

UK
TRADE &
INVESTMENT



Security equipment market in Brazil

Ifsec May 2011



The Brazilian Economy 2010-2011

	2010	2011
Growth	7.2%	4.5%
Inflation	5.5%	5.0%
Interest rates:	12.00	12.00
Trade bal.US\$	15.72bn	7.83bn
FDI US\$	35bn	40bn
CA Deficit	2.5%	3%

Barriers

Legal system: good but slow

Bureaucracy: setting up takes time

Customs: complicated and costly

Public sector: lack of confidence in PPPs

Parallel markets: software, electronics

Very onerous taxation system

Lagging investment in infrastructure

Poor levels of education and training

Brazilian electronic security sector

US\$360m in 2009

17% annual growth

US\$1.1bn in 2016

Security services market worth US\$1.2bn in 2009

Foreign capital not permitted to provide security services in Brazil.

Source: SIA

Market size: US\$360m in 2009

33% hardware

32% rental

17% installation

13% maintenance



Market segments:hardware

Video Surveillance Systems	36.4%
Physical Access Control Systems	21.1%
Intrusion Alarm Systems	20.6%
Electronic Article Surveillance Systems	13.6%
Fire Detection and Suppression Systems	8.3%

Source : SIA

Market barriers

- Import duties high especially where there may be local competitors.
- averaging around 11% for manufactured goods.
- Imported goods arrive in Brazil 170%+ of FOB price.
- strong presence of US suppliers, US standards
- grey market
- competition from China
- bureaucracy

- The 2014 World Cup : Brazil
- The 2016 Olympics : Rio de Janeiro
- 800 projects in the 12 World Cup locations

(source: ABDIB Brazilian association for infrastructure development)

Opportunities

- airports, ports, railways;
- shopping centres;
- retail and logistics installations
- residential condominiums;
- communications: mobile, data, broadband infrastructure and installations;
- agriculture.

Opportunities

the industrial sector;

oil and gas exploration, production, refining (15 refineries) and distribution;

energy installations (new hydroelectric, renewables);

new sports facilities;

banking (23,000 agencies);

hotels;

the public security sector (prisons, police);

UK opportunities

- niche products
- high quality
- latest digital technologies
- communications technologies
- sports infrastructure systems
- special protection, oil and gas applications
- anti-terrorist equipment and systems

Market structure

Manufacturers: basic hardware, alarms, control centres, assembly

Importers and distributors

Integrators

Installers

Construction companies

Government

Market entry strategy

Acquisition (G4S)

Setting up and building network (IndigoVision, Colt)

Distribution partner (Smokecloak)

Integrator partner (Advanced Electronics)

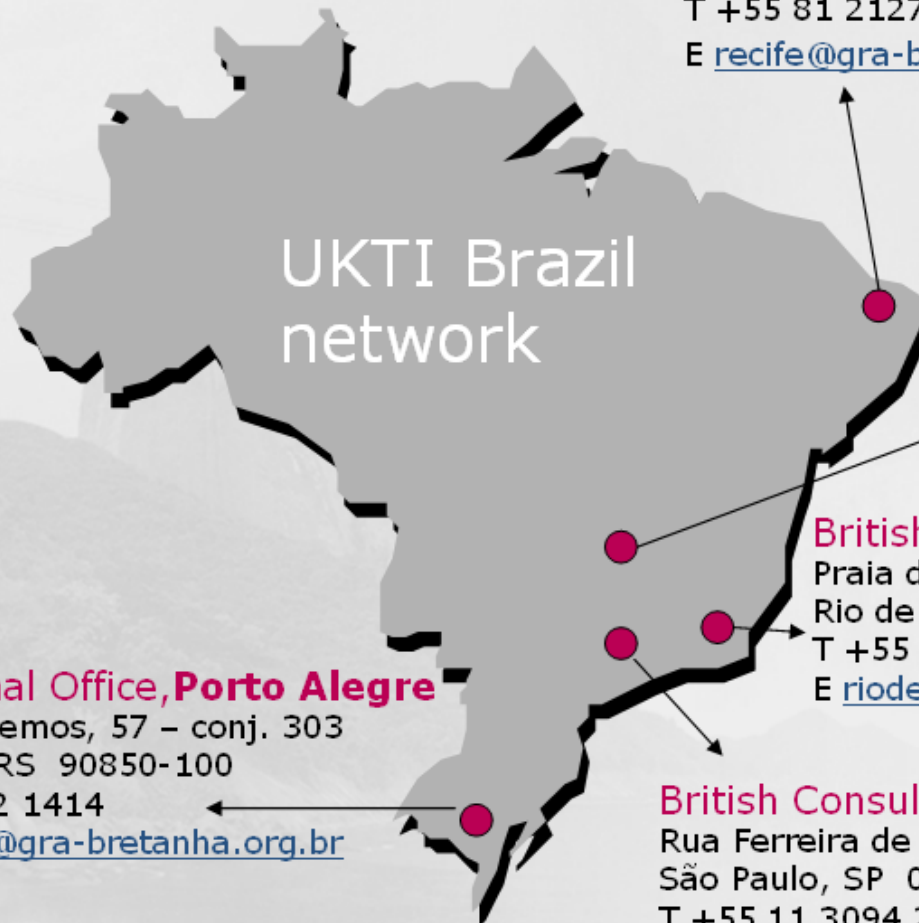
Targets: integrators, construction companies, government

How UKTI can help

Market entry assistance

- Market research
- Distributor/partner search
- Launch events
- Publicity

<http://ukinbrazil.fco.gov.uk>



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