



Legal
solutions
from a
global
perspective

Brazil: Strategic Hub for German Investments in Supply Chain

Competitive Advantages of investing in Brazil



Current Context

- ✓ Brazil-Germany relations expanding: US\$19.5 billion in bilateral trade (2024)
- ✓ More than 1,000 German companies already operate in Brazil
- ✓ Global nearshoring trend favors Brazil as a strategic hub

Purpose of the Presentation

Demonstrate Brazil's competitive advantages as a destination for German supply chain investments.

Main Topics

-  Nearshoring as a global trend and opportunity for Brazil.
-  Strategic resources and critical minerals for the energy transition.
-  Comparative Analysis: Brazil vs. China vs. India.
-  Priority sectors for German investments.
-  Success stories and next steps.



Bilateral Trade

US\$ 19.5 billion

Total trade volume (2024)

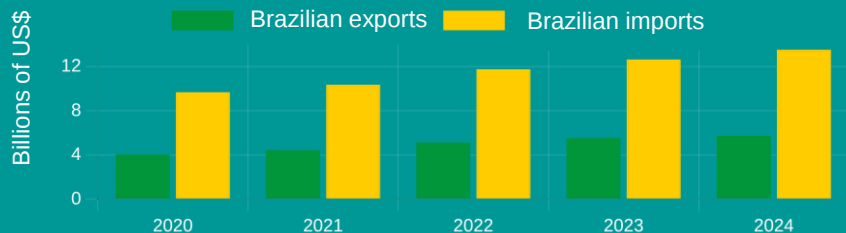
US\$ 5.8 billion

Brazilian exports

US\$ 13.7 billion

Brazilian imports

Evolution of Bilateral Trade (US\$ billions)



German Investments in Brazil

US\$ 44.1 billion

FDI stock (2024) – Foreign Direct Investment

8°

Largest foreign investor

+1.000

German companies in Brazil

219

Greenfield projects (2015-2024)

Priority Sectors for Cooperation



Energy transition



Advanced manufacturing



Circular economy



Infrastructure



Agribusiness



Digitization



BRP RENAUD

What is Nearshoring?

Strategy of transferring part of the production or suppliers to countries closer to the final consumer market, reducing risks and increasing the resilience of the supply chain.

"Soon, 69% of the supply chains of companies serving the American market will be based in the Americas."

KPMG Study, 2024

Driving Factors



Pandemic and Global Disruptions

Revealed weaknesses in long supply chains



Geopolitical Tensions

Trade conflicts and disputes increase risks



Rising Costs in Asia

Rising wages and operating costs in China

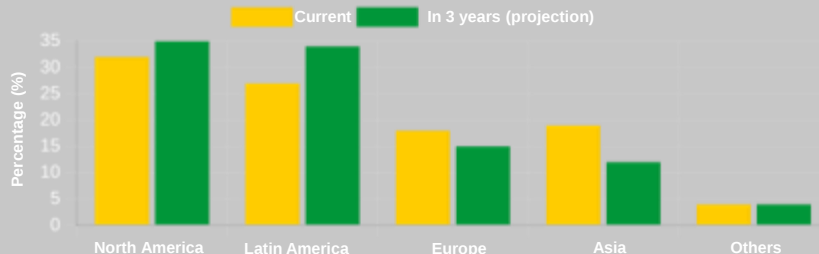


Sustainability

Pressure to reduce emissions in the logistics chain

COUNTRY	COST-BENEFIT	OPERATIONAL CAPACITY	BUSINESS EASE
 BRAZIL	49	53	30
 Chile	29	31	25
 Colombia	46	59	40
 Costa Rica	34	31	20
 Mexico	43	44	30
 Indonesia	42	31	30
 Malaysia	31	66	45

Geographical distribution of supply chains



Source: KPMG Study "The benefit of proximity" (2024)

Opportunities for Brazil

Proximity USA

Same time zone and logistical ease

Natural Resources

Abundance of strategic raw materials

Clean Energy

Renewable energy matrix as a differentiator

Internal Market

Access to 214 million consumers



Brazil as a Strategic Hub

Brazil is strategically positioned to become a production and distribution hub for German companies looking to diversify their supply chains and reduce dependence on Asia.

Critical Minerals and Energy Transition

Brazilian Reserves

10%

of global reserves of critical minerals

- Niobium -> 90% of global reserves
- Lithium
- Rare Earth Elements (neodymium, praseodymium, dysprosium etc)
- Natural Graphite

Source: USGS 2023 Mineral Commodities Report



Economic potential

R\$ 243 billion

Potential impact on GDP by 2050



0,09%

Current production vs. 10% of reserves

Clean Technology Applications



Solar Panels



Electric batteries



Wind turbines



Semiconductors

According to the International Energy Agency (IEA), demand for critical minerals for clean energy is expected to double by 2030 and triple by 2040.

