



Norwegian Consulate General

Rio de Janeiro

Report

Norwegian Investments in Brazil

2017 Edition

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Foreword



"Norwegian investments contribute to Brazil's economic development and to job creation for Brazilians."

Sissel Hodne Steen
Consul General in Rio de Janeiro

I am pleased to present Investment Report 2017 about Norwegian Investments in Brazil.

Economic ties between Brazil and Norway go far back. The Norwegian sailing ship "Nordstjernen" (North Star) arrived in Rio de Janeiro with the first "bacalhao" shipload 175 years ago this very year. Brazil has grown to be the largest importer of Norwegian cod worldwide - a reason on its own to celebrate!

Norwegian investments in Brazil have grown steadily since 2009. The years 2015 – 2016 are no exception. I am proud to say that Norway is now the 8th largest investor in Brazil (FDI). Norwegian investments contribute to Brazil's economic development and to job creation for Brazilians. Norwegian companies create more than half a million direct, indirect and induced jobs in Brazil. Companies are increasingly reinvesting profits into their operations in Brazil as well as in R&D in close partnership with Brazilian companies and academia.

Years of challenging economic and non-economic circumstances in Brazil have forced some companies, especially in the offshore and maritime sectors, to leave the country or to scale down. Many companies have, however, seized the opportunity to strengthen their position. Nevertheless, as many as 179 Norwegian companies have activities in Brazil.

The oil, gas and maritime sectors are and will continue to be the largest destination for Norwegian investments. More than half of the investments in 2015 – 2016 were in these sectors.

Allow me to draw your attention to the remarkable increase in investments in renewable energy. I believe that investments in these sectors will increase in the years to come. Norwegian investments in other sectors are also worth mentioning: A global paint producer from Norway inaugurated its first industrial facility in Brazil In 2015. The largest fertilizer company in Brazil is Norwegian. Not forgetting that the world's largest alumina refinery located in Brazil, is Norwegian.

HRH Crown Prince Haakon of Norway, during his official visit to Brazil in 2015, underlined that Norwegian companies have a long-term perspective and commitment in Brazil. This year's investment report confirms that. Norway will continue to be a strong economic partner in Brazil, as it will in other areas of common interest.

Sissel Hodne Steen
Consul General

Executive Summary

NORWEGIAN INVESTMENTS IN BRAZIL

NORWEGIAN INVESTMENTS IN BRAZIL

US\$ 21.3
BILLION
Accumulated Investments
without Asset Transfers

+27.6 %
Investment Increase
from 2014 to 2016

US\$ 4.6
BILLION
Invested in 2015 and 2016

21.2 %
Reinvested Profits
in 2015 and 2016

NORWEGIAN JOB CREATION IN BRAZIL

26,000
Direct Jobs
520,000
Indirect and Induced Jobs



546,000
Jobs Affected

546,000 jobs is 0.6% of the employed workforce in Brazil



Good Business Prospects

More than 70% of the Norwegian companies participating in the survey referred to Good Business Prospects as one of the main reasons to invest in Brazil.

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 fourth version adds data from the last 2 years.

The methodology and historical data presented in this report follow mapping exercises commissioned by Innovation Norway and the Norwegian Consulate General in Rio de Janeiro and the Embassy of Norway in Brasilia in 2015.

Companies featured in this report are among the top 15 Norwegian investors in Brazil or have made announcements in 2015 or 2016 that will affect Norwegian investments in Brazil in the sector they represent for the coming years. 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 and an anonymous qualitative survey in September 2017. The majority of consolidated quantitative data in this report was collected from the surveyed Norwegian companies. Estimates from desk research made up 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 Brazilian Development Bank, BNDES, job generation model.

Definition of Norwegian Investments

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

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

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

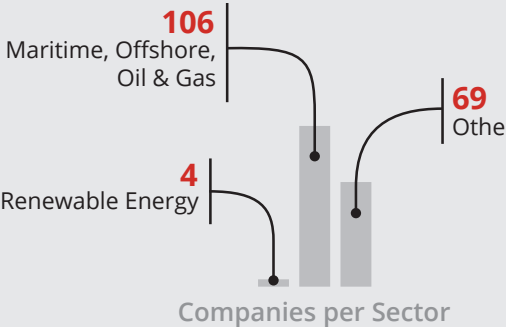
Data Distribution

The investment data collected and estimated was related to the period from 2015 to 2016. For consistency with the previous years, the presentation of the investment data was equally distributed between 2015 and 2016, with the exception of the effects related to Statoil's license agreement with Petrobras for BM-S-8.

For the employment data, a linear change from 2014 to 2016 data was assumed.

