



Supporting Micro, Small and Medium Enterprises

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National Confederation of Industry of Brazil - CNI

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Profile of Brazilian enterprises

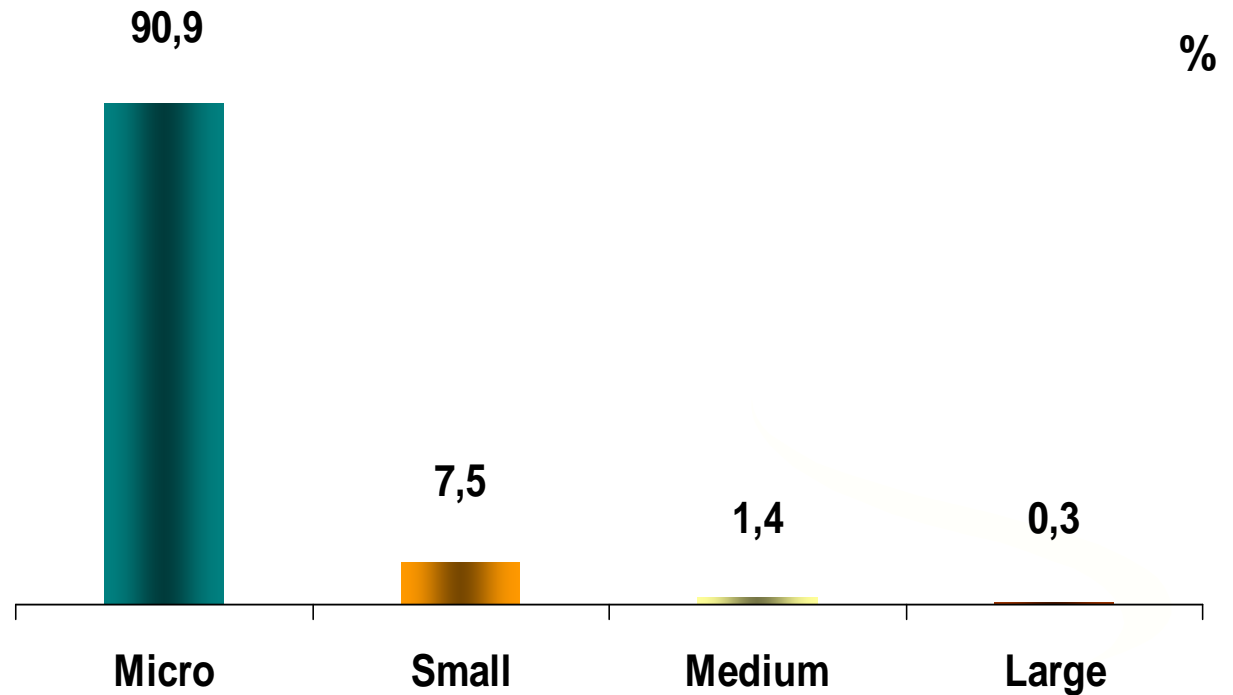
- 5.5 million micro enterprises (96,8%)
- 146 thousand small enterprises (2,6%)
- 26 thousand medium enterprises (0,5%)
- 7 thousand large enterprises (0,1%)

Source: IBGE



Profile of the Brazilian industry

Of a total of 674,000 industries, 99.7% are micro, small, or medium enterprises (MSME) that...

