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ABB is betting on continued growth

Sergio Gomes, ABB President
for Brazil and South America



Kinnarps now in Brazil!

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Cover photo: Alexandre Socci



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ABB bets on continued growth

ABB, A SWEDISH/SWISS-OWNED GLOBAL LEADER IN AUTOMATION AND POWER TECHNOLOGIES, IS DEEPLY INVOLVED IN ENERGY EFFICIENCY AND SUSTAINABILITY PROJECTS AS A WHOLE, SUSTAINABILITY BEING INTEGRAL TO ALL ASPECTS OF ITS BUSINESS. IN BRAZIL AND WORLDWIDE, THE GROUP STRIVES TO BALANCE ECONOMIC, ENVIRONMENTAL AND SOCIAL OBJECTIVES AND INTEGRATE THEM INTO ITS DAILY BUSINESS DECISIONS.

Sergio Gomes with the bell at ABB's HQ in Osasco. The bell is rung whenever the company closes a new contract.



ABB, which operates in more than 100 countries, has a total of 4,200 employees in Brazil, where it has five factories. "What is interesting about these 4,200 employees is that we have managed to grow even during this period of world economic crisis. Not only did we not lay off any personnel, we actually increased our number of employees. We hired 120 new employees from January to July this year," said Sergio Gomes, ABB President for Brazil and South America, during a recent interview with **"Brazil & Sweden/Norway"**.

"Obviously demand has dropped in certain sectors as a result of the crisis, but our business has grown particularly in the area of infrastructure. It is too early at this stage to give any definite figures, but suffice it to say that during the first half of this year we were exactly within our target for this period," Gomes noted.

According to the executive, "increased activity regarding projects involving infrastructure, including projects dating back to last year that started being implemented in 2009, allowed us to grow." ABB's objective and challenge is to grow in Brazil and South America as a whole. "We have grown in spite of the crisis and we plan to continue growing."

Over the last four years, ABB has witnessed a growth of some 20% annually in Brazil and this year this percentage could even be greater, Gomes said. The concession model is on the up and up and the government's participation has accelerated this process and increased the ABB group's interest in Brazil even further.

Gomes joined ABB as an electrical engineering trainee in 1981. In 1986, he was already responsible for the automation projects area in a period that marked the beginning of this kind of project in Brazil. After the merger between Sweden's Asea and Switzerland's Brown Boveri, he spent 12 years abroad, mostly in Switzerland, from where he led ABB world operations for protection and automation systems for substations. He returned to Brazil in 2001, when he was appointed director of ABB's Automation Technologies Division. He took over the helm of ABB in Brazil in 2005, and in 2007 he was appointed President for Brazil and South America.

In Brazil, ABB has five plants: in Osasco in São Paulo State and dating back to 1957, where the headquarters are situated and which focuses on automation systems and services; in Guarulhos (set up

Photos: Alexandre Socci

in Brazil and South America



in 1954 in the same state), which manufactures transformers, high and medium voltage products, power substations and other products and systems for utilities and industries; in Blumenau (set up in 2000 in Santa Catarina State), which produces distribution transformers; in Betim, Minas Gerais, specializing in rotating machine and engine services; and Camaçari, in the State of Bahia, which provides industrial maintenance services for the chemical and petrochemical sectors. In addition to these plants, ABB has turbocharger units in Santos in São Paulo State, Manaus in Amazonas and Rio de Janeiro.

Gomes noted the importance of ABB's energy efficiency in its two core businesses, a trend that is growing in the wake of global warming. ABB's energy efficient products, systems, solutions and services are helping customers produce and deliver more goods and power for each unit of energy they use. Different industries have different needs, and ABB provides solutions for raising efficiency from the power plant all the way to the plug.

"Energy efficiency is an excellent and all-encompassing initiative that involves the whole world, it is a growing necessity in order to reduce emissions and energy consumption," he said.

US\$ 540 million order

As an example of ABB's energy efficiency in Brazil, Gomes mentioned an order worth more than US\$ 540 million it has won from Spain's Abengoa Group in which it will deliver HVDC (high-voltage direct current) technology to minimize transmission losses across a 2,500-kilometer power link between Porto Velho in Rondonia and Araraquara in São Paulo State.