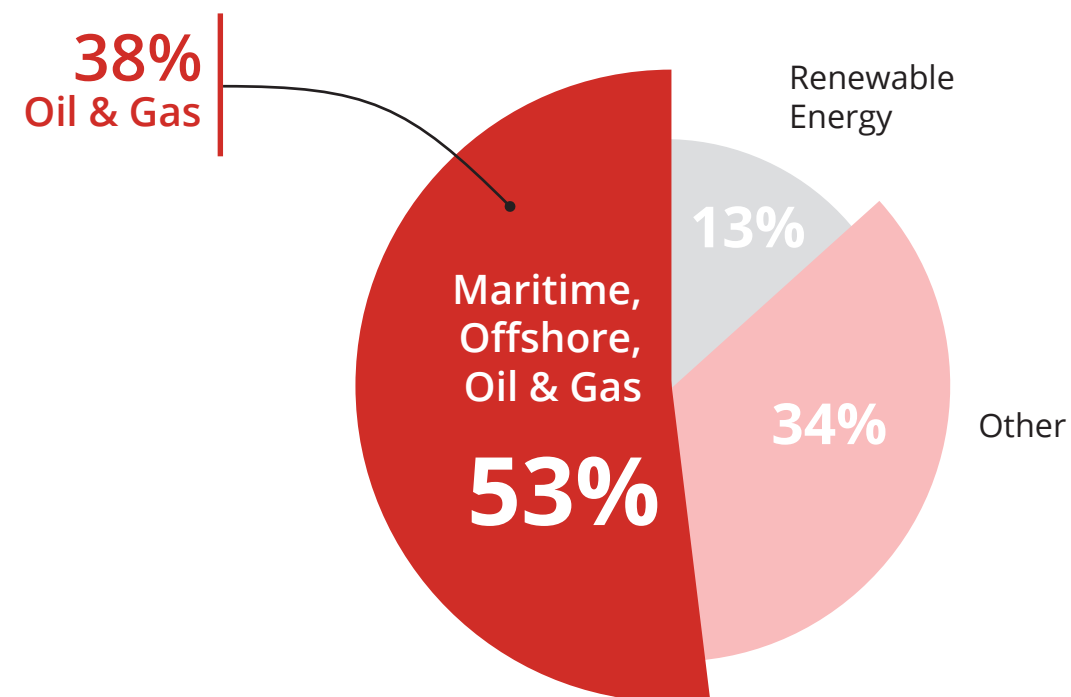
Norwegian Companies in Brazil

- 179** Companies Invited to Participate in Survey *
- 103** Companies that Created Direct Jobs in Brazil
- 74** Companies Responded to 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 2015 - 2016



Investments Overview

The 2015 - 2016 period was turbulent for both Brazilian and Norwegian companies operating in the country. Some Norwegian companies have decided to scale back their operation in Brazil while most Norwegian companies have seized the opportunity to strengthen their position in the Brazilian market.

This overview of Norwegian investments in Brazil only includes active investments made in 2015 - 2016 by Norwegian companies. We do not include investments by individuals, bilateral aid, and passive equity investments.

Investment by Sector

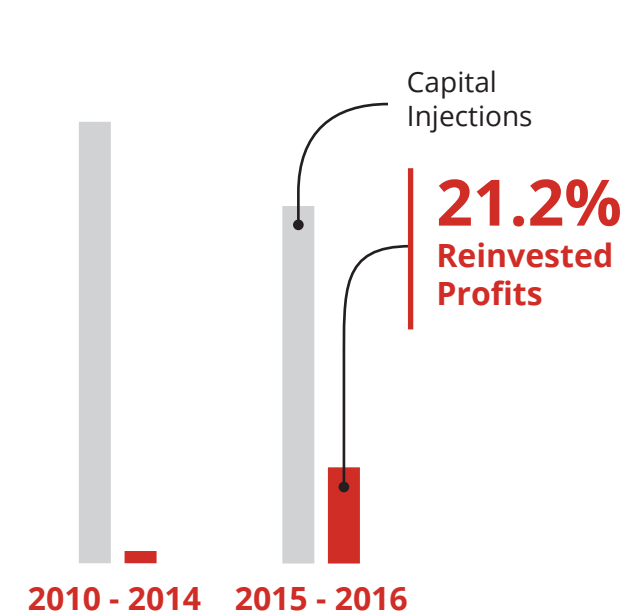
Statoil's agreement to acquire the BM-S-8 license from Petrobras is the single largest transaction during the current period. However a positive investment trend can be observed across all sectors and is not limited to the oil & gas sector.

In the 2015 and 2016 period, the renewable energy sector had astonishing growth compared to 2014, climbing from 6% to 13%, with strong activities within bioenergy, wind and hydropower projects. During the same period, a project was announced by Scatec Solar which will ensure further expansion and investments in the sector by Norwegian companies for the coming years.

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 2014, from 38% to 34%.

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 in their specific sector.