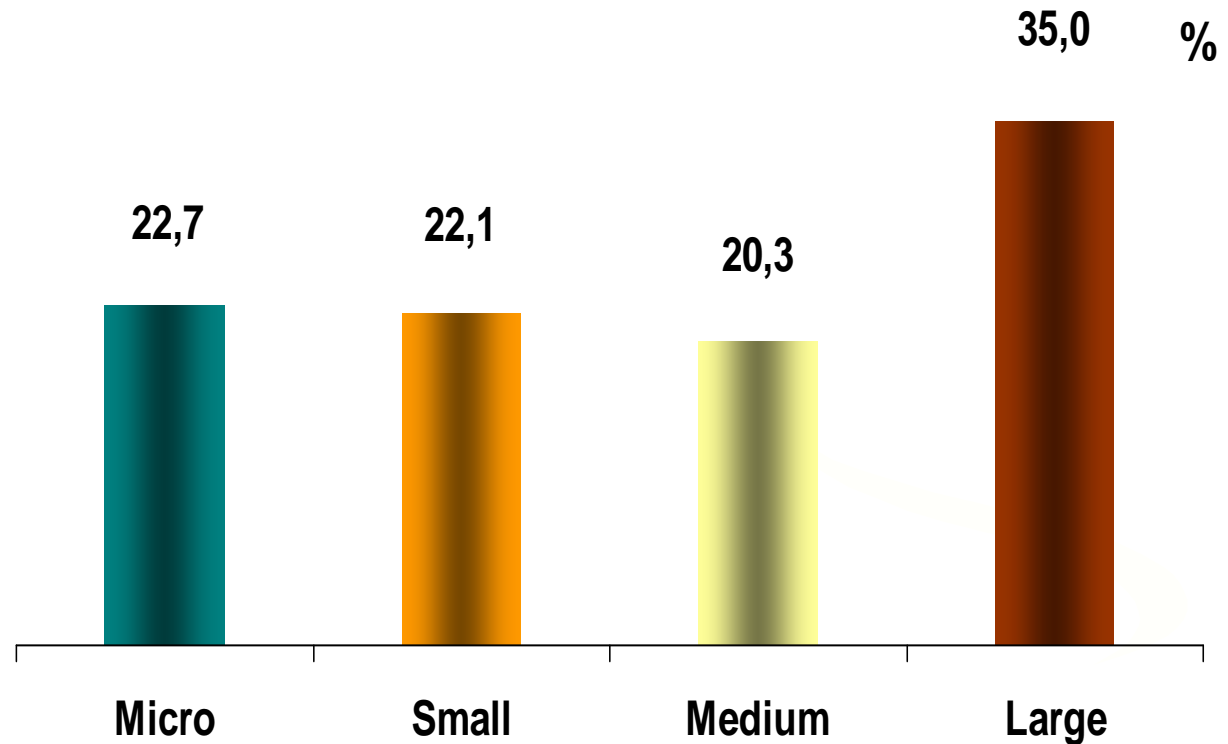


Source IBGE



Profile of the Brazilian industry

... employ 2/3
of all
employed
people, but...

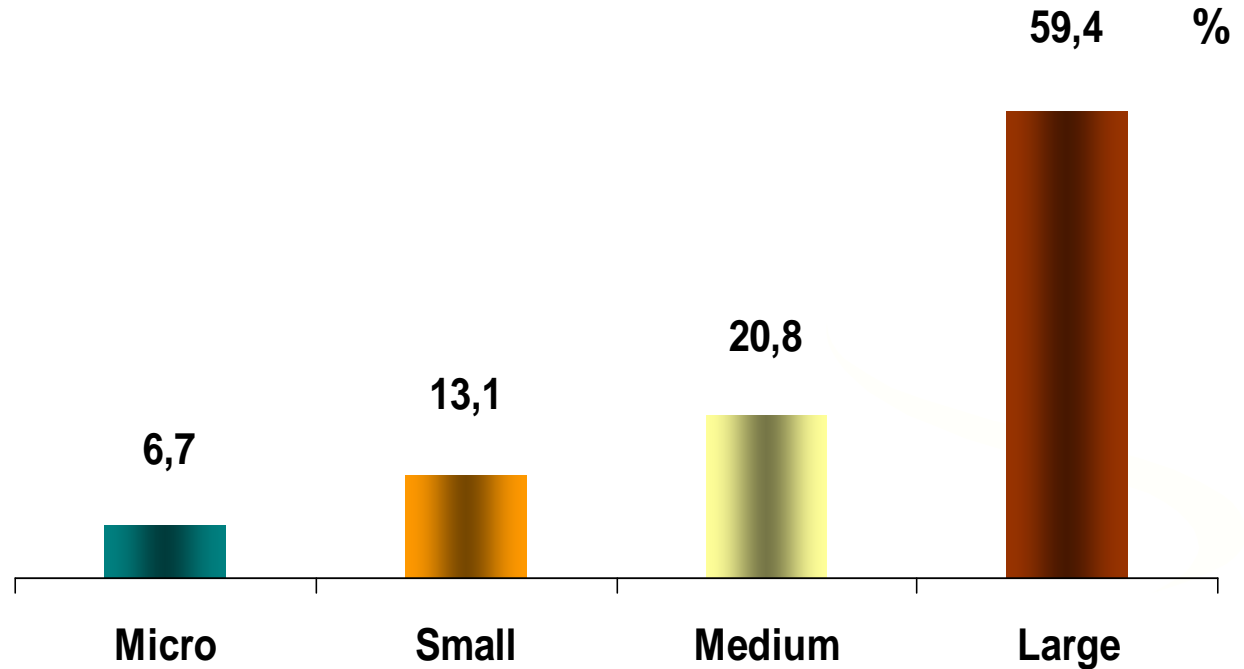


Source: IBGE



Profile of the Brazilian industry

...account for
40.6% of all
wages being
paid and...

