



Norwegian Consulate General
Rio de Janeiro

Report

Norwegian Investments in Brazil

2019 Edition

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Foreword

We are pleased to present the Investment Report 2019 on Norwegian Investments in Brazil. This is the fifth edition of the report, and we are proud to say that Norwegian investments continue to grow steadily.

The accumulated investments without asset transfers are now at a total of US\$ 25.5 billion. Norwegian investments creates 27,000 direct jobs, and more than 585,000 indirect and induced jobs in Brazil. During the 2017-18 period, Norwegian companies contributed with more than US\$ 900 million in tax payments.

The oil, gas and maritime sectors are still the largest destination for Norwegian investments. Norwegian companies have an extensive presence in the sector and are present across the entire chain - from exploration to production, providing expertise and technology to improve the yields of Brazilian fields.

We also see significant investments in renewable energy, both solar and wind, as well as hydro. Equinor’s investment in the Apodi Solar plant in Ceará, operated by Scatec Solar, is a good example in this respect.

The Apodi plant can provide 170,000 households with electricity, and the clean energy produced is equivalent to a CO₂ reduction of around 200,000 tons per year. Statkraft is already operating two wind farms in Brazil, and the company considers Brazil as a key market in the years to come.

Within the R&D sector, the collaboration between our two countries is significant, both in investments and results. Brazil is one of the top 6 priority countries for Norwegian research and development cooperation outside of Europe. While the majority of research is in the energy sector, the cooperation extends to ecology in tropical forests, biodiversity and sustainable use. Yara's digital hub in São Paulo is a fine example

of collaborative research. Development of new solutions based on technology and partnership with the university is at the heart of the company's strategy to create sustainable farming with minimal environmental impact.

Norwegian companies draws on the highly qualified and competent Brazilian work force. Investing in personnel, including gender equality, is part of Norwegian business culture. Several of the Norwegian companies in Brazil are being led by women and work to implement policies to enhance female participation. Gender equality is not only an issue of fairness but also a matter of attracting the best talents, many of whom will be women. Women's participation in the workforce is an indisputable contribution to economic growth. There is considerable economic value at stake for companies and nations.

The ties between Norway and Brazil are strong. Norway will continue to be a consistent and long-term partner for Brazil - economically as well as in other areas of common interests.