Norwegian Investments in Brazil 2015 - 2016



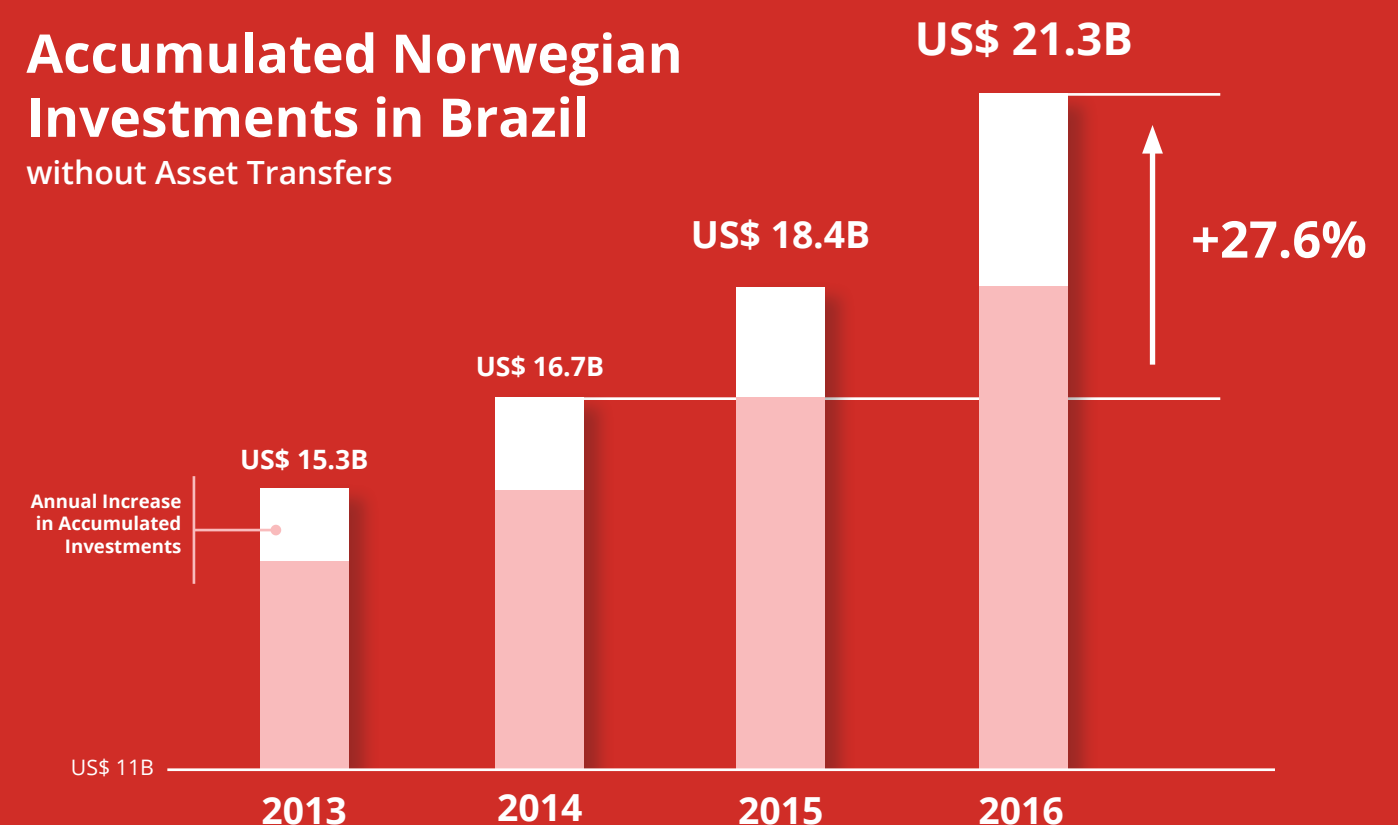
Investment by Type

A change from previous years is that Norwegian companies in Brazil are now becoming profitable and increasingly reinvesting their profit into their Brazilian operations.

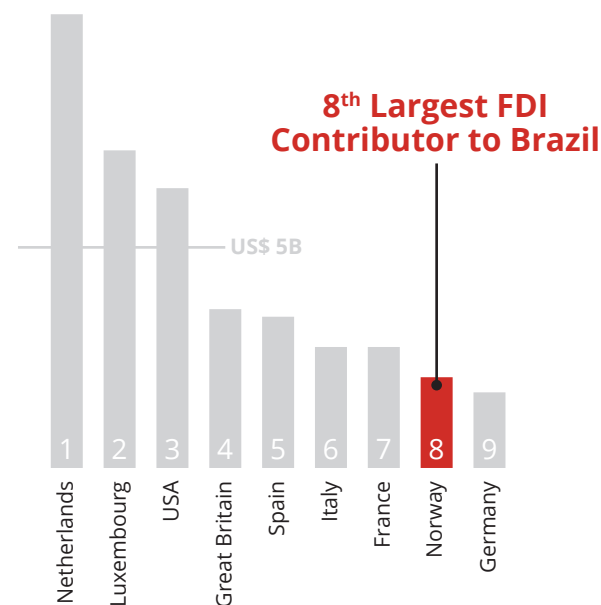
The trend of increased reinvested profit into the Brazilian subsidiary is observed across all of the sectors we have surveyed, with the exception of oil & gas.

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 to Brazil.

Accumulated Norwegian Investments in Brazil without Asset Transfers



Norwegian Investments in Brazil 2015 - 2016



FDI by Origin

The Foreign Direct Investments data from the Brazilian Central Bank for 2015 and 2016 shows that Norway has leapfrogged many countries and is now ahead of large economies such as Germany, Japan and China.

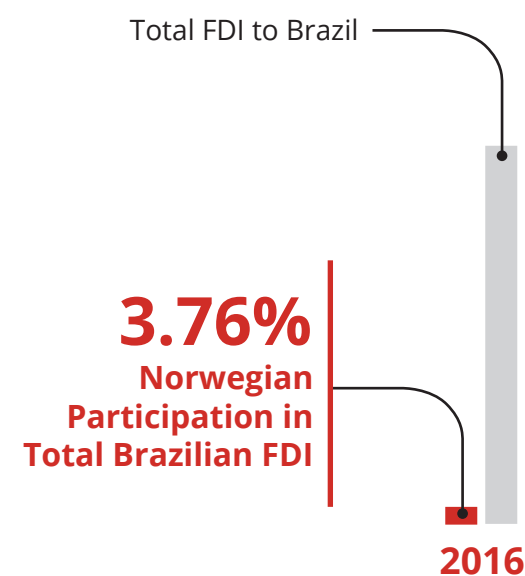
FDI information does not provide an accurate overview of total capital injections from Norwegian companies to Brazil. A significant number of Norwegian companies undertake capital injections to Brazil through holding companies in other European countries like the Netherlands.

FDI by Volume

Data from the Brazilian Central Bank shows that Norway is an increasingly important source of Foreign Direct Investments to Brazil.

In 2011, Norway was the source of 1.54% of Foreign Direct Investments to Brazil. Five years later, Norwegian participation had increased to 3.76%.

While Norwegian companies have steadily increased their long-term investment in Brazil over the last five years, the total Foreign Direct Investments to Brazil has fallen by 11.35%.



i Norwegian Asset Transfers to Brazil

For the purpose of this report, asset transfers are not considered a part of Norwegian investments to 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.

Numbers from the Norwegian Shipowners' Association Brazil, ABRAN, show that Norwegian companies own 16% of the offshore support vessels in Brazilian waters.

The number of asset transfers for the 2015-2016 period has slowed down compared to 2014. Largest asset transfers for Norwegian companies to Brazil in the period include the vessels:

- Skandi Açu for DOF
- Safe Notos for Prosafe
- Seven Sun and Seven Rio for Subsea 7
- West Tellus and West Carina for Seadrill
- Far Sagaris for Solstad Farstad

In addition to the vessels above, Sapura Navegação transferred four vessels to Brazil. Sapura Navegação is a joint-venture between Seadrill and SapuraKencana Energy, where Seadrill owns 50%.

i Norwegian Pension Fund in Brazil

The Norwegian Pension Fund is an important player in the Brazilian financial market, and by the end of 2016 it had holdings in Brazilian bonds and equities worth US\$ 7.64 billion.

By December 2016, the Norwegian Pension fund had US\$ 4.24 billion invested in Brazilian equities which corresponds to 0.53% of the total BM&FBOVESPA market capitalization.

