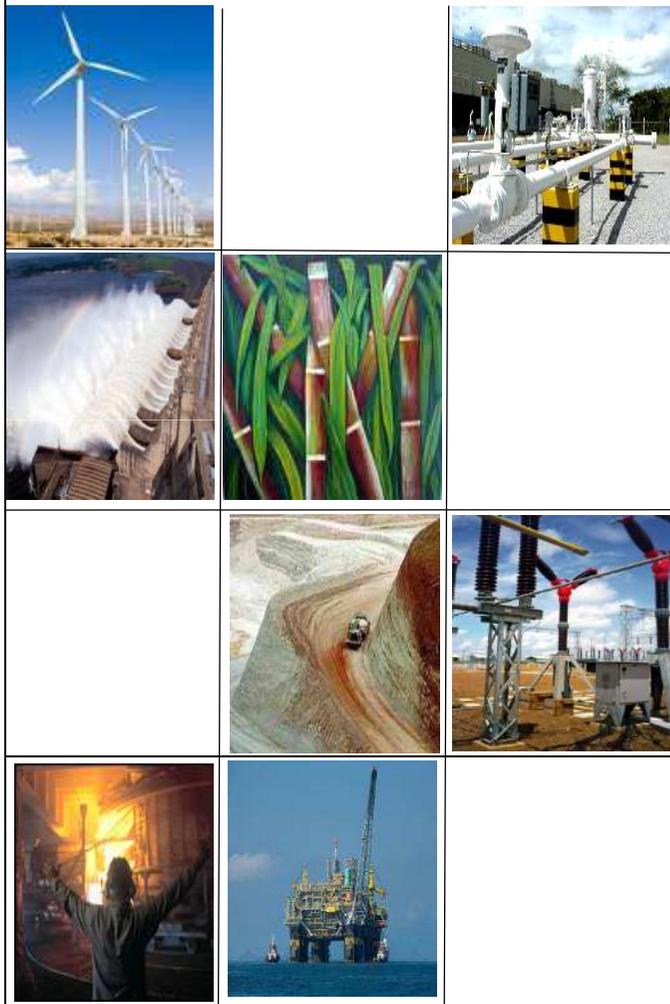




Ministério de Minas
e Energia

Ministry of Mines and Energy

Secretariat of Geology, Mining and Mineral Transformation



BRAZILIAN POLICIES FOR THE MINING SECTOR

FREDERICO BEDRAN OLIVEIRA
Head for Secretary Bureau

Dialogues on raw materials - EU and Latin America
Lima, Peru - March, 2013



Brazil has substantial mineral deposits and is one of largest mineral producers and exporters in the world. The mining industry in Brazil contributes at about 4% to the country's annual gross domestic product (GDP), which is around US\$ 100 billion.



Brazilian Federal Constitution

- **Article 20** - are property of the Union:
 - Mineral resources
- **Article 22** - The Union legislate on:
 - Mineral resources and metallurgy;
 - Geology;
- **Article 176** - The deposits,..... and other mineral resources constitute union property except the soil property, the prospecting and mining of mineral resources should be made on the national interest.



COMPETENCIES

The Ministry of Mines and Energy, organ of direct federal administration, has as competence area the following issues:

I - geological, mineral and energetic resources;

II - harnessing hydropower;

III - mining and metallurgy, and

IV - oil, fuel and energy, including nuclear.

