize documents so they can be accepted in Brazil. We also act as intermediaries for various institutions of the Brazilian Government, specially the military, the electoral system and the IRS, so that our compatriots, even abroad, can keep up to date their obligations as Brazilian citizens. In addition, the Consulate has a commercial department and a cultural department that are in charge, respectively, of supporting Brazilian business activities to the US and promoting the Brazilian culture and language. For non-Brazilians, the Consulate processes their visa requests when they want to travel to Brazil. The Consulate General in Houston has an area of jurisdiction comprised of seven States, spread out an extensive territory. So in order to bring the Consulate closer to the Brazilian community that lives far from Houston, we have a program of mobile Consulates. This year, we have scheduled 18 mobile Consulates, covering cities of all seven States of our jurisdiction.

Have there been any change in the US trade as far as oil/energy in the Brazilian Industry in the last few years, since Obama was elected?

There have been a lot of activities in the energy/oil and gas sectors between Brazil and Texas. Since the last discoveries of large oil reserves off-shore Brazil, the demand for services provided by companies based in Texas has increased substantially. So, the relationship between companies in the energy sector has been very intensive in the last few years and will remain so. There is still a broad window of opportunities to be explored.

How do you feel a visit to Houston of the Minister of Industry Trade and Energy of Brazil. Would be beneficial to the members of BRATECC?

The Consulate General has been working very closely with BRATECC since its foundation. It is our interest to have an active chamber of commerce that can contribute to foster commercial and business ties between Brazil and Texas. I believe BRATECC has been very effective in doing so. Whenever there is an opportunity to bring someone to Texas that is in a leadership position in Brazil, the Consulate will do its part. Since Houston is a very important center for the oil and gas industries, most of our guests usually belong to the energy sector. At the end of April, just before the OTC meeting in Houston, a mission from Rio Negócios (Rio Business), an agency of the City of Rio dedicated to promoting Rio as a business and investment center, will visit Houston and hold important contacts here. BRATECC and Rio Negócios, with the support of the Consulate, have been working together towards organizing said mission.

There are many synergies between Rio de Janeiro and Houston. Both are important capitals for the oil and gas industries. This provides favorable grounds for cooperation between Houston and Rio de Janeiro. The opportunities are available; it is up for entrepreneurs from both sides to develop them. As part of the initiative to strengthen ties between Rio and Houston, I had the pleasure to extend an invitation from Mayor Eduardo Paes to Mayor Annise Parker to visit Rio de Janeiro at her earliest convenience.

Is there anything else you would like for the community to know?

Yes, I would like to make two brief final comments. First, I would like to say that the Brazilian community can count on the Consulate for the services they need. We have been striving continuously to improve our working methods in order to provide better services to our compatriots. Second, I wish to convey to the business community my appreciation for the work well done by BRATECC. It is important to have in Houston a chamber of commerce specifically dedicated to fostering ties between Brazil and Texas. BRATECC has been very successful in doing so. The large attendance to BRATECC's last luncheon (commemorating its 10th anniversary) was proof of it. Ricardo Peduzzi, executive director of BRATECC, felt very rewarded with such recognition. My congratulations to Ricardo Peduzzi and BRATECC's board of directors.

.

Introducing São Paulo Metrô Line 4

Steve Clark

On your next trip to São Paulo, be sure to try out the new Line 4 Linha Amarela Metro line operating between Faria Lima Station and Paulista Station, and before the end of the year will be operating between six stations from Butantã Station all the way to Luz Station. Anyone moving around in São Paulo knows how terrible the traffic is, and will certainly appreciate travelling between Faria Lima and Paulista in less than five minutes.

Line 4 commercial operations began in June 2010 with service between Faria Lima and Paulista Stations. This is part of an incremental start-up of three sub-phases that will put into service six stations by the end of 2011. These will be Butanta, Pinheiros, Faria Lima, Paulista, Republica and Luz Stations. At the end of this first phase, Line 4 will carry approximately 750,000 passengers per day.

By 2014, an additional five stations will be implemented in Phase 2, including Fradique Coutinho, Oscar Freire, Higienpolis, Vila Sônia and Taboão da Serra Stations.. The total of 11 stations will be integrated with the other subway lines and the São Paulo Metropolitan Train Company (Companhia Paulista de Trens Metropolitanos — CPTM). When full operations are completed, ridership is expected to be approximately one million people per day.

Station on the via Amarela Line 4

Entrance to Butantã Station

The city and state government of São Paulo, Brazil is delivering this much needed additional metro line to their existing network of subways and transit systems. The line is 12.8 km long, double track and when completed will connect from Vila Sonia Station to Luz Station. The line will provide interchanges with São Paulo Metrô's existing Lines 1, 2 and 3, and the CPTM suburban train lines.

The civil infrastructure of São Paulo Metrô's Line 4 is being delivered through a consortium of Brazil's leading infrastructure construction companies. The operations and maintenance of the new line are being supplied through a 30-year Public-Private Partnership (PPP) concession held by ViaQuatro, a concessionaire led by majority share holder Companhia de Concessões Rodoviárias (CCR), Brazil's prominent toll road operator.

ViaQuatro is supplying all the rolling stock and train control systems for the new line, and will operate and maintain the system until the end of the concession period, at which time the system will revert back to the government. Revenues for ViaQuatro will be based on ridership, and they are required to maintain a certain level of service to avoid penalty adjustments.

New Trains at the Vila Sonia Yard

The trains and control systems are ultra modern, completely driverless, and fully automatic, operating on standard gauge, electrified at 1500 volts DC. All operations are monitored from a state-of-the-art Operations Control Center located at the Via Sonia Yard.

Operations Control Center at Vila Sonia Yard

Station platforms have automatically operated platform screen doors to isolate the waiting and departing passengers from moving trains. The doors allow passengers to enter and exit the trains only once the trains have fully stopped.

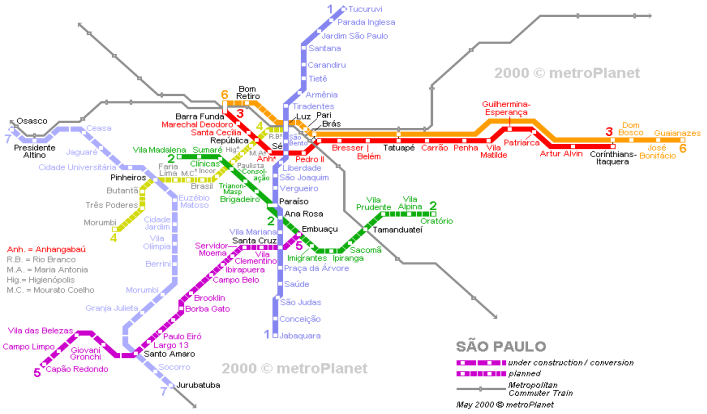
Passengers waiting to board at Paulista Station

The São Paulo Metrôpolitan Company (Companhia do Metropolitano de São Paulo - Metro) was founded in 1968, and besides Linha Amarela, has delivered four lines with a current total of 61.3 km on four lines with 55 stations. Around three million passengers travel every day on Lines 1- Blue (Jabaquara-Tucuruvi), 2 - Green (Alto do Ipiranga-Vila Madalena), 3 - Red (Corinthians/Itaquera-Palmeiras/Barra Funda), and 5 - Lilac (Capao Redondo-Largo 13).

The São Paulo Metrôpolitan Company (Companhia do Metropolitano de São Paulo - Metro) was founded in 1968, and besides Linha Amarela, has delivered four lines with a current total of 61.3 km on four lines with 55 stations. Around three million passengers travel every day on Lines 1- Blue (Jabaquara-Tucuruvi), 2 - Green (Alto do Ipiranga-Vila Madalena), 3 - Red (Corinthians/Itaquera-Palmeiras/Barra Funda), and 5 - Lilac (Capao Redondo-Largo 13).

In 2004, construction began on Line 4 that traverses the western part of São Paulo in an east-west path, and connects several major business districts as well as provides interconnectivity to three of the existing metro lines.

The subway system is integrated with the São Paulo Metropolitan Trains commuter rail system (Companhia Paulista de Trens Metropolitanos — CPTM) at the Bras, Palmeiras-Barra Funda, Tatuape, Corinthians-Itaquera, and Santo Amaro Stations. CPTM is used by 1.6 million people every day. The subway and commuter rail systems are integrated into the São Paulo vast bus network served with approximately 15,000 vehicles.



Map of São Paulo Metrô

ViaQuatro is a part of the CCR Group, a major highway concession company in Brazil.

Besides CCR, which holds 58% of its shares, the ViaQuatro concessionaire's shareholders are Montgomery Participações, Mitsui & Co., RATP Development, and Benito Roggio Transporte.

The period of ViaQuatro's concession contract has been set at 32 years and is flexible to include 30 years from the commencement of commercial operations of Phase 1. The contract can be extended to a maximum of 35 years for this purpose. For the first phase of the project, 14 trains (84 cars) were acquired. For the second phase, up total investment for the project is just over US$2 billion.

Initial investments of approximately US$450 million have been made by ViaQuatro for purchasing trains and signaling, communications and control systems. The state-of-the-art systems offer a level of service above that previously employed on São Paulo Metrô. This includes driverless technology, air-conditioned trains, low noise levels, and platform screen doors that will make the stations safer and more efficient. Riders will also be able to use cell phones and access the Internet throughout the entire system.

During the 30 years that the operational contract will be in effect, ViaQuatro will invest on the order of US$500 million in maintaining the equipment and US$1.3 billion in operating costs. By the end of the concession period, ViaQuatro will have invested over US$2 billion in the line.

Not only does this project deliver much needed transit infrastructure to the people of São Paulo, but it also major economic force into building São Paulo's economy.

