

NEWSLETTER

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UNEMPLOYMENT RATE FALLS TO 8.3% IN OCTOBER QUARTER

Rate is the lowest for a quarter ending in October since 2014, IBGE says

The unemployment rate in Brazil was 8.3% in the October quarter. The result was below the previous quarter, which ended in July (9.1%), and also below the result of the same period in 2021 (12.1%), the National Household Sample Survey (Pnad) Continuous released on Wednesday by the statistics agency IBGE shows. It is the lowest result for a quarter ending in October since 2014 (6.7%).

The result was below the median expectations of 24 consultants and financial institutions consulted by Valor, which pointed to a rate of 8.5% in the quarter ending in October 2022. The figure was also below the floor of the projections, which ranged from 8.4% to 8.7%. In the September quarter, the rate was 8.7%.

The number of workers without a formal contract in the private sector reached a new record: 13.4 million people, with an increase of 2.3% compared to the immediately preceding quarter and 11.8% compared to the same quarter of 2021 (1.4 million more workers).

According to the coordinator of Work and Income of IBGE, Adriana Beringuy, the drop in the unemployment rate is the result of the combination of the continued downward trend observed since mid-2021 and seasonal factors, since the labor market typically improves at the end of the year.

The trajectory of market recovery started in July 2021, recalls Ms. Beringuy, is linked to the progress of the vaccination against Covid-19, and also to the resumption of face-to-face activities, such as services.

The election may also have helped the labor market in the period, according to her, because there was an increase in the number of workers in segments such as other services and information, communication and financial, real estate, professional and administrative activities, which may include people involved in the electoral campaign.

“People who work in electoral campaigns can appear in the other services segment (within associative services, if hired by parties to distribute flyers and propaganda, for example) and also in the information and communication segment — if outsourced,” she said.

Ms. Beringuy clarified that although it is not possible to specifically measure the number of workers in these groups who are involved in election-related activities, it is clear that there has been an increase in the number of people employed in those segments.

The number of workers employed in information, communication, financial, real estate, professional and administrative activities grew 2.8% in the October quarter, compared with the immediately preceding quarter (324,000 more people). The number of people employed in other services, on the other hand, advanced by 4.5% (232,000 people). In the labor market average, the increase was lower, at 1%.

In the three months through October, the country had 9 million unemployed — people aged 14 or more who looked for a job but could not find one. The number indicates a contraction of 8.7% compared with the previous quarter, which ended in July (860,000 fewer people), and a drop of 30.1% compared with the same period in 2021 (3.9 million fewer people). It is the lowest number of unemployed people since the quarter ended in July 2015.

Between August and October, the employed population (employees, employers, civil servants) rose to 99.7 million people, a new record since records began, in 2012. This represents an increase of 1% compared to the period between May and July (1 million more people employed). Compared to the same quarter in 2021, it rose 6.1% (5.7 million people).

The labor force — that is, people aged 14 and older who are employed or looking for a job — was 108.7 million in the October moving quarter, a statistically stable level compared with the previous moving quarter ended in July and up 1.7% compared with the same period last year (1.8 million more people).

Source: Valor International
<https://valorinternational.globo.com/>

12/05/2022

BRAZIL BOOSTS THE EXPANSION OF EDP RENOVÁVEIS

Company will soon put into operation three wind farms and two large solar plants

The EDP group's plan to grow in renewable energy involves Brazil. The Portuguese company's ambition to reach 20 GW of installed capacity by 2025 has the country as one of the main vectors of growth outside Europe.

Paula Dalbello, the new country manager of EDP Renováveis do Brasil, took over the command of the company less than two months ago with the challenge of putting large-scale projects to work. For 2023, the renewable energy generation branch of the group plans to put into operation three wind farms in the Northeast region. In addition, there are two more mega plants, which yield 463 MW, in São Paulo and Rio Grande do Norte. Combined, the plants total more than 1 GW.

In parallel, the executive has the personal challenge of taking care of little Gregory, a five-month-old baby, and between meetings she finds time to breastfeed. The civil engineer told Valor that her goal is to get the projects off the paper and put them into practice. This includes prospecting and developing them until they mature for construction, which means finding good areas, connection points, entering auctions, and closing new power purchase and sale agreements (PPA).

The favorable natural conditions for renewable generation make Brazil the company's second-largest market. The promise is to invest R\$24 billion, but they do not detail the share that will be destined for Brazil. The intention is to build between 1,000 MW and 1,200 MW of renewable projects by 2025, in addition to 6.9 GW of projects with concession or authorization for the medium and long term.

"We have 790 megawatts (MW) in operation, a great part of which is in Rio Grande do Norte. For the coming months, we have three wind power projects in the state that add up to 580 MW. One is already in the operational test phase and two others should start early next year. Also in 2023, we will have two more solar projects, which are coming off the paper, of 463 MW in São Paulo and Rio Grande do Norte," said the executive.

Most of the energy from the plants is likely to be intended for the free energy market, given the context of the opening in which a greater number of consumers served with high voltage will be able to opt to purchase electricity from any supplier as of January 1, 2024.

Specifically in solar, the company will build the projects in partnership with EDP Brasil, also a subsidiary of the Portuguese group operating in Brazil. The disarrangement of the segment's supply chains raised capex but was not an obstacle for the projects. "We bring the project, and they help us find the PPAs and the investment is made together," he explains.

Recently EDP Renováveis sold to Copel the wind complexes Aventura and Santa Rosa & Mundo Novo for R\$1.8 billion. It is a strategy of the Portuguese company to rotate assets, which facilitates the monetization of the generating parks before they reach the end of their useful life, besides raising funds for the projects under construction.

“It is a strategy that allows us to feedback the process. We are happy to fulfill the company’s global objective by using our own resources to develop those projects,” says Mr. Dalbello, guaranteeing that there are no more assets available to the market for rotation in the short term.

The Northeast region is the flagship of renewable energies in Brazil and where EDP’s main plants are located. However, the bottleneck of transmission lines has made it difficult for the companies to drain the amount of energy, so the alternative has been to make a mix between submarkets with common connection points, a strategy that has made entrepreneurs migrate to other regions of Brazil.

This is perhaps why São Paulo has become an option. In 2021, the company inaugurated the Pereira Barreto solar complex, in the countryside of the state, with an installed capacity of 252.29 MWdc. The investment was R\$750 million, the multinational’s largest investment outside Portugal.

Next year, work will start on the Novo Oriente Solar project, in the municipality of Ilha Solteira, also in São Paulo state, which will have an installed capacity of 254 MWac. Besides the advantage of being close to the consumer centers, the company can also reduce transmission costs.