Petrobras is the fund's single largest equity holding in Brazil. The total investment in Petrobras was US\$ 457 million, which corresponds to a 0.76% ownership position in the company.

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



Source for this page: Brazilian Central Bank (2017)

FDI data from the Brazilian Central Bank may differ from other investment data in this report and are only intended to show the relative volume of Norwegian capital injection to Brazil.

546,000
Jobs Affected

Indirect Jobs

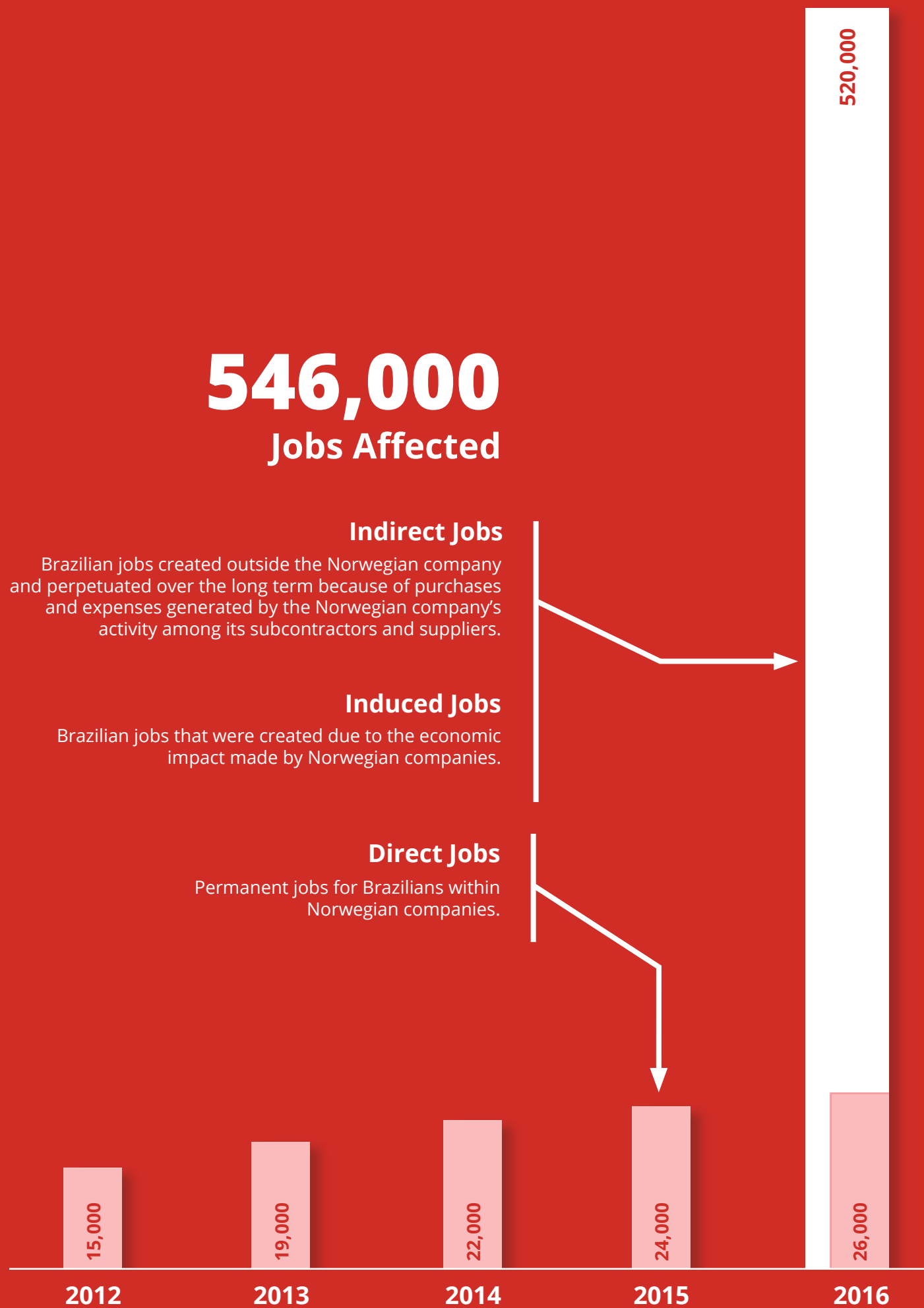
Brazilian jobs created outside the Norwegian company and perpetuated over the long term because of purchases and expenses generated by the Norwegian company's activity among its subcontractors and suppliers.

Induced Jobs

Brazilian jobs that were created due to the economic impact made by Norwegian companies.

Direct Jobs

Permanent jobs for Brazilians within Norwegian companies.



Norwegian Investment Impact on The Brazilian Job Market

Direct Job Creation

Increased investments and operations in many of the labour-intensive sectors caused a solid increase in direct jobs created by Norwegian companies in Brazil. Direct jobs have increased 18% since 2014 and reached a total of 26,000 jobs in 2016. A total of 103 Norwegian companies have direct employees in Brazil.

