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BSBIO WILL PURCHASE AGRENCO'S PLANT IN PARANÁ

BSBios, from Passo Fundo (RS), will be the new owner of Agrenco's biodiesel production plant located in Marialva (PR). The transaction, which is in its final negotiation phase, will be formalized next May. The purchase, once effective, will be an important step in Agrenco's process to return to the market since the company requested judicial recovery in August 2008 and had its plans approved by its creditors in March. The plan provides for the sale of the plant in Marialva and the logistic complex in Del Guazú, in Argentina, as well as for the recovery of the soy stock taken by creditors as guarantee. With the money collected, the company expects to finish its two other grain processing plants located in Alto Araguaia (MT) and Caarapó (MS). *Source: Valor Econômico.*

SUGAR AND ALCOHOL PLANTS' INVESTMENTS FOCUS ON SUGAR

After three years of investments focused on ethanol—motivated by the world trend towards biofuels—, the sugar and alcohol sector in Brazil looks back on sugar again as an investment target. It is not that there are many resources and credits available during the current crisis, but the few available are first and foremost being used to enlarge the sugar production capacity, which prices are at the highest levels of the last years. Currently, Dedini has ten sugar projects in its portfolio. In previous years, it did not have potential investments in mind. Moreover, the uncertainties regarding Indian production fluctuation inhibit investments too. The sugar-producing sector in India strongly alters its production from one harvest to the other. "Therefore, "flexibility" is the key word in the decision to invest in this product in Brazil", says Júlio Maria Borges, from Consultancy Firm JOB. *Source: Gazeta Mercantil.*

PRIVATE SECTOR LOSES GROUND IN OIL INVESTMENT

Private investments in the oil and gas sector in Brazil will lose ground during the next few years, according to data provided for IBP (Brazilian Institute of Oil and Gas). Out of the US\$ 195.5 billion that will be invested during the 2009-2013 period, private companies will be in charge of US\$ 34.5 billion, equivalent to 17.6%. In the previous sector planning, encompassing the 2008-2012 period, that rate was of 24%, amounting to US\$ 30.6 billion. That means that Petrobras will have even more power over investments. The government-owned company provides for US\$ 161 billion for its projects in Brazil during the next five years, equivalent to 82.4% of the total amount. Between 2008 and 2012, it estimated investments of the order of US\$ 97.4 billion, i.e. 76% of the total amount. IBP president, João Carlos de Luca, says that private investments in Brazil will not be reduced in volume. According to the specialist, that shows that Brazil is going against the world trend. De Luca went into further detail and said that US\$ 40 billion out of the total investment amount will be allocated to projects in the pre-sal area. *Source: Folha de São Paulo.*

NEGOTIATION WITH PERDIGÃO CONTINUES

In spite of Perdigão's refusal, Sadia says that it continues negotiations with its rival regarding a possible merger. On April, 15, during an event held in Rio de Janeiro, Luiz Fernando Furlan—president of the Administration Board of the company—confirmed journalists that talks with Perdigão have not finished yet and that by June, a decision will have been reached. He would not provide further details. According to Credit Suisse Group, Sadia is under pressure to merge with Perdigão since it is fighting to face a debt contracted due to derivative transactions that lead to a R\$ 2 billion loss only during the fourth quarter of 2008. Bradesco is advising Sadia in the transaction while UBS AGXX represents Perdigão. *Source: Gazeta Mercantil.*

MS EVALUATES OPTIONS TO REOPEN PLANTS IN INDEPENDÊNCIA

Executives and legal consultants of slaughter house Independência met yesterday in São Paulo with representatives of Mato Grosso do Sul industry and agriculture federations to evaluate alternatives to allow reopening the units in that State. Independência has three plants closed in the State due to the company's financial difficulties. The reopening is hold back due to the issue of how to guarantee livestock farmers that they will receive passed debits. One possibility to be considered is to include oxen providers in the judicial recovery process. Another option would be to advance traditional clients' resources so that Independência is able to pay for the cattle. Last week, Independência partially resumed slaughter activities in Janaúba (MG), but the other plants that have debts amounting to R\$ 3.2 billion, are still closed. *Source: Valor Econômico.*