“It is up to us, as developers, to align our development strategy with best practices. We are developing projects in the Southeast, which is where we will mitigate the impact of the transmission costs of our projects,” he said.

Source: Valor International
<https://valorinternational.globo.com/>

12/06/2022

JAPI INVESTS IN PLANT IN DOMINICAN REPUBLIC

First unit abroad opens in 2023 to facilitate exportation logistics to Americas, Europe and Africa; expected production totals 40 tonnes per month

Japi, a Jundiaí-based manufacturer of sanitary ware and gardening accessories, is preparing its first unit abroad, in the Dominican Republic.

The plant is expected to start operating by March 2023, said Ana Oliva, Japi’s director and chair of Astra, a company of the same group, founded by her grandfather, which makes from toilet seats to bathtubs and housewares.

The initial investment for the Caribbean unit is \$5 million, and the goal is to expand the base of countries attended by Japi’s exports, which today totals 35 nations. “It is meant to serve North America, Europe, Africa, and Central America, to facilitate logistics for these regions,” he said.

Currently, 30% to 35% of Japi’s revenues, expected to reach R\$150 million this year, come from exports.

As Ms. Oliva explains, one of the best-selling products for other countries is the line of plastic garden vases that imitate ceramics. “They are extremely light. We have intelligent pots for vertical gardens and also pots signed by designers,” he said. The Dominican production will be focused on gardening items. Japi expects to produce 40 tonnes per month in the new unit.

The Dominican plant will also help expand domestic production, freeing up space in the Jundiaí plant. The company currently occupies a manufacturing area of 20,000 square meters in the city located 50 kilometers far from São Paulo. Astra also has a manufacturing site in Pernambuco. “Japi has a more restricted area situation, I need to create new strategies to grow,” she said.

Japi was created 30 years ago and started as an importer of the products it manufactures today. As the years went by, said Ms. Oliva, the company began to produce more and more of its own items.

The change came in handy since the beginning of the pandemic when trade with China became more complicated and time-consuming. If before the company executives traveled up to five times a year to the Asian country to monitor orders and maintain product quality control, today this is impossible. "Bringing things from China is complex. There is certainly a business opportunity for Brazil to serve its market and countries that used to buy from China," she said.

Astra is the first company of the group, which was founded 65 years ago, and has also a construction company and a financial services company. Combined, Astra's and Japi's revenues are expected to reach R\$1 billion in 2022, the same as last year.

Initially, the executive expected an increase in sales this year, but the performance of the construction material sector was lower than in 2021. The Brazilian Association of the Construction Materials Industry (Abramat) projects a 2.2% drop in sales for the year.

"We expected a better year, but the market settled down, so we can't complain," she said.

For 2023, Japi's and Astra's sales are expected to increase 10%, said Ms. Oliva. "We are returning to the growth rate we had before the pandemic."

The company sees more incentives for civil construction next year, especially for low-income clients, which drives its forecast.

Astra's and Japi's products are mostly aimed at the low-income segment, although both companies have premium lines as well. "We are working to diversify the product mix, with a line signed by architects, and design items, but it is a smaller part of the products. Our strength is the low-income public," she said.

Both Astra and Japi faced raw material price increases last year and also in 2022, and it was not possible to pass on the entire cost increase to the final prices, said Ms. Oliva. The company increased prices by about 20% last year and started working with tighter margins.

What reassures the executive is that it is "a very down-to-earth company", which has not leveraged. "We have zero debt, we do everything with our own funds," she said.

Source: Valor International
<https://valorinternational.globo.com/>

12/09/2022

HELEXIA TO SUPPLY TIM, VIBRA AND RAIÁ DROGASIL WITH SOLAR POWER

Partnership includes renewable power generation for 10 to 15 years to 1,000 consumption points in four states

Hellexia Brasil, a subsidiary of the French group Voltalia, has signed long-term contracts to supply phone carrier TIM, fuel distribution company Vibra, and pharmacy chain Raia Drogasil with solar power. There will be nearly 1,000 consumption points for clients of these companies in Rondônia, Rio Grande do Norte, São Paulo, and Mato Grosso do Sul.

In total, it will be 14.7 megawatts-peak (MWp) of installed power, divided among eight photovoltaic plants in the distributed generation (DG) model for 10 to 15 years. The company already has the permits for access. The construction works of the solar units are scheduled to start in the first quarter of 2023 and end by December.

The investment to start generation in these ventures totals R\$76 million. In this contract format, the power produced is injected into the National Interconnected System (SIN) and will be transformed into credit for the companies, which will have, on average, a 10% discount backed according to the regulated market, a segment served by power distributors. Another kind of contract was signed in 2020 with Telefónica's Vivo, in Paraná.

CEO Aurélien Maudonnet said that Vibra will keep 4 MW of the power generated, TIM will get 8.5 MW and Raia Drogasil will take 2.2 MW. “With these projects, we now have 100 MWp in the portfolio signed and projects that we will execute in 2023,” he said. “In addition, we have a portfolio of 250 MW” with the necessary permits.

Today the distributed generation segment is one of the most profitable in the power industry and increases about 1 GW per month in the generation mix, higher than any other source. This is because the legal framework for self-generation of energy (distributed generation), signed into law by the Bolsonaro administration last January, created a sense of urgency in the development of new projects to ensure the use of distributors’ network free of charge by 2045.

Companies have a legal requirement to build the projects up to 12 months after permits are issued. Mr. Maudonnet, however, says he is confident in putting the number of projects to operate since funds are available for promising markets.

“In this 250 MW of projects, in addition to the portfolio of signed contracts, our shareholder is ready to invest with equity of our own,” said Mr. Maudonnet.

The executive does not reveal the number, just that Voltalia has a four-year investment plan and by 2027 intends to disburse €3 billion to double the installed capacity and reach 5 GW. It is known that 35% of these funds will come to Latin America, especially Brazil, since the activities in Colombia and Mexico are embryonic, and 60% will be for solar power.

“The shareholders are willing to invest R\$3.5 billion in the solar segment in Brazil in the next four years. Of course, this money will have to be shared with Voltalia, but these mega projects of centralized [large-scale] solar generation tend to disappear,” he said.

Source: Valor International
<https://valorinternational.globo.com/>

12/12/2022

CHEMICAL INDUSTRY POSTS RECORD REVENUES, NEGATIVE TRADE BALANCE ***Price hikes made sales jump 24%, but deficit exceeds \$64bn in the year***

The strong rise in international prices of chemicals has boosted revenues of the industry this year. According to preliminary data from Abiquim, the trade group that represents the sector, net sales probably reached R\$969.4 billion, up 24% year-over-year and an all-time high, despite the stable output volume. In dollars, there was a 27.3% jump, to \$187 billion.