Source: Decree 10.683/2003



**MINISTER
EDISON LOBÃO**

Executive-Secretary

Minister Bureau

Legal Advice

Economic Advisory

**Secretariat of
Planning and
Energetic Development**

**Secretariat of
Electric Energy**

**Secretariat of
Oil, Natural Gas and
Renewable Fuel**

**Secretariat of
Geology,
Mining and
Mineral Transformation**

AUTARCHIES

**ANEEL
ANP
DNPM**

MIXED ECONOMY

**ELETRÓBRÁS
PETROBRÁS**

PUBLIC COMPANY

**EPE
CBEE
CPRM**

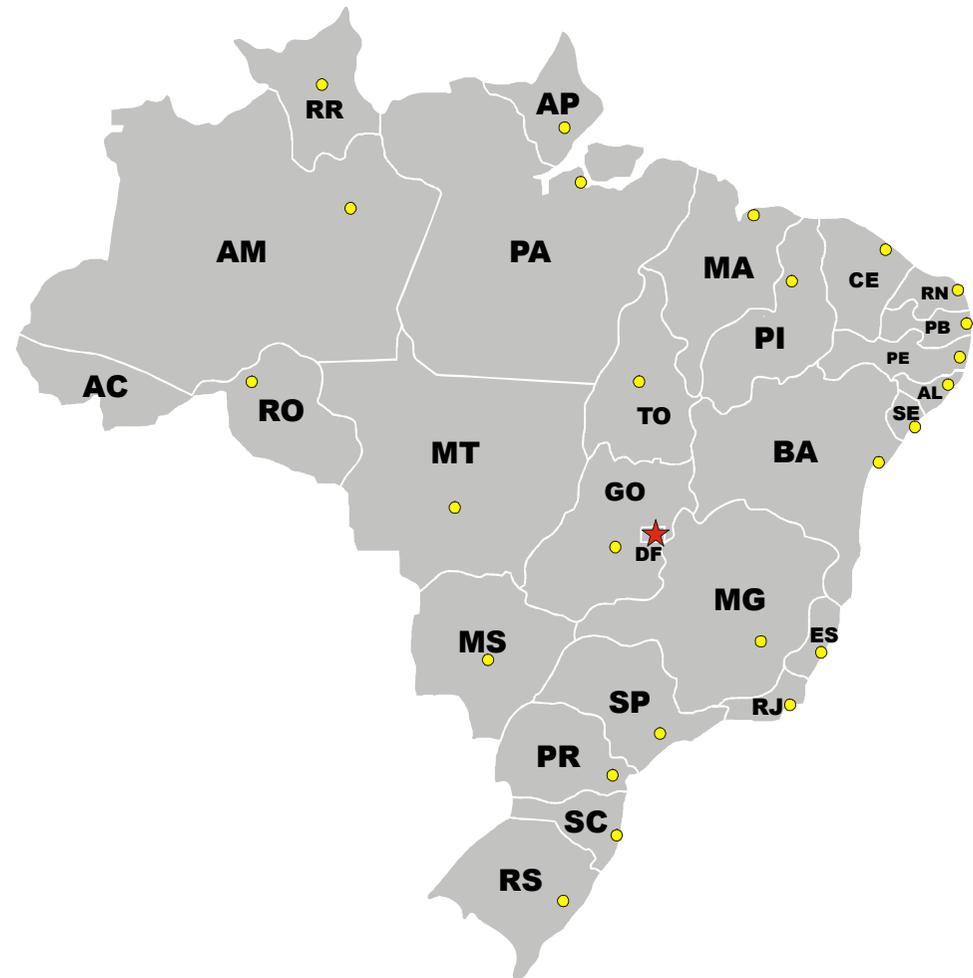


Ministério de Minas
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NATIONAL DEPARTMENT OF MINERAL PRODUCTION DNPM

