

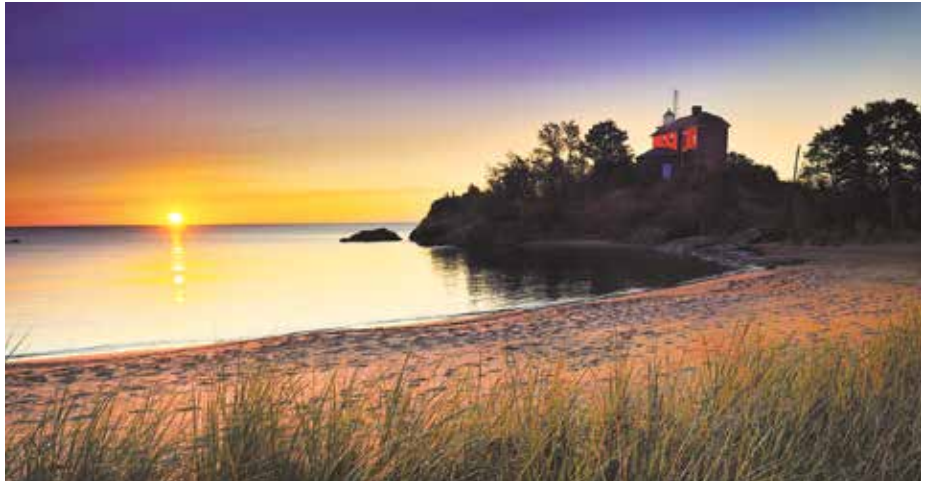
# MICHIGAN

Michigan/Brazil trade profile

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Brazil's rapidly growing and highly diversified economy provides strong opportunity for Michigan companies.



Michigan is in the fourth year of a reinvention strategy to provide a favorable business climate. State business taxes are the lowest in decades. We have eliminated hundreds of outdated and burdensome environmental, workplace, and business rules. Michigan is now a freedom-to-work state, enabling Michigan businesses to partner with a world-class workforce that is free to decide whether union membership is right for them while preserving the roles of unions and collective bargaining. These changes, combined with the state's manufacturing leadership, talent, geographic advantage, and Pure Michigan lifestyle, make Michigan a great destination—and a great partner—for Brazilian companies.

#### A global player

A global site selection publication named Michigan the eighth-most competitive state (out of 50 U.S. states) for achieving success in job creation and economic development. The same publication ranked Michigan

No. 5 in major corporate facilities and expansions in 2013. Michigan is home to 1,231 foreign-owned companies that employ approximately 141,000 and have invested \$25.3 billion in plants and equipment. Foreign direct investment in Michigan totaled \$1.24 billion in 2012, resulting in 5,277 jobs.

#### Manufacturing and R&D leader

Nearly 14,000 manufacturing establishments produce everything from cars and trucks to medical devices and military hardware. Eight of the top 10 automotive global suppliers are headquartered in Michigan and the state is home to the world's largest concentration of industrial R&D. The Michigan GDP of \$372 billion is the 13th-largest in the U.S.

#### World-class talent

Michigan is one of the nation's premier centers of brainpower. With more than 87,000 engineers, 70,000 R&D professionals and 75,000 skilled tradespeople, Michigan is the No.1 state



for the availability of skilled labor and has the fourth-largest high-tech workforce in the U.S.

### Tax competitive

A simple, fair and flat 6 percent corporate income tax has reduced the state business tax for Michigan businesses by at least 80 percent. It is one of the most competitive among the midwest U.S. states and among the lowest in the entire U.S. According to the nonpartisan, Washington, D.C.-based Tax Foundation, Michigan's corporate tax is seventh-best in the U.S.

### Gateway to North America

Located within 805 km of half of the U.S. and Canadian population and income, Michigan is a strategic entry point to the North American market. The state has nine international border crossings, nautical connections to the Atlantic via the St. Lawrence Seaway, a rail system with 5,794 km of track, 18 airports, and 1,997 km of toll-free interstate highway lines built for industrial use.