At the same time, the most pessimistic projections for the balance of trade in chemicals materialized. In the year, the deficit probably reached the unprecedented level of \$64.8 billion, up 40.3% year-over-year, driven by the country’s low share in the global market – despite having the sixth-largest industry in the world – and the relevant weight of imports in the domestic demand.

According to Abiquim, while imports grew 36.1%, to \$82.6 billion, the highest ever, Brazilian exports advanced less only 22.1%, to \$17.7 billion, also a record.

“There were good results in 2022, which shows that there are very competent companies in the country at what they do and they knew how to take advantage of the favorable moment. But the absence of structural solutions once again affected the results and the last four months showed a downward trend,” Abiquim’s head André Passos Cordeiro told Valor.

The figures estimated for 2022 will be presented Monday during the 27th Annual Meeting of the Chemical Industry. In the event, key players will debate the sector’s strategic agenda, which will be taken to the President-elect Luiz Inácio Lula da Silva’s transition team and governors of states that are home to important industrial hubs including Bahia, São Paulo, and Rio Grande do Sul.

The main objective of the agenda is to interrupt the decline of manufacturing that has been impacting the sector for years, said the executive, for whom natural gas is a central topic. Today, the chemical industry accounts for 30% of the country's gas consumption, either as raw material or energy, and competes in the global market especially with the United States and China, countries that, for different reasons, have lower production costs.

"The discussion includes a solution for sufficient gas supply and competitive price," said Mr. Cordeiro. There were advances in the current administration, such as the Gas Law, and the industry's perception is that the next administration is sensitive to this matter, as well as to the need to resume an industrial policy to benefit the chemical industry and other sectors as well, he added.

According to Fatima Giovanna Coviello Ferreira, Abiquim's economics and statistics director, there is an opportunity for expansion of the Brazilian chemical industry if conditions are more favorable. The record trade deficit confirms this potential for the industry.

"Europe is now facing a gas crisis. It is the main input for the petrochemical industry in the world. This will open space in the market, but China and the United States, which have idle capacity, are ahead of us. Brazil could compete with these players if there were gas at a lower price and in sufficient volume to increase production capacity, and adjustments in the tax burden and infrastructure," he said.

As for the industry's results, although sales have been a record, margins in 2022 were below those seen in previous years. Just as chemical prices skyrocketed on the international market with the war in Ukraine, raw materials and energy also became more expensive and reduced profitability particularly in Brazil, where gas still costs three times as much as in other regions. "The cost went up and logistics saw a brutal increase, so the margin was lower," she said.

In 2023, according to the executive, prices of chemical products are expected to fall, with a reduction in the trade deficit as well. "Momentarily, there was some improvement in terms of logistics, but it is still unclear how the crisis foreseen for 2023 in the international market will reflect on costs," she said.

Of the net sales of \$187 billion estimated for the Brazilian chemical industry in 2022, a little less than half, or \$88.3 billion, is generated by chemical products for industrial use, such as resins, elastomers, and various preparations. Compared to last year, the expansion in this segment was 24.6%.

In 2021, the chemical industry will account for 3.1% of Brazil's GDP. This share reached 3.6% in 2004, the peak since Abiquim's records began, in 1995. In the transformation industry, the sector's share is the third largest, with 12.4% of the industrial GDP in 2020, behind food and beverages and oil products and biofuels.

Source: Valor International
<https://valorinternational.globo.com/>

12/13/2022

CHINA SHOWS INTEREST IN IMPORTING BEANS FROM BRAZIL

Ministry of Agriculture received a technical questionnaire to check the feasibility of starting a partnership

The Brazilian private sector has insisted for years, and now China is showing the first signs of interest in importing beans and pulses (lentils, chickpeas, and peas) from the country. Last month, the Ministry of Agriculture received a request for answers to a technical questionnaire sent by the Chinese to check the feasibility of starting shipments.

Although the document is not an official manifesto, producers and industries in Brazil are celebrating, since the opening may represent good opportunities. In China, the per capita consumption of beans is only 1.7 kilos per year, but the average has grown 400% annually.

"This is a work that has been going on for years, involving the Ministry of Agriculture, Foreign Affairs Ministry, and the interested segments. In the specific case of mung beans [also known as moyashi and used to produce edible

sprouts], it was very celebrated in Brazil,” Ariana Guedes, international advisor to the State Secretariat of Economic Development (Sedec) in Asia, told Valor.

The beginning of this process is also related to the loss of area destined for the planting of beans, especially for crops such as soybeans, as has also happened in Brazil, added the advisor. Given this trend, exporting to China may represent even more than compensation.

According to the most recent data from the U.S. Department of Agriculture, in the 2019/20 harvest, China produced 4 million tonnes of beans, lentils, chickpeas, and peas, down 10% from 2018/19. In Brazil, the bean harvest is just under 3 million tonnes per season, with gross production value estimated by the government at R\$15 billion this year.

It is worth remembering that Brazil makes occasional imports of black beans from China, especially when there are difficulties in Argentina, which supplies 90% of the 100,000 tonnes imported by the country annually.

Although the Chinese do not consume beans as much as Brazilians, the demand for processing has been growing in the country, for use in human food and animal feed. According to Ibrafe, between 2018 and 2021 there was a 172.3% increase in Chinese imports of mung beans, 819.7% in purchases of pinto beans, 503.7% in red beans, 2.8% in peas, and 79.7% in chickpeas.

According to Mr. Araújo, Canada currently supplies 93% of pulses imported by China, while the United States keeps the rest. The world market for beans and pulses is worth \$26 billion annually, according to the Brazilian Institute of the Bean (Ibrafe), and it is natural that China’s greater appetite, considering its population of 1.4 billion, will transform the landscape.

In addition, Larissa Wachholz, former special advisor to former Minister Tereza Cristina (Agriculture) for issues related to China and partner at Vallya Agro, stressed that the growth of China’s middle to lower-middle class, today with about 800 million people, has broadened the debate on food security and health.

“There is a trend that those people who have moved to urban areas and achieved a better income be more concerned about food diversification and nutritional issues. Pulses fall into that category, which is a great opportunity for Brazil,” he said.

Despite the euphoria of the Brazilian private sector, Fábio Coelho Correa de Araújo, Brazilian agricultural attaché in China, reinforced, in an interview with Valor, that the Chinese questionnaire does not mean official interest in buying Brazilian products. At least for now. “The opening of the market for plant products is done through risk analysis of the product, and this can take months or years.”