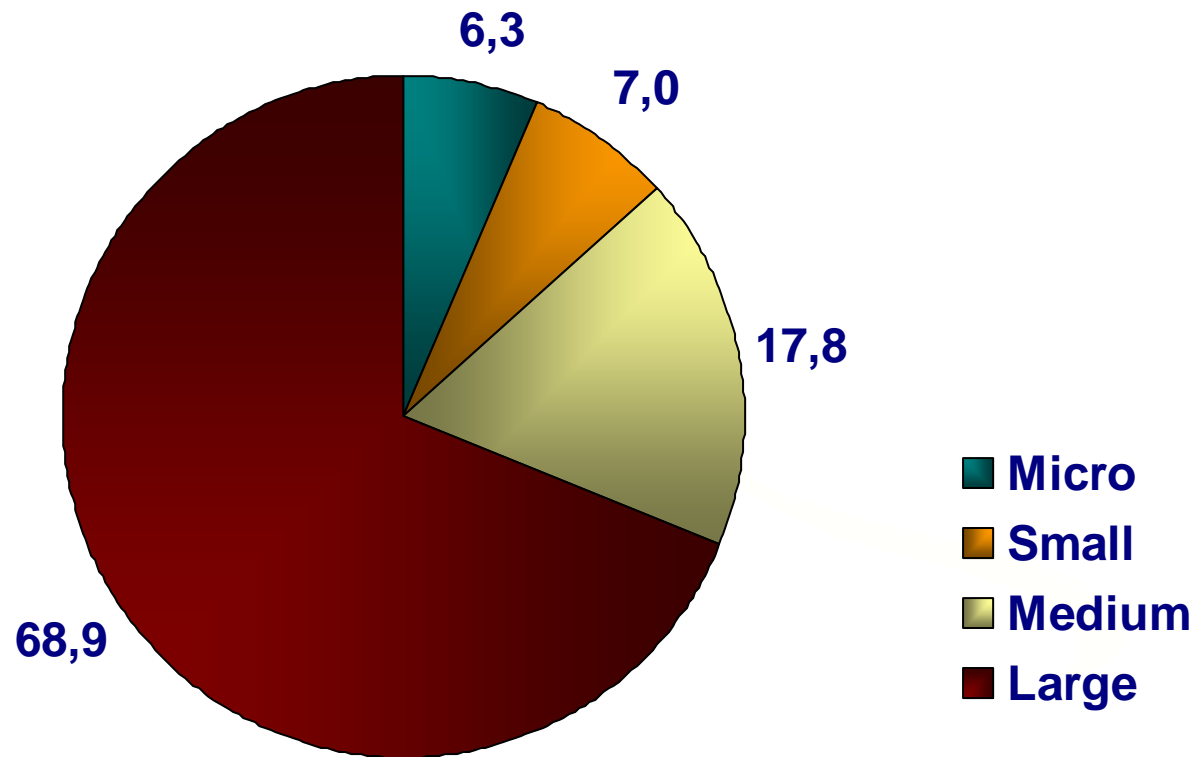


Source: IBGE



Profile of the Brazilian industry

... for less than 31.1% of the industrial GDP.



Source: Estimate based on the 2005 PIA / IBGE.



Profile of the Brazilian industry

Four sectors
respond for half
of Brazilian
MSME: Apparel,
Food and
Beverages, Metal
manufacturing
and Furniture, but
...

Total sectors: 25

Sectors with most MSME

Sectors	Number over total	
	Sector	Accumulated
Apparel	17.5%	17.4%
Food and Beverages	15.5%	33.0%
Metal Manufacturing	9.5%	42.5%
Furniture and Miscellaneous Industries	8.5%	51.0%
Edition and Printing	8.2%	59.2%
Non-metallic Minerals	6.5%	65.7%
Wood	6.2%	71.9%
Leather and Footwear	4.8%	76.6%
Machines and Equipment	4.2%	80.8%
Textiles	3.6%	84.4%
Rubber and Plastic	3.2%	87.6%
Chemical Products	3.1%	90.7%

Source: CNI, based on IBGE data.