### Pure Michigan lifestyle

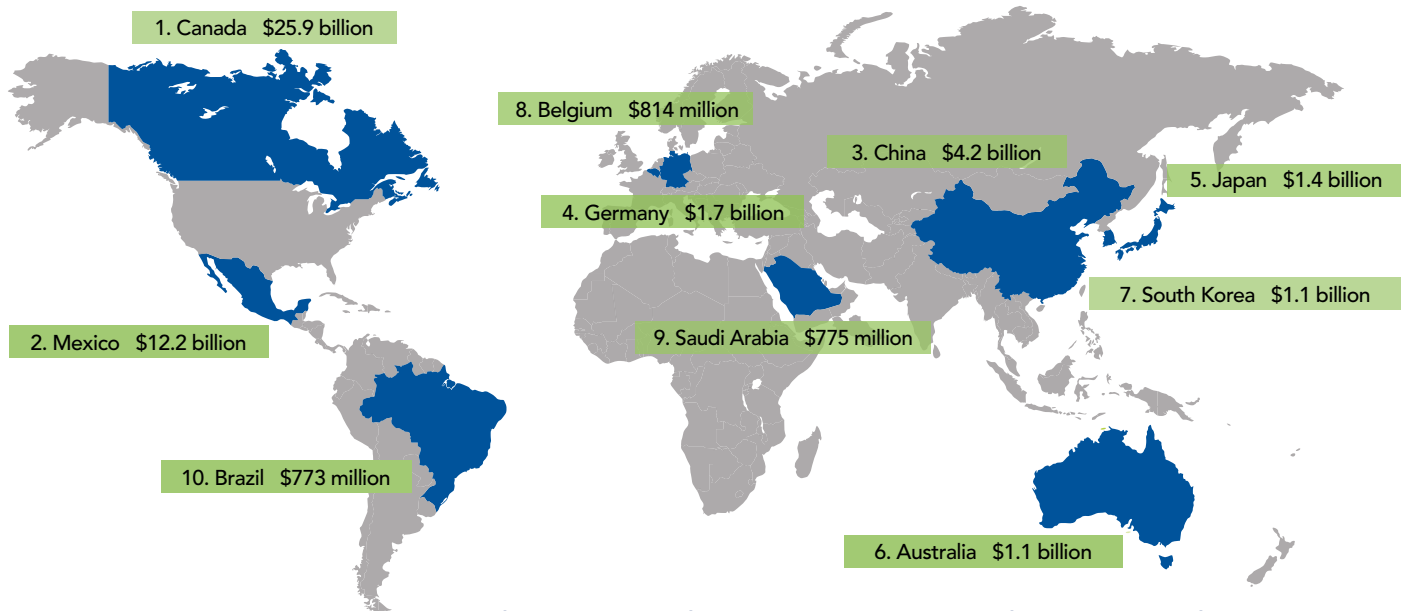
Michigan is a great place to do business, and it is a great place to live and play. From urban excitement to the great outdoors, the state offers beaches, mountains, forests, parks, museums and hundreds of cultural and historical attractions to suit every taste. Home to four of the five Great Lakes, Michigan's 5,150 km of freshwater shoreline is the longest in the world. No matter where you stand, you are never more than 10 km from a body of water among our 11,000 inland lakes and 58,000 km of rivers and streams. For golfers, there are 800 public courses set among glorious natural surroundings. ABC News' Good Morning America named Sleeping Bear Dunes the "most beautiful place in America."

## MICHIGAN PROFILE

Michigan has taken a number of steps to support international trade, investment and growth. Michigan exported over \$770 million in manufactured goods to

Brazil in 2013. Over the last six years, this represents a more than 99 percent increase. Brazil reciprocated as a large Michigan import market, totaling over \$551 million (2013). Top commodities include machinery, transportation, chemicals, metals, and food.

The Michigan Economic Development Corporation (MEDC) has taken a number of steps to secure a strong trade partnership with Brazil, establishing a wealth of on-the-ground resources in Brazil. MEDC has established a Brazil trade office in partnership with the Council of Great Lakes Governors. This foreign office provides Michigan companies with an invaluable resource in the Brazilian market. The Brazil team of professionals along with the MEDC export team helps companies to research, identify and capitalize on market opportunities in a broad range of industry sectors across Brazil.



## MICHIGAN TOP 10 TRADE PARTNERS\*

Total exports from Michigan to other countries exceeded \$58 billion in 2013, with Brazil representing the 10th largest partner.