AUTARCHY MANAGER OF THE
BRAZILIAN MINERAL ASSETS

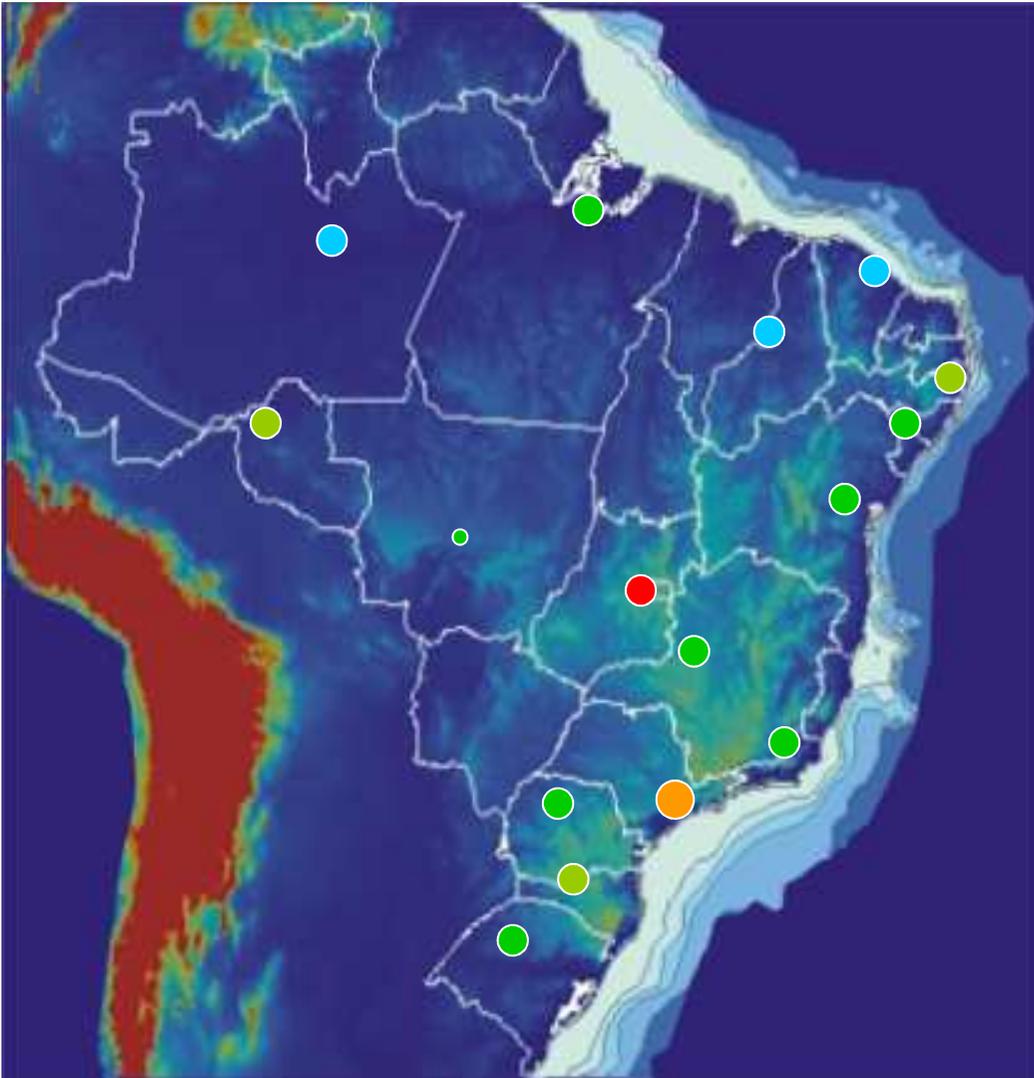
BRAZILIAN BUREAU OF MINES





Ministério de Minas
e Energia

CPRM – GEOLOGICAL SURVEY OF BRAZIL



Public Company
responsible for the
generation and diffusion
of the basic geological and
hydrological knowledge of
the Country