The longest power transmission link to be built in Brazil will connect two new hydropower plants and the power will be transmitted at a very high voltage (600 kilovolts) to minimize transmission losses.

This will be the second transmission project in Brazil using HVDC at 600 kV. This is a technology in which ABB is pioneer in this country, having built two transmission lines for the giant Itaipu project (in 1984 and 1987). Itaipu is one of the two largest hydropower plants in the world, the largest being the Three Gorges Dam in China, "only the latter was built some 20 years afterwards," Gomes observed.

ABB Brazil will be working on the project in close collaboration with ABB in Ludvika, Sweden, which will provide two 3,150 megawatt HVDC converter stations, and an 800-MW HVDC back to back station to transmit power to São Paulo and the alternating current network in the northwest of Brazil. The stations are scheduled for completion in 2012. "This is one of the group's main projects, not only in Brazil but in the world," he added.

Gomes stressed that HVDC transmission is environmentally friendly for various reasons. For example, one single HVDC line can provide the same capacity as multiple lines using alternate current transmission systems.

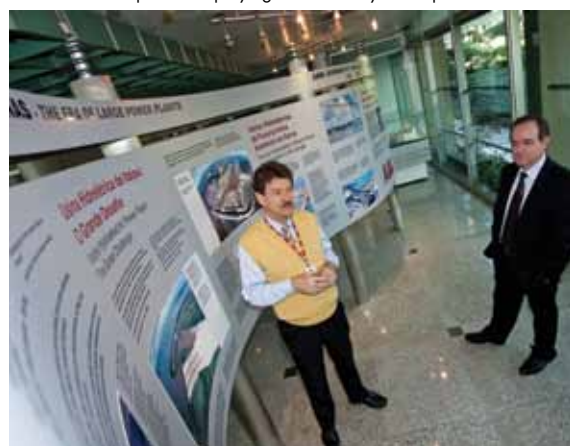
This means that DC high-voltage transmission corridors can be significantly narrower, reducing the land area and construction materials required. Furthermore, in some applications, transmission cables can be buried underground, avoiding the need for steel pylons across the countryside and thereby allowing for a more environmentally-friendly transmission occupying practically one third of the conventional method, according to Carlos Roberto Hohl, Director of Institutional Relations at ABB in Brazil, who participated in the interview with Gomes.

Renewables

"Besides energy efficiency, one may also mention renewable energy, a segment where ABB has a large participation—notedly wind power, where we supply components for windmill generation. ABB is very strong in the world supply of equipment for major wind farm manufacturers," said Gomes. He noted that many offshore wind farms are being set up in Europe, also using DC technology. Brazil does not have wind farms offshore yet, only onshore, a growing segment. Most of the energy generated in Brazil is hydraulic.

"Also with regard to energy efficiency, it is important to mention here that ABB is the largest manufacturer of electric motors and variable-speed drives in the world," Hohl said. The installed base of ABB low-voltage drives alone saved about 170 terawatt-hours (TWh) in 2008, equivalent to the annual en→

Carlos Roberto Hohl and Sergio Gomes with one of the panels displaying ABB's history at the plant in Osasco.



ergy consumption of more than 42 million households in the 27 member states of the European Union.

If that 170 TWh of power had been generated by electric plants burning fossil fuel, the resulting CO₂ emissions would have amounted to around 140 million metric tons—equivalent to the annual emission of more than 35 million cars.

Virtually all industries use electric motors, which operate all kinds of machines, fans, pumps, conveyors and compressors in a large variety of applications. The problem is that many of these motors are bigger than they need to be, and most run constantly at full speed even when they don't have to. While the motor keeps on running at full speed, the output of the process is controlled by "throttling", which is like trying to control your car's speed by braking with one foot while continuing to accelerate with the other.

This not only wastes a vast amount of energy, but also causes excessive wear and tear on equipment. But there is another way. The speed of a motor can be controlled by gently raising or lowering the amount of power it receives, using a variable-speed drive. This simple approach can significantly reduce the amount of energy a motor uses.

Social Responsibility

ABB is deeply involved in various social responsibility projects in Brazil, its pet one being the "*Programa Criança Futuro Esperança*" ("Children with a Future Full of Hope Program"), said Gomes.