### The commercial importance of trade to Michigan

In 2012, Michigan's estimated GDP was \$344.85 billion, making Michigan the 13th largest economy within the nation. Goods produced in Michigan for export that year were valued at \$58.4 billion, ranking eighth among U.S. states. Michigan 2012 imports were \$116.2 billion (33.7 percent of Michigan's GDP), making Michigan the sixth largest importing state in the nation. In other words, just over half (\$173.1 billion or 50.2 percent) of Michigan's economy is dependent on foreign trade.

Michigan ports of entry also play a significant role in facilitating the foreign trade of other states.

In 2011, Michigan ports handled almost \$238 billion of the U.S. foreign trade, making Michigan the second largest customs district for U.S. exports, the sixth largest customs district for imports and the fourth largest customs district for total foreign trade.

### Michigan's top industries

1. Advanced automotive
2. Agriculture
3. Tourism
4. Medical devices
5. Bio-tech
6. Clean energy

### Major Michigan industry clusters and products

In Michigan, companies can leverage the state's position as the global capital of vehicle R&D and advanced manufacturing with tens of thousands of engineers and scientists working toward new solutions. Many of the world's most innovative corporations, including every major vehicle-related manufacturer and supplier, have established over 330 R&D tech centers in Michigan. Companies are finding opportunity in the production of everything from medical devices to military hardware and increasingly alternative energy technologies. With nearly 15,000 manufacturing establishments in the state, Michigan's high-quality engineering and skilled manufacturing continue to attract employers in emerging 21st century industries.

Michigan is focusing on the development of state and nationwide markets for such alternative energy sources as bio energy and fuels; wind generation (wind energy); advanced energy storage (advanced batteries); and solar cells (solar energy). A strong alignment of scientists, universities, policy makers, industry players, the natural resource management community and engineering talent working together, bring Michigan one step closer to the goal of creating the next generation of power provision for businesses, consumers and vehicles through alternative energy.

With a 140-year legacy of biotechnology innovation and an eye toward the future, life science companies of every stage are experiencing great success in Michigan. Starting in 1866 with the founding of Parke-Davis in Detroit and followed two decades later by Upjohn Company in Kalamazoo, Michigan has been home to a life sciences market space geared at emerging and well-established companies looking to commercialize anything from the latest diagnostic tool to creative advancements in the world of pharmaceuticals. Michigan is experiencing an ever-growing presence of innovative start-up companies, all of which have one thing in common—they are developing leading-edge products for the marketplace.

Michigan has played an important role in defense and homeland security since World War II, when its engineering and manufacturing prowess helped equip and protect our nation's soldiers and defenders. This sector is as important to the state and

nation as ever. Michigan is home to an impressive number of military and defense-related facilities, including advanced research labs, testing grounds and bases, and is also a leader in the manufacture of military vehicles.

Michigan's agriculture industry is comprised of 54,900 farms totaling over 10 million acres. The top agricultural exports are soybeans and products, feed grains products, dairy, vegetables and fruits—like cherries from Traverse City, known as the "Cherry Capital of the World." In total, over 200 commodities are produced on a commercial basis. With an estimated nine billion people worldwide to feed by 2050, Michigan is poised to take a lead in meeting those needs.

## MICHIGAN COMPANIES IN BRAZIL\*

- General Motors (GM), Detroit
- Ford, Detroit
- Dow Chemical, Midland
- Guardian Industries, Auburn Hills
- Alticor, Ada
- Visteon, Dearborn
- Neogen, Lansing
- Amway, Ada
- Tecumseh Products, Ann Arbor
- Penske Logistics, Bloomfield Hills
- Fanuc Robotics, Rochester Hills

## MAJOR MICHIGAN INVESTMENTS IN BRAZIL

### General Motors

General Motors (GM), headquartered in Detroit, has multiple investment and expansion projects on the horizon

in Brazil. In the automotive OEM sector, GM will invest in a design, development and testing project, with plans to open a fifth R&D center in either Rio de Janeiro or Minas Gerais. This new facility will serve the entire Latin America region. General Motors is also investing in a headquarters project in the city of São Paulo. Plans include establishing a new regional subsidiary for South America, which will include the company's existing operations in Brazil, Argentina, Ecuador, and Venezuela and sales activities in Bolivia, Chile, Paraguay, Peru, and Uruguay. The company will also create up to 1,500 new jobs by adding a third shift at its São Caetano do Sul plant in São Paulo through its Brazilian subsidiary, where new Chevrolet products will be produced. Once implemented, the plant will assemble 250,000 vehicles per annum, an increase of 50,000 on two shifts.