This does not discourage optimists, though. And Marcelo Lüders, president of Ibrafe, is one of them. “With the problems of the war in Ukraine, the Chinese needed to expand their peanut suppliers and authorized Brazilian purchases in a few months. The same can happen with pulses,” he said.

It was Mr. Lüders who forwarded the questionnaire received from the Chinese to Embrapa (Brazilian Agricultural Research Corporation Rice and Beans) and IAC (Agronomic Institute of Campinas). But both are waiting for an official request from the Ministry of Agriculture to contribute with the technical aspects.

Source: Valor International
<https://valorinternational.globo.com/>

12/14/2022

PÁTRIA EXPANDS TECHNOLOGY PORTFOLIO TARGETING 5G ***Fund plans to invest \$500m to \$1bn in next three years in data infrastructure opportunities***

After the sale of the data center company Odata to the American Aligned, Pátria Investimentos fund, which held about 90% of the company’s capital, now seeks to expand its technology portfolio, with a focus on infrastructure for 5G networks.

“In three years, we will invest \$500 million to \$1 billion in data infrastructure opportunities,” said Felipe Pinto, partner at Pátria, in an interview with Valor.

Among the 42 companies in Pátria’s current portfolio, 19 of which are infrastructure companies and 23 are private equity, Winity — created in 2020 to provide infrastructure to wireless networks — is currently the fund’s only technology company.

The idea, according to Mr. Pinto, is to expand Winity’s operations beyond the Brazilian market and seek new investments in Latin America, with an eye on the expansion of 5G networks in countries like Colombia, Peru, and the Central American region.

Winner of the national lot of the 700 MHz band in the frequency auction for 5G offering in the country last year, Winity is awaiting approval from the antitrust regulator Cade on a network sharing agreement signed with Telefonica (Vivo) in August. “We are confident that we will go through the approval processes normally,” said Mr. Pinto.

The fund says it is interested in investing in data infrastructure companies to meet corporate demand for 5G networks. “We look at the potential infrastructure that can serve companies in the agricultural, mining – including mining complexes in Chile –, healthcare, and industrial plants among others,” Mr. Pinto said.

In addition to investing directly in technology companies, for two years Pátria has been digitalizing companies from other segments in its private equity investment portfolio.

According to Ricardo Barbosa, Pátria Investimentos’ Digital Transformation and Value Creation Private Equity Portfolio Leader, the goal is to increase EBITDA and raise the forward enterprise value-to-EBITDA multiple of these companies, in addition to generating business through digital transformation.

One of the examples cited by the fund is the agricultural resale platform Lavoro, which is preparing to carry out an IPO on Nasdaq. As Valor’s business website Pipeline reported in September, Lavoro will go public through a merger with TPB Acquisition Corporation, a special purpose acquisition company (SPAC) sponsored by investment firm The Production Board. In the deal, the Brazilian company was valued at \$1.2 billion.

Today, 23 companies in Pátria’s private equity portfolio are in digitalization projects led by Mr. Barbosa’s sector, including database migrations to the cloud and production chain robotization.

In October last year, the fund also identified a space to invest in information security by announcing the purchase of cybersecurity companies Neosecure and Proteus for the markets of Argentina, Brazil, Chile, and Colombia. At the time, the fund committed to injecting \$250 million into the sector.

The manager informed on Tuesday that the sale of Odata to Aligned and of the concessionaire Entrevias, announced at the beginning of the month to the French company Vinci, is expected to generate a gain of approximately \$1.4 billion for the shareholders of Pátria Infraestrutura III fund. In the case of Entrevias, Pátria is selling a 55% stake and the fund will continue with the remaining 45%.

Source: Valor International
<https://valorinternational.globo.com/>

12/15/2022

MAJOR GROUPS EXPECTED TO COMPETE IN POWER TRANSMISSION AUCTION

There are six lots of almost 710 kilometers of transmission lines and substations, with investments of R\$3.51bn

The power transmission auction scheduled for Friday at exchange B3’s headquarters in São Paulo is expected to draw traditional groups, ample competition, and strong discount. The six lots offered in the event held by the

Brazilian Electricity Regulatory Agency (ANEEL) foresee the construction and maintenance of almost 710 kilometers of transmission lines and substations and investments of R\$3.51 billion.

This is because the transmission segment is considered the safest in the electric sector, which is fully regulated, and the winner gets a 30-year contract. Companies such as Isa Cteep, Energisa, Sterlite, Engie, and CPFL have announced their participation.

The infrastructure will serve the states of Espírito Santo, Maranhão, Minas Gerais, Pará, Rio de Janeiro, Rio Grande do Sul, Rondônia, Santa Catarina, and São Paulo. In total, 5,800 jobs are expected to be created during the construction period, which ranges from 42 to 60 months.

For Nivalde de Castro, a professor at the Federal University of Rio de Janeiro (UFRJ) and coordinator of the Electricity Sector Study Group (Gesel), all the lots are expected to be sold in the bidding with discounts typical of the power transmission segment.

“It is the best-structured segment and with a very large future demand. It is an organized sector and ANEEL acts correctly in differentiating the lots. So, we won’t have lots without bids, and we will have a discount. Besides, the winning companies will have a stable and predictable remuneration,” he said.

“The works that will be tendered have the objective of bringing more security and reliability to the ONS,” said Mayra Guimarães, head of renewable energy and regulation at Thymos. She expects that this bid will follow the same trend as the last transmission auctions, that is, high competitiveness for all the lots, which could be sold with average discounts of 40% to 50%. “In addition, we expect robust and financially well-structured companies to participate,” she added.

The overall value of the reference Annual Allowed Revenue (known as maximum RAP) to be paid to the business is R\$604 million. The winner will be the one that presents the lowest RAP in the Brazilian currency per year.

Lots 3 and 5 are the ones that draw the most attention for the strength of the investments: almost R\$2.3 billion. The largest of them is Lot 3, with 351 kilometers, which cuts through Maranhão and Pará. Lots 5 and 6, on the other hand, have singularities because they are aimed at the restoration and maintenance of existing undertakings to extend their useful life.

What may cause tension is the risk of litigation in Lot 6. The partner of the energy and natural resources department of law firm Demarest Advogados, Rosi Costa Barros, recalled that ANEEL removed the substation of Isa Cteep from the contract and believes that it may be auctioned.

“In ANEEL’s understanding, the asset is expected to be part of the auction to take place this Friday and be excluded from Isa Cteep’s concession. The company has questioned the inclusion of the asset in Lot 6. Therefore, the maintenance of this asset in the Auction 02/2022 may be questioned in court,” said Mr. Barros.