The program, funded by ABB's own resources, dates back to 1998, when it assisted 33 needy children – today there are around 200. Each year more than 30 new children join the program at the age of 7, leaving only when they complete 15.

The program is designed to transform youngsters in need into citizens who are integrated, responsible, productive and fulfilled, so that when they reach 15 years, all of them are better prepared to face the challenges of life.

Gomes said that the children who benefit from the program live in needy communities located near ABB's plants in Osasco and Guarulhos. These cities present the same problems found in many areas in Brazil: a difficult social environment, destabilized families and a lack of positive role models and examples. The maximum income of these families rarely exceeds the minimum wage, and it is not un-



Photo: ABB

common to find people living well below this threshold.

"We bring the children close to us here at ABB, where they have breakfast, spend half the day involved in various activities and have lunch five days a week in the employees' canteen, after which they attend school in their communities," he noted. Activities include classes such as Portuguese, IT, sculpture, singing, dancing, sports and theater (which help develop the personality and self-confidence). With the program, ABB helps to create a competitive advantage on job markets through citizenship classes, extra tuition and professional training provided by partner entities. "This program is extremely gratifying," said Gomes, adding that some of the youngsters end up working at ABB itself. "In the future, we would like to expand the program to other areas besides Osasco and Guarulhos."

"The fact is that all children are alike, they need only to be given an opportunity," agreed Hohl. "And some of these children literally grab onto this opportunity in an impressive and touching manner. Undoubtedly this is our favorite project within social responsibility."

ABB also has, among other social programs, a Soup for the Poor Project (created in 1996) which uses the leftovers from the employees' cantina to make a nutritional soup that is collected and distributed by various charity institutions. "For many poor people, it is their only meal of the day," said Hohl, adding that ABB volunteers produce on average 70,000 liters of this soup per year.

Automation World

For the very first time, ABB held its Automation World conference and exhibition in Brazil (São Paulo) in 2006, an event aimed at giving its clients and prospective customer

the opportunity to obtain in-depth knowledge of its solutions to increase productivity and save energy.

The event was held for the second time in São Paulo last year and was again a big success, attracting more than 500 participants, among clients, partners and users from all over the world. "Some of the presentations are given by our clients themselves, which is of great use to participants interested in learning more about their experiences with our products and services," Gomes commented. "This is of great help in researching and developing new products."

As of 2010, the event in São Paulo will start being called "ABB Automation & Power World" as in March this year in the United States, where the group for the first time combined its two popular North American conferences into one single, unique event. The new event (which was held in Orlando, Florida, and exceeded all expectations, attracting more than 3,300 attendees) merged the established ABB Automation World and ABB Power World customer conferences into one comprehensive users' conference showcasing ABB's extensive solutions and expertise under one roof. The São Paulo Automation & Power World will probably take place in August next year, according to Gomes.

Almost 100 years

ABB has been present in Brazil for almost 100 years, having first supplied the country with electrical equipment for the famous Sugar Loaf cable car in Rio de Janeiro in 1912.

The group has been operating with its own factories on the Brazilian market since the 1950s and it has participated in the country's major infrastructure and industrialization projects.

"It goes without saying that ABB will without a doubt mark its 100th anniversary in Brazil with various commemorative events in 2012," noted Gomes.

Concluding the interview, Gomes congratulated Swedcham for its modern facilities on Rua Oscar Freire, where in fact the group held its first major meeting of the year on January 31 to discuss goals for 2009. "We plan to hold two such meetings at the Chamber per year," he said.

Swedcham wishes to take this opportunity to thank ABB for being one of its most long-standing members and sponsors, as well as congratulate the group for its success story in Brazil! ■

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EDITORIALS



Jonas Lindström | Kjetil Solbraekke

Scandinavians living in Brazil frequently use the expression "having the best of both worlds", and that for a reason. Recently I spent two weeks in my old homeland and I must say it was refreshing. Efficient public transportation, no traffic jams and clean streets! All those characteristics are emphasized by Brazilians when talking about Scandinavia. The days are still pretty long and the sun sets late. Now, however the days are