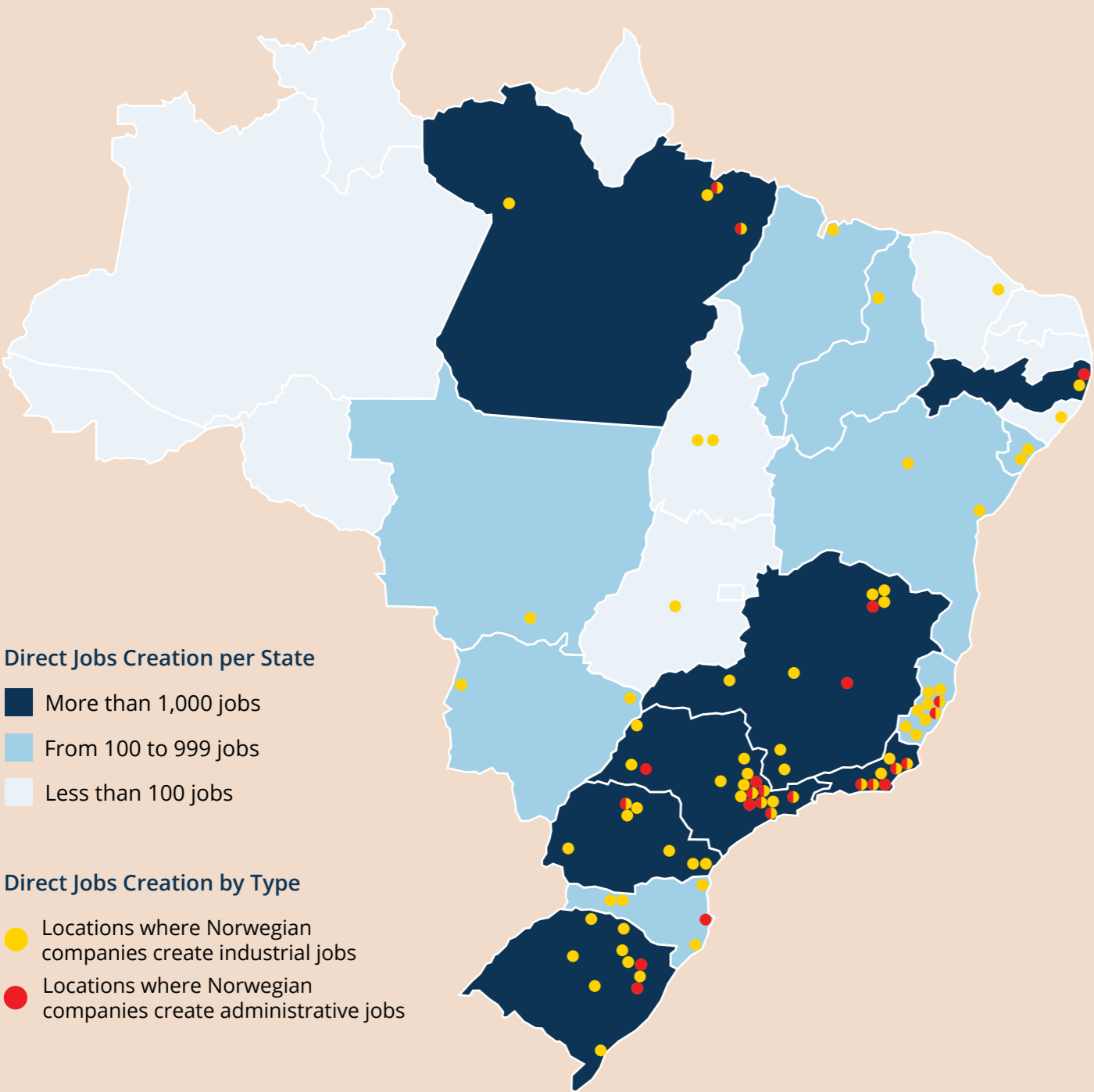
Nils Martin Gunneng
Ambassador



Marianne Fosland
Consul General

Executive Summary

Norwegian Job Creation in Brazil



LOCATIONS

84

across 19 states

JOB'S CREATED

27,000

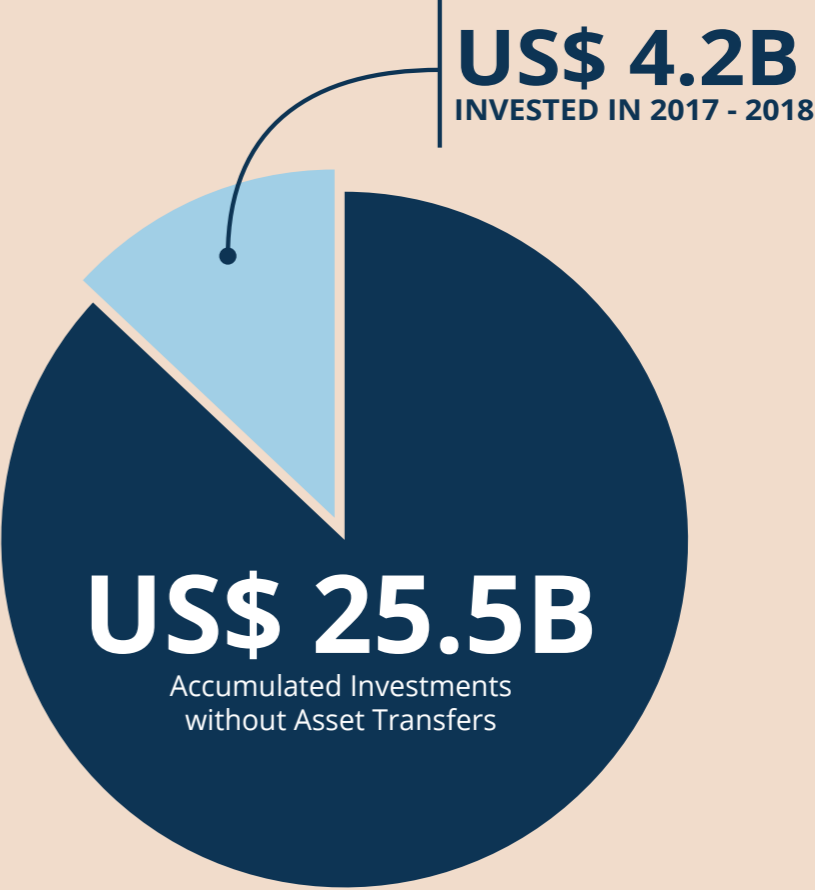
Direct Jobs

585,000

Indirect and Induced Jobs

Executive Summary

Norwegian Investments in Brazil



US\$ +10.1B
LAST 5 YEARS

Norwegian investments in Brazil in the five-year period from 2013 to 2018 were at a record high level



7.3%
NORWEGIAN GDP

Accumulated Norwegian investments in Brazil corresponded to approximately 7.3% of the Norwegian GDP in 2018



Introduction to the Norwegian Investment Report

This report is commissioned by the Royal Norwegian Consulate General in Rio de Janeiro, in collaboration with Innovation Norway and the Norwegian Brazilian Chamber of Commerce, in order to present a new and updated version of Norwegian Investments in Brazil. The present fifth version adds data from the last 2 years.

The methodology and historical data presented in this report follow mapping exercises commissioned by Innovation Norway, the Norwegian Consulate General in Rio de Janeiro and the Embassy of Norway in Brasilia in 2017.

During surveys for this report we discovered that some of the estimates related to direct job creation in the 2017 report were too conservative. Hence we have adjusted the 2015 and 2016 numbers by about 5% in order to correctly reflect the development in job creation.

Companies featured in this report are among the top 15 Norwegian investors in Brazil or have made announcements in 2017 or 2018 that will affect Norwegian investments in Brazil in the sector they represent in the years ahead.

Detailed information about the companies are sourced exclusively from public information.

Company Survey

Norwegian companies with activities in Brazil were invited to participate in a quantitative survey between June and September 2019. The majority of consolidated quantitative data in this report was collected from the Norwegian companies surveyed.

Estimates from desk research constitutes less than 10% of the Norwegian investment and less than 20% of the direct jobs. Indirect and induced jobs were calculated estimates based on the job generation model of the Brazilian Development Bank, BNDES.

Definition of Norwegian Investments

To be considered a Norwegian investor, the individual must be a Norwegian citizen, the company must be listed on the Oslo Stock Exchange, OSE or the company must have their operational headquarters in Norway and be registered with the Norwegian company registry.

Once a company qualifies as a Norwegian investor, the country of origin of the capital invested in Brazil is irrelevant.

Capital transfers and reinvestment of profit are the only two investment types that are considered for the purpose of this report.

Data Distribution

The investment data collected and estimated is related to the period from 2017 to 2018. For consistency with the previous years, the presentation of the investment data was equally distributed between 2017 and 2018.

For the employment data, a linear change from 2016 to 2018 data was assumed.

Introduction to the Norwegian Investment Report

Tax Payments to Brazil

For the first time we have collected information from the Norwegian companies regarding their tax contribution in Brazil.

The Norwegian companies were asked to provide information about their tax contribution to Brazil excluding payroll taxes and mandatory employment-related contributions.

During the 2017 - 2018 period Norwegian companies contributed with more than US\$ 900 million in tax payments to Brazil.

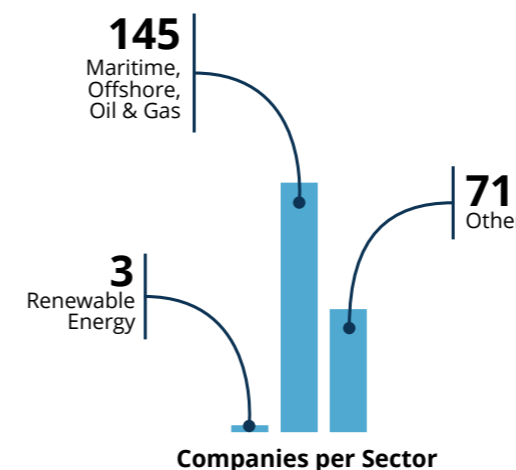
In this report, no estimates related to tax payments were made, but we will continue to track this figure moving forward.

Business Environment Barometer

An anonymous qualitative survey was conducted among Norwegian companies with activities in Brazil to get a better understanding of how investments are applied by the companies in Brazil and what the main drivers are.

In all, 42 Norwegian companies with activities in Brazil chose to participate in the qualitative survey which was conducted during August and September 2019. Over 50% of the Norwegian companies with activities in Brazil surveyed have plans to increase investments in Brazil over the next 5 years, and nearly 70% of the respondents intend to increase their workforces in the period.