Brazil has 175,000 kilometers of transmission lines, according to data from national grid operator ONS. Despite that, the segment still suffers from bottlenecks to transport the production of wind and solar energy, especially in the Northeast.

The director-general of ONS, Luiz Carlos Ciochi, said that the auction was designed based on planning studies by the Empresa de Pesquisa Energética (EPE) and on analyses carried out by ONS considering the operating conditions foreseen for the Interconnected System.

“Most of the projects listed for this auction aim to expand the transmission capacity to cope with the load growth and reduce some of the existing restrictions. They are works that aim to solve localized problems and allow the consumer to be served safely ... Item 6 stands out because it deals with the bidding for the concession of facilities that integrate the international interconnection between Brazil and Argentina, including a commitment to the necessary revitalization,” said Mr. Ciochi.

Source: Valor International
<https://valorinternational.globo.com/>

12/16/2022

CORN DRIVES GROWTH OF BRAZIL'S AGRICULTURAL EXPORTS

Industry shipped more than \$10bn in November for the first time

Brazil's agricultural exports reached \$12.6 billion in November, a record for the month, which had not yet surpassed \$10 billion since records began. The amount represents a 51.2% increase over the same period last year, when sales stood at \$8.6 billion.

The result was due to the increase in export volume, which grew 29.3% last month, and the rise in the prices of exported products, by almost 17%, informed the Ministry of Agriculture.

One highlight was the growth in corn shipments, which reached 6 million tonnes, or \$1.7 billion. The volume was 154% higher than the 2.8 million tonnes exported in November 2021 and the revenue increased 255% in the same comparison – in November last year, sales totaled \$486 million.

With this, the grain exports exceeded the quantity sold of the soybean complex (grain, meal, and oil), which was 4.4 million tonnes in November. The complex also led in revenue, with \$2.7 billion in the period.

Sugar sales also grew in November and surpassed 4 million tonnes. Exports of the sugar-and-ethanol segment reached \$1.83 billion, up 83.5% year-over-year.

Meat exports also reached a record high in November, of \$1.92 billion, an increase of 47.2% year-over-year. Beef exports brought in \$870 million, poultry meat earned \$762.13 million, and pork totaled \$228.12 million, also a record high.

Imports of agricultural products totaled \$1.48 billion in November, an increase of 2.2% YoY. Thus, the trade balance stood at \$11.6 billion. The share of agriculture in the country's total exports reached 44.9%.

In the year to date, Brazilian agribusiness exports have reached 145.3 million tonnes, with a revenue of \$148.26 billion, a record value for the period since official records began, in 1997.

China led the purchases of Brazilian agribusiness products in November (\$2.9 billion) and the year (\$48.1 billion). The United States, Netherlands, Japan, and Vietnam completed the list of the top five last month.

In 2022, the soybean complex leads in volume exported (98.6 million tonnes) and sales (\$58.7 billion). Cereals come next (41.8 million tonnes), with a great performance of corn (37.1 million tonnes). The revenue of this segment reached \$12.3 billion.

In 11 months, Brazil exported 7.6 million tonnes of meat, mainly poultry (4.2 million tonnes). The revenue surpassed \$23.7 billion in the period. Forest products (\$15.3 billion), sugar and alcohol (\$11.9 billion), and coffee (\$8.4 billion) complete the list of the main items this year.

Source: Valor International

<https://valorinternational.globo.com/>

12/19/2022

IMPORTS PUT PRESSURE ON RUBBER PRODUCERS

Import tax of 16% levied on truck tires and latex was zeroed in 2021; industry expects the return of the charge

The natural rubber production sector and the Brazilian tire industry have been pressuring the federal government to reverse the measure that, at the beginning of 2021, zeroed the import tax on truck tires, rubber artifacts, and items such as latex. There is an expectation that the proposal to tax foreign purchases again at 16% will be approved by the Foreign Trade Chamber (Camex) on Monday.

Without the tariff since January 2021, imports have hit record highs in recent months. The purchase of tires jumped to 518,000 in November from 143,000 per month, on average, before the tax exemption. That's 3.5 million units imported this year. Interlocutors of the transition team say that the tax rate will be re-established in 2023, but rubber tappers and the industry say that the problem gains scale every day and can generate a "dismantling" of the production chain.

Producers who began extracting rubber in September had their production refused by processing plants, which don't have the demand to process the quantity that was planned before. "Monthly production volumes are being canceled. People are leaving the activity, converting the rubber areas into sugar cane or soy. It's the opportunity cost", said Fernando do Val Guerra, executive director of the Brazilian Natural Rubber Producers and Graders Association (Abrabor).

In São Paulo, the council of processing plants informed the cancellation of purchases of 60% of the total volume of the tire industries in November and December, which generates a liquidity shortage in the chain. "This is a reflection of the flood of imported products," said Mr. Val Guerra. The United States and China, which also zeroed import taxes at the beginning of the pandemic, established tariffs of 17% and up to 50%, respectively, for the import of these items, said Abrabor's director. "All production came to Brazil," he said.

The segment says that the import tax exemption for cargo tires was assertive at the peak of the pandemic, but that it should have been temporary, just to combat the inflationary surge at the time when there was a shortage of containers and ships for sea freight. The tire industry, on the other hand, claims that the decision was taken too fast and that its effects have left companies at their limit. If the measure is not reversed, he warns, there is a risk of shrinking production and layoffs.

"If nothing changes, we have scheduled layoffs that are going to happen when employees return from the collective vacation, which is not standard, the drop in production forced the stoppage, and this is complicated," said Klaus Curt Müller, president of the National Tire Industry Association (Anip). The entity represents giants such as Bridgestone, Continental, Goodyear, Michelin, and Pirelli. The segment has 20 plants in the country and invoices R\$36.4 billion a year.

Mr. Müller complains about the government's lack of sensitivity to the theme and lack of support for the development of the local industry. Production has dropped in recent years and is back to 2012 levels, he said. "We are at the limit. The sector has R\$1.5 billion in investments that are in slow motion. This shows that we are going backwards, and in this situation, you have to shrink everything," he added.

