

Brazil, a new haven for high tech investors

April 19 2011, by Vitoria Velez



CENPES (PETROBRAS Reserch and Developing Center) is seen here in Rio de Janeiro, Brazil, where the oil exploration technology is being developed. With an investment of \$700 mln, the center attracts companies like French Schlumberger and US GE, Halliburton and Baker-Hughes.

A longtime exporter of raw materials and a hub for foreign investors, Brazil is now seeking capital for cutting-edge research in oil and information technology.

"The biggest challenge for [Brazil](#) is innovation. We are very competitive in agriculture, aviation, oil and gas, but our industrial sector is weak when it comes to innovation," Science and Technology Minister Aloizio Mercadante said.

"We are encouraging industrial groups to innovate... and we are setting up foreign research centers that will register or apply for patents in Brazil."

One of these centers is CENPES, launched by Brazilian oil giant Petrobras in a northern suburb of Rio. In Recife, capital of the northeastern state of Pernambuco, the Digital Port technology park is home to nearly 180 companies and institutes specializing in information technology.

Created in 1970 and located on the campus of the Federal University of Rio de Janeiro, CENPES has invested \$700 million since 2005 to attract international firms involved in the Brazilian oil industry, including France's Schlumberger and US-based GE, Halliburton and Baker Hughes.

"The biggest suppliers of Petrobras, seeing Brazil as a good investment opportunity and recognizing the quality of Brazilian universities, are coming to establish an intellectual partnership with us in addition to our trade ties," said CENPES general director Carlos Tadeu da Costa Fraga.

He cited biotechnology, biofuels and environment research as projects being developed.

Petrobras invested \$2.6 billion in research and development in 2008-2010 and plans major investments for deepwater oil exploration in the Atlantic Ocean below a thick layer of salt.

Brazil's current proven crude oil reserves of 14 billion barrels could more than triple by extracting the [oil](#) buried in the sea, making the country one of the biggest exporters of crude.



Digital Port in Recife, northeastern Brazil, where 178 information technology companies work. A longtime exporter of raw materials and a hub for foreign investors, Brazil is now seeking capital for cutting-edge research in oil and information technology.

With a booming consumer market, Brazil offers interesting opportunities for foreign high tech firms.

"Brazil is a good option for technological investments in Latin America. Here, there are good professionals who can ensure that investing firms can more easily enter the market," emerging markets expert Luis Anavitarte of Gartner told AFP.

Recife's Digital Port was created 10 years ago with the aim of spurring the information technology sector and creating more jobs in Pernambuco, one of Brazil's poorest states.

Multinational firms Accenture, Motorola and IBM are among the giants that have established a foothold there.

The transfer of military technology is also a key factor as Brazil considers Boeing's F-18 Super Hornet, the Rafale by France's Dassault

and the Gripen NG made by Saab of Sweden for a contract worth between \$4 billion and \$7 billion.

Competition for the contract has dragged on for years, with President Dilma Rousseff inheriting it from her predecessor Luiz Inacio Lula da Silva, who had declared a preference for the French planes.

The contract is for 36 fighters with the possibility of many more aircraft in the future.

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Citation: Brazil, a new haven for high tech investors (2011, April 19) retrieved 27 April 2024 from <https://phys.org/news/2011-04-brazil-haven-high-tech-investors.html>

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