

NEWSLETTER

February 2020

February 6, 2020

Volvo Expands Investment In Brazil

The Swedish truck and bus manufacturer Volvo will invest R\$1 billion in Brazil from 2020 to 2023. The funds will be allocated to research and development of products and services in all businesses, including construction equipment and marine engines, CEO for Latin America Wilson Lirmann says. With the new injection, investments in the country since 2017 will reach R\$2.25 billion in 2023.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 10, 2020

Novartis Mulls Bringing Cell Therapy To Brazil By Next Year

Six months after taking over the command of Novartis in Brazil, Renato Carvalho is already working with the Ministry of Health and regulator Anvisa to bring innovative treatments to Brazil by next year, including cell therapies. He says that access to these therapies by Brazil's public healthcare system will be one of the pillars of his tenure at the Swiss drugmaker. "There are possibilities like risk-sharing or even funding where Novartis would cover part of the cost," Mr. Carvalho says. Novartis mulls bringing to Brazil CAR-T Cell, a fully individualized cell therapy. CAR-T Cells are defense cells (T lymphocytes) extracted from your own body and manipulated to become more aggressive against the disease. According to Mr. Carvalho, it costs about \$1 million in the US and has already treated 2,100 patients in 21 countries. It is a priority for Novartis and the drugmaker is already in talks to have a CAR-T Cell center in Brazil by 2024 that will also serve Latin America, the executive says.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 11, 2020

Banrisul Sees Individual Loans Driving Credit Growth Up To 13% In 2020

Banco do Estado do Rio Grande do Sul SA said Brazil's economy is on track to improve further in 2020, which could help the bank achieve double-digit loan growth this year.

The lender announced financial guidance for 2020, including a forecast for its credit portfolio to expand between 9% and 13%. The growth should be driven by loans to individuals, which are foreseen rising 10% to 14%. Real estate loans and credit to companies, meanwhile, are expected to increase up to 7% and up to 6%, respectively.

Banrisul, as the bank is known, also sees provision expenses as a percentage of its credit portfolio totaling between 3% and 4% in 2020. It anticipates a return on average equity in the range of 14% to 17%.

"Due to the slight recovery of the economy, credit losses tend to decrease, but provisioning levels are expected to be at 2019's levels, as well as fundraising," the lender said.

Banrisul reported fourth-quarter 2019 net income of 397.2 million Brazilian reais, up from 252.5 million reais in the prior-year period. The result came as allowance for loan-loss expenses declined to 265.1 million reais from 449.8 million reais.

As of Feb. 10, US\$1 was equivalent to 4.31 Brazilian reais.

Source: *News Now*

<https://www.newsnow.co.uk/h/>

February 12, 2020

Vale Maintains Iron-Ore Targets Despite Chinese Outbreak

Vale confirmed Tuesday it would not change the iron-ore output target for 2020 despite uncertainty caused by the coronavirus outbreak in China, its primary market, and severe rainfall affecting Minas Gerais in the last two months – the state host some of its mines. The mining giant expects to produce between 340 million and 355 million tonnes of fines, its main product. Investors who expected lower targets to prevail as the company keeps digesting the impact of Brumadinho reacted well to the announcement.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 12, 2020

Official Bodies Confirm Record Grain Haul

Continuing favorable weather in most grain-producing regions of Brazil led the National Supply Company (Conab) and the Brazilian Institute of Geography and Statistics (IBGE) to raise grain output estimates for the 2019/20 cycle, currently in the harvest phase and expected to reach a new record. Conab, which manages Brazil's farm resources, sees the total reaching 251.1 million tonnes or 1.3% higher than predicted in January. It is also up 3.8% from the 2018/19 cycle, which saw inclement weather hurting Brazil's soybean yield. IBGE, for its part, revised estimates upward to 246.7 million tonnes, 2.2% higher than the last cycle. Soybean is the standout grain of this cycle, with output recovering 7.1% from 2018/19 to 123.2 million tonnes.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 13, 2020

Supreme Court Guarantees Tax Immunity For Trading Firms' Exports

The Federal Supreme Court (STF) has extended to indirect exports the tax immunity provided for in the Federal Constitution. The court unanimously upheld two lawsuits challenging the collection of social security contributions – including Rural Worker's Assistance Fund (Funrural) – on sales abroad made through trading companies. The decision will impact public accounts as the federal government had been raising R\$680 million annually from Funrural through indirect exports. Now, in addition to no longer contributing, farmers will be able to request a refund of the amounts paid in the past five years – up to R\$3.4 billion could be returned to taxpayers.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 13, 2020

Briefs Grain Crops Value Expected To Grow R\$42bn

The good development of grain crops in the 2019/20 season, firmer soybean and corn prices and an improved scenario for coffee farming have led the Ministry of Agriculture to raise its estimate for the gross value of agricultural production (VBP) in the country in 2020. The ministry calculates the combined VBP of 21 key crops at R\$437.9 billion, R\$7.7 billion more than forecast in January and a record amount 6.4% higher than in 2019. For the five main livestock chains, on the other hand, the ministry reduced its estimate to R\$236.1 billion, R\$8.6 billion less than projected last month. The overall VBP of Brazilian agribusiness this year is now estimated at R\$674.1 billion, a little less than predict in January but still R\$42.5 billion, or 6.7%, up from last year.

Source: *Valor Econômico*

<http://www.valor.com.br/international>

February 17, 2020

States Could Get Four More Years To Pay Debts Under Federal Bailout

Financially troubled states could get ten instead of six years to pay back National Treasury loans under the Fiscal Recovery Regime (RRF), according to an amendment proposed by Deputy Pedro Paulo (Democrats, DEM, of Rio de Janeiro). The regime allows the federal government to back state and city loans as long as the subnational entities enact austerity measures. Mr. Paulo also wants to tweak the bill to facilitate joining the program – only Rio de Janeiro so far has entered the regime, but Minas Gerais, Goiás and Rio Grande do Sul are strong candidates – and extended federally-backed loans to financially healthy local governments as well.

Source: *Valor Econômico*

<http://www.valor.com.br/international>