NORWEGIAN COMPANIES IN BRAZIL



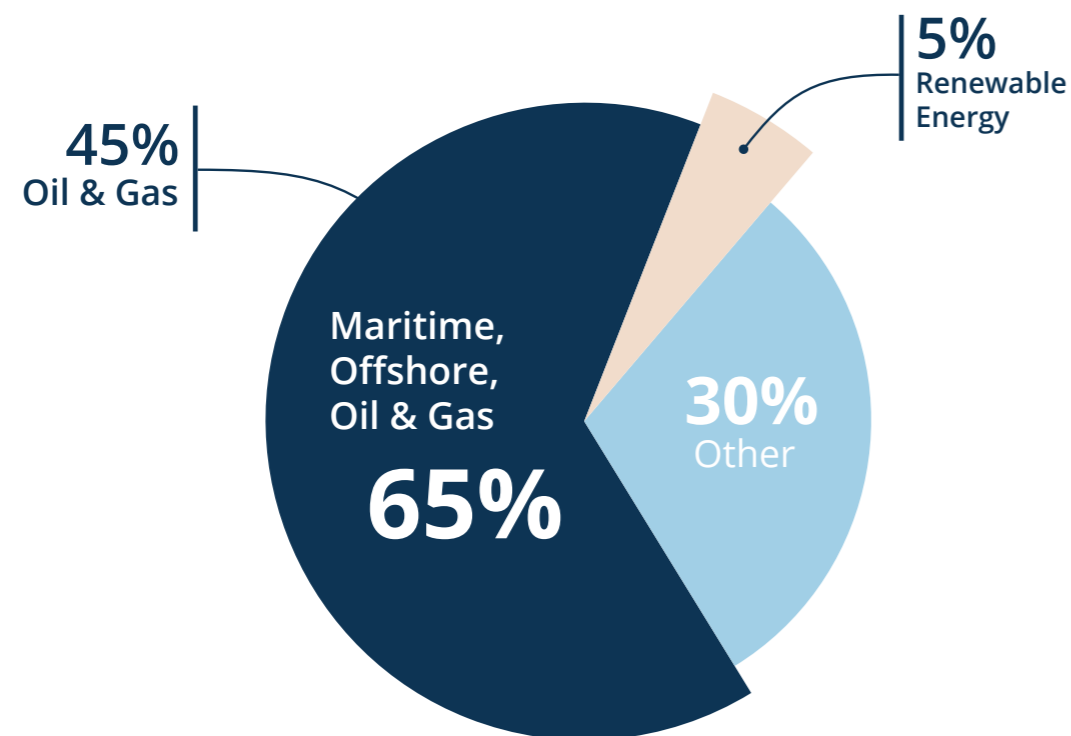
219 Companies Invited to Participate in Survey

104 Companies that Created Direct Jobs in Brazil

86 Companies that Responded to the Quantitative Survey

Norwegian companies with or without Brazilian subsidiaries or associate companies that have engaged in commercial activities with Brazil, either directly or through representatives.

Norwegian Investments in Brazil 2017 - 2018



Investments Overview

The period of 2017 - 2018 was characterized by readjustment of Norwegian companies in Brazil. There was an increase in the number of Norwegian companies doing business with Brazil, while the number of Norwegian companies generating direct jobs in Brazil has not changed significantly.

The last 5-year period from 2013 to 2018 was historically strong for Norwegian investments in Brazil. The total investment exceeded US\$ 10.1 billion, with US\$ 4.2 billion added in the 2017 - 2018 period.

This overview of Norwegian investments in Brazil only includes active investments made in 2017 - 2018. We do not include investments made through financial instruments, bilateral aid, and passive equity investments.

Investment by Sector

Equinor's agreement to acquire a stake in the Roncador oilfield from Petrobras is the single largest transaction during the current period. However, a positive investment trend can be observed across all sectors and is not limited to the oil & gas sector.

Although investments in the renewable energy sector dropped back to 2014 levels, Norway has a larger and more diverse exposure to this sector. There are four companies investing in four different types of renewable energy sources in Brazil. Scatec Solar and Equinor entered the sector in Brazil with solar energy installations, while Statkraft expanded their operation through new acquisitions in hydropower. Umoe Bioenergy continues their focus on alternative sources like sugarcane-based biofuel production, which produces negative CO₂ emissions.

Agribusiness, chemicals, finance, IT, media, mining, etc. are included in the segment "Other" and represent sectors in which Norwegian companies are active in Brazil. Investment participation in these areas has dropped slightly compared to 2016, from 34% to 30%.

The criteria used for grouping the companies into these 3 main sectors is to maintain the confidentiality of the company data as some of the companies have a strong leadership position in their specific sector.

Direct Job Creation

A total of 104 Norwegian companies have direct employees across 84 different cities throughout Brazil. The 2017 - 2018 period observed a slight decline in number of direct jobs compared to the 2016 level.

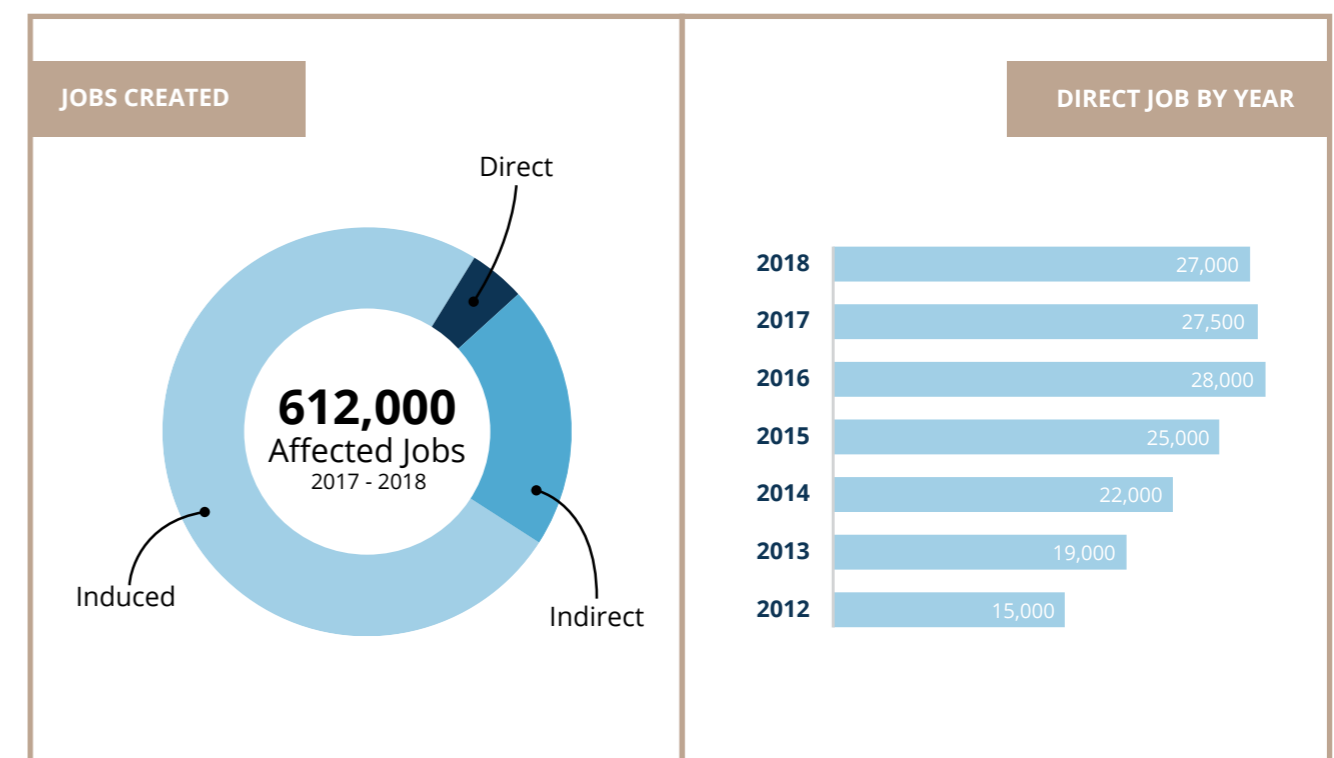
There was, however, an increase in number of Norwegian expats working for Norwegian companies in Brazil. While in 2016 there were 105 expats, our survey shows an increase in 2018 to 146 expats.