About Arup and Steve Clark

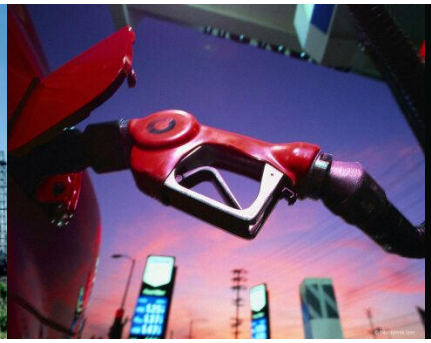
Arup is an independent, employee-owned, multi-disciplinary global design firm with over 10,000 people worldwide. With over 90 offices in 37 countries, Arup's designers, planners, engineers, consultants and technical specialists offer a broad range of professional services. Through their work, they seek to make a positive difference in the world, and shape a better world. Arup's web site is www.arup.com.

Steve Clark serves as Arup's Regional Rail Business Leader. In this capacity he led Arup's service as the Lender's Technical Advisor during the financing of the ViaQuatro concession, and is now serving as the Lender's Independent Technical Engineer, a role Arup will continue until full repayment of the financing. Steve resides in Houston, Texas, is a frequent traveler to Brazil, and can be contacted at "steve.clark@arup.com."

Translations

Oil & Gas/Technical/Legal

Petrobras Tenders (Campos, Santos, Espirito Santo Basin)
On-site translators (Engineering background)



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Congratulations to the Brazil-Texas Chamber of Commerce (BRATECC) on their 10th anniversary

Transporte

Working across all modes of transport – aviation, highways, maritime and rail – Arup's broad range of experience includes airport design, operational readiness, port projects and transport planning.

Arup's understanding of the challenges of reducing carbon emissions, tackling climate change and the growth in urbanization means its multidisciplinary teams offer a full range of creative and practical transport solutions around the world, including transport hubs, integrated transport and multi-mode solutions.

Clockwise from upper left High Speed 1, United Kingdom ©Daniel Clements; JetBlue Airways Terminal 5, JFK Airport, New York ©Nic Lehoux/Gensler; Tappan Zee Bridge, New York; Zal Prat Barcelona, Spain; Fulton Street Transit Center, New York ©MTA-CC/NYCT Arup

Arup is the creative force at the heart of many of the world's most prominent projects in the built environment and across industry. We offer a broad range of professional services that combine to make a real difference to our clients and the communities in which we work.

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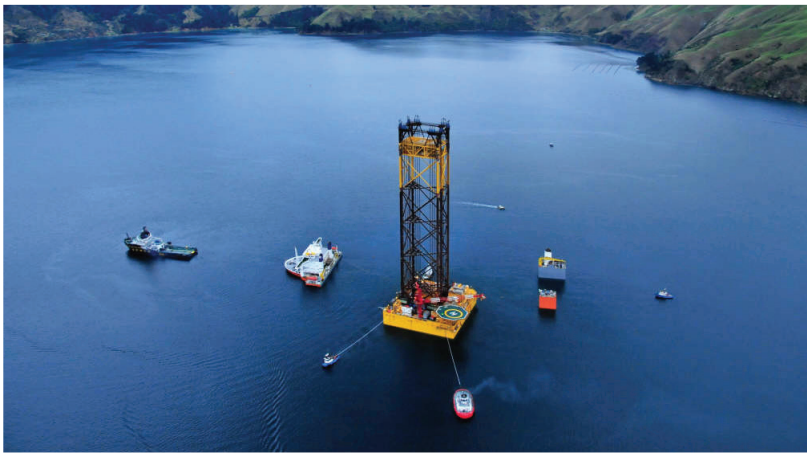

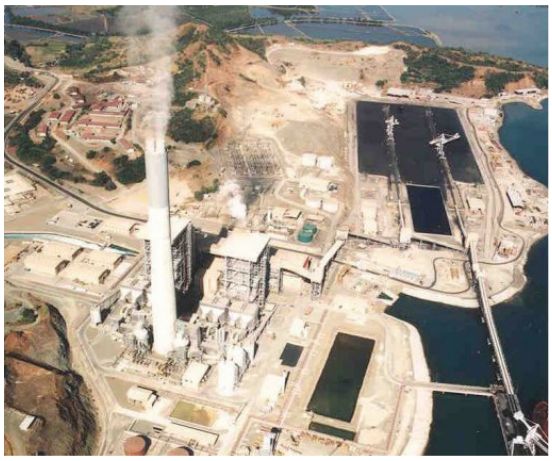

Energía

Arup provides multidisciplinary services focused on Energy sector companies engaged in upstream and downstream activities from exploration and extraction to transmission and distribution. Our work includes projects from the smallest studies through to major capital works projects.

Our focus is on creative and constructible solutions that recognize the challenges of many of the energy sectors remote locations and harsh environmental conditions.

Clockwise from upper left **Costa Azul LNG Terminal, Mexico** ©Sempra Energy/CHEC Costain; **Maari Wellhead Platform, New Zealand** ©Clough Oil & Gas; **Baglan Bay Gas Pipeline, Wales; Sual Power Station, Philippines** ©Stevenson, Kinder & Scott; **Hang Tuah ACE Platform, Indonesia** ©Conoco

BRATECC –
THE BRAZIL-TEXAS
CHAMBER OF COMMERCE

Renato Tadeu Bertani

"President Emeritus"

Renato Bertani holds a bachelor's degree in geology from the Federal University of Rio Grande do Sul, and a master's and doctorate from the University of Illinois. He joined Petrobras in 1984 as a district manager. In 2001, after a three-year stint in London as managing director of Petrobras UK, he became president of Petrobras Americas. Earlier this year, he was named the CEO of Thompson & Knight Global Energy Services, a subsidiary of the Thompson & Knight law firm that is dedicated to providing energy-business development services to worldwide clients.

INTERVIEW

Tell us about BRATECC 2001 and BRATECC 2011?

BRATECC was born out of the dream and hard work of its visionary founders, and I was extremely honored to have been elected as its first president. BRATECC'S goal was, as it is today, to promote business, friendship, cultural exchange and above all the ethical values of Brazil and Texas. It is due to the generous dedication of time and effort of its founders that BRATECC grew and delivered its mission. At that time we had to organize our events with an extremely tight budget, but nevertheless never compromised on the quality of the speakers that were invited nor on the hospitality that was offered to our associates and guests. Today BRATECC continues delivering high quality events, providing relevant information to those willing to start or expand their businesses in Brazil or Texas. And with the huge investments that will be required in the new Brazil pre-salt oil developments the opportunities to expand the economic cooperation are endless.

Currently, what are the estimated oil reserves in Brazil? Will this keep up with domestic demand and increase net exports?

Brazil has currently approximately 14billion barrels of proved oil reserves, mostly located in its southeastern offshore basins. However, of particular importance, is that about 30 to 35 billion barrels of recoverable oil have already been found in the new pre-salt province located in ultra deep water offshore Santos and Campos basins, which are still not classified as proved reserves because they are still under the appraisal stage. And it is quite possible that some 50 to 100 bbo of oil still remain to be discovered in this incredibly prolific new province. It is fair to expect that within the next five to 10 years Brazil will be among the 10 most important countries from the perspective of reserves and production, effectively contributing for the supply of the world oil needs for a sustainable development.

Has the BP disasted affected deep water drilling offshore Brazil ?

As everywhere else in the world, the Brazilian regulatory authorities are becoming increasingly stringent on the operational-standards being required from the oil companies. But in Brazil, differently from what is happening in the Gulf of Mexico, this has not caused substantial delays or slow down of the activity. As unfortunate as the Macondo accident was, we still must extract from it lessons that will make future operations safer for people and the environment.

Are there any more areas in Brazil being explored where giant oil reserves may be discovered?

When compared to other oil provinces of the world Brazil is still fairly unexplored and there are several frontier basins in the country where only a handful of wells were ever drilled. However, exploring for new and large oil fields requires a combination of cutting edge technology, innovative exploration ideas, and risk management. These are key ingredients to any successful endeavor in the oil business, particularly when looking for hydrocarbons in ultra deep water and very deep reservoirs.

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BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

Fernando Frimm

Fernando is Senior Vice President of SBM Atlantia, part of SBM Offshore Group. He has been involved with the offshore oil and gas industry for more than 30 years working on design, engineering and construction of offshore oil & gas platforms. During his career Fernando has held various technical, managerial and leadership positions in the offshore industry; developing and implementing new technologies, starting new companies and undertaking business development, marketing & sales activities worldwide. Fernando's has a keen interest on technical and commercial implementation of technologies that create value for the offshore oil and gas industry, especially for deepwater field development systems. A graduate from the University of Sao Paulo in Naval Architecture with a Ph. D. in Ocean Engineering from the Massachusetts Institute of Technology, Fernando is a recognized leader in design, fabrication and construction of offshore floating production systems and deepwater drilling platforms. Fernando has been a founding member of BRATECC Board of Directors.

INTERVIEW

BRATECC Board of Directors
Treasurer

We understand you have been involved with BRATECC for a long time. Tell us about the starting days and how it developed

BRATECC's early objectives are still the same today. Our mission continues to be facilitating, fostering and creating a forum for Texans and Brazilians that have common business interests and want to develop new opportunities. In the early days, it took some time for BRATECC to find its niche. Houston business environment is very large; there are so many prominent business areas such as high tech, medical, financial, energy, etc. Bratecc found its niche when Brazil opened the oil & gas exploration with the '97 Petroleum Law. Bratecc's presence in Houston was a natural forum for Brazilians and Americans to explore the opportunities that the new legislation created. These were quite dynamic and interesting times; we had several very interesting events on Brazilian legislation, tax regimes, creation of ANP, bid rounds, etc. All of which provided first hand information to the Houston business community. We had memorable occasions when we brought to Houston, Brazilian decision makers and industry leaders such as Brazilian cabinet members, state governors, Petrobras CEO, etc.