Mr. Val Guerra points out the lack of a specific policy, or a "state plan", to give security and predictability to the natural rubber segment, with the provision of long-term contracts and income insurance linked to rubber plantations. The country cultivates about 250,000 hectares with rubber trees, of which 180,000 are in full production, and produces little more than 200,000 tonnes per year, for an installed demand of 417,000 tonnes. Most of the production (66%), processing (80%), and consumption is in São Paulo. Production and processing move about R\$30 billion per year

The estimate is that Brazil can achieve self-sufficiency in the production of natural rubber with a slight expansion in the production area. With 1 million hectares of rubber plantations in production, the country could export and supply the entire demand of the U.S. The advance would take place in degraded pasture areas of Cerrado, the second-largest biome in the country. Asia holds 92% the world's production of natural rubber, which is estimated at 14.5 million tonnes in 2022.

"It is a sector in which the whole industry is already installed and can export processed products, unlike the other agricultural and mineral commodities that come out in natura," said Mr. Val Guerra. "Depending on rubber imports for tire manufacturing in a road country is critical. It is a macro strategic issue. In the West region, Brazil is the only country that has rubber production and tire factories. This fact alone should have more attention from the government to the sector", added Mr. Müller, from Anip.

Sought by Valor, the ministries of Agriculture and Economy did not comment.

Source: Valor International
<https://valorinternational.globo.com/>

12/20/2022

NEW WAVE OF RAILROAD PROJECTS TOTALS R\$61BN

Package includes auctions, renewals, and an authorization regime

In the last four years, the railroad sector has seen a wave of new projects. At least R\$61 billion in investments were contracted (considering the values at the time of contracting), including auctions of new stretches, early renewal of concessions, and a new private railroad.

The impact of most of these projects is still to come since they are long-term enterprises. However, specialists assess that a real change in the cargo transportation matrix in Brazil, still very concentrated on highways, is still far off. A greater transformation will depend on attracting more private investment and resuming the role of the government in the growth of the network.

In 2022, railroads should be responsible for 19% of the country's cargo movement – without much variation concerning the level observed since 2004, according to data from consultancy Ilos. Highways will continue to represent about 63% of the transportation matrix.

“We have made progress, but only in specific points. It will take time for us to put a change into practice because at the same time that investments are made, the country continues to increase its production, its harvest. The new projects are extremely necessary, but, in the short term, there will be no change in the participation of the modals,” says Maria Fernanda Hijjar, executive partner at Ilos.

“The truth is that we have had no evolution [in recent years]. On the contrary, we are losing rails, because of the existing 30,000 km, only 12,000 km are operational. We have 18,000 km of abandoned or underused railroads and many of them are even being returned to the federal government,” says Marcus Quintella, head of FGV Transportes, the Fundação Getulio Vargas' Center for Transport Studies.

He also points out that the contracted investments will bring some progress. “The early renewals will guarantee, at least, the improvements in the railroad network that is already in operation. In addition, the inclusion of cross-subsidies, with the allocation of part of the investments to new railroads, will have a positive effect,” he says.

In recent years, the federal government finally managed to get the plan to renew major railroad concessions off the drawing board, as a way to bring forward new investments – a plan started in 2015, but which was stuck for years due to resistance from the public spending watchdog TCU.

The pioneer was Rumo's Malha Paulista, in May 2020, which included works estimated at the time at R\$6.1 billion. Since then, Vale has also managed to renew the concessions of two railroads, in exchange for some R\$24.7 billion in investments. Part of the funds has been allocated to other projects: the construction of the Ferrovia de Integração Centro Oeste (Fico), currently being built by Vale, and the purchase of equipment for the Ferrovia de Integração Oeste Leste (Fiol).

MRS also had approval for its addendum, with a commitment of about R\$9.7 billion in new work in the system.

In addition, two auctions of new concessions were held. In the first of them, in 2019, Rumo won the central stretch of the Norte-Sul highway, which began operating in March 2021.

The second auction, of Fiol's initial stretch, was won by Bamin (Bahia Mineração) in April 2021. The company expects to start work in the first quarter of 2023 to complete the railroad (whose construction was started by the government). Until now, the group has been evaluating the projects and carrying out due diligence on the site, as well as starting services for the remediation of environmental liabilities.

This newly contracted investment wave, however, is already encountering problems. The operators are asking the federal government to acknowledge the need for an economic and financial rebalancing of the contracts, due to the strong inflation of inputs observed as of the second half of 2021 – when a good part of the agreements was already signed.

“The increase in inputs is an effective problem, which has generated liabilities that have not been resolved. The prices have not yet been readjusted. The construction work is going to happen, but the government needs to

signal that this abyss is going to be solved,” says Fernando Paes, head of ANTF (National Association of Railway Carriers).

Besides the auctions and renewals, another advance in the sector was the approval of the authorization regime, which brought the possibility of private companies building railways on their own, without participation or sharing of risks with the government.

In the market, the expectation for authorizations is positive, but much more modest than the exorbitant projections released by the federal government – in total, the requests filed could add up to R\$258 billion, according to the Ministry of Infrastructure. The expectation is that, in practice, a small portion of those applications will get off the ground. Still, the model is seen as an important step.

“It is very difficult to predict which and how many projects will come to fruition. When we look at the experience of private port terminals, the rate of projects not coming to fruition is quite high, so it is something natural,” says Mr. Paes.

For him, the most viable projects will be the smaller ones, with easier and less costly implementation, and for which there is already a forecasted load. “It can also be a good way to solve stretches of existing railways that are unused or have low utilization,” he says.

Besides private investments, a general perception in the sector is that, in order to build new large railroads and generate development in regions of the country where demand is not yet given, the actions of the federal government will be indispensable.

“The private company is not going to build a groundbreaking railroad, that is the role of the government,” says Mr. Quintella, with FGV Transportes.

For him, there is no short-term perspective of the country returning to large public works, due to the fiscal crisis. However, he ponders that it is already possible – and necessary – to invest again in the elaboration of good projects and in planning for the country’s logistics, including beyond railroads. “It is important to think about intermodality. It is wrong to think of investing only in railroads,” he says.

Mr. Paes, with ANTF, also sees the need for the government to participate more actively. “Only authorizations or only cross-subsidies are not going to be enough. The federal government needs to assume a role as a protagonist of the railway network, whether in construction, financing, or via public-private partnerships (PPPs). We need to take that leap.”

Despite the challenges and costs, experts point to major benefits in promoting a better balance of the transportation system in Brazil. For logistics, this change would represent a multi-billion cost reduction, according to Ms. Hijjar, with Ilos.

A projection by the consultancy indicates that if the Brazilian matrix was similar to that of the U.S. – in which the railway modal represents 33% of the total; the pipeline, 19%; and waterways, 9% – the transportation costs, in 2021, would have been R\$208.42 billion less. “Of course, it is only a theoretical exercise, but it already gives the dimension of the impact,” she says.