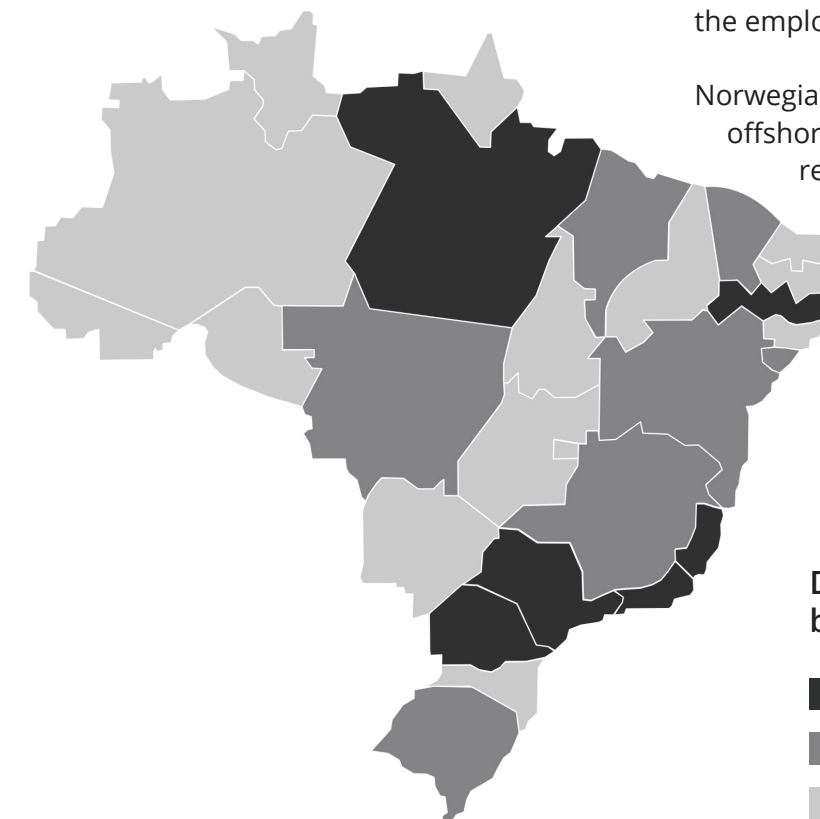
There is a clear trend towards a reduction of Norwegian expats working for the surveyed companies in Brazil. In 2014, there was reported to be 177 expats working for Norwegian companies while in 2016 this number had fallen to 105.

Indirect and Induced Job Creation

According to The Brazilian Development Bank's model used to estimate indirect and induced jobs, Norwegian companies are responsible for generating over 520,000 indirect and induced jobs across all sectors of the economy, representing roughly 0.6% of the overall employed workforce in Brazil.

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.

Norwegian entities working with projects for the offshore, maritime, oil & gas sectors are alone responsible for generating 77.5% of the indirect and induced employment.



Direct Jobs Creation per State by Norwegian Companies

- More than 1,000 jobs
- From 100 to 999 jobs
- Less than 100 jobs

Business Environment Barometer

Qualitative Survey

An anonymous qualitative survey was conducted among Norwegian companies with activities in Brazil to get a better understanding of the main drivers for investments in the country, as well as their long term motivations and concerns.

In all, 45 Norwegian companies with activities in Brazil chose to participate in the survey which was conducted during September 2017.

Political Instability and Corruption

During our anonymous qualitative survey of Norwegian companies with activities in Brazil, a significant number of companies brought up political instability and corruption as a main concern for their operations in Brazil for the coming years.

Main Reasons to Invest in Brazil

This question allowed for up to three options per company surveyed.

Good incentives provided by the Brazilian government for establishing local operations



Access to an abundant workforce



Attractive M&A targets



Attractive consumer market for product / service



Good business prospects



How has the Brazilian recession impacted investments?

Planning to or already have shut down operations in Brazil



Planning to reduce long term investments



Planning to reduce short term investments (next 1-2 years), but these will be restored



Investments were not affected at all



What factors are of most concern in relation to operations in Brazil for the coming years?

This question allowed for up to three options per company surveyed.

Lack of a qualified workforce



Increase of taxes / duties



Changes in the federal / state / municipal regulations or policies



Political instability



Other. Please specify:



1. Corruption - 44.5%
2. Market - 33.5%
3. Infrastructure investments - 11%
4. Reduction of local content - 11%

Positive Investment Trends for Oil & Gas, Offshore and Maritime

Lead by Statoil, Norwegian investments in oil & gas, offshore and maritime sectors in 2016 reached the highest levels ever recorded.

In November 2016, Statoil signed a deal worth US\$ 2.5 billion involving the acquisition of a 66% share from Petrobras of the offshore license BM-S-8 in the Santos basin, which contains a substantial part of the pre-salt discovery Carcará.

After deducting the effect of the BM-S-8 license, the average Norwegian investments in these sectors between 2015 and 2016 are still at a higher level compared to 2013, but have dropped slightly in comparison to 2014.

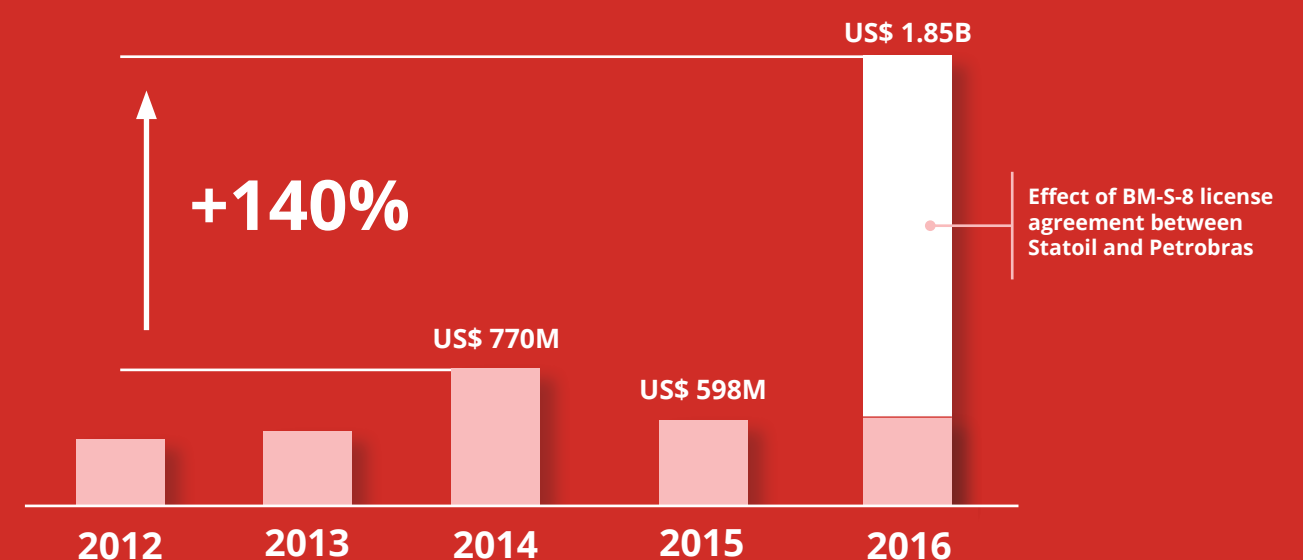
Companies in the oil & gas sector report that the decline in Petrobras' activity level in Brazil seems to have levelled out, and that they see an indication of a gradual increase over the coming years.