Any thoughts about BRATECC's future?

The big challenge for BRATECC is to expand its activities beyond the oil & gas and energy industries;to other areas such as medical,high tech,etc. while maintaining its relevance in oil & gas. The business environment in Houston is very dynamic and offer tremendous opportunities for Brazilian companies and in Brazil, the economic advances of the last couple of years offer significant opportunities for American businesses. In oil & gas, the pre-salt oil discoveries offshore Brazil with the new petroleum legislation and the large investments needed to develop these reserves, create ideal conditions for American companies to establish their local presence in Brazil. BRATECC's challenge is to stay relevant to these companies interested in Brazil and to effectively promote opportunities for them in Brazil. And vice-versa, promote and help Brazilian companies explore opportunities here in Texas.

Tell us about the new projects from SBM Offshore in Brazil

FF:Brazil has always been important and strategic for SBM. We have been in Brazil for a very long time. It started in the 70's with the installation of offshore oil terminals, CALM buoys, which are still operating.

In the 80's, we brought to Brazil the first FPSO production platform which we leased and operated for Petrobras. Presently, we own and operate 5 large FPSO's in Brazil under long term contracts: four to Petrobras and one to Shell. Last year we delivered to Petrobras the P-57 platform. It was the first production platform largely built in Brazil by a foreign company, satisfying the 65% local content requirement. We are starting the construction of a second platform with the same level of local content, the FPSO Cidade de Paraty for the LULA field. As technology partner to Brazilian companies, we are working with local shipyards on designs of deepwater drilling rigs that will be built in Brazil. We are also working on a large engineering project to build a FLNG (floating liquefied natural gas) platform to Petrobras. To manage the production units we have two local operation centers: in Macaé, RJ and Vitoria, ES with a local staff of about 250 people. Last year we inaugurated our SBM do Brasil offices in downtown Rio de Janeiro, which is a project execution center responsible for our construction projects in Brazil. We started in Brazil about 40 years ago and will continue with a strong and increasing presence. For SBM and our people, that have been working in Brazil for such a long time, it is very exciting and rewarding actively participate and be part of the new pre-salt discoveries and investments being made in Brazilian the oil & gas industry.

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Founding BRATECC Board of Directors
Secretary

BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

Cid Silveira

Cid Silveira commenced his activities in Houston as Managing Director of Confab Industrial Corporation, obtaining great success in the management and in the expansion of the business in the United States and worldwide. Since 1995 he established himself as a business owner and his activities led to the creation and development of a vast network of suppliers to match the demand for equipment market of the oil and gas area. His entrepreneurship and his extensive experience in this sector guarantee today the success of ATEX activities, of which he is the President & CEO. He was also one of the pioneers in the Houston business community to foster and support the creation of BRATECC – Brazil Texas Chamber of Commerce, participating in the Founding Board of Directors and still today being part of the Chamber's Board.

INTERVIEW

We understand you were involved in founding Brazil - Texas Chamber Of Commerce BRATECC, can tell us more about it?

The movement commences amongst a few Brazilian entrepreneurs back around 1997, when we make it a firm commitment among us to meet and have lunch once a month. The purpose was to try to develop the idea of creating a Chamber of Commerce that would benefit and help integrate and grow the Brazilian business community in Houston. In the beginning we are only about four or five and each one of us makes the effort to bring along new friends and people interested in Brazil. After a while the group grows to more than 20 enthusiasts meeting every month. It becomes a lot of fun getting together and talking about Brazil. At that point we still are a small number of "brasileiros expatriados", Brazilians already established here as small businesses, and a few "gringos" that had been in Brazil in business or just for fun. But, it appears that we don't have enough critical mass to start a chamber of commerce. However, as we persevered month in and month out, the number of "expatriados" begin to increase and the monthly talks resume with a better focus towards the original idea. And, as certain as Victor Hugo said "there's nothing more powerful than an idea whose time has come", by 2001 BRATECC indeed becomes a reality

How has it evolved since then?

In the beginning the Board is all but very enthused and with all kinds of ideas, as we should be. Of course Houston being the world capital of the energy industry, focusing on events and functions covering this area is a natural decision, and that's we implement first. However, Houston is also home of the Medical Center, Nasa, and other major industries that the Board identifies as of great interest for Brazilian businesses. Therefore we also make the effort to expand by trying to connect Texas and Brazil in those areas. Soon enough though, it becomes clear to the Board that BRATECC's focus should remain and be intensified in the energy business until other areas become viable. The great success that BRATECC has achieved is measured by the number of important events promoted and organized each year, thanks to the support of its membership and the increasingly interest of American businesses to invest in Brazil.

How do you see Houston playing a role in the near future?

Nowadays, as the interest of US companies to invest in Brazil becomes increasingly high because of Petrobras' big projects, and all other infrastructure projects necessary to support the World Cup and the Olympics in the coming years, BRATECC is truly fulfilling its motto "Fostering Business and Friendship". The increase of the trading and intensification of relations between both countries reflected by the present economic scenario makes BRATECC an essential tool that Brazil and US businesses are using, making this journey a lot more successful.

10 YEARS Brazil-Texas Chamber of Commerce

Founding
BRATECC
Board of Directors
Secretary

Rui Luis Abrantes

BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

10 YEARS Brazil-Texas Chamber of Commerce

INTERVIEW

We understand you have been involved with BRATECC for a long time. What are some of the upcoming challenges and opportunities you see ahead?

RA: I think some of the challenges will be to continue growing the Chamber as if it was a new venture. We have an excellent Executive Director in Ricardo Peduzzi, an excellent board compromised of some of the largest businesses in Houston that do business with Brazil. I would love to see more small businesses involved with the Chamber, different industries (other than oil related), like Hospital, medical research, etc. We have tried unsuccessfully to create liaisons in the past but I hope in the future we get more headway.

Given the political environ mentin Washington,DC,What do you think the outlook for the economy is for 2011?

I am very bullish for the economy in 2011. Most companies are increasing their sales, earnings and profits. That will generate more jobs in 2011 and forward. Oil prices are at a level that allows oil companies to be profitable without a lot of complains from consumers. That stability will also help the economy in Texas and all the states where oil produces a large amount of revenues.

Texas has a 27 billion dollar budget deficit for this fiscal year, how do you think this gap is going to be addressed?

First, we need to stop returning sales taxes to visitors that came here from out of the country. They use our facilities, roads, etc., I don't understand why they shouldn't have to pay for "sales tax". Most visitors come here to spend money, I doubt they would spend any less if they had to pay an extra 8.25% for sales taxes. Second,we should follow Wisconsin lead and start passing on some of the cost of health insurance/ 401k/403b/TRS plans to state/county/ city employees. I don't know how many for profit companies at the moment pay 100% of the health insurance cost of their employees. The same applies to retirement plans, very few companies contribute 100% of the cost of retirement plans in the private sector. Why should state employees be any different? Thirdly, I would freeze salary increases until we balance the budget. Fourth, I would transfer most things that are done by hand and make them available on the internet. Fifth, I would freeze hiring, layoff unnecessary employees, ease the rules that allow firing of state employees, etc. It's apparently very hard if not almost impossible to fire a state employee. Again, why would that be different from the private sector? I am totally against increasing taxes, no matter what they are. We should learn to live within our budget just like most people do.

Is the job situation for the state of Texas likely to improve?

As I mentioned on 2 above, I think that Texas is in an enviable position. Prices of property are one of the lowest in the country. It's a very attractive state for a family to move to. Strong family values, no "State Income Taxes", low property taxes, low unemployment, one of the lowest number of foreclosures in the nation, low crime, excellent public schools, etc. As the national economy improves Texas will rebound faster...

Can you give us your view on the stock and bond markets?

RA: The stock market has had a pretty good run. Based on proprietary information from Valueline it should continue to do so for a while. As long as earnings continue to increase, stocks will continue to go up. The bond market is another story. Interest rates are at one of the lowest levels which means that when interest rates will go up, bond prices will go down. I think that a lot of people will be surprised when they loose a substantial amount of principal when interest rates go up and their bond portfolio is adjusted downward. When that happens more money will be moved to stocks, pushing valuations higher and getting us closer to another top. I am personally shorting interest rates, betting that they will go up. Buy low and sell high.

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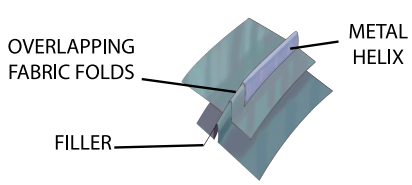

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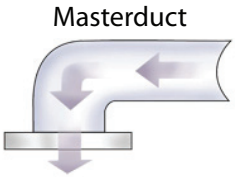

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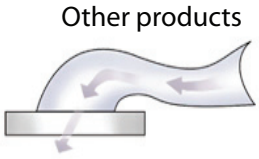

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► **Congratulations BRATECC on your 10th Anniversary**

BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

Mitchell Torton

Since 1997, Mitch Torton has represented Continental Airlines' service to Brazil and throughout Latin America. He has worked with the business and international communities, as well as in the tourism sector. His specialty market niche has been the first-generation immigrant communities and the travel agencies serving their needs. A native of Brooklyn, New York, Mitch has a degree in Political History from State University of New York. He and his wife, Rueith, have raised their two sons, now 23 and 25, in Maryland, near Washington, DC. Mitch looks forward to a successful future for the New United Airlines, merging the best of Legacy Continental and Legacy United with Houston as its gateway to the Americas.

Latin America Sales
Manager
Continental Airlines

INTERVIEW

Can you tell us if there is any possibility of Continental stop flying directly from Rio de Janeiro from Houston 2011.

