Ministry of Mines and Energy

EU-Latin America Dialogue on Raw Materials

Challenges of Brazilian Mineral Policy

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Strategic Planning Guidelines

- Effective **public governance** that promotes the use of nationally extracted mineral assets for national interests;
- **Adding value and expand knowledge** in all stages of the mineral industry;
- Promoting **sustainability** in all stages of the mineral production chain.

- Released in 2011
- Reviews each 5 years

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Strategic Minerals

MINERALS WITH HIGH EXTERNAL DEPENDENCE

IMPORTS

- Potassium
- Phosphate
- Metallurgical Coal

MINERAL CLAIM WHICH SHOULD EXPAND IN THE NEXT DECADES

"FUTURE HOLDERS" (excluding radioactives and oil)

- Lithium
- Rare Earth

ABUNDANT MINERALS ESSENTIAL FOR TRADE BALANCE

BRAZILIAN LEADERSHIP

- Iron ore
- Niobium

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Main Challenges for Brazilian Mining Sector

Increasing **geological knowledge** of Brazilian territory (emerged and immersed)

Ensuring the best use of our mineral resources **(sustainability)**

Promoting **social responsability**

Adding technology in mineral production chain **(innovation)**

Increasing **competitiveness**

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Brazilian Mineral Sector GDP

Participation of mineral sector in Brazilian GDP

Source: Ministry of Mines and Energy.

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Brazilian Mining Industry Performance

- Brazil produces around **80 mineral products**.
- Mineral Production Value : **US$ 25.0 billion (Approximate)**
- Mineral Exports Value : **US$ 18.4 billion**
- Mineral Trade Balance : **US$ 11.5 billion**
- Investment forecasted (2014 - 2018) : **US$ 13.3 billion**

Data refers to 2015
Source: SECEX/MDIC, DNPM, RAIS, BNDES

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Geological Knowledge Increase

Brazilian Geological Survey (CPRM) Performance on Geology and Mineral Resources

2011-2015

- Investments: above US$ 100 million
- Geological Surveys: 875.000 km^2
- Aerogeophysical Surveys: 1.4 million km^2

2015-2019

- Evaluation of mineral resources in 3 large sedimentary basis
- 1 million km^2 covered by the project
- Focus on phosphate and minerals for construction industry

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Geological Knowledge Increase

International Maritime Area Request

- Agreement signed in October 2015
- Brazilian Geological Survey (CPRM) was authorized by ISBA (International Organism linked to the UN) to explore marine mineral resources in the Rio Grande Elevation (South Atlantic).

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Projects for Brazilian Mining Industry Development

"Inova Mineral" Program – Innovation

- Focus on mining and mineral processing
- Aim to provide the growth of the mining sector through investments in Research, Technological Development and Innovation (RD & I),
- Funding resources of US$ 300 million (BNDES)

Processing and Mineral Transformation Zones

- Polo-Zones to be encouraged in areas of intense mining activity.
- Focus on adding value along the production chain
- It involves the evaluation of technical parameters, economic, environmental and demographic income and wealth generation from mineral assets, as well as its impact on other economic sectors.

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Sustainability Development Projects

Socioeconomic and Environmental Diagnosis of Small-Scale Mining in Brazil:

- Developed in partnership with World Bank
- Diagnosis, evaluation and update data on small-scale mining in Brazil
- Investments: US$ 1.1 million
- Estimated delivery date: September, 2017

Recovery of "Santa Catarina Coal Basin" in Brazil

- Environmental recovery of abandoned coal mining areas
- Investment performed since 2014: US$ 15 million

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Overview of Brazilian Mineral Sector

- Brazil still has a huge potential to discovery new deposits and continued being a great producer of mineral commodities.
- A major challenge to be faced is the diversification of the Brazilian mineral production, bearing in mind that now a day it is currently concentrated in iron ore.
- The Brazilian domestic market is placed as a major consumer.
- Government is promoting mining activities taking into account their social and environmental responsibility.

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Thank you very much!

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