Although a handful of companies have closed their operations in Brazil, the largest Norwegian companies have taken advantage of the opportunity to improve their competitive position or to build capabilities that would deliver more cost-efficient services.

In the survey we conducted, very few of the Norwegian companies reported that they have issues finding qualified labour in Brazil, something that is reflected in a low number of Norwegian expat workers identified within the oil & gas, offshore and maritime sectors.

For the 2015 and 2016 period, it was reported that there were less than a hundred expats working in the Norwegian oil & gas, offshore and maritime companies in Brazil.

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



Oil & Gas, Offshore and Maritime Drivers for Norwegian Investments



Seven Rio, Subsea 7

Statoil the Second Largest Operator in Brazil



Peregrino A platform, Campos Basin, Rio de Janeiro

Offshore Fleet

Several Norwegian offshore companies have received new vessels to expand their fleet operating in Brazilian waters during the period. Some of the new vessels are coming from abroad and are considered to be asset transfers, while three vessels were delivered from Brazilian yards to Norwegian companies.

In the period, a total of 11 new vessels were received by Norwegian companies for operations in Brazilian waters:

- Skandi Angra, Skandi Paraty and Skandi Açú for DOF
- Seven Rio and Seven Sun for Subsea 7
- Safe Notos for Prosafe
- Siem Marataizes for Siem Consub

In addition Sapura Navegação, a joint-venture between Seadrill and SapuraKencana Energy expanded their fleet with four new vessels.

Engineering and Manufacturing

Aker Solutions and MH Wirth, the largest subsidiary of Akastor, made significant investments in Brazil, and both opened new plants in 2016.

Over the past few years, Aker Solutions has made large investments in a plant inaugurated in São José dos Pinhais in early 2016. From the starting phase, the facility is employing 850 people.

MH Wirth opened a new manufacturing plant and training center in Macaé, Rio de Janeiro in May 2016. The company has invested US\$ 100 million in the 26,000 m² facility, which includes a training centre with drilling simulators and a full scale test tower.

The oil field operator Statoil has Brazil as a core area for international upstream business and their investment in the Peregrino oil field intensified even further in the 2015 - 2016 period. Statoil invests in discovery, exploration and operation in Brazil.

Located in the Campos Basin, off the coast of Rio de Janeiro, Peregrino is a heavy oil field operated by Statoil, which also holds a 60% ownership interest in the field.

Long Term Commitment

By the end of 2014, Statoil had approved the development plan for the Peregrino Phase II which includes the Peregrino South and Southwest discoveries. The project received approval from the Brazilian National Agency of Petroleum, Natural Gas and Biofuels, ANP, in 2016.

Total investments in Peregrino Phase II are estimated to reach US\$ 3.5 billion and production is expected to commence in 2020.

Licenses Acquisitions

The 2016 agreement to purchase Petrobras' share of the BM-S-8 license, in the Carcará discovery, for a total value of US\$ 2.5 billion consolidates Statoil's position as one of the largest oil field operators in Brazil.

In addition to the BM-S-8 operation, Statoil currently participates in ten exploration blocks in the Espírito Santo basin.

In 2016, the company took over the operatorship of the BM-C-33 license from Repsol Sinopec Brasil. This license contains the Seat, Gávea and Pão de Açúcar discoveries.

Creating Value Along the Brazilian Coastline

Norwegian investments in oil & gas, offshore and maritime consistently create jobs and value along the Brazilian coast line. From Rio Grande in the South to Amazonia in the North, Norwegian investments are bringing value to local cities and communities.

Shipyards

In 2016, Vard consolidated all their shipbuilding operations in Vard Promar, located in Ipojuca, in the state of Pernambuco. Vard also increased the shareholding stake at this shipyard from 50.5% to 95.15% in late 2016.

During 2015 and 2016 Vard has continued supporting the oil & gas industry in Brazil, having successfully completed carriers and vessels for Transpetro and DOF.

Subsea Manufacturing

Aker Solutions opened a new plant in São José dos Pinhais in April 2016, to supply subsea trees and other subsea equipment, doubling their production capacity in Brazil.

The manufacturing facility has approximately 850 employees, and allows the company to attend growth plans for Petrobras and an order backlog.

In early 2016, the company announced a three-year fixed agreement valued at BRL 435 million to provide maintenance and other services on subsea equipment to Petrobras, which may be extended by another three years.

In the same year, Aker Solutions made an important acquisition in Brazil, buying a 70% stake in C.S.E. Mecânica e Instrumentação, a Brazilian provider of maintenance, assembly, commissioning and crane operation services.



Vard Promar Ipojuca, Pernambuco

Vard is one of the world leaders in building and designing of complex ships and highly specialized vessels.

Construction of the yard in Pernambuco began in 2011, an investment project that was estimated to reach US\$ 190 million.

By the end of 2015, Vard Promar delivered their first Brazil built vessel from their new yard in Pernambuco.

Vard has used the opportunity to consolidate all their activity in Pernambuco where they also have bought out their joint-venture partner to increase Vard's strategic flexibility in Brazil.

Energy from Sugarcane, Ethanol and Bio Electricity



Umoe Bioenergy, Sandovalina, São Paulo

Sugarcane

Brazil has become a top destination for Umoe's investment in renewable energy over the past three years, producing low cost, sustainable bioethanol from sugarcane.

Umoe Bioenergy cultivates and harvests almost all of the sugarcane on about 40,000 hectares of owned and leased land in the Southwest region, at Paranapanema, in the state of São Paulo, Brazil. The company's industrial plant, the Sandovalina facility, has a crushing capacity of 2.6 million tonnes of sugar cane per year.