Source: Valor International
<https://valorinternational.globo.com/>

12/27/2022

FRICION BETWEEN NEW GOVERNMENT AND RURAL SECTOR IS EXPECTED

Bolsonaro administration was marked by good relations and joint victories, some criticized by public opinion

The four years of the Bolsonaro administration have been marked by a flagrant alignment between the president and a large part of Brazilian agribusiness, in a relationship in which both sides have reaped fruits. As seen in the elections, when Mr. Bolsonaro (Liberal Party, PL) won in the main “agricultural” states of the country, the return of Luiz Inácio Lula da Silva (Workers’ Party, PT) tends to end this period of harmony, and the expectation is that the sector will have more difficulties in implementing its demands, despite the great weight of the rural caucus in Congress.

The Parliamentary Agricultural Front (FPA), deputy Sérgio Souza (Brazilian Democratic Movement, MDB, of Paraná), assesses that the sector has been better accepted by society in general in recent years. “We have demonstrated that agriculture is good for human health, for the citizens’ pockets, and for the trade balance. We have mitigated the effects of urban legends that say that agriculture is not good for Brazil.”

Agribusiness is one of the most important sectors of the Brazilian economy. In addition to accounting for about 50% of the country’s exports, the sector is among the most innovative: agribusiness is the third sector with the most companies on the list of Brazilian startups with the greatest growth potential, according to a recent survey by business school Fundação Dom Cabral. Efforts to adopt good environmental, social and governance practices (ESG) are also on the rise, as attested by research such as that of the consultancy Michael Page on the demand from agribusiness for professionals specialized in ESG practices, which grew by 50% between January and May this year.

On the other hand, Mr. Bolsonaro had the rural caucus as a shield in Congress and in the formation of ministries to advance an agenda of measures that pleased the sector but generated strong criticism in public opinion in large urban centers. In this list are the facilitation of access to firearms, the recrimination of land invasions, and the paralyzing of the demarcation of indigenous reserves and the creation of agrarian reform settlements.

“This was the worst management in the environmental area since the end of the dictatorship,” says Eugênio Pantoja, director of Public Policies and Territorial Development at the Amazon Environmental Research Institute (IPAM). “The government lacked the leadership to structure an integrated and forceful action to reduce deforestation in the Amazon.”

Despite climatic adversities, pandemics and war in the last four years, it was a period of abundant harvests, high turnover and record exports, even with criticism from senior authorities against China, the main destination of the sector’s exports. And legislative changes favored private funding to the sector in times of budget tightening that hindered the increase of subsidies in rural credit.

In Congress, also under heavy criticism from society, the rural caucus managed to move forward with proposals on pesticides, environmental licensing, self-monitoring of agriculture and cattle ranching inspection, bio-inputs, and land tenure regularization. There were more difficulties for the agribusiness agendas in the Senate, where the FPA hopes to advance in the next legislature, with the election of congressmen like the former Agriculture Minister Tereza Cristina, a central name in the countryside’s support for Mr. Bolsonaro.

From 2023 on, one of the caucus’ missions will be to fight agendas such as the demarcation of indigenous lands. “We are concerned with the right to property and with the possibility of our sector not being heard”, said congressman Pedro Lupion (Progressive Party, PP of Paraná), who will head the FPA starting in February.

.But perhaps the main problem, with consequences that are difficult to reverse, is environmental policy. The growing deforestation in the Amazon has tarnished the image of agribusiness and has put a brake on trade agreements, such as those between Mercosur and the European Union. Because of the lack of control that has been established, the EU recently approved rules to restrain the importation of products originating from deforested areas.

The rural caucus achieved advances in historical agendas in the Chamber of Deputies, such as the approval of proposals on pesticides, environmental licensing, self-monitoring of agriculture and cattle ranching inspection, bio-inputs, and land regularization, also under heavy criticism from part of society. The obstacle was the Senate, where the FPA hopes to advance in the next legislature with the reinforcements elected in October, such as the former minister of Agriculture, Tereza Cristina (Progressive Party, PP, of Mato Grosso do Sul), who was instrumental in the countryside’s support for Mr. Bolsonaro.

The mission from 2023 on will be to approve these projects and combat agendas such as the demarcation of indigenous lands. “We are worried about the right to property and with the possibility of not having our sector heard,” said deputy Pedro Lupion (PP of Paraná), who will head the FPA as of February.

The possible lack of fertilizers due to the war in Ukraine, the sector’s greatest recent fear, was overcome without major problems, even without significant advances in the National Fertilizer Plan launched this year – now Russia is promising to tax exports of the input.

“It won’t be an easy year. The cost will fall, but not as fast as we would like, and there may be stagnation in the sector depending on the intensity of the drop in prices of agricultural products,” said Bruno Lucchi, CNA’s technical director. The concern is greater with the segments aimed at the domestic market, such as vegetables, fruit, dairy products and independent pig farming.

The future of the Ministry of Agriculture is another source of concern for CNA. “We had a strong, high level ministry, for having these sectors agglutinated. If it is split up, there will be an increase in fixed costs and there may be a loss of efficiency in processes,” said Mr. Lucchi. Family farmers and indigenous communities, among other groups, however, praise the division that will be made by Mr. Lula.

Family farmers and indigenous communities, among other groups, however, praise the division of the portfolio that will occur in the Lula government. “The current scenario is one of dismantling public policies and lack of incentive for the sector, with an increase in violence in the countryside, aggravated by the government’s policy of allowing weapons,” criticized Aristides Santos, president of the National Confederation of Agricultural Workers (Contag).

During the Bolsonaro administration, Brazil’s grain harvest went to 271.2 million tonnes in 2021/22 from 241.3 million tonnes in 2018/19, and the 300 million tonnes barrier is forecast to be broken in 2022/23. Agribusiness exports jumped to more than \$150 billion this year from \$101.1 billion in 2018.

“We cannot allow a regression. We used to have tremendous insecurity, which scared away investments,” said the minister of Agriculture, Marcos Montes, while highlighting the 450,000 property titles delivered during his administration, some of them provisional.

Among the current government’s disputes with the sector, one of the most important was with the biofuels area, which complained about the cuts in the biodiesel mix in diesel and the gasoline price policy, which affected the competitiveness of ethanol – although the direct sale from the mills to the service stations was approved.

Source: Valor International
<https://valorinternational.globo.com/>

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ETHANOL TO BECOME MORE COMPETITIVE WITH GASOLINE

Agreement to suspend relief on fuels is the cause, even with higher prices at pumps

The end of the fuels relief is expected to immediately cause a slight improvement in the competitiveness of hydrous ethanol and in the remuneration of the mills. However, mills are still likely to continue preferring to produce sugar in the next harvest (2023/24) and may only increase ethanol production because of the larger amount of cane expected for the next cycle.