MT I can only foresee that service will continue between Houston and the Cidade Maravilhosa. Rio de Janeiro is now one of the world's critical energy hubs, and to this day, Houston-Rio has been a very successful route.

Can you tell us how your experience with BRATECC has been?

BRATECC has enabled me to join the Brazil-Texas business community in ways that could not be replicated in any other environment. The Chamber is a source of invaluable information and a gathering place for those who wish to build partnerships and to be of service. Through BRATECC, I have made many business contacts and friendships.

Texas has a 27 billion dollar budget deficit for this fiscal year, how do you think this gap is going to be addressed?

It is well known the airline industry has faced its own significant challenges covering its operating costs—as individual companies and as an industry. We've done our best to reform the business model and return ourselves to profitability. The best way we can help Texas with its fiscal issues, I think, is to be successful at what we do, providing good jobs in the Houston hub and at airports throughout the State, generating profits, promoting Green, Earth-friendly operations, and acting as responsible corporate citizens.

What are the major changes for you between Continental in Houston and United-Continental in Chicago?

Well, for one thing, our headquarters has exchanged hot summers for cold winters. Everything in life has some kind of trade-off, right? Quite seriously and most importantly, the new, merged airline—the New United Airlines—will flourish and grow in its Houston hub. This is especially true for Brazil and all of Latin America, where Houston will serve as our gateway to the Americas. In addition, we will retain many of the administrative functions in Houston, as well as well as a strong sales and marketing presence—to fully serve the market and the community.

BRATECC Member's Testimonials

Houston is an important commercial partner to Brazil and BRATECC plays an important role in bringing Brazilian and American corporations closer together. As a long-time member of BRATECC I am happy to say that we, from Methodist International, are always very pleased to participate in their events. It gives us a unique opportunity to network and meet potential clients.

Valter Aleixo.
Manager of Operations
Methodist Hoispital

Chambers of commerce are the perfect place to foment business between international companies.
Therefore Bratecc has an important challenge and a responsibility to bridge the interest of companies and stimulate the development of business in a moment where the intensification of relations between the United States and Brazil is in the spotlight."

Ines Selestrim Silveira.
Atex International Corp

"Arup has been a member of BraTecc for five years, and we are impressed with how it has grown to become so important to the Houston and Texas business community. As the USA's and Brazil's important relationship continues to grow, and especially in Texas, we look forward to our participation in Bratecc helping us to keep our connections to Brazil strong and healthy. BraTecc is an excellent organization and we are very pleased to support it."

Steve Clark.
Arup's Regional Rail Business Leader.

"Exxon Mobil has been a BRATECC Member for a number of years now, and have actively attended events the Chamber organizes. We look forward to such opportunities as an effective forum to access key U.S. and Brazil decision makers."

Milton Chaves Director, Americas
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Dilma & Obama Homework: the 21st Century

By Ricardo Peduzzi

In the absence of immediate results, old world mindsets would rate President Obama's visit to Brazil as plain vanilla. A closer look however, reveals the hallmark of a new phase in Brazil-U.S. relations, signaling one possible beginning for a true partnership for a 21st Century cooperation.

Some of those principal engines Brazil-side include recent accomplishments in social, economic, and political stability, coupled with a modernized business culture taking Brazilian corporations abroad, and to the U.S., in search of new challenges and horizons. Another driver of course, a huge offshore pre-salt deposit may potentially catapult Brazil oil reserves to the world's top 10.

Main drivers in the U.S. encompass energy security, which already propelled Chinese investments into Latin America and especially Brazil to quite significant levels. Early 2011 Central Bank reports point to investments from China topping $13 billion in 2010, from only $400 Million the year before. Potential export sales to the region, especially to the huge pre-salt project offshore Brazil also present a key enticement for renewed U.S. appetite for closer hemispheric ties.

Are we there yet?

From the get-go, some members of the press inevitably morphed Obama's visit into foggy trivia even before he left, as a non-event strutting and fretting amidst global developments of historical magnitude. A natural disaster of unheard proportions assailing Japan, sandwiched itself between Middle Eastern turmoil first in Egypt, then in Lybia. Global events unraveled enmeshed in a federal, state, and municipal budget-shortfall-turned-national-fiscal-crisis, under a government funded on a monthly basis – did we miss something?

The disconnect prevailing in the U.S., revealed little about the presidential mission, showing only scant coverage and rare occasional images.

And then, when the subject was broached, the press missed the point. In one instance, a piece circulated in the mainstream press linking the ban on drilling in the Gulf of Mexico to investments by George Soros, to the U.S. Exim Bank, to the presidential trip south, all but including the kitchen sink in that mix. While readers usually expected that paper as better skilled at things Oil & Gas, the piece instead contributed to such a disinformation campaign of a depth and breadth quite unfamiliar to that daily's regular audience.

In all fairness, however, there were very few concrete deliverables to report from the visit. While both countries signed various agreements celebrating the common national interests, and committing plans to cooperate in areas such as aerospace and defense, air transportation, aviation biofuels, human rights and democracy, labor relations, racial equality, and sports - there was actually a vacuum where there should have been substance.

While the U.S. press covered President Obama's visit to Brazil only so sparingly, that mission may represent a significant advance for U.S. interests in the region

Proposals by both sides failed to produce echo or generate interested support. For instance, President Obama put in a pitch for Boeing's fighter jets "the best offer around," while Brazil's President Dilma listened politely. A firm U.S. endorsement of Brazil's aspirations for a seat in the U.N. Security Council failed to materialize – "We can't really endorse Brazil, as it would hurt our other allies' interests", one diplomat unauthorized to comment confided in the hallways. Meanwhile, a consensus on Biofuels went unaddressed, and while business delegates from both sides, eager to hear progress on subsidies, tariffs and trade were served instead demitasse hopes for "continued studies."

Of Lula, Barack, and Dilma - the backdrop

While the future will allow historians to evaluate the full impact of President Obama's visit to Brazil, and the relevance of his meeting with President Dilma Rousseff, one may already draw some conclusions, by simply recognizing the historical backdrop of conditions leading to that occasion.

Dilma Rousseff's predecessor, Luis Inacio "Lula" da Silva, left office last December with one of the highest public approval ratings, after completing a re-elected second term. President Lula himself a fourth grade drop-out, immigrated as a child with his family, from Brazil's impoverished northeast, to Sao Paulo. Eventually becoming a metal worker in the industrial suburbs of Sao Paulo, Lula joined the metal workers' labor union, to become a militant labor leader quite involved in national politics. Lula was elected Brazil's President in 2000 on his fourth run for that office. As Lula transferred the presidency to Dilma Rousseff in 2011, the national polls

ranked him the highest approval rating for an outgoing president.

It was November '08, when close to 53% of American voters elected 47-year old Barack Hussein Obama to be the 44th President of the United States, the first African-American to hold that office. A Harvard alumnus, Obama had chosen public service over a career on Wall Street. Taking office on a ticket for change, in January 2009 Obama became the most powerful man on the planet just as the global economy thawed amidst an economic crisis of immense proportions - The Great Meltdown. By January 2009, The Wall Street Journal was announcing "The End of Wall Street."

Dilma Rousseff and her husband, so actively opposed the military regime ruling Brazil in the 60's and 70's, it cost her a 3-year imprisonment. When finally freed, Dilma Rousseff returned to complete her university studies, and settled in Brazil's southernmost state of Rio Grande do Sul, where she entered the local political scene. Various public positions later, Rousseff joined the inner circle of President Lula, and was nominated to the Cabinet, first as Minister of Mines & Energy, followed by the Casa Civil, equivalent to the Chief of Staff. With President Lula's active support, 56 million Brazilians chose Dilma Rousseff in a general election to become the first woman in Brazil to hold the office of President of the Republic. Pollsters already estimate President Rousseff ranks first in public approval ratings for first quarter Brazil presidents, since the tally was first recorded.

"People have to look at favelas not with pity, but as a source of presidents and lawyers and doctors, artists, people with solutions."
President Barack Obama

What next?
If only scarce, immediate deliverables resulted from Barack Obama's visit to Brazil, the true legacy of Obama's trip and meeting with Dilma Rousseff will result from the inspiration it may serve the Brazilian and U.S. population. The memory of President Obama will linger longer than his stay in the minds of everyday Brazilians. There will remain an impression of the likable, "simpatico" guy who besides celebrating Brazil's recent economic accomplishments, actually went the extra mile to communicate with people in the streets. Even more important, Barack Obama connected to a Brazilian nation comprised of a very large population of African origin – the inspiration was there, as if in a "teaching moment."

When referring to "favelas" as an unexplored pool of potential competence and opportunities, Obama referred to the potential social, economic, artistic contribution by favelas dwellers. He seemed to be alluding to the role the domestic market can play, when including the marginalized lower income brackets. Examining market potentials in Brazil, one often discarded a significant portion of the domestic market as "economically inactive." Recent memory brings to mind the now infamous Cruzado Plan, when a minimum increase in the average purchasing power proved the country lacked the wherewithal to satisfy domestic market demand.

It was therefore déjà vu all over again, when the Great Meltdown 07-09 contaminated global finances. Brazil's government lowered the added-value taxes on consumer products, reducing the sale price, causing such an upsurge in durable goods consumption that sent factories humming well through the Meltdown – as if nothing was happening abroad. The domestic market insulated Brazil from the financial malaise that overtook markets worldwide. It was hard to envision an impaled GM so lackluster in the U.S., while outshining every previous performance in Brazil with sales skyrocketing.

Fast forward 50 years, zoom in, and then work backwards
The moment calls for change: The opportunity today demands the dismantling of wasteful legacy conditions, upgrading social and economic relationships that maximize the regional sustainable integration. Such integration will cover dimensions in agribusiness, defense, education, engineering, industrial manufacturing, finance, research and development, technology, amongst others.