Indirect and Induced Job Creation

According to The Brazilian Development Bank's model used to estimate indirect and induced jobs, Norwegian companies generated more than 585,000 indirect and induced jobs across all sectors of the economy in 2018.

Indirect jobs are created outside the company, within suppliers or independent contractors that increase their headcount due to projects carried out for a Norwegian company. As for induced jobs, they are created due to the economic impact made by the company and the effects of the transformation of the income of the employees and indirect employees.

Offshore, maritime, oil & gas sectors alone are responsible for generating 80.5% of the indirect and induced employment.



Job data for 2015 and 2016 was revised based on new information collected during the work with this edition.



Norwegian Asset Transfers to Brazil

For the purpose of this report, asset transfers are not considered a part of Norwegian investments into Brazil. Nevertheless, asset transfers are the most significant investment type for many of the Norwegian companies operating in the Brazilian maritime and offshore sectors.

For Norwegian companies, asset transfers mostly involve transfer of offshore rigs and vessels into Brazilian waters. These are assets that tend to have highly cyclical values.

According to the Norwegian Shipowners' Association Brazil, ABRAN, Norwegian companies own or control more than 50% of the most specialized vessel fleet present on the Brazilian continental shelf.

The number of asset transfers for the 2017 - 2018 period has increased compared to 2015 and 2016.

Largest asset transfers by Norwegian companies to Brazil in the period include the vessels:

- SK Achiever for DOF
- West Saturn for Seadrill
- Aker Wayfarer for Akastor
- Far Serenade and Far Scotsman for Solstad
- Anna Knutsen, Lena Knutsen and Vigdis Knutsen for KNOT
- Pioneiro de Libra and Petrojarl I for Teekay



Norwegian Pension Fund in Brazil

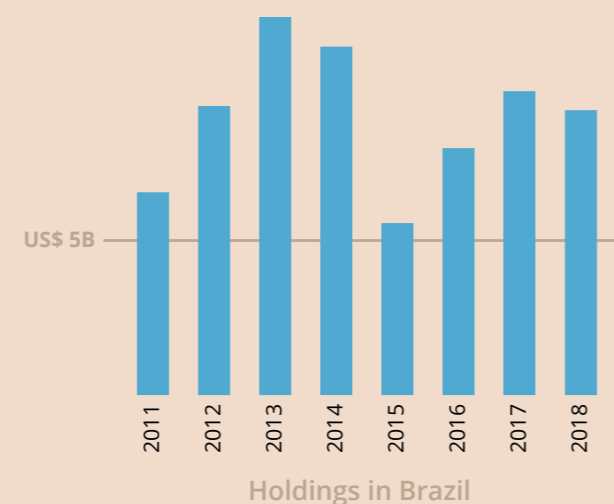
The Norwegian Pension Fund is an important player in the Brazilian financial market, and by the end of 2018 it had holdings in Brazilian bonds and equities worth US\$ 8.97 billion.

By December 2018, the Norwegian Pension fund had US\$ 6.17 billion invested in Brazilian equities which corresponds to 0.704 % of the Brazilian stock exchange (B3) total market capitalization

Petrobras remains the fund's largest equity holding in Brazil. The total investment in Petrobras was US\$ 659 million, which corresponds to a 0.83% ownership position in the company.

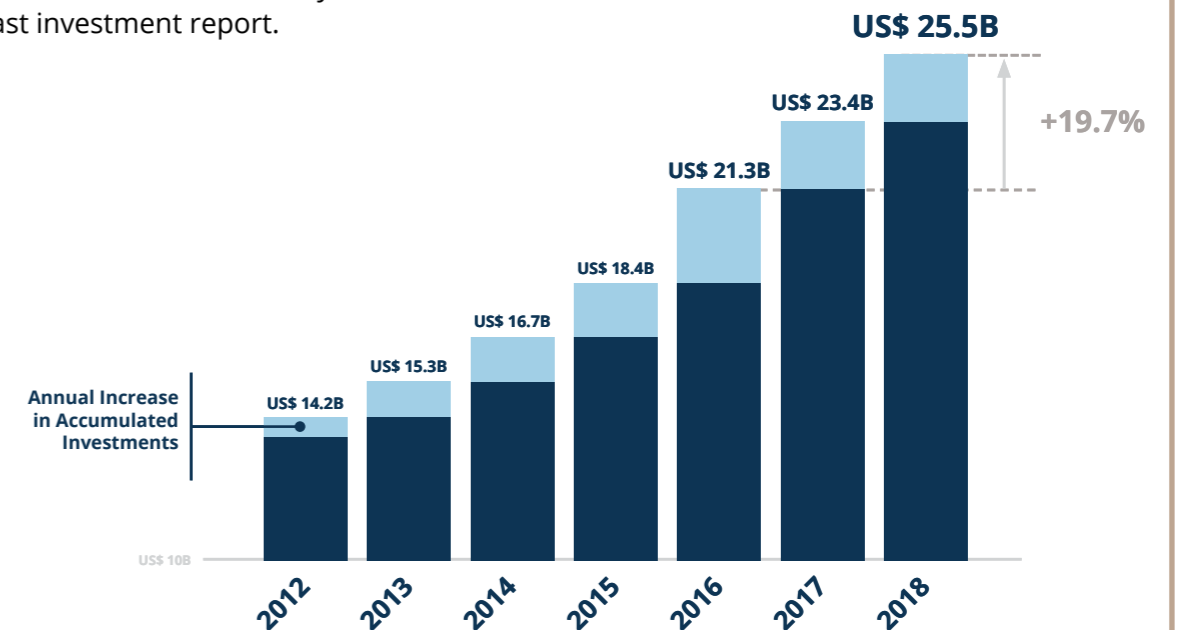
Banco Bradesco is the second largest investment where the fund has a 0.97% ownership position, with a total investment of US\$ 637 million.