Opportunities for German Companies

Strategic Partnerships

Joint ventures for exploration and processing of critical minerals

Transfer of technology

German expertise in high-purity refining and processing

Integrated Value Chains

From extraction to manufacturing of components for green industry

Security of Supply

Diversification of sources and reduction of dependence on China

Brazil's Competitive Advantages



Natural Resources and Energy

- ✓ Energy matrix: 83% renewable sources
- ✓ Low-cost hydropower
- ✓ Low carbon emissions in industrial production
- ✓ 10% of global reserves of critical minerals
- ✓ World leader in niobium and graphite production



Strategic location

- ✓ Proximity to Latin American markets
- ✓ 8,500 km of coastline with 34 main ports
- ✓ Lower geopolitical risk (far from conflicts)
- ✓ Time zone compatible with US and Europe
- ✓ US\$2 billion investment in the port sector



Qualified workforce

- ✓ Competitive costs vs. developed economies
- ✓ More than 8 million university students
- ✓ Industrial and manufacturing tradition
- ✓ Cultural affinity with Western markets



Consumer market

- ✓ 214 million consumers
- ✓ Access to Mercosur (300+ million people)
- ✓ Expanding middle class
- ✓ High digital penetration (74% of the population)



Renewable Energy

Green Hydrogen

Potential for low-cost production with renewable energy

Solar and Wind Energy

High solar radiation and constant winds in the Northeast

Biofuels

Sugarcane ethanol and biodiesel

Partnerships for the development of energy storage technologies and smart grids.

Global Competitive Ranking 2025

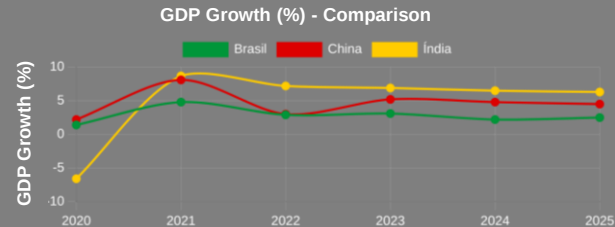
● Brasil: 58º place (up 4 positions)

● China: 16º place

● India: 41º place

Fonte: IMD World Competitiveness Ranking 2025

Comparative GDP Evolution



Source: IMF (International Monetary Fund) and World Bank

Brazil's Competitive Advantages

Political stability

Consolidated democracy and stable institutions

Energy Matrix

83% renewable sources vs. 28% in China

✓ Cultural Proximity

Western business values and practices

✓ Geopolitical Neutrality

Less exposure to international conflicts

Priority Sectors for Investment



Renewable Energy

- **Green Hydrogen**

Potential for low-cost production with renewable energy

- **Solar and Wind Energy**

High solar radiation and constant winds in the Northeast

- **Biofuels**

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Agribusiness

- **Precision Agriculture**

Technologies for increased productivity and sustainability

- **Food Processing**

Adding value to primary production

- **Bioeconomy**

Development of high value-added products

Integration of German automation and IoT technologies into the Brazilian agricultural production chain.



Advanced Manufacturing

- **Industry 4.0**

Automation, IoT and Artificial Intelligence

- **Electric Mobility**

Production of electric vehicles and components

- **Precision Manufacturing**

Medical equipment and aerospace components

Transfer of German technology for the modernization of the Brazilian industrial park.



Technology and Innovation

- **R&D Centers**

Developing solutions for emerging markets

- **Digital Economy**

Fintech, healthtech and solutions for agribusiness

- **Semiconductors**

Chip production for the Latin American market

Opportunity:

Partnerships with Brazilian universities and an expanding startup ecosystem.

Success Stories



Volkswagen

In Brazil since 1953

US\$ +1 billion

Investment announced for the period 2022-2026

4 factories

São Paulo and Paraná

15,000 jobs

Direct and indirect

Highlight: Development of flex engines and investments in electrification with a focus on the Latin American market.



Siemens

In Brazil since 1867

US\$ +180 millions

Investment in industrial digitalization (2023-2026)

12 units

In 7 states

3,000 employees

High specialization

In 7 states

Highlight: Development of digitalization solutions for energy industry and infrastructure.



BASF

In Brazil since 1911

US\$ +310 millions

Investment in acrylic complex (2022-2025)

8 units

In 5 states

4,500 employees

High qualification

Highlight: Development of sustainable solutions for tropical agriculture and advanced materials.

Testimonials

"Brazil has proven to be a strategic hub for our operations in Latin America. The combination of natural resources, skilled labor and a robust consumer market has allowed us to continually expand our investments."

Arno Pöker, CEO - Volkswagen South America

"Brazil's potential for renewable energy is unparalleled. We are investing heavily in technologies to harness this competitive advantage and create sustainable solutions for the global market."

Pablo Fava, CEO - Siemens Brazil

Next Steps

- ✓ **Specialized Legal Advice**
Complete support for legal establishment in Brazil
- ✓ **Joint Venture Structuring**
Identifying local partners and negotiating agreements
- ✓ **Tax Incentives and Financing**
Access to government programs and credit lines
- ✓ **Compliance and Regulation**
Safe navigation in the Brazilian regulatory environment
- ✓ **Intellectual Property Protection**
Patent and trademark registration in the Brazilian market



1

Feasibility Analysis

Detailed study of the Brazilian market, cost analysis and specific opportunities for your business.

2

Legal Structuring

Definition of the most suitable business model (subsidiary, joint venture, acquisition) and legal structuring.

3

Implementation

Complete support in executing the business plan, including hiring, installations and initial operation.

4

Expansion and Consolidation

Strategies for sustainable growth and integration into the local and regional value chain.

German-Brazil missions

ANUGA 2025 Business Mission:

Takes place from October 4 to 8, 2025, in Cologne, Germany. This business mission is focused on the food and beverage sector and is considered the world's largest trade fair in the industry. [portal.daiindustria.com.br]

Business Mission to K 2025 Trade Fair:

Takes place from October 8 to 12, 2025, in Düsseldorf, Germany. This mission is aimed at the plastics and rubber sectors.

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