The sustainable economic and social development will evolve around the growth in the main emerging markets, raising smaller systems in its wake. Decades ahead require that leaders emphasize two major and basic conditions, integration and cooperation.

In practical terms, the urgency uses the tool technology as a platform that facilitates the sustainable integration of resources on a time and cost effective basis. For instance, in evaluating how to better format and equip the local traditional education system to more adequately service the needs of the marketplace today, and where it will be years from now.

The opportunity calls for de-compartmentalizing and revamping the geographic division of manufacture and labor, and allow for the rational and local industrial activity. Cruzado Plan and the Great Meltdown have clearly validated in Brazil that supply creates its own demand. Unemployment and underemployment are economic conditions that exist in societies, independent of industrialization level. The opportunity is huge, and all resources can contribute to optimize current conditions for everyone involved.

In this scenario, the current social, economic, and investment developments in Brazil play a key role as the common bond that brings together common interests and provides a common agenda toward a regional objective. A first step was taken by President Obama's visit to Brazil and meeting with President Dilma.

By presenting one clear objective and a strategy to explore, the Brazilian economy today offers an investment scenario that will require a significant concentration of local, domestic talent and resources. The challenges presented by such opportunity go well beyond installed capacity in Brazil, and presenting unique opportunity for integration and cooperation. May the leadership now be enlightened toward that vision.

Ricardo Peduzzi
President of Peduzzi & Company, Inc.

BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

The BRATECC *Event to Celebrate 10 Years of Service to the Community*

Last February 11 was the commemorative luncheon for BRATECC'S 10th anniversary. Significant presence and important people from different sectors of businesses in Texas attended the event. During the event, Mr. Orlando Azevedo, President of BRATECC, spoke about the mission of the Chamber, its development and next challenges.

Ambassador Mario Saade Honorary President of BRATECC emphasized the importance of the business relationship between the countries. The event was enhanced by the opportunity of local and international businessmen to network."

Ines Silveira

Transplanted to Houston

You would think that moving to Houston from Sao Paulo Brazil, would be an easy transition, but it wasn't always the case for me. Even though the city is less than one fifth the size, I still felt lost navigating through the spaghetti bowl like freeways. Who is supposed to know that I-10 goes East West and that 610 goes around town? Soon, my trusty friend was "Jim", my GPS, who helped me get from place to place. Although, I can honestly say there were many times where I thought that I was better than Jim at finding my way, which occasionally got me lost, sometimes in not the best of areas. Since that time, I have learned Houston very well, and have lived in a number of different-neighborhoods around town. Now, I call Houston my home. I have found Texas, and especially Houston to be a friendly place where Houstonians welcome you with open arms, or better yet, an open barbecue pit. Also, I never feel far from my culture, as Houston is a large multi cultural city Of course, I have found many Brazilian friends and even some good Brazilian restaurants and festivals Over the last years I have enjoyed many of the cultural events that Houston has to offer.The opportunity to see exhibitions, such as Fabergé: Imperial Jeweler to the Tsars exhibit at the Museum of Modern Science, to attend an evening at the opera, or to take advantage of the twelve thousand plus theater seats in Houston, second in capacity to only New York City, continuously remind me of how fortunate we are to live in a world class city. With so many different options for entertainment in Houston, any newcomer will easily find inspiration. have been inspired to use my experience in getting to know Houston to work with expatriates finding them the best place to live in the Houston area. Many are surprised that with all of the business, cultural and educational opportunities in Houston, it remains one of the most affordable housing markets. Whether you might be looking for a shorter term rental, or to take advantage of the low financing rates in the market, Houston has something to offer almost everyone. For some it may be a high rise, with easy access to downtown or the medical center via the light railsystem, and for others, maybe a house with a pool in a gated golf course community With so much to offer, it is easy to get lost, not only on the freeways, but also finding the perfect home in Houston. If you need to know how to get somewhere, you may rely on someone like "Jim", the GPS to get you around the city, but if you might like some friendly advice on what to do, where to find some great Brazilian food or what area may suit your housing needs, give me a call – I speak better Portuguese than Jim

Carla Costa Upchurch is a realtor in Houston Area. You may contact her by phone (281) 881-7446, or e-mail carla@carlacostaupchurch.com

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Sometimes dining out can be a vacation in itself. That's never been truer in Houston than at Emporio Brazil Café, where, every day you can savour Delicious Brazilian Fare. Brazil is renowned for its pristine paradise beaches, beautiful people, football, but also for its incomparable cuisine, which varies delightfully from region to region, each dish meticulously blended with local ingredients like cassava, dende, coconut milk, cashews, papaya, and passion fruit. Emporio features the most exquisite dishes from different regions in Brazil, with a focus on freshness, purity, and delivering an authentic Brazilian dining experience. You'll be dizzy at the appetizer list alone, with a mouth-watering selection of empanadas (savoury pastry stuffed with either beef, chicken, cheese, hearts of palm, or shrimp), crab on the shell, garlic shrimp, fried yucca, and the famous mouth-watering Brazilian cheese bread, Pao de Queijo. Save room for the entrees, though, which include Brazil's beloved fish or bean stews; Brazilian beef or chicken Stroganoff; sirloin or chicken sautéed in a mushroom cream sauce; tender grilled chicken breast with sautéed shrimp and cooked yucca; Beef Parmeggiana with grilled vegetables and mozzarella cheese; and the out of this world vegetarian flavour combo of grilled vegetables, white rice, fried yucca, sautéed collard greens and fried banana. Don't forget the soup and salad list, which includes six delectable salads and several unique Brazilian soups including the Collard green soup, (caldo verde) with potatoes and smoked sausage. Seafood, Poultry, and "The Grill" get their own menu lists as well—the latter includes Brazil's kaleidoscopically flavoured Churrasco Gaucho: grilled cubes of skirt steak, chicken, pork, and sausage with bell peppers and onions, served with white rice, black beans, banana, farofa and vinaigrette. Last but not least the most famous Brazilian cut of beef "picanha " By now you've probably realized that you'll have to go back (and you will want to!) to even begin to scratch the surface of Emporio Brazilian Café's amazing menu. But don't dare leave without asking for their delectable home-made dessert list--even if they have to wheel you out. (Three words: Passion Fruit Soufflé). Come celebrate spring and party in Brazilian grand style, join us for a refreshing caipirinha (pronounced kai – pee-reen – ya) during HAPPY HOUR 4P-9P. Bom Apetite

10 YEARS
Brazil-Texas Chamber of Commerce

Pre-Salt Treasures Under the Southern Seas Fuel Economic Growth and Developing Democracies in an important Geo-Economic Zone

Otton N. Fanini

Introduction

The Portuguese navigators exploring the South Atlantic seas never imagined that far below their tall one to four-mast sailing "caravelas" (Fig.1) were hidden treasures of unimaginable value buried well below the deep ocean floor. Centuries later sophisticated drilling ships (Fig. 2) navigate the same South Atlantic waters not exploring the surface of the earth but instead its rich depth. The consumer market demands shifted with time from spices to valuable energy resources. Nowadays modern drilling ships equipped with tall drilling derricks and powerful engines contrast with the caravelas' primitive multiple tall masts. Crossing this long bridge in time between the Middle Ages and the Modern Era became possible due to profound intellectual, social, economic and political transformations which occurred during the Renaissance period (14th to the 17th century). During this period an acceleration of the human knowledge development resulted in a great liberating awakening with explorations, discoveries and practical developments in many scientific, technology and trade fields.

The Age of Discovery

Henry, The Navigator, (Fig. 3) played a decisive role for the realization of long exploratory sea journeys due to his leadership, courage and vision early in the Age of Discovery. Henry was born in 1394 in Porto, Portugal and was the third son born to Philippa of Lancaster, the sister of King Henry IV of England. He was largely responsible for the success of the early development of European exploration and the Portuguese maritime trade with other continents. Naval and Nautical Science greatly evolved during the Renaissaince. The successive Portuguese expeditions rapidly developed the Portuguese nautical science creating an elite of astronomers, navigators, mathematicians and cartographers. Shipbuilding capability also evolved from agile 25-ton single mast "caravelas" to 300-ton three- to four-mast "naus", from exploration to cargo vessels. Ocean navigation benefitted from the compass invention in ancient China around 247 B.C., and was used for navigation by the 11th century.