In this report we did not include investments made by the fund as a basis for Norwegian investments to Brazil.

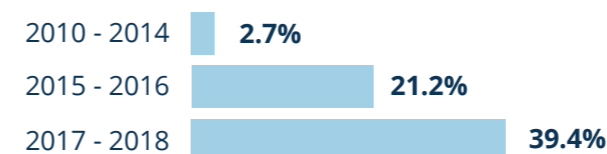


ACCUMULATED INVESTMENTS

Accumulated Norwegian investments in Brazil without asset transfers increased by 19.7% since the last investment report.



REINVESTED PROFITS



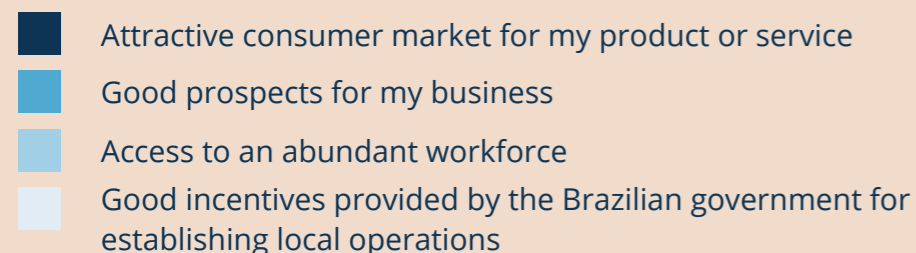
Reinvested profits continue to increase as a share of overall investments by Norwegian companies in Brazil.

Norwegian companies reinvested more than US\$ 1.5 billion of their profits into their Brazilian operations between 2017 and 2018, up from US\$ 921 million in 2015 and 2016.

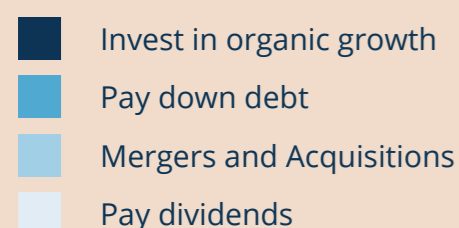
Reinvested profits are based on survey responses by Norwegian companies. In addition to capital injections and reinvested profits, Norwegian companies also transfer offshore assets to Brazil. For the purpose of this report, asset transfers are not considered a part of Norwegian investments into Brazil.

Business Environment Barometer

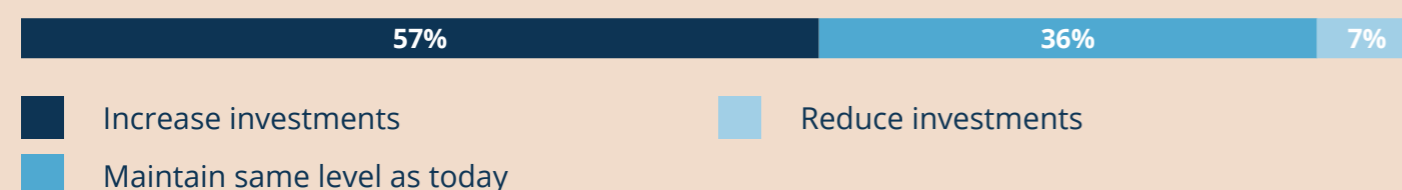
What is the main reason for your company to invest in the Brazilian market?



What was the primary strategy for capital allocation in Brazil over the 2017 and 2018 period?



What are your company's investment plans in Brazil for the next 5 years?



What are your company's plans for the workforce in Brazil in the next 5 years?

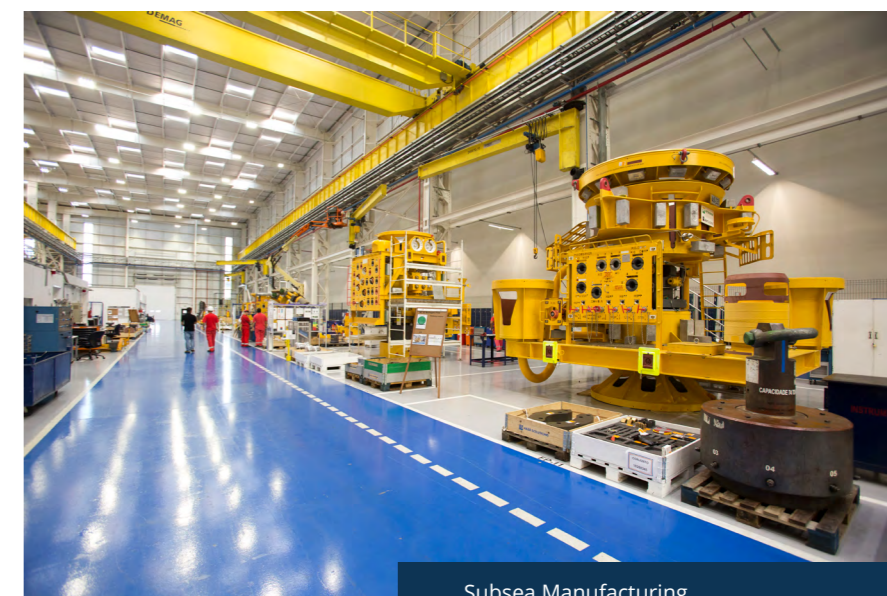


Winning Global Contracts with Brazilian-built Technology

Norwegian investment in manufacturing facilities along the Brazilian coast has resulted in significant success over recent years.

Subsea Manufacturing

After the inauguration of a plant in São José dos Pinhais in 2016 which received a R\$ 260 million investment, Aker Solutions continues to strengthen their position as a supplier of subsea equipment.



Subsea Manufacturing
Aker Solutions - São José dos Pinhais

In March 2018, the company secured a contract with Equinor to supply system control modules produced in Brazil. The 47 modules will be exported to three fields located in Norway, in a contract worth R\$ 100 million for the Brazilian subsidiary.

Aker Solutions has leveraged their new manufacturing capabilities for further expansion in the Brazilian market as well. In 2018 the company won a contract with Petrobras which included a subsea production system and related services for Libra's Mero 1 project.

The project installations will commence in 2020 and consist of 12 vertical subsea trees designed for Brazil's pre-salt layer, four subsea distribution units and three topside master control stations.

Earlier the same year, Aker Solutions was awarded a four-year service agreement with Petrobras worth R\$ 250 million, with an option for extension. The order consists of upgrades, repairs and renovation of FPSOs located in three fields in the Campos Basin.