Profile of the Brazilian industry

... sectors with the highest concentration of MSME are Apparel, Recycling, Edition, Furniture, Wood and Metal

Total sectors: 25

Sectors with the highest ratio of MSME

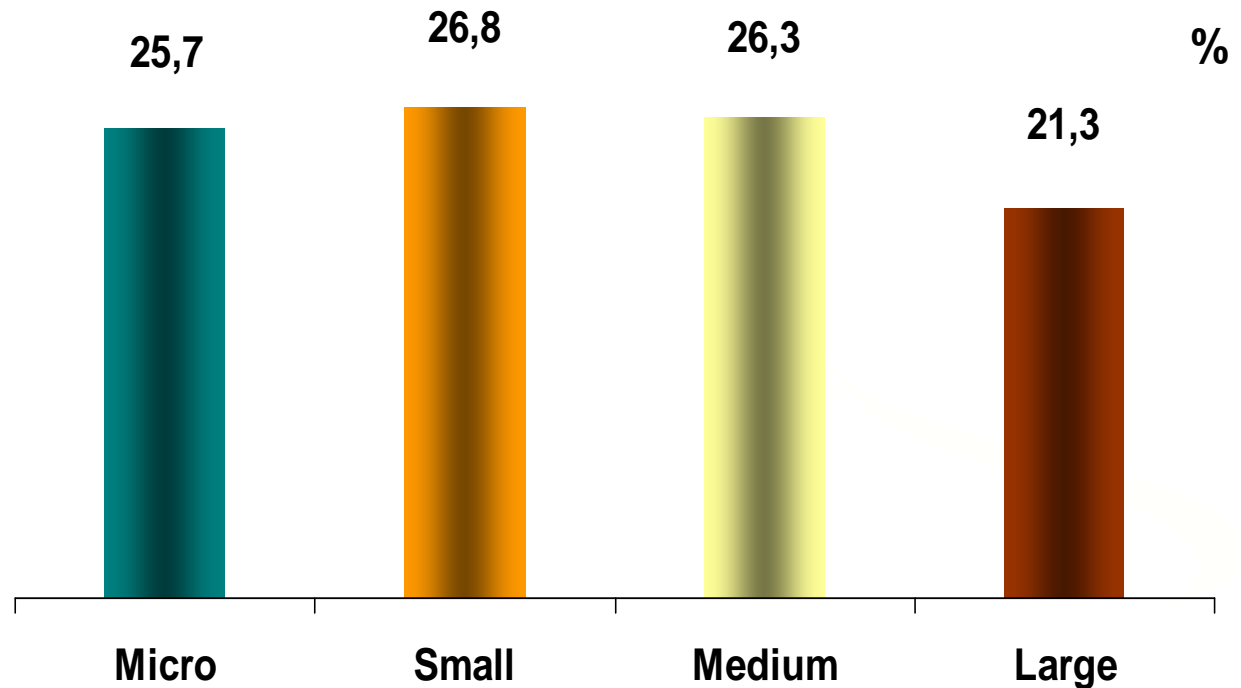
Sectors	Ratio
Apparel	99.9%
Recycling	99.9%
Edition and Printing	99.9%
Furniture and Miscellaneous Industries	99.9%
Wood	99.9%
Metal Manufacturing	99.9%
Non-metallic Minerals	98.8%
Hospital and Precision Equipment	99.7%
Leather and Footwear	99.7%
Food and Beverages	99.5%
Textiles	99.5%
Machines and Equipment	99.5%

Source: CNI, based on IBGE data.



Exporting Enterprises - 2006

80% of
Brazilian
exporting
enterprises are
MSME, but ...