OUR GUIDELINES

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



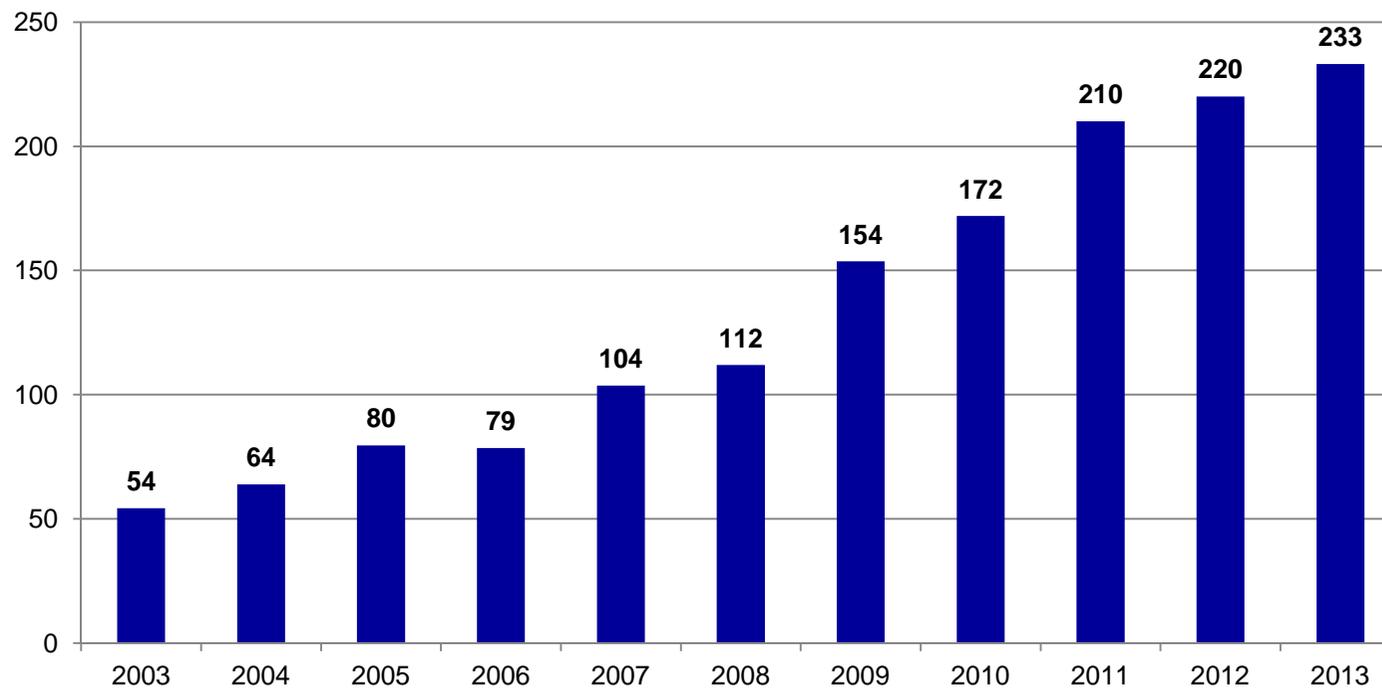
CHALLENGES

- Increasing knowledge on the Brazilian territory emerged and immersed...(geology)
- Optimizing the use of our mineral resources...(mining)
- Adding technology to the mineral production... (mineral transformation)
- Increasing competitiveness



Increasing investments in new geological data

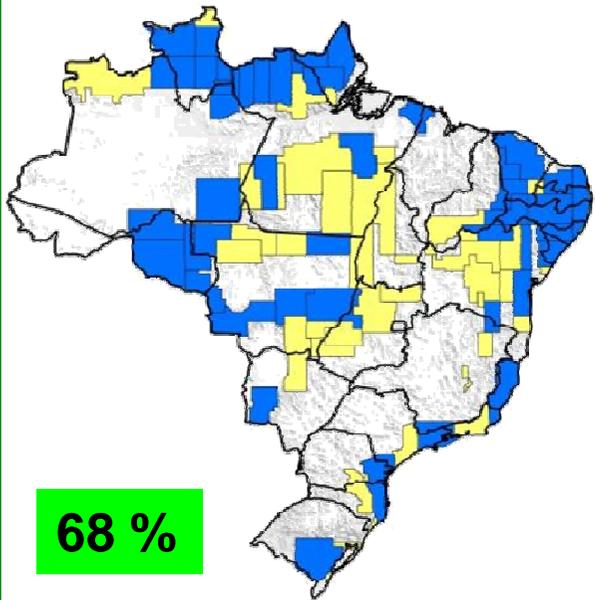
The Brazilian Geological Survey Budget (in US\$ million, except staff costs)