Shipyards

Shipbuilder and designer Vard delivered a multitude of projects for a variety of clients in the period between 2017 and 2018. Among the projects concluded was the PLSV Skandi Recife, delivered by Vard Promar to DOF and TechnipFMC in May 2018.

Skandi Recife, the fourth vessel built in Pernambuco with local labor is currently the ship with the highest value added and complexity of its kind delivered in Brazil.

During the period, Vard Promar has also finalized the Seawalk Port Royal, which will operate in Kingston, Jamaica as well as two LPG carriers for Transpetro, namely Gilberto Freyre and Jorge Amado.

Strong Investments for Oil & Gas, Offshore and Maritime

Norwegian companies have an extensive presence in the Oil and Gas sector in Brazil across the entire chain, from exploration to production, providing expertise and technology to improve the yields of Brazilian oilfields.

Within the Oil & Gas, Offshore and Maritime sectors, between 2012 and 2018 Norwegian companies invested more than US\$ 7 billion in Brazil.

Equinor, previously known as Statoil, has been present in Brazil for nearly two decades. In recent years the company has been making important investments in the Brazilian market by acquiring stakes in several key oilfields, maintaining their position as the second-largest oil and natural gas operator in Brazil.

The focus on sustainable sources and less CO₂ emissions in production is an increasing priority for Equinor. The company has a projected investment of US\$ 15 billion in Brazil by 2030.

Specialized Vessel

The highly complex specialized vessel Skandi Recife was the result of the synergy of two Norwegian companies, shipbuilder Vard and offshore operator DOF, with commitment to generate value and support technology development locally. The vessel is owned by a joint venture of TechnipFMC and DOF Subsea.

The Brazil-flagged pipe-laying support vessel, delivered in 2018 to support Petrobras operations, was built at Vard Promar in the city of Ipojuca, state of Pernambuco. The project involved hundreds of locally trained employees.

Skandi Recife is the first co-financing between BNDES and Export Credit Norway. The latter is guaranteed by the Norwegian Export Credit Guarantee Agency.

Activity in the Offshore and Maritime Fleet

Norwegian companies own a total of seven Floating Production Storage and Offloading Vessels in Brazil:

- Petrojarl 1 for Teekay
- Pioneiro de Libra for Teekay
- Petrojarl Cidade de Itajai for Teekay
- Peregrino for Equinor
- Cidade de São Vicente for BW Offshore
- Polvo for BW Offshore
- Piranema Spirit for Teekay

These are highly capital-intensive vessels with a long-life expectancy. The two new additions in the period between 2017 and 2018 are the Teekay-owned vessels Pioneiro de Libra and Petrojarl 1.

Pioneiro de Libra is a new vessel received by Teekay in 2017 for use in Brazil, with an estimated building cost of US\$ 1 billion.

Petrojarl 1 was built in 1986 and was operating on various fields in the North Sea. Before arriving in Brazil in 2017, the vessel underwent a 2.5 year-long modernisation program.

Offshore Fleet

Norwegian companies are responsible for a significant portion of the support vessel fleet in Brazilian waters, especially Pipe-laying Support Vessels and Anchor-handling Tug Supply Vessels.

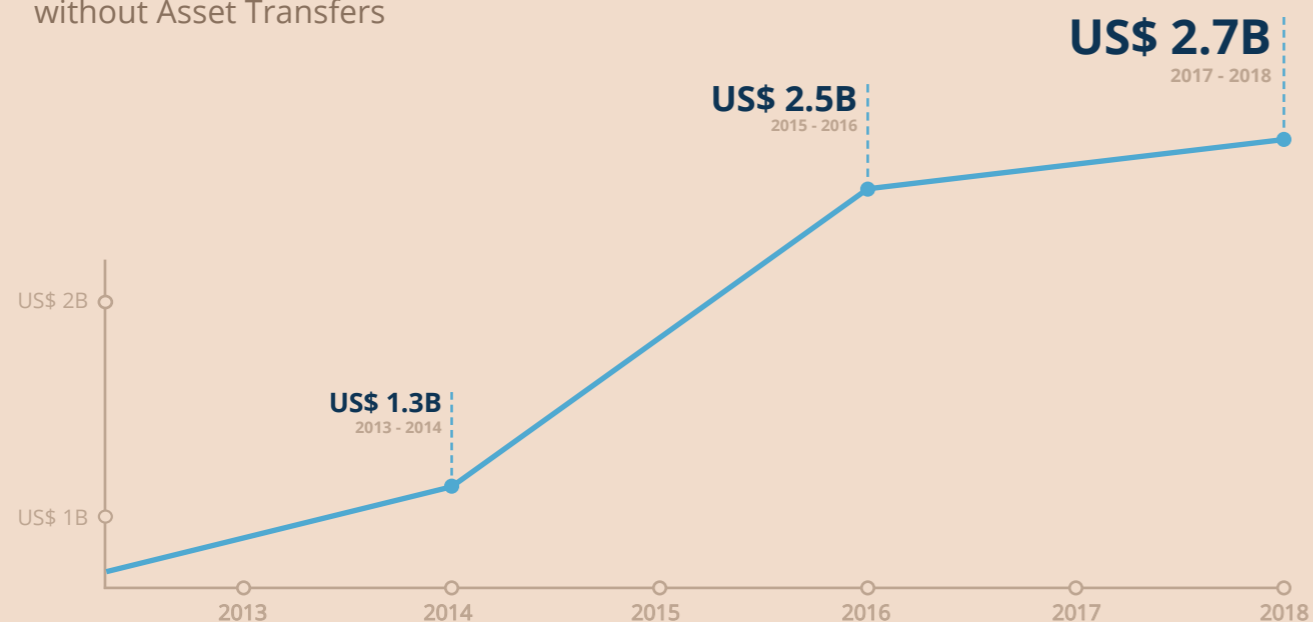
Sapura, DOF and SubSea7 are the owners of the entire Pipe-laying Support Vessel fleet in Brazil and DOF is also responsible for the largest fleet of Anchor-handling Tug Supply Vessels in Brazil, with 11 vessels.

In the period from 2017 to 2018 Norwegian companies expanded their fleet in Brazilian waters with the following vessels:

- Aker Wayfarer for Akastor
- Skandi Recife and SK Achiever for DOF
- Far Serenade and Far Scotsman for Solstad
- West Saturn for Seadrill
- Anna Knutsen, Lena Knutsen and Vigdis Knutsen for KNOT
- Pioneiro de Libra and Petrojarl I for Teekay

Norwegian Investments in Brazil within the Oil & Gas, Offshore and Maritime sectors

without Asset Transfers



Skandi Recife

Skandi Recife is a pipe-laying support vessel built by Vard in Pernambuco for DOF and TechnipFMC.

The vessel is considered the most complex and specialized vessel built in Brazil.