In addition to ethanol, the Sandovalina facility also operates a bio electricity plant with a capacity of 30 MW. Bioelectricity is produced by burning bagasse, which is the dry, fibrous waste that is left after the sugarcane has been processed and the ethanol extracted.

The bio electricity plant was financed by BNDES and the Norwegian bank DnB.

In 2016, Umoe Bioenergy harvested 2.23 million tonnes of sugarcane. This resulted in a production of 172 million litres of ethanol.

Increasing Sugarcane Yields

Umoe Bioenergy establishes partnerships for research and development of biological crop inputs targeting the renewable energy industry. One of their closest partners is Agrinos, which is another Norwegian company working in Brazil to increase agricultural yields.

The use of Agrinos technology allows Umoe Bioenergy to achieve a substantial yield increase in comparison to control fields, both for tonnes of cane produced per hectare and total recoverable sugar content per hectare.

Important Investments in Hydro, Wind and Solar Power

Solar Power

Scatec Solar is a Norwegian company that develops, builds, owns and operates solar power plants, and is actively pursuing new solar projects in Brazil. After initially targeting a 78 MW solar project in the state of Piauí, they announced at the end of 2016 an agreement to develop a much larger 150 MW investment project in Ceará.

The Ceará project includes four photovoltaic power plants and is estimated to require investments in the range of US\$ 230 million. The Brazilian Electricity Regulatory Agency, ANEEL, has also entered a 20-year power purchase agreement from the project in Ceará.

The agreement with ANEEL stipulates that the solar plants will be ready for production in 2018 and the total annual production from the solar plants should reach 305,000 MWh.

Hydro and Wind Power

The Norwegian company Statkraft has been developing hydropower plants in Norway since 1895. Today the company operates 372 power plants around the world.

In Brazil, Statkraft is a developer and operator of hydropower and wind power projects. After the acquisition of a majority stake in Desenvix, the company had, by the end of 2016, ownership interest in ten hydropower plants and four wind power plants in Brazil.

Statkraft has a combined generation capacity of 263 MW in Brazil, where 183 MW is related to hydropower plants and 84 MW is related to wind power.

Brazil is a key market for Statkraft and the company is looking for new investment projects related to its existing infrastructure. The company has established a research partnership with the University of Santa Catarina, seeking to find the optimal solar technology for use in Brazil.

Statkraft Brotas de Macaúbas, Bahia

Statkraft owns Parque Eólico da Bahia consisting of three wind farms.

Total investments in the Parque Eólico da Bahia project have been approximately US\$ 130 million.

Research and Development Focus in Brazil



Akers Mekaniske Verksted, Oslo, Norway

Building knowledge locally to establish a solid foundation for growth has been a priority for Norwegian companies like Statoil and Aker Solutions, which have invested in R&D centres to further support their activities in Brazil. The latter built state-of-the-art laboratories at the newly inaugurated facility located in the city of São José dos Pinhais, Paraná.

Aker Solutions is ranked amongst the most innovative companies in Brazil, having directed 0.7% of their revenue to R&D in 2016. The company has maintained a local development team with a total of 130 engineers since 2016, developing subsea processing projects and supporting their international programmes.

One of the largest investors in Brazil, Statoil established a research centre in Rio de Janeiro in 2011 and has so far invested over BRL 110 million in research projects.

In 2016, Statoil's multidisciplinary centre was developing 19 innovation projects in four focus areas: submarine engineering, CO₂ management, enhanced oil recovery in mature fields and exploration in pre- and post-salt basins.

Statoil's Research Center maintains partnerships with companies like DNV-GL and Petrobras, as well as academic arrangements with universities across Brazil like UFRJ, UFMG, UFSC, Unicamp and USP.

The Research Council of Norway, RCN, and Brazil's Financiadora de Estudos e Projetos, Finep, are collaborating to support joint research projects between the two countries. A call for proposals on projects for the offshore petroleum industry was announced in 2015, where RCN granted NOK 10 million and FINEP BRL 5 million.

Research Conducted Across Brazil

Even though Norwegian activities are heavily focused on the offshore sector, R&D initiatives are allocated throughout the country.

A notable example in the agribusiness segment is the continuous research and development collaboration projects between Yara and universities such as USP, and local institutions like Instituto Agrônômico, IAC, and Embrapa.



World's Largest Aluminium Refinery in the North-East of Brazil

The Norwegian company Hydro is one of the largest industrial companies in the state of Pará. From mining of bauxite in Paragominas, to alumina refinery and aluminium smelting in Barcarena, the company is employing more than 4,500 workers in the state of Pará alone.

The Alunorte plant in Barcarena has undergone three expansions projects, and in 2016 the refinery reached a production of 6.3 million tonnes of alumina while the Paragominas bauxite mine produced 11.1 million tonnes of bauxite.

Hydro has also established their fourth global research center in Barcarena where the research is focused on bauxite and alumina.

In addition to the existing Alunorte plant, Hydro is also the majority owner of Companhia de Alumina do Pará which holds an approval for construction of a new alumina refinery in Barcarena. The project has been postponed and further development is mainly dependent on the global market demand for alumina.

Hydro is not only investing in their own facilities but the company is also a key player in securing larger infrastructure investments that benefit the state of Pará. The company has entered an agreement with Shell and the state of Pará which ensures the development of a new distribution infrastructure for the more environmentally friendly and cost-efficient natural gas benefiting both Hydro and the region as a whole.



Norsk Hydro Barcarena, Pará

Hydro Alunorte is the world's largest alumina refinery and has nearly 1,600 permanent employees and about 800 long-term contractors.

After three expansions, Hydro Alunorte has a total capacity of over six million metric tonnes.

Part of the alumina is directed to the neighbouring Hydro controlled business Albras, the second largest aluminium metal plant in Brazil, with 1,200 permanent employees and over 400 workers on long-term contracts.

Agricultural Productivity and Agribusiness



Yara, Brazil

Investments in Productivity

Yara is the largest fertilizer producer for Brazilian agriculture, providing eight million tonnes of fertiliser to Brazilian farms per year.