The social taxes PIS/Cofins and federal tax Cide rates that were levied on fuels in May will return to the same levels in January. However, the future minister of Finance, Fernando Haddad, left the door open for a reevaluation of the tax policy during the beginning of his tenure. For now, gasoline sold at service stations will again be taxed at R\$0.6869 per liter, while hydrous ethanol will be charged R\$0.2418 per liter.

In January, the liter of gasoline (which has a 27% mix with anhydrous ethanol) is likely to increase by almost R\$1 liter at the pumps, while hydrous ethanol may rise by R\$0.69 a liter, according to calculations by consultants FG/A. These hikes are still expected to keep gasoline economically more advantageous for flex-fuel car drivers, since the correlation between the two fuels should continue well above 70% (the level at which the two are equally competitive), going to 75.5% from 76.7%.

Whatever ultimate solution the administration of Luiz Inácio Lula da Silva decides to take regarding fuel taxation, there is now a constitutional provision, passed by Congress in July, which imposes that the rates on biofuels must be proportionally lower than on fossil fuels.

As the mills in the Central South are in the off-season, the changes in prices do not immediately impact the supply since the cane crushing will only be resumed in April. If taxes are kept at the same rates throughout the year, the tendency is for ethanol to regain competitiveness with gasoline throughout the harvest, since cane crushing will also be greater and will guarantee raw material for an increase in production, according to João Rissi, a partner at FG/A.

The consultancy estimates that the supply of hydrous ethanol available for the domestic fuel market will grow by 17.4% next season, to 14.5 billion liters. In a recent release, consulting firm StoneX projected an 11.4% increase in production, to 19.6 billion liters.

The increase in ethanol production is expected to happen even in a scenario where sugarcane mills tend to maximize the production of sugar. The consultants' perspective is that the commodity will continue to offer a more favorable remuneration than ethanol, even in a scenario of increased biofuel prices with the end of tax waivers. "The tightness in the physical sugar market is expected to ensure sustained prices," says Mr. Rissi.

Even if tax normalization is maintained for the next harvest, sugar is likely to guarantee a 10% higher remuneration than ethanol, according to FG/A's estimates. Sugar is currently offering a 28% premium over ethanol, according to calculations by financial company BTG. In the average of this harvest, the sugar premium should be around 15%, according to FG/A.

According to the consulting firm, the average price of hydrous ethanol for mills may reach an average of R\$2.98 a liter (net of taxes) in the next harvest, given the new tax scenario — in the current harvest, the average price of hydrous ethanol received by mills in São Paulo until last week was R\$2.91 per liter, according to the Cepea/Esalq indicator.

However, a major ethanol trader said on condition of anonymity that Petrobras' new pricing policy could alter these prospects and have "the same effect as a zero tax."

Source: Valor International
<https://valorinternational.globo.com/>

12/30/2022

SOCCER KING PELÉ DIES OF CANCER AT 82

After one month in hospital, he lost a battle against a colon cancer

The former soccer player Pelé died this Thursday, at 82 years old. The greatest soccer world idol was admitted to Albert Einstein Hospital, in São Paulo, on November 29, and his health condition worsened in recent days.

According to the hospital's medical bulletin, "the death of Edson Arantes do Nascimento, Pelé, on December 29, 2022, at 15h27, [happened] as a result of multiple organ failure, resulting from the progression of colon cancer associated with his previous clinical condition.

Pelé became a worldwide phenomenon long before globalization and the internet. Legendary — and true — is the story that in 1969 opponents reached an agreement and interrupted the civil war in the Belgian Congo (now the Democratic Republic of Congo) to watch Santos — his team for all his career in Brazil — play. The only condition for the truce was that Pelé would play in the two cities in dispute, Brazzaville and Kinshasa. Santos had scheduled only one friendly match. In the name of peace, they played two.

Born Edson Arantes do Nascimento, in the Minas Gerais town of Três Corações in 1940, Pelé began his history with the ball when his parents moved to the countryside of São Paulo in 1946. His father, João Ramos do

Nascimento, also a soccer player, signed a contract with Bauru Atlético Clube (BAC). In the dusty streets and dirt fields of Bauru, Dico, Pelé's first nickname, tried out his first kicks.

A few steps, dribbles, and goals later, already converted into Pelé, he started playing for BAC's youth team. He won the Bauru league twice (1954 and 1955). In 1956, the former Brazilian midfielder Waldemar de Britto saw Pelé play and convinced his father to take him to a big club.

At the age of 15, Pelé arrived alone at Santos, on the coast of São Paulo state. He won over the board of directors and signed his first contract. He would be a starter at Santos in 1957.

In the State Championship and Santos, Pelé emerged to the world. He won 26 important titles in 18 years at Santos, including two South American championships and the former Club World Cup (1962 and 1963). The complete collection, including summer tournaments, exceeds 40 trophies. His performance in the 1957 São Paulo Championship led him to be called for the Brazilian national team.

At the age of 16 years and eight months, he was, at the time, the youngest athlete to defend the main national team. In the 1958 World Cup, won by Brazil, he scored six goals, including one in the qualifying tournament against Wales (1-0), three in the semifinal against France (5-2), and two in the final, against Sweden, the host, a performance that earned him the title of "King", awarded by the French press and fans.

In the 1962 World Cup, he was injured in the second match and left the task of victory to Amarildo and Garrincha. He reached his peak in the 1970 World Cup, in Mexico, when he led Brazil to win the third title. At the height of his fame and international recognition, he decided to leave the national team in 1972.

He was the first player to score a thousand goals in his career. He was also the most-awarded athlete in world soccer, with more than 60 career titles and 20 individual titles and honors. In 1981, he was elected the Athlete of the 20th Century by the French sports newspaper L'Equipe. In 2014 he received from Fifa in an honorary manner the Golden Ball, an award for the best player in the world.

After retiring from soccer, he acted in films and was a singer and songwriter. He married twice and had eight children.

In recent years, he has undergone two surgeries for hip replacements and corrective surgery on his spine. He also had kidney problems. A knee strike in the back permanently damaged one of his kidneys in 1974. The organ was removed. This led to health problems that culminated in repeated hospitalizations, the most serious in late 2018 in Paris.

In 2021, amid the Covid pandemic, he was diagnosed with cancer. The tumor started in his bowels, which were partially removed, but also reached his liver and lung.

Source: Valor International
<https://valorinternational.globo.com/>