Equinor Maintains Position as Second-Largest Operator in Brazil

Equinor intensified their presence in the Brazilian energy sector in the period from 2017 to 2018, both through the diversification of operations with the incorporation of solar power to their portfolio and by acquiring stakes in oilfields.

Participation in Roncador

The company's most important agreement during this period was the purchase of 25% of the Roncador oilfield from Petrobras, tripling Equinor's production in Brazil. Roncador, which started production in 1999, is Brazil's third largest oilfield in daily production.

The Roncador agreement consisted of an initial payment of US\$ 2.35 billion, which was adjusted to US\$ 2 billion by the end of the transaction, plus additional contingent payments of up to US\$ 550 million, which corresponded to investments in projects towards increasing the recovery from the field.

The agreement was announced at the end of 2017 and completed by June 2018. Equinor also announced a partnership with Petrobras to increase value creation and the longevity of this oilfield, leveraging Equinor IOR technology and experience acquired from the Norwegian Continental Shelf.

Carcará Field

At the end of October 2017, a consortium consisting of the operator Equinor (40%), ExxonMobil (40%) and Galp (20%) submitted the winning bid for the Carcará North block in the Santos basin. Equinor invested US\$ 364 million in the consortium and the transaction was completed in June 2018.

The companies in the consortium carried several transactions in the adjacent BM-S-8 block to align equity interests across the two blocks that together comprise the Carcará oil discovery.

These transactions resulted in Equinor having 40% interest in BM-S-8 and a 40% interest in Carcará North.

Other Licensing Rounds

Four blocks were awarded to Equinor together with consortium partners in a licensing round held in March 2018:

- C-M-657, signature bonus of US\$ 638.5 million, participation 30%
- C-M-709, signature bonus of US\$ 450 million, participation 20%
- C-M-755 and C-M-793, signature bonus of US\$ 26 million, participation 40%

In June 2018 Equinor also participated in two consortiums with winning bids for the Uirapuru and Dois Irmãos blocks in the Santos and Campos basin.

- Uirapuru, signature bonus of US\$ 682 million, participation 28%
- Dois Irmãos, signature bonus of US\$ 103 million, participation 25%

Equinor continue to position themselves for the future in Brazil, being registered to participate in several tenders, including the production sharing round for the surplus on a transfer-of-rights basis.

Significant Investments in Renewable Energy

Apodi Solar - Equinor and Scatec Solar

Solar Energy

Equinor's core business remains oil and gas, but the company has an extensive know-how in renewable energy sources in offshore wind from projects in other countries. The acquisition in solar assets, located in Ceará, represented a major first step towards the solar energy business.

In October 2017 the company acquired a 40% stake in the 162MW Apodi solar project from the Norwegian company Scatec Solar in a transaction worth US\$ 25 million. Equinor has also acquired an additional 3.75% stake in the project from Apodipar raising their total ownership to 43.75%.

The Apodi complex began operation in December 2018 and can provide approximately 170,000 households with electricity. In order to further develop the solar energy potential in the country, a 50/50 joint venture was established with Scatec Solar to build, develop and operate new solar complexes in Brazil.

Wind Energy

In September 2018, Equinor and Petrobras also signed an MoU to evaluate offshore wind projects in Brazil, showing the company's commitment to exploring clean and renewable sources.

Equinor is not the first Norwegian company to work with wind energy in Brazil. The Norwegian company Statkraft is already operating two wind farms in Brazil.

Statkraft considers Brazil a key market for growth over years to come, and are continuously investing and seeking new prospects to expand operations in the country.

Hydro Energy

In October 2018, Statkraft signed a R\$ 704 million agreement with EDP Energias Renováveis to acquire eight hydropower plants.

This acquisition allowed Statkraft to increase its presence in Brazil, bringing the production capacity to 450 MW across 18 plants.

Focus on Research and Development in Brazil

Norway and Brazil continue to strengthen their long-standing science and technology cooperation following an agreement initially signed in 2008. The extension of this agreement, signed in 2016, confirms Brazil as one of the top 6 priority countries for Norwegian cooperation outside the EU.

Cooperation in Energy Projects

This agreement nurtured important cooperation in the period of 2017 and 2018, like the joint call for proposals by FINEP and the Research Council of Norway, RCN.



The call, published in March 2018, was aimed at selecting projects between research institutions and companies. The projects, intended to benefit both Brazil and Norway, were focused on the offshore petroleum industry and included areas not only related to production, exploration and increased oil recovery, but also environmental technology and cost-efficient drilling.

Norwegian companies received NOK 20 million while FINEP assigned R\$ 10 million through Fundo Nacional de Desenvolvimento Científico e Tecnológico (FNDCT).

In 2017, RCN also signed an agreement with FAPESP focused on solar generation cooperation research.

Yara's Hackathon held at the Universidade do Vale do Rio dos Sinos

Digital Farming Initiative

Yara maintains a global digital farming initiative, which includes digital hubs and research into precision farming.

One of Yara's four hubs is located in São Paulo, inside a coworking space and has a team of 50 professionals working in collaboration with startups and other companies.

Development of new solutions based on technology is at the heart of Yara's strategy to create a farmer-centric approach in a sustainable manner.

Up to 90% of their budget for research is directed at public organizations such as research institutions, universities, technology centres and companies like EMBRAPA.

An example of this cooperation is Yara's first Hackaton in the Universidade do Vale do Rio dos Sinos, organized to encourage innovation in the agricultural field.

Focus on Research and Development in Brazil

Equinor's intense activity in the energy sector demands constant development and improvement of solutions to achieve better yields in a sustainable manner.



FPSO Peregrino
Equinor - Rio de Janeiro

Bilateral Cooperation Among Universities

Following the foundation laid by the UTFORSK program, which aims to promote cooperation between higher education and research institutions in Brazil and Norway, the number of scientific cooperation agreements signed between Brazilian and Norwegian institutions continued to increase in the period from 2017 to 2018.

Universidade Federal do Pará, Universidade Federal Rural da Amazônia, Museu Paraense Emílio Goeldi and Universidade Federal do Rio de Janeiro are among the Brazilian institutions that are building closer relationships with Norwegian institutions like the University of Oslo and the University of Stavanger.

These agreements aim to generate collaboration in ecology in tropical forests, biodiversity and sustainable use of the environment.

Research Center in Campinas

FAPESP and Equinor have announced an Engineering Research Center in Oil Reservoir and Production Management which is the result of a partnership established in 2016.

In 2018, the University of Campinas, Unicamp, located in São Paulo state, was chosen to host the center. The goal is to find new solutions in reservoir and production management, focused on production optimization, enhanced/improved oil recovery (EOR/IOR) and water handling.

Over the next 10 years, R\$ 50 million will be invested in this project, divided between Equinor and FAPESP, with a contribution from Unicamp.