A compass invention in ancient China around 247 B.C., and was used for navigation by the 11th century.A compass provided measurements to calculate navigation heading. Latitude was calculated by Biruni in the 10th century (990) based on the maximum sextant altitude of the Sun at noon time as it passes over the meridian of observation. Biruni (Alberonius in Latin), was a Persian scholar and polymath of the 11th century. The heading used with a sextant's measurement allows the calculation of latitude. Latitude could be calculated with reasonable accuracy for the navigation needs of the Portuguese navigators. Trade winds and ocean currents were diligently mapped in all the oceanic regions explored. The longitude determination was not possible at the time as its calculation required a precise elapsed time measurement what was extremely difficult to be achieved in early sailing ships with the required portability and stability under the sea rolling motion. Spain's king Philip II offered a prize for the discovery of a solution to the problem of the longitude in 1567; His successor Philip III further increased the reward prize in 1598. Holland added to the effort with a separate prize offered in 1636. Navigators and scientists in most European countries were aware of this problem and were deeply involved in finding a solution. Due to the international effort in solving the problem and the scale of the enterprise, it represented one of the longest and largest scientific endeavors in mankind's history. Longitude can be accurately calculated by a method using a compass in combination with a marine chronometer. The availability of John Harrison's marine chronometer in 1773 finally allowed with this method the long-sought-after accurate longitude measurements. Diogo Cao was an outstanding Portuguese navigator who was commissioned to explore the Atlantic Ocean regions south of the equator along the West African coast. This was accomplished in two consecutive voyages. The Congo River was discovered by Diogo Cao around August 1482 marked by a stone pillar erected on Sharks Point across the river from nearby Banana Point. Diogo Cao reached Cape Santa Maria, Angola in 1482 right next to a small landing cove and Cape Cross, Namibia in 1485. Bartolomeu Dias went around the Cape of Good Hope in 1488, thus proving evidence to address an important question. Contrary to what had been previously suggested the Indian Ocean was accessible by sea and therefore it was not land locked. Consistent latitude calculations made around the world based on the maximum sun height were important for the Copernican Heliocentric model published in 1543 with a few Ptolemaic inaccurate elements.

in 1543 with a few Ptolemaic inaccurate elements. An alternate trade path to India was possible and the Venice and Genoa Republic's monopoly of the Indian spice commerce and trade routes could be challenged. In 1498, Vasco da Gama reached India and in 1500 Pedro Álvares Cabral reached Brazil. Portuguese explorer Paulo Dias de Novais founded Luanda, Angola in 1575 as "São Paulo de Loanda". Sailing towards the West in the North Atlantic resulted in landings in the areas of Newfoundland (Terra Nova, 1473), Labrador (1498-1499) and sightings of a large frozen land (Greenland) in the North Atlantic which were reported back to the King of Portugal in Lisbon. In 1557 the Chinese authorities allowed the Portuguese to settle a trading post in Macau, China through an annual payment. The Portuguese were the first Europeans to reach Japan and the first to establish in 1542 direct trade between Europe and both China and Japan. In 1570 the Portuguese bought a Japanese port area where they built the city port of Nagasaki, Japan which for a long period became the main trading center between Japan to the world.

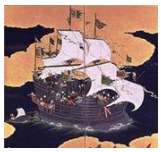
The First Global Village –The Portuguese Heritage

The first global village was created by the Portuguese global maritime trade network enabled by ocean navigator experts and the leadership in naval science and technology. A summary of all the geographic exploration knowledge accumulated by the Portuguese discoveries until then was summarized in the Cantino World Planisphere (i.e. the earth curvature is not correctly projected) dated 1503 (Fig. 4). Alberto Cantino

was sent to Portugal by the Duke of Ferrara (Ferrara, Italy) for horse trading and was able to obtain a copy of the "Padrao Real" (Royal Standard), the official world map prototype secretly stored at "Casa da India" (House of India) in Lisbon. The "Padrao Real" was the official registry of all the knowledge accumulated by the Portuguese exploration discoveries in four continents. After 1492 the discovery of the West Indies by Christopher Columbus from Spain rendered necessary a delimitation line between the Spanish and Portuguese spheres of exploration. This was accomplished by the Treaty of Tordesillas (June 7, 1494). This North-South delimitation line can be seen in the Cantino World Planisphere (vertical line in the lower left side). The treaty gave to Portugal all lands east of this line and to Spain all lands to the west of this treaty line.

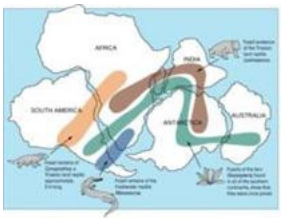
However, the known means of measuring longitude were so inexact at the time that the treaty demarcation line could not be determined in practice. Following its discovery, Brazil's Western borders were pushed well beyond this demarcation line by various land explorers known as Bandeirantes who launched multiple expeditions moving towards the West. The impressive list of Portuguese discovery achievements accumulated between 1415 and 1543 around the known world is shown in Fig. 5. By the middle of the 16th century maritime trade routes were established between Lisbon and West and East Africa, Persia, India, Japan and China covering four continents. A map of the commercial zones covered by this global Portuguese trading network is shown in Fig.6.The Portuguese gave an enormous contribution to shorten the distances between the continents that once were part of a single super-continent. Portuguese trade introduced the chilli pepper to India, tea to England, and firearms to Japan. The Japanese language has many words with portuguese roots

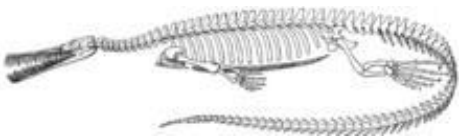
listed below with their english (japanese ; protuguese) translations: Brother (iruman; irmao), Button (botan; botao), captain (kapitan; capitao), raincoat (kappa; capa), Christ (kirisuto; Cristo), cup (koppu; copo), bread (pan; pao), cross (Kurusu; cruz), soap (shabon; sabao), Saturday (sabato; sabado), tobacco (tabako; tabaco), quince (marumero; marmelo). A Japanese painting from the 17th century elegantly portrays in Nagasaki a Portuguese cargo "nau" (carrack) shown in Fig. 7. Orange is a fruit native from regions in northern China and Korea. Portugal was formerly the main trading source of imports of sweet oranges in Europe and the Mediterranean regions around 1500. As a consequence of this orange trade, the word Portugal is associated with the fruit orange in several languages in these trading regions demonstrated by the following example: Bulgarian "portokal", Greek "portokali", Persian "portaghal", Macedonian "portokal", Romanian "portocală", Italian "portogallo"(old fashioned,but still in use), Turkish "Portakal", and Arabic "alburtuqal".



One World Supercontinent

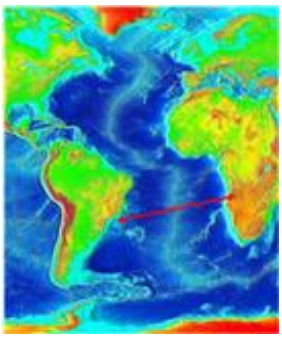
An illustration prepared by Antonio Snider-Pellegrini (Fig. 8) in 1858 suggests a concept with an earlier closed and a later opened Atlantic Ocean. Pangea shown in Fig. 9 was the single supercontinent that once existed during the Paleozoic and Mesozoic eras about 250 million years ago, before the component continents were separated into their current configuration. The theory of the supercontinent was rejected for decades. The pattern of fossil presence across multiple continents(Fig. 10) gave strong evidence supporting the supercontinent theory. The fossils of Mesosaurus (Fig. 11) a freshwater reptile rather like a small crocodile, found both in Brazil and South Africa (MacGregor 1908) support the supercontinent theory. The technological and socio-economic advances available today bring together these split continents.



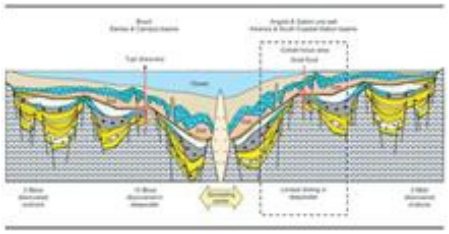


The South Atlantic Ocean Pre-Salt

The South Atlantic Pre-Salt layer is an extensive geological formation on the continental shelves off the coast of Western Africa and Brazil. This layer often holds significant hydrocarbon with significant economic importance. The oil and natural gas resources lie below an approximately 2000 m thick layer of salt, buried itself below an approximately 2000 m thick layer of rock under a 2000-3000 m deep Atlantic Ocean. Drilling through these rock and salt layers to extract the pre-salt oil and gas once a gigantic exploration challenge is possible today. A bathymetry survey of the Atlantic Ocean is shown in Fig. 12 indicating the contour of the Atlantic Ocean floor. This survey shows the Mid-Atlantic Ridge(short vertical red line marker), the longest of the underwater ocean ranges, runs in an S-shaped curve for about 10,000 miles (16,000 km), approximately midway between the continents to the east and the west.



The ridge lies generally one to two miles (1,600 to 3,200 m) beneath the ocean's surface and separates the Brazilian and Angolan basins. Subtle streak lines parallel to the longer East-West red line arrow marker (Fig. 12) suggests the direction how the South Atlantic Ocean stretched open. A vertical geological cross-section of the South Atlantic pre-salt along the longer East-West red-line arrow marker in Fig. 12 is shown in Fig. 13 . This geological cross-section shows a remarkable mirror image symmetry along its center where the central deep Atlantic Mid-Ridge is located. The Atlantic Ocean's bathymetric and magneto-metric geophysical survey measurements started during the 1940's confirmed this mirrored structure duplications. The Brazilian pre-salt basins (Santos and Campos basins) are shown in the left (West) cross-section side and on the right (East) cross-section side are the Angola and Gabon pre-salt basins (Kwanza and South Coastal Gabon basins). Analysis of both the Brazil and West African continents' cross-sections strongly suggest that the geological features of the supergiant Brazilian discoveries also exist in the West African side. The location of the giant Tupi discovery is shown on the left cross-section side. West Africa's pre-salt geology has many striking similarities to the offshore Brazilian pre-salt what is related to the supercontinent split into African and South American continents producing some 165 million years ago the mirror image pre-salt structures on both sides of the Atlantic ocean. The Brazilian margin is dominated by



Lacustrine black to light oil in the pre-salt sequences. In the West Africa pre-salt a higher amount of light oil, condensate and wet gas are expected. Brazil's pre-salt structures are mostly located offshore therefore deeper. The West African pre-salt reservoirs register occurrences of higher temperatures and pressures than in the Brazilian counterpart. Existing onshore and near-shore pre-salt fields in West Africa provide additional support for the existence of deepwater pre-salt opportunities. Salt layers and structures work as preservation seals for geological structures and hydrocarbon reservoirs below which remain generally unchanged over time.