### TRW Automotive

TRW Automotive, headquartered in Livonia, is investing in the city of Limeira, Brazil, in the automotive components sector in a manufacturing project. A leading automotive component manufacturer, TRW has expanded its facilities and commenced production of electric power steering (EPS) for the South American market at the facility. It has added production equipment and floor space, with the eventual addition of 170 jobs. The initial capacity of EPS at the site will be 400,000 units annually.

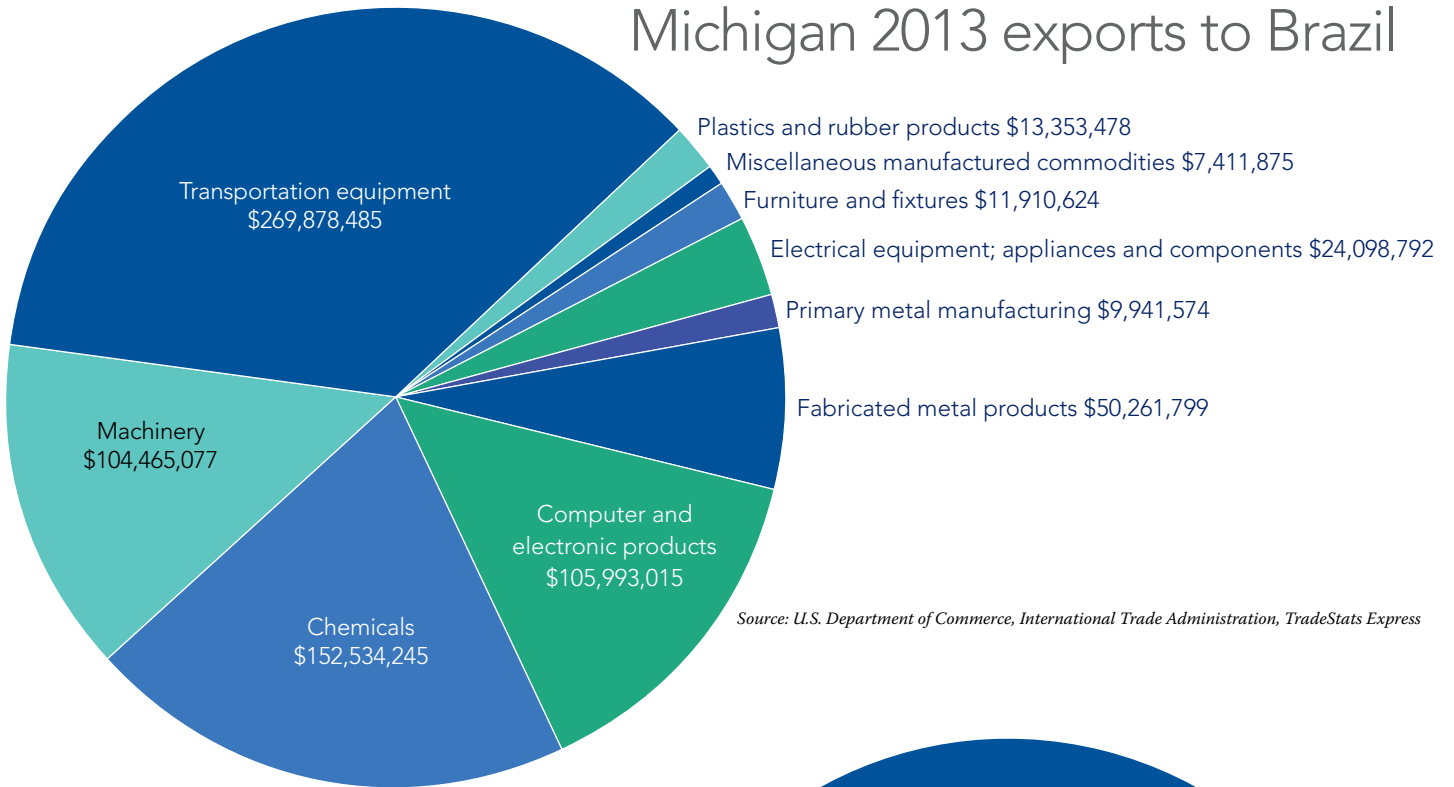




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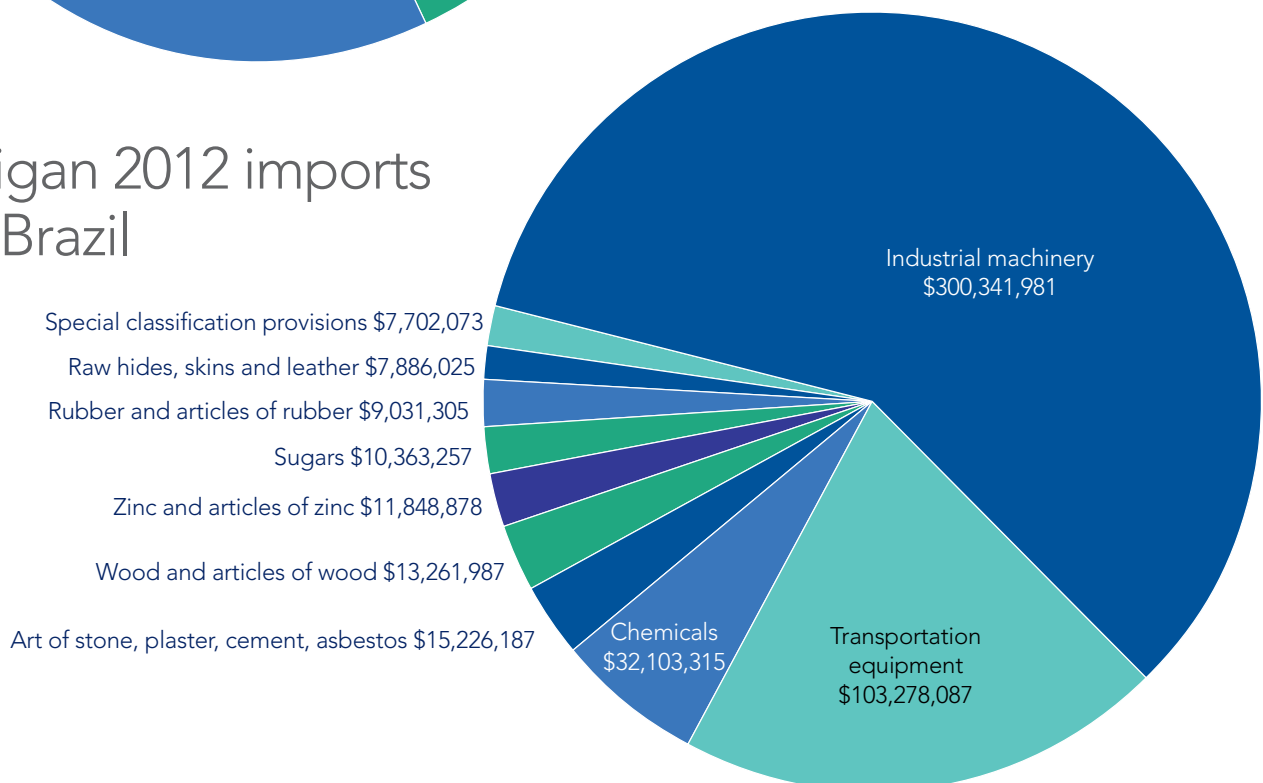
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## Michigan 2013 exports to Brazil



Source: U.S. Department of Commerce, International Trade Administration, TradeStats Express

## Michigan 2012 imports from Brazil



Source: WISERTrade



## BRAZIL COMPANIES IN MICHIGAN\*

- Gerdau Macsteel
- Gerdau
- Braskem
- Natura
- Odebrecht
- Centrais Elétricas Brasileira (Electrobras)
- Brasilata
- Queremos