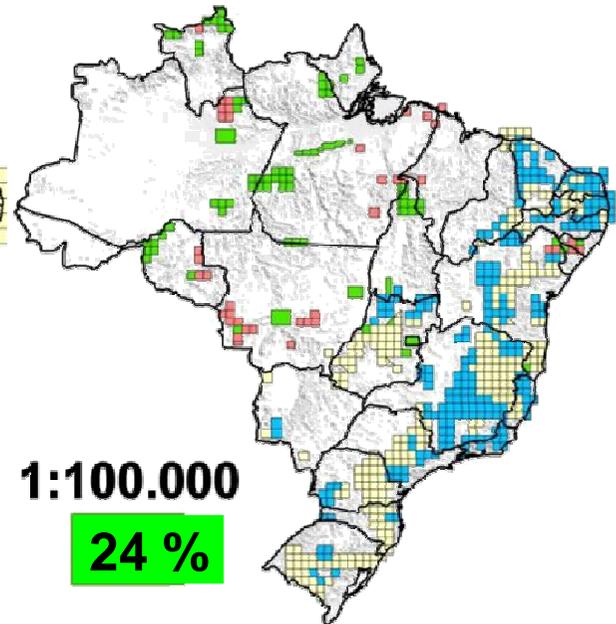
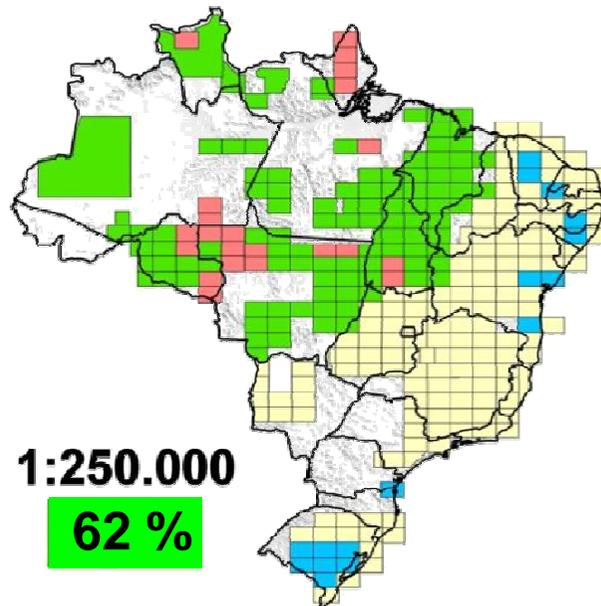
GEOLOGICAL KNOWLEDGE 2013

AIRBONE SURVEY



■ Aerogeofísica Atual
■ Aerogeofísica Histórica

GEOLOGICAL MAPPING



■ Território Amazônico - Cartografia Atual
■ Território Amazônico - Cartografia Histórica
■ Território Não Amazônico - Cartografia Atual
■ Território Não Amazônico - Cartografia Histórica



BRAZILIAN MINING INDUSTRY – 2013*

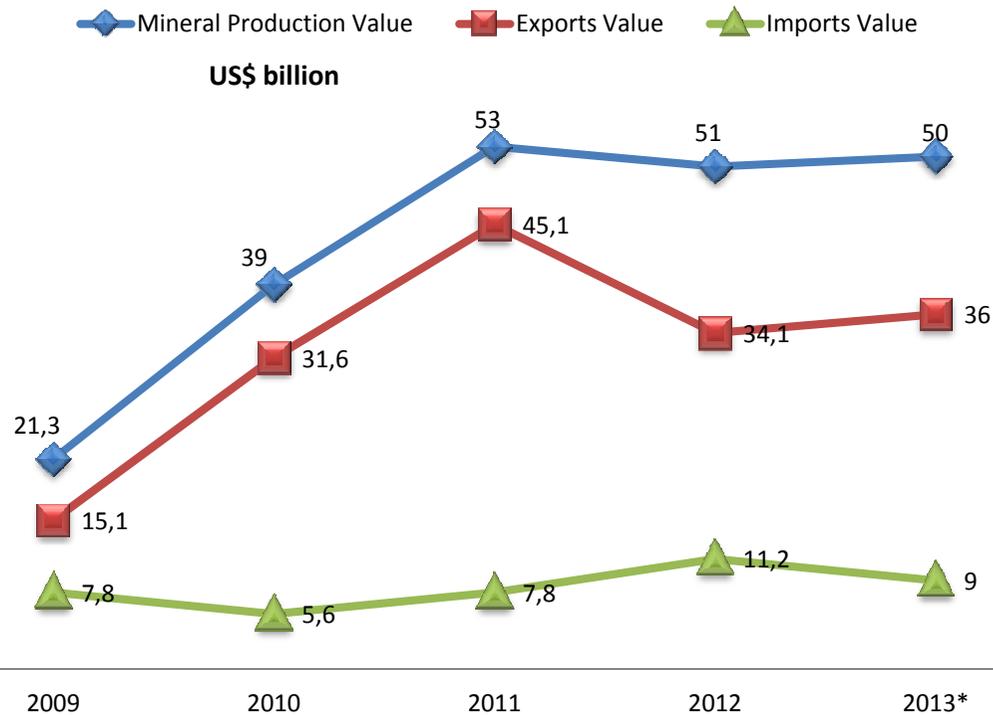
- Brazil produces around 80 mineral products.
- Mineral Production Value: **US\$ 50.0 billion**
- Mineral Exports Value: **US\$ 36 billion**
- Mineral Trade Balance: **US\$ 25 billion**