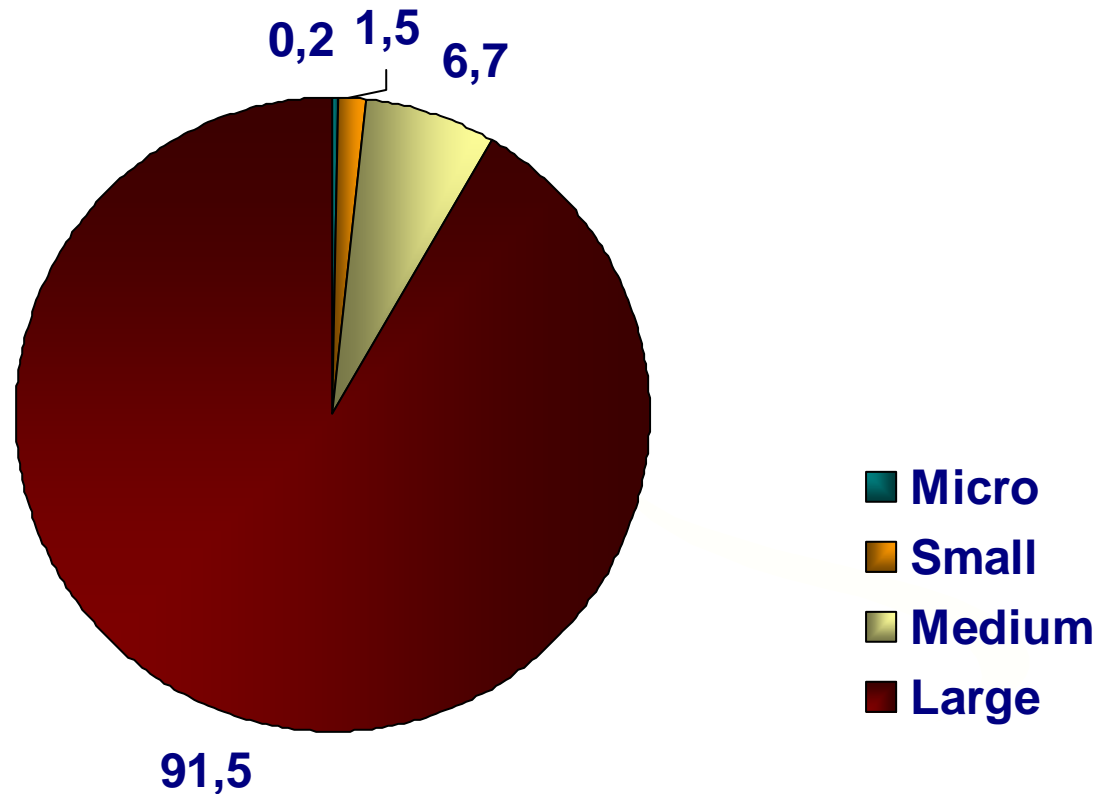


Source Secex/MDIC



Brazilian Exports - 2006

... they
respond for
less than
10% of total
export value.



Source: Secex/MDIC



Opportunities for MSME

- In addition to direct exports, MSME can participate in the foreign trade (indirectly) supplying inputs to exporting companies.
- It is also important to promote the integration of MSME in export production chains.



Difficulties of MSME

- The MSME have difficulties with credit access, lack of information and low manager qualification.
- It is necessary to promote policies to increase MSME's share on foreign trade and their contribution to Brazilian economy growth.



Helping MSME to Export

The main difficulties are:

- Poor knowledge about exporting activity
- Small production scale of MSME
- Poor knowledge on financing opportunities and difficult access to credit
- Red tape



Helping MSME to Export

It must:

- Improve credit access conditions
- Spread knowledge about financing programs
- Develop corporate training
- Support enterprises on export procedures
- Promote MSME association to export
- Stimulate MSME participation in production chains



CNI's Small and Medium Enterprises Supporting Services

Main action areas:

- Competitiveness
- Internationalization
Network

PROCOMPI

CIN



PROCOMPI

- Support to local productive arrangements (clusters) and to groups of enterprises operating in the same sector
- Projects lasting up to 2 years involving a sum of US150,000 at most
- Focus on collective actions fostering cooperation arrangements
- Emphasis on meeting entrepreneurs demands
- Projects proposed at state-level industrial Federations



PROCOMPI

Activities carried out

- Training
 - corporate training: quality, financial matters, absorption of new technologies, environmental management
 - professional training
- Planning
 - strategic plan for industrial sectors
 - diagnoses
 - prioritization of short- and long-term actions



PROCOMPI

Activities carried out

- Support companies in processes of:
 - quality certification
 - registration of trademarks
 - development of unique designs
 - creation of websites
 - participation in exhibitions
 - preparation of publicity materials
 -



PROCOMPI

Activities carried out

- Associativism
 - development of local leaders;
 - fostering stronger cooperation levels among enterprises;
 - fostering links between enterprises and supporting institutions



CIN Network

Brazilian Network of International Business Centers

Objective:

- Support the internationalization of Brazilian enterprises through the provision of specialized services in the areas of information, training, and trade promotion abroad
- All industrial federations have one center, totaling 27 in the country



CIN Network

Activities carried out

- Seminars to raise the awareness of entrepreneurs and disseminate an exporting culture.
- Short-term courses on the following topics: international marketing, business plan, export operations, international logistics, international contracts, and trade intelligence.
- Support to entrepreneurs on international missions through the scheduling of business appointments and technical advisory.



CIN Network

Activities carried out

- Programs toward internationalization of SMEs (Exporta-CIN, Trade Promotion and Corporate Training)
- International Cooperation: development of agreements with similar organizations abroad
- Issue of Origin Certificates for exports to Latin America Integration Association (ALADI) and MERCOSUR countries.
- Foreign trade statistics made available

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THANK YOU

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