Yara's position as market leader has been consolidated over a period of 20 years, during which the company completed a number of acquisitions in Brazil to improve domestic distribution and production capacity. Over the past few years, Yara has invested approximately US\$ 1.5 billion in Brazil.

Important acquisitions made by Yara include Adubos Trevo, Fertibras, Bunge Fertilizantes and more recently Galvani in 2014. As of 2016, Yara had 12 different investment projects that were active or planned for Brazil.

Today, Yara operates or has ownership interests in close to 40 terminals and plants throughout the country.

Modernization of Plants

In 2016, the company announced a US\$ 275 million investment plan to expand and modernise their Rio Grande plant. The expansion intends to double the plant's capacity and provide customers with access to Yara's premium products, reducing reliance on finished fertilizer imports.

Rio Grande's modernisation project is set to be completed in 2020 and will result in one of the largest fertiliser plants in the Americas.

Through Galvani, Yara invested US\$ 185 million in the Salitre project in Serra do Salitre, Minas Gerais. The Salitre project is set to be completed in 2019, and employ 1,200 people.

New Marine Coating Factory in Brazil

For paint manufacturer Jotun, 2015 represented an important milestone for their expansion into the Latin American market. The year marked the inauguration of their first industrial facility in Brazil, located in Itaboraí, just 190 km from the Brazilian oil capital Macaé. The plant, built on a 130,000 m² plot of land, is the result of an investment of more than BRL 100 million.

Jotun's local production is currently focused on marine and protective coatings to meet the demands of the offshore industry. The plant in Rio de Janeiro was planned and set up to support the company in becoming the market leader in the segment, and their strategy is helping them to achieve strong growth in the region.

Generating Jobs Locally

Jotun investment confirms the company's long-term commitment to the Brazilian market, along with their willingness to contribute to the Brazilian economy by generating jobs in the local community. Seventy percent of the employees have been recruited locally and most live within 35 kilometres of the factory.

In 2016, Jotun announced that they had secured their first newbuilding contract in Brazil at Atlântico Sul Shipyard, located in Pernambuco state.



Jotun Itaboraí, Rio de Janeiro

Jotun own 33 factories worldwide and have been operating in Brazil since 1998. Their new facility in Itaboraí is Jotun's first factory in South America.

The Itaboraí factory employs more than 100 people and has a production capacity of 10 million litres of paint annually.

Increased Activity in Mobile, Media and Marketplaces



OLX, Rio de Janeiro

Marketplaces

In 2015, the Norwegian owned marketplace Bom Negócio and South-African OLX merged their Brazilian marketplaces under the OLX brand.

Bom Negócio was owned by the Norwegian telecommunication company Telenor and the Norwegian media company Schibsted in a joint-venture. OLX was owned by the South-African media company Naspers. After the merger, OLX is 50% owned by the Norwegian joint-venture and the Bom Negócio management team was tasked to oversee the merged operation.

Bom Negócio and OLX made significant investments in advertising, both being featured among the top 50 advertisement purchasers in Brazil before the merger. The merged company has offices in Rio de Janeiro and employs about 400 people.

During 2016, which was the first full year as a merged company, the OLX marketplace was responsible for moving goods worth US\$ 82 billion in Brazil.

Mobile Media and Entertainment

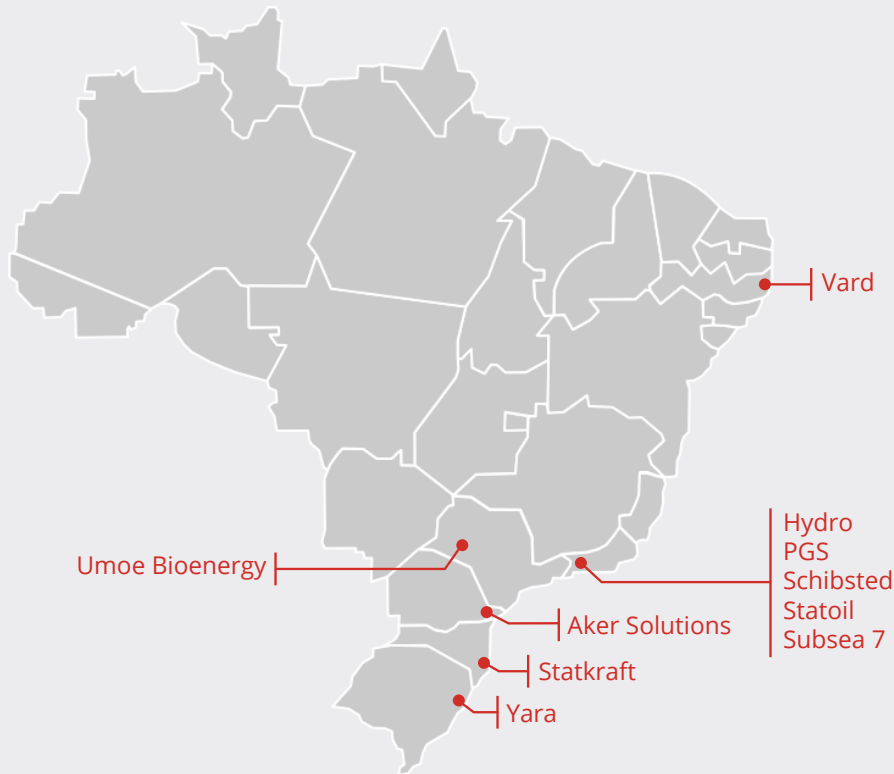
Opera Software was one of the first internet companies in Norway with roots going back to 1995. The company is best known for their internet browser technology and has transitioned to become a mobile media company.

In 2015, Opera Software made an acquisition of the Brazilian mobile app subscription company Bemobi for US\$ 111 million.

Since the acquisition, Bemobi has leveraged Opera Software international relationships with mobile operators. By the end of 2016, Bemobi had reportedly signed 45 agreements with operators.

Brazilian Headquarters for 10 Largest Norwegian Investors

2015 - 2016



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