*Estimated data

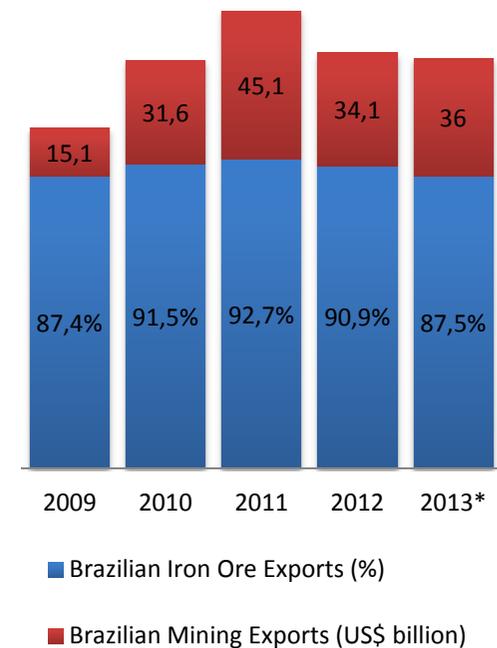


BRAZILIAN MINING INDUSTRY

MINERAL PRODUCTION VALUE AND EXPORTS AND IMPORTS VALUES (2009-2013*)



BRAZILIAN MINING EXPORTS/
BRAZILIAN IRON ORE EXPORTS (%)
2009-2013*



*Estimated data

Source: Ministry of Mines and Energy



MINERAL PRODUCTION: BRAZIL x WORLD

Global Player	Exporter	Self Sufficiency	Importer/ Producer	External Dependence
Niobium (1º) Manganese (1º) Iron (2º) Bauxite (2º) Tantalum (2º) Graphite (3º) Amianthus(4º)	Dimension Stones Kaolin Magnesite Vermiculite Mica	Limestone (cement) Chrome Industrial Diamond Titanium Gold Talc Nickel	Phosphate Cooper Zinc Diatomite Tungstenium	Potassium Sufur Metallurgic Coal Rare Earth Elements



PER CAPITA CONSUMPTION

Brazil in the World Context

Substance	Brazil	World	Europe	USA	China	India
Cement (kg)	314	477	400-1200	425	900	136
Crude Steel (kg)	152	205	400-700	269	448	52
Copper (kg)	2,3	2,8	8-20	7,0	3,0	0,2
Aluminum (kg)	5,7	5,9	20-30	30	7,8	1,1
.....						
Total Energy (tep)	1,18	1,83	3,66	7,74	1,43	0,50
Electrical Energy (kWh)	2.403	2.781	6.627	13.515	2.040	503
.....						
GDP (US\$ per capita)	11.239	13.802	25.484	47.284	7.519	3.339
Population (millions)	191	6.916	500	309	1.340	1.210

Source: Ministry of Mines and Energy



STRUCTURAL ACTIONS IN PROGRESS

A Mining Law Project – that defines a new regulatory framework for the Brazilian mining sector.

