

Santa Catarina, Brazil, Has Become an Industrial Powerhouse

Contributed by Marina Sarruf
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The southern Brazilian state of Santa Catarina is a privileged state. Apart from having over 100 beaches with crystalline water and white sand, the state has one of the best Human Development Indices (HDIs) in Brazil and has in the agricultural sector one of its main forces, being the greatest chicken exporter in the country.

The main economic activity, however, is the transformation industry, the fourth in the country in number of companies and the fifth in number of workers.

Arab businessmen may have a little more contact with the economic potential of the state at the end of this month, when a trade mission from Santa Catarina is going to visit the United Arab Emirates, Kuwait and Qatar.

The delegation is being organized by the Federation of Industries of the State of Santa Catarina (Fiesc) and by the Arab Brazilian Chamber of Commerce. Yesterday, October 19, the secretary general at the Arab Brazilian Chamber, Michel Alaby, visited the Fiesc, in Santa Catarina state capital Florianópolis, to explain the program of the mission to the businessmen.

Industry in the state of Santa Catarina corresponds to 49.1% of the state's Gross Domestic Product (GDP) and is divided into various hubs, like ceramics, charcoal, disposable plastics, textile, crystal, metal and mechanic, furniture and food, among others.

One of the strongest sectors in the state is the ceramic tile production sector. Figures by the Southern Brazilian Association of Tiling Industries (ASULCER), the industrial sector had a turnover of R\$ 1.8 billion in the state in 2005. The delegation to the Arabian Gulf will be made up of companies that supply civil construction products.

Civil construction is also strong in the state of Santa Catarina. According to figures supplied by the State Chamber of Industry (CEIC), the sector is responsible for 7% of the state's GDP and is one of the sectors that generates the largest volume of jobs, with around 50,000 workers. In total, the sector includes 5,000 companies.

Apart from this sector, the industries that generate most jobs in the state are the food and garment industries. Santa Catarina is also very well known and recognized for the production of bed, table and bath linens. Almost 50% of Brazilian production in this sector comes from the state.

Agribusiness

The primary sector corresponds to 16.9% of the GDP of the state of Santa Catarina, according to figures supplied by the State Planning Secretariat. However, if all agribusiness productive chains are considered, including the agroindustrial input chain, the sector represents 38% of the GDP of the state, says the state Agricultural Research and Rural Extension Company (Epagri).

The GDP of the state of Santa Catarina reached US\$ 41 billion last year, according to figures supplied by the Planning Secretariat.

Santa Catarina is also a leader in the production of onions, apples, pork, oysters and mussels. The state is in the second place in the production of tobacco and poultry, third in rice and fourth in garlic and bananas.

According to the head at the Epagri, Airtton Spies, there are 187,000 agricultural establishments in the state, most of them family run. Around 20% of the population of Santa Catarina, which is 5.8 million people, live in rural areas.

Agribusiness represents 60% of Santa Catarina state exports, and the main product shipped is chicken. Last year the state slaughtered 660 million chickens and produced 1.6 million tons of the product. Santa Catarina state exports of the product totaled US\$ 1.63 billion in 2005. The product is shipped to 117 countries.

Exports

Santa Catarina is among the main Brazilian exporters. Last year, the states foreign sales totaled US\$ 5.6 billion, which represented 4.7% of the total exported by Brazil, and the state was in the eighth position in the national ranking.

Figures supplied by the Foreign Trade Secretariat (Secex) show that from January to September 2006, the state exported US\$ 4.38 billion, an increase of 6.3% when compared to the same period last year.

The main products exported were chicken, tobacco, motor compressors, cylinder blocks and engine cylinder heads, tiles and ceramics, pork, furniture and garments.

In the same period, in turn, state imports totaled US\$ 2.44 billion, presenting growth of 59.5% when compared to the same period in 2005. The main items imported were copper thread and blocks, ethylene polymers, plastic bottles and pots, wheat and malt.

Bilateral trade with the Arabs from January to September this year totaled US\$ 153 million. Santa Catarina exported US\$ 133.64 million and imported US\$ 19.43 million.

Chicken, tiles and ceramics and accessories for iron pipes were the main products shipped to the region. On the other hand, the state imported sardines, phosphoric acid and super phosphates from the Arab market.

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