Investment and Expansion in the Aluminium Supply Chain

Expansion in Extruded Solutions

In April 2018, Hydro finalised the acquisition of two extrusion plants to consolidate their position in the Brazilian extrusion market.

Located in Utinga and Tubarão, São Paulo and Santa Catarina states respectively, the newly acquired plants employ more than 560 people, and support Hydro in further strengthening their downstream position in Brazil. Hydro already operate an extrusion plant in Itú, São Paulo and the acquisition made the company the industry leader in the Brazilian extrusion market.

Robustness and Resilience

Hydro has several large investment projects related to ensuring the robustness and resilience of their operations in Brazil, as well as supporting the development of the local community.

The world's largest alumina refinery outside China, located near Belém in Barcarena, state of Pará, is owned and operated by Hydro. Since acquiring the refinery from Vale in 2010, there has been constant investment in modernizing the facilities. Today, Hydro are one of the largest employers in Pará, generating 11,000 direct and indirect jobs.

Over the last two years, the company has announced several investments related to the wastewater handling and treatment systems for the refinery in Barcarena. The announced investment is R\$ 675 million and will be completed by 2020.

Aside from the modernisation of the water treatment system, the company has committed R\$ 100 million of investment to support social change in the communities in Barcarena.

Local Workforce and Suppliers

Today, 76% of the employees in Hydro were born in Pará. Hydro is funding skill development training for local young people to increase the proportion of positions filled by locals.

Investments are also being made to ensure qualified local suppliers. In partnership with the REDES organization, from the Pará state Industry Federation (Fiepa), Hydro launched the Program for Development of Local Suppliers.

Through this project, Hydro provides free education and training to Hydro's suppliers both in the administrative, commercial and operational fields, to foster entrepreneurship in the state of Pará. Hydro's cases from this program have received awards from REDES over recent years.



Hydro Extruded Solutions
Norsk Hydro - Brazil



Agricultural Productivity and Agribusiness

Yara Brazil

The years 2017 and 2018 represented an important period of further investment for Yara in Brazil, in a market that has been presenting record-breaking growth over the past years.

The company has established itself as the market leader of high-quality fertilizers for the Brazilian market, investing in acquisition and development of new plants, thus reducing the needs for imports.

Vale Cubatão Fertilizantes

In May 2018, Yara closed the acquisition of Vale Cubatão Fertilizantes, in a transaction valued at US\$ 255 million.

This acquisition was one of the key business initiatives for Yara globally that year, allowing them to integrate nitrogen production assets into their portfolio, serving both industrial and fertilizer businesses.

The complex employs 1,015 permanent and 970 outsourced employees. Another important transaction in 2018 was the acquisition of the remaining equity interests in Galvani Indústria, Comércio e Serviços S.A.

Foliar Fertilizer Plant

To continue expanding the business in Brazil, which represents a third of the company's global sales in fertilizers, Yara has invested over US\$ 30 million in a foliar fertilizer facility.

This is their first foliar and micronutrients production facility in Brazil and the only one outside Europe. The new facilities are using state-of-the-art technology with automation in nearly 100% of the process.

The 11,000 m² plant is located in Sumaré, São Paulo state, with good links to the Santos port and main agriculture centers.



OLX Brazil - Adevi

Increased Activity in Mobile, Media and Marketplaces

A constantly increasing number of Norwegian technology and media companies are active in the Brazilian market.

The largest investments are in the classifieds sector, but there are also investments occurring both in music streaming with Tidal and in mobile software with Otello.

Largest Job Site

Adevinta, a subsidiary of the Norwegian media group Schibsted, own a majority stake in the job site Infojobs which is the market leading job board in Brazil. Unlike OLX Brazil, Infojobs is not in a capital-intensive growth phase. The platform has been around for 15 years and has achieved market leadership through long-term investment in their Brazilian operation.

The platform currently has more than 26 million professionals registered on its database. Comscore confirmed in March 2017 that Infojobs is the most visited job site in Brazil.

Online Marketplace Leader

Adevinta has also significantly increased its commitment to the Brazilian market by raising their participation in OLX Brazil from 25% to 50% in May 2017.

Since the increased ownership by Adevinta, OLX Brazil has continued to announce large investments directed to technology and innovation in Brazil. Between 2017 and 2018, OLX Brazil announced a combined R\$ 358 million investments directed to technology and innovation in Brazil.

Following these investments, OLX Brazil saw a strong expansion during this period, adding nearly 300 staff, about 50% of their workforce. The company is the leading marketplace in the country, responsible for transactions that reached R\$ 57.6 billion in 2017, involving sales of 26.7 million items.

Investing in Gender Equality for Long-term Stability

Gender equality is a factor that is also increasingly important in businesses. Although Norway has come far in creating a better gender balance, this has only come about thanks to huge efforts from both the authorities and the sector itself. Not everyone favoured the implementation of gender quotas on the boards of listed companies. There was a lot of scepticism, and there is still work to do in this field.

The Global Gender Gap Report 2018 published by the World Economic Forum places Norway in 11th position in the Economic Participation and Opportunity ranking, reaching at least 80% of parity. By comparison, Brazil ranks 92nd in the same list. Brazil is also lagging behind in number of women occupying seats on boards, with 8.4%, whereas Norway reached 42.1% according to OECD data from 2017.

“If Norwegian women's participation in the workforce were reduced to the OECD average, the value of the production loss would amount to our entire oil wealth, including that which is still underground.”

Jens Stoltenberg,
former Prime Minister of Norway

Motivation and Actions

Gender equality is a key performance indicator, it is becoming increasingly important for fundamental investment analysis and subsequent market valuations of Norwegian companies.

Over recent years, several studies have been published by Nordic companies correlating gender diversity in management with the company's long-term financial performance.



Margareth Øvrur
Country Manager Brazil - Equinor

Most recently, the Norwegian asset management firm Storebrand commissioned a study from PwC which concluded that Norwegian companies with more female leaders make less volatile investments and have a smaller fluctuation in equity prices than their peers.

Norwegian companies brought to Brazil elements of Norwegian values and a focus on adding women to the workforce and as leaders of their Brazilian operations. One of the examples is Equinor, the second largest O&G operator in Brazil, which has been led by Ms. Margareth Øvrur since 2018. This industry is often seen as male dominated, but 43% of Equinor's Brazilian workforce are women, who also occupy 55% of leadership positions.

The agribusiness company Yara has been focused on reducing the gender pay gap worldwide. In 2018, Yara undertook an analysis to identify these types of discrepancies in several countries, including Brazil. The result of this project is guiding the company to ensure that they offer all their employees equal and fair pay.

Locations Where Norwegian Companies Operate in Brazil

2017 - 2018



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