The new regulatory framework establishes:

- Implementing of the National Council for Mineral Policy
- Changing Granting of Mining Rights
- Implementing a National Mining Agency
- A new Mining Royalties Policy



MINING REGULATORY FRAMEWORK

- Strengthening the role of state in the regulatory process
- Optimizing the exploitation of mineral resources, prevention in the mining industry (health & safety), and environmental control until the mine closure
- Attracting investments to the mining sector and contribute to stimulate the competitiveness of the mining industry
- Encouraging added value mining and mineral transformation activities
- Contribution to sustainable development



MINING REGULATORY FRAMEWORK

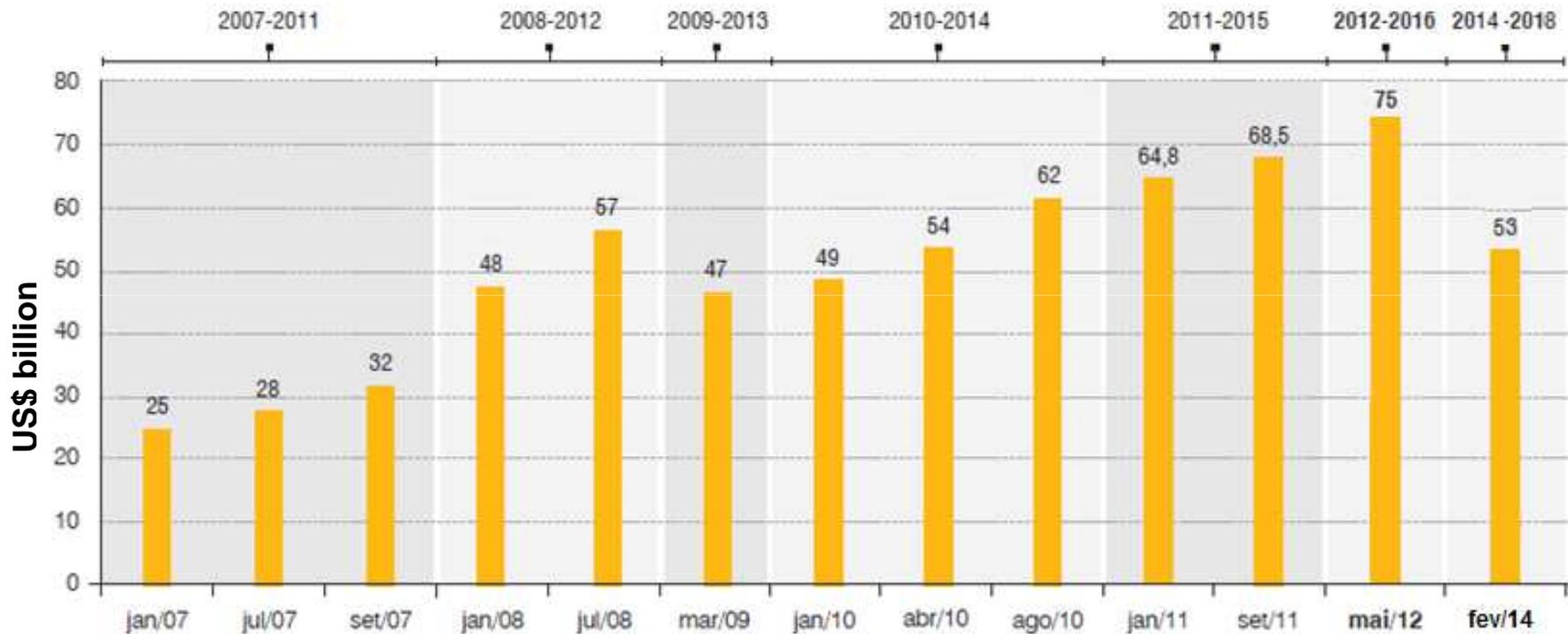
The new regulatory framework promotes a cultural change in the Brazilian mining industry, in particular with regard to the procedures giving access to areas for mineral exploration activities.