## MAJOR BRAZILIAN INVESTMENTS IN MICHIGAN

### Gerdau Macsteel

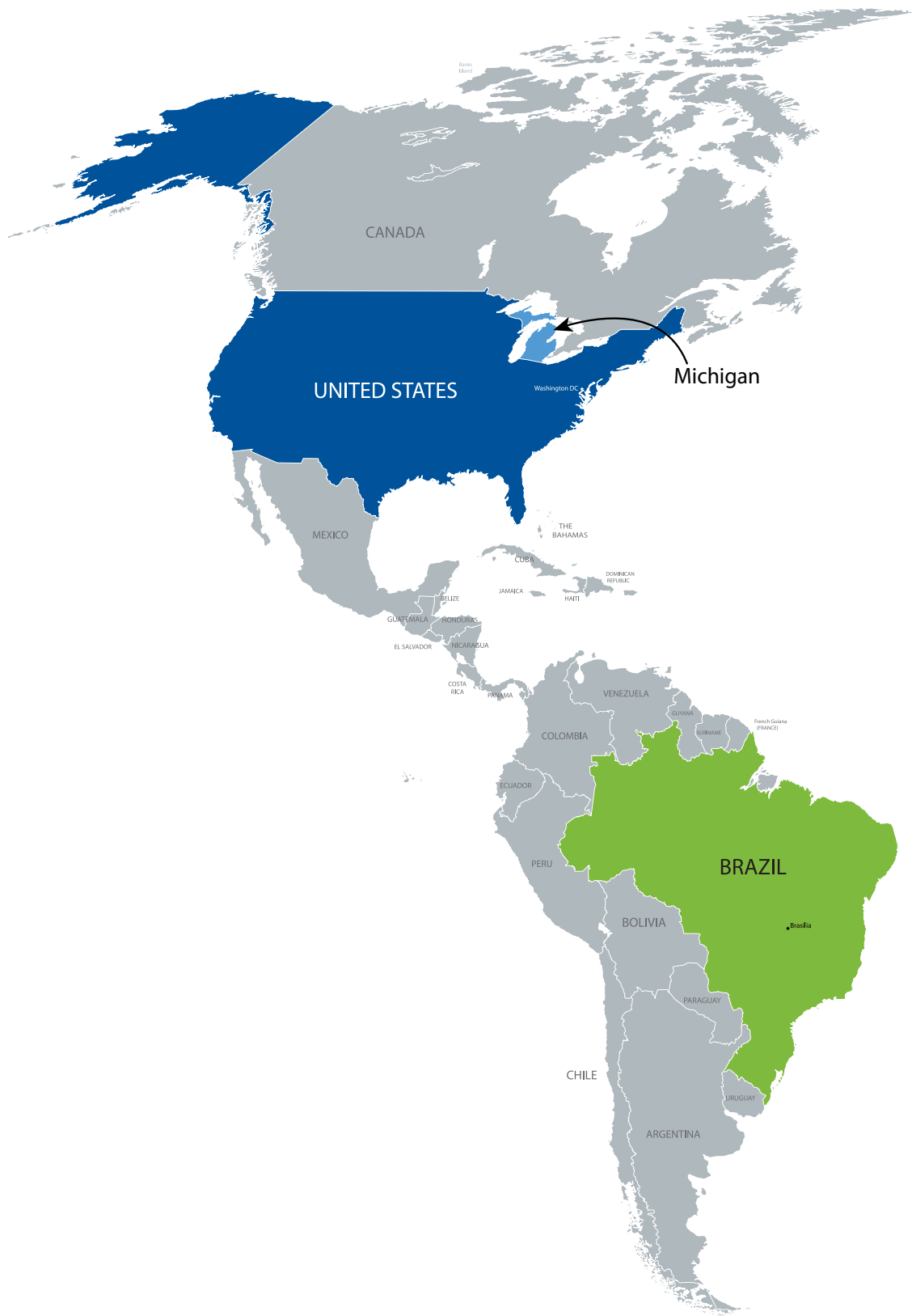
Gerdau Macsteel, a subsidiary of Brazilian steel giant Gerdau, is building on its success in Michigan by investing in two significant manufacturing

expansion projects. Gerdau is currently carrying out a \$67 million expansion plant at its Monroe facility to increase capacity, with a projected annual production increase of 200,000 tons. This is an anticipated increased investment of \$60 million by the time this project concludes in 2014, in response to increased customer demand. In Jackson, Gerdau is expanding its metal manufacturing capacity at its mill facility through subsidiary Gerdau Macsteel. The company is investing a total of \$347 million in its United States operations through 2014 to increase overall capacity by 400,000 tons, with 20 percent of the financial investment and 50 percent of the capacity investment in the state of Michigan.

(Source: fDimarkets.com)

Acme has received \$4.2 million in orders from Brazil over the last 10 months. Our continued market penetration in Brazil, positive customer feedback, and a strong forecast for 2013 has allowed Acme to move forward in expanding our technical/training support team both in Michigan and Brazil.

—Glen A. Carlson, III, President,  
Acme Manufacturing Company



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