Namibian Pre-salt

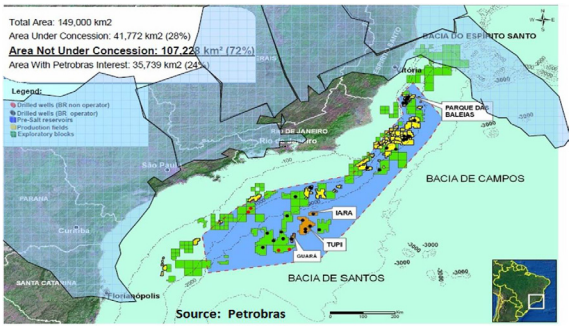
In Namibia, Petrobras has been active since 2009, when it acquired a 50% stake from Chariot to explore block 2714A offshore in the southern part of the country which is operated by the subsidiary Enigma. The Orange and Luderitz subbasins are located 80 km (50 mi) off the coast in waters ranging from 150 to 1,500 m (492 to 4,920 ft) in depth. Petrobras is committed to undertake geological and geophysical studies to develop a model for the area's oil system. The initial exploration period for the block ends in August 2011.

Angolan Pre-Salt

An important milestone in the Angolan oil production was reached in September 2004 when production reached one million barrels per day. In 2009 Petrobras and Sonangol, Angola's state-company, found a new oil well at 1500 meters deep in block 18/06 in Angola. Earlier this year Sonangol announced the start of oil exploration in 13 blocks of the Angolan Pre-Salt layer what is an important milestone step in the Angolan basins' pre-salt exploration. Petrobras is interested in exploring the Angolan pre-salt. Angola has an underwater rock formation similar to that of Brazil.

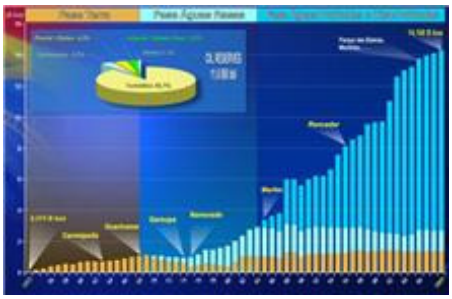
Brazilian Pre-salt

The big blue area in Fig. 14 represents the expected Pre-Salt locations with great potential for oil presence (Spadini 2011). This blue area amounts to 149,000 km2 of potential areas for offshore concessions. Fig. 14 shows the three main offshore Pre-Salt basins in southeast Brazil listed from north to south as follows: Espirito Santo basin, Campos basin, and Santos basin. The development of the offshore Pre-Salt oilfield discoveries came with a big challenge – the ocean exploration depth. Fig. 15 shows the depth progression for offshore oilfields from 1977 through 2009. During this period the production depths evolved from 124 m (Enchova field) to 2171 m (Tupi field). The ocean floor's depth in the Tupi field location is three times the height of the Christ Redeemer statue in Rio de Janeiro. As a result of these pioneering developments Petrobras received the Distinguished Achievement Award during the 1992 Offshore Technology Conference (OTC), for the innovative technologies successfully applied in the Marlim Field located in the Campos Basin, northern Rio de



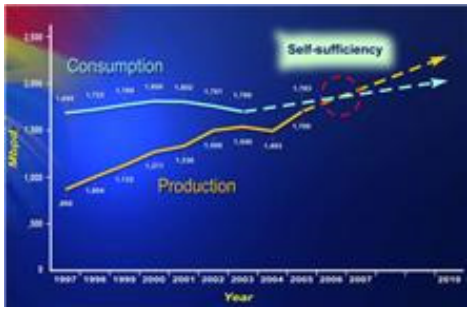
Janeiro coast. Petrobras was honored one more time during the 2001 OTC with the distinguished award for the technologies used in the Roncador Field development. Since Petrobras' creation in October 3, 1953 by president Getulio Vargas until 2009, oil production in Brazil went through three distinct phases which evolved as exploration and production were enabled by technological advancements. These three phases are shown in Fig. 16 and are shown from the left to the right in the following sequence: land phase (Fase Terra), shallow water (Fase Aguas Rasas) and deep and ultra deep waters (Fase Aguas Profundas e Ultra-Profundas).

A floating production, storage and offloading (FPSO) unit shown in Fig. 17 is a floating vessel used by the offshore industry for the processing of hydrocarbons and for storage of oil. FPSOs were used frequently along Deep Water platforms (Fig.



18) in the deep and ultra-deep producing regions offshore Brazil as they are easy to install, and do not require a local pipeline infrastructure to export oil. By 2009 reserves discovered reached

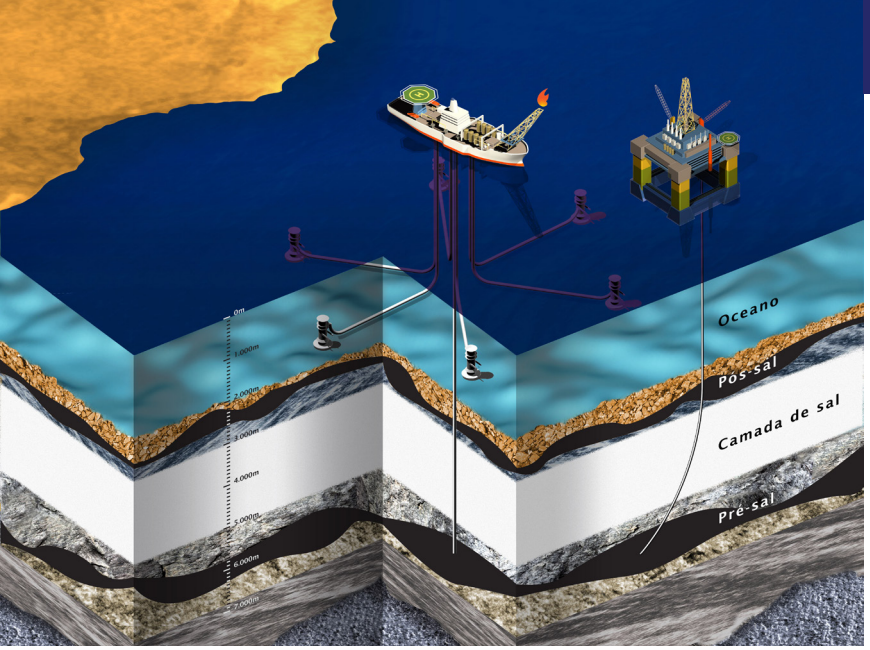
the 14,168 B boe (Billions of Barrels of Oil Equivalent). The Pre-Salt hydrocarbon production enabled Brazil to reach the important milestone of hydrocarbon self-sufficiency in 2006 as shown by the chart in Fig. 19. In the African continent, Petrobras produces in Angola and Nigeria what corresponds to 24% (March 2010) of the company's total international production. Angola had the fourth largest international investment allocated by Petrobras for the period 2009 to 2013.



South Atlantic Democracy Developments

Namibia, Angola and Brazil rich with pre-salt hydrocarbon reserves have made significant democratic advancements.

Namibia's first-ever one-person one-vote election for a constituent assembly took place in October 1989. Following the adoption of the Namibian Constitution which included entrenched protection for human rights, compensation for state expropriations of private property, an independent judiciary and an executive presidency (the constituent assembly became the national assembly), the country officially became independent on 21 March 1990. Samuel Nujoma was sworn in as the first President of Namibia watched by Nelson Mandela (who had been released from prison shortly beforehand) and representatives from 147 countries, including 20 heads of state. He was inaugurated as President on 21 March 1990 and was subsequently re-elected in 1994 and 1999, serving until 2005. Hifikepunye Lucas Pohamba (born August 18, 1935) is the second and current President of Namibia. He won the 2004 and 2009 presidential elections overwhelmingly as the candidate of the ruling party, initially taking office in March 2005. Since its independence Namibia has successfully completed the transition from a white minority apartheid rule to a stable parliamentary democracy. Multiparty democracy was introduced and has been maintained, with local, regional and national elections held regularly. Several registered political parties are active and represented in the National Assembly within a healthy democratic environment with regular elections. healthy democratic environment with regular elections. The name Angola was borrowed from the Dongo Bantu Kingdom who referred to their king as Ngola. When the Portuguese first landed on the West Coast of Africa, Angola is said to have been among the first countries that they explored in the region developing a slave trade market. This trade brought to Brazil the martial arts Capoeira which played an important role in the defiance of colonial slavery and control. Capoeira enabled the defense and the existence of the Brazilian Quilombos, remote villages which developed as safe harbors for runaway slaves and Brazilian independence movement dreams. Capoeira was expressly outlawed in Brazil until the 1930's. In 1972, the Portuguese National Assembly in Lisbon changed Angola's status from an overseas province to an "autonomous state" with authority over internal affairs; Portugal was to retain responsibility for defense and foreign relations. Elections were held in Angola for a legislative assembly in 1973. Angola gained its independence on 11 November 1975 when the country was engulfed by a devastating Civil War between former liberation movements. During this period the rural population fled from rural to urban areas, countless infrastructures had been destroyed along with public administration, economic enterprises as well as religious institutions which were left in shambles in most parts of the country.



Pre-Salt Treasures Under the Southern Seas

The Angolan Civil War reached these disastrous dimensions, because massive foreign Cold War intervention in combination with a lack of infrastructure and a fragile economy lead to an acute political instability with roots in the internal dynamics of intense and violent domestic power struggle. The opposing parties signed the Bicesse Accord on 31 May 1991 in an attempt to end the 17-year long civil war and pave the way toward elections. General elections were held in Angola on 29 and 30 September 1992 to elect a President and a National Assembly, the first time multi-party elections had been held in the country. Under this constitution the president was elected to a five-year term by the people with a public direct vote. The presidential election process did not complete a required second term run-off elections what prolonged the civil war conflict. The Angolan civil war was waged in three periods of major fighting during 27 years until it ended in 2002. The scheduled 1997 parliamentary elections were delayed until September 2008 when work started on a new constitution which was introduced in early 2010. Under the new 2010 constitution the president is elected for a five-year term (two terms at most) by the parliament. Brazil achieved independence from Portugal in 1822, writing its first constitution in 1824 with four powers and a bicameral legislature, and later becoming a republic in 1889. Its current Constitution defines Brazil as a Federal Republic with 26 States, and 5,564 Municipalities. General Ernesto Geisel in 1969 became a progressive president of Petrobras (created in October 3, 1953 by Getulio Vargas) and later became Brazil's president in 1974 kicking-off the country's popular project of re-democratization through an irreversible process that he said would be "slow, gradual and safe." In the 1970's Brazil experienced the effects of the oil embargo and the Cold War era demobilization. Despite the destabilizing and divisive Cold War pressures during the 1960's and 1970's Brazil's unity and borders were maintained intact under a climate of order and progress. During these two decades the Brazilian Development Bank (BNDES) created in 1952 funded critical developments in the economy's infrastructure and basic industries. "When elephants fight, it is the grass that suffers" said very well an ancient proverb of the Kikuyu tribe in Kenia. Brazil emerged in 1985 with the civilians back in power as promised, when José Sarney assumed the presidency in the last election to be held indirectly through an electoral college. A Constitutional Congress elected in 1986 drafted the seventh Brazilian Constitution which was promulgated on October 5, 1988. Brazil today is a modern fledgling democracy holding regular democratic and free elections at the municipal, state and federal levels under the new constitution. President-elect Dilma Rousseff was recently inaugurated in January 1, 2011 becoming the first woman to preside the Brazilian Republic. Brazil is also home to a diversity of wildlife, natural environments, and extensive natural resources in a variety of protected habitats. Brazil has one of the world's largest and fastest growing economies with the potential for a sustained economic growth. Economic reforms have given the country new international recognition. Brazil is a founding member of the following international organizations: United Nations, G20, CPLP, Latin Union, the Organization of Ibero-American States, Mercosul and the Union of South American Nations, and is one of the emerging BRIC countries. The Brazilian economy is the world's seventh economy by nominal GDP (March 4, 2011). "If we consider prices and purchasing power, a pending homework from the World Bank and the IMF, Brazil's GDP is 3.6 trillion USD which places us in fifth place ahead of France and the UK", said Brazil Finance minister Guido Mantega (March 4, 2011).

South Atlantic Ocean Economic Cooperation and Integration

Trade relations between Angola and Brazil started to grow at a faster rate in 2000 during the President Fernando Cardoso administration, but since President Luiz Inacio da Silva (President Lula) took office in January 2003, Brazilian investment in Angola has skyrocketed. Brazilian President Luiz Inácio da Silva has visited 27 African countries on 12 different occasions during his administration. Some 34 African nations benefit from 250 joint projects with Brazil, according to the Brazilian Cooperation Agency (ABC), in the areas of health, education and agriculture. In past trade statistics Angola has been Brazil's fourth largest market in Africa, following South Africa, Nigeria and Egypt, according to the Brazilian Foreign Ministry statistics. The Association of Brazilian Companies in Angola (AEBRAN) says that trade between the two countries has risen six-fold between 2002 and 2007. According to AEBRAN the Angola is the country receiving the greatest amount of export financing from Brazil I. the Angola is the country receiving the greatest amount of export financing from Brazil. In past years a considerable percentage of the Program for Export Financing (PROEX) funds administered by the Bank of Brazil (Banco do Brasil) (Banco do Brasil) has been dedicated to the Angolan economy. The Community of Portuguese Speaking Countries (CPLP) was formed by the late José Aparecido de Oliveira, a former Brazilian culture minister. CPLP comprises the PALOP (African Countries of Portuguese Official Language) countries plus Brazil, East Timor and Portugal, with Equatorial Guinea holding observer status. T CPLP also promotes activities integrating the Portuguese speaking countries. he organization African Countries of Portuguese Official Language (PALOP) includes the countries of AngolaCape Verde, Guinea Bissau, Mozambique and São Tomé and Príncipe. PALOP coordinates various social, cultural and development projects in these countries. Worth mentioning is a medicine factory in Mozambique which will produce 21 drugs including 5 drugs contained in the anti-HIV cocktail. The 424-kilometre railroad (263-mile) track between Luanda and the eastern city of Malanje was one of three major railway lines wrecked by the 27-year old Civil War conflict. This railroad reconstruction is a good example of how Angola converts oil revenues to infrastructure reconstruction projects. Brazilian universities attract a large number of Angolan students Angolan students attending schools in Sao Paulo have support from the Association of Angolan Student in the State of Sao Paulo (AEA-SP). TAAG Angolan Airlines provide convenient direct flights across the South Atlantic between Luanda, Angola and Rio de Janeiro, Brazil. The completion of a feasibility study for the installation and operation of a voice and data communication undersea cable between Brazil and Angola is due by the end of the first half of this year.

Cont.next pag

undersea cable between Brazil and Angola is due by the end of the first half of this year. Involved in the negotiations are the Angolan deputy minister for Telecommunications and Information Technology, the Brazilian minister for Communications, the Angolan consortium Angola Cable and the Brazilian telecommunications group Oi. The South Atlantic countries are gradually developing their economies, strengthening their infrastructure, diversifying and expanding their international trading relations to make their sustained economic growth feasible.

Conclusion

The revenue potential of the deep- and ultra-deep-water Pre-salt hydrocarbon production, spanning the Western African Coast basins of Benin, Nigeria, Cameroon, Sao Tome and Principe, Equatorial Guinea, Gabon, Congo and Angola and the Brazilian southeastern Coast basins, all together can transform the South Atlantic Geo-Economic Zone into an energy superpower. This enormous wealth needs to be properly managed to create opportunities for ample social and economic development promoting cooperation and greater integration within this region. Now these much needed social economic transformations are within reach of these countries to improve their populations' quality of life, health, education, average income and social justice. Ghandi once said: "If you are going to change the world, start with the children." We should add "protect their mothers and enshrine their families". These recipe values breed stronger societies and cultures consolidating their long-term achievements under a competent leadership. These countries came a long way in a journey spanning multiple centuries from under the colonial powers to independent, developing states with politically stable and sovereign democracies with a bright future.

By Otto N. Fanini

Universidade Federal do Rio de Janeiro (UFRJ alumnus)

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Alvaro A. Teixeira

Civil Engineer & Petroleum Geologist

Civil Engineer and Petroleum Geologist, he worked 36 years for the Brazilian State Oil Company- Petrobras, in Exploration and Production projects, first in Brazil and then in the foreign operations carried out by its international subsiiary Braspetro. From 83 to 87, as Exploration & Production Director of Braspetro, he was responsible for several joint- ventures projects in Latin America, North Sea, Africa and Near and Far East. After a short period as coordinator of Petrobras post graduation training centers, from 1989 to 1993 he was General Secretary of Arpel- Association of Latin American Oil Companies, with headquaters in Montevideo, Uruguay. Retired from Petrobras in 1994, since then he is occupying the General Secretary of IBP- Brazilian Petroleum, Gas and Biofuels Institute, a civil non for profit association of companies and professionals, dedicated to the technical and regulatory development of the Brazilian petroleum industry . Active member and past Chairman of Rio de Janeiro Section of Society of Petroleum Engineers (SPE - Dallas).

AAA. IBP Brazilian Petroleum, Gas and Bio fuels Institute
Alvaro Teixeira,Executive Director

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What is your opinion about the situation of the division of pre-salt royalties between the government and Brazilian States?

Presently about 65% of the Government rent, including royalties, goes to the states and municipalities directly involved in the oil and gas production and a small amount being shared among the non-producing 17 states and 3,500 municipalities. With the development the pre-salt production, that will reach 1.8 million bopd (barrels oil per day) by 2020, raising the total Brazilian oil production to 5.0 million bopd, royalties will collect about 50.0 billion Reais (US$ 30.0 billion). Government sent last December a new bill to Congress proposing a more harmonic distribution of the royalties among states and municipalities, but maintaining a reasonably bigger share to the productive states. A hot discussion is predicted, but Government is eager to pass the bill in the Congress, possibly using the “fast track rule”, because the referred bill also proposes a new royalty (15%) for the future contracts of the pre-salt, that will be regulated by PSA (Production Sharing Agreements) regimen. And the future pre-salt bid rounds will depend on the approval of this Law.

Tell me about the position of Petrobras petroleum in the world.

Petrobras is ranked in the fifth position among the world petroleum companies having stocks freely negotiated in the market. It is a full integrated company with investments on the range of US$ 40 billion per year, of which more than 50% on exploration and development programs, one of the biggest of the industry.

INTERVIEW

What do you think about Brazil’s economic situation today and what are some of your thoughts for 2050?

I grew up listening that Brazil is the “country of the future”, that is, it will be a rich and developed country. Presently, at the age of 75, I feel the future has arrived. Brazil is in the threshold of a of a strong and sustainable economic development, forecasted to become the fifth largest world economy in the next five years. Enjoying a full democratic regime and a stable economy, Brazil is rich in food – main exporter of grains and biggest in meat; minerals – biggest world supplier of iron ore; water and energy. Brazilian energy matrix is one of the cleanest in the world, of which about 50% supplied by renewables. And recent huge oil discoveries in the Atlantic margin – the so-called pre-salt play, will place the country amongst the world ten biggest petroleum producers.

What are some of the collaborative efforts between IBP and BRATECC?

Among the main items in our collaboration efforts we list : to facilitate the interaction of our respective associates; to promote and support our events in the American and Brazilian petroleum markets; and last but not the least, to organize joint events.

When did the collaboration or MOU between IBP and Bratecc start?

The collaboration agreement between BRATECC and BP was signed in December 2008.

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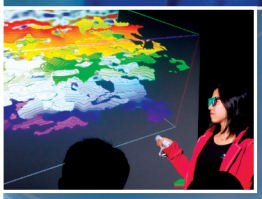

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