On a general way, this regulatory framework can therefore be expected to result in the necessary incentives required to improve competitiveness, and increase investments by the private sector, under the best conditions of legal security, and respect for existing agreements, confirming Brazil's tradition in connection with **the maintenance of contracts.**



BRAZILIAN MINERAL SECTOR INVESTMENTS

Continuous investments in mining industry (US\$ 53 billion up to 2018)



Source: IBRAM



Ministério de Minas
e Energia

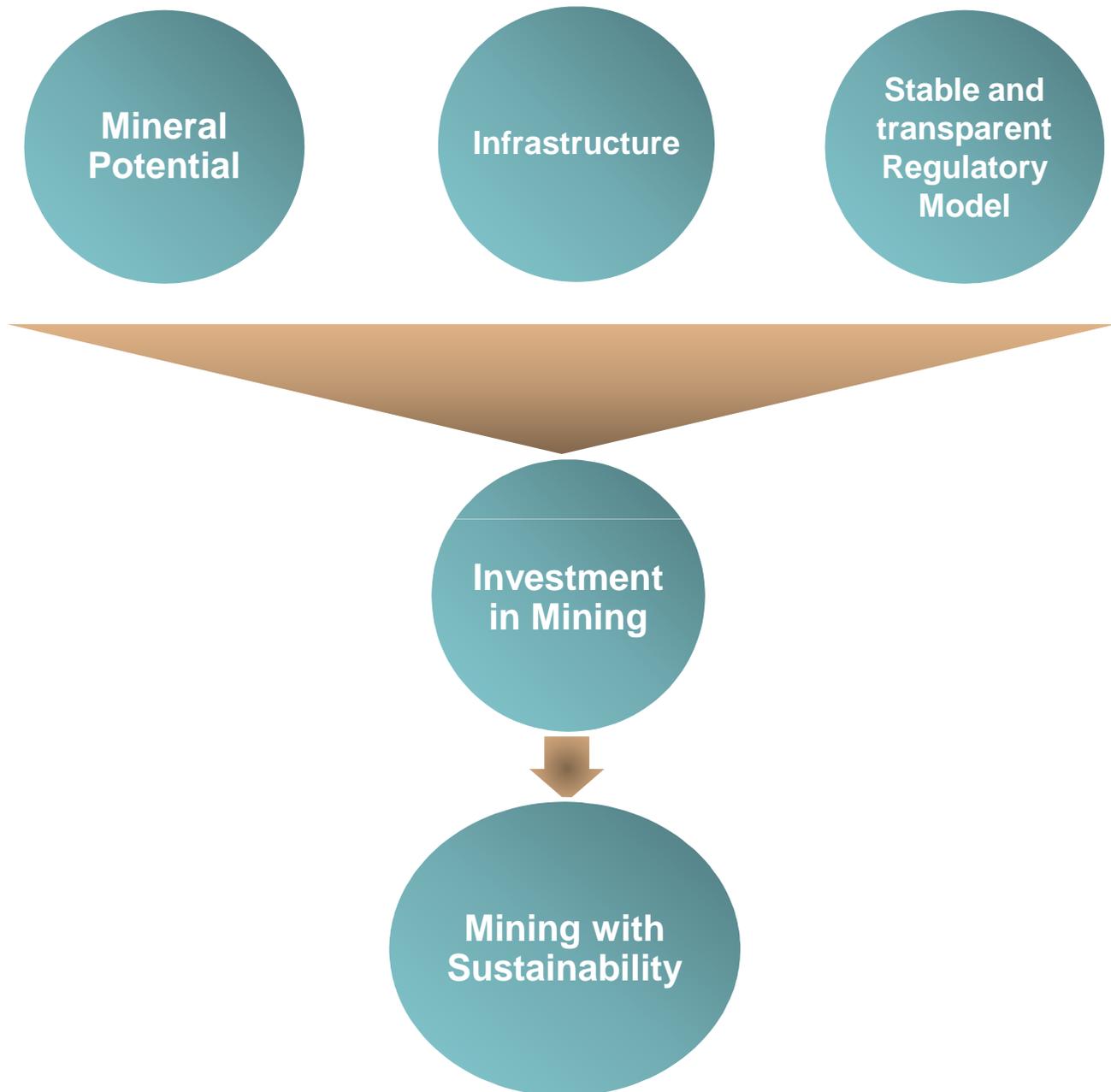
**Mineral
Potential**

Infrastructure

**Stable and
transparent
Regulatory
Model**

**Investment
in Mining**

**Mining with
Sustainability**





Ministério de Minas
e Energia

THANK YOU

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www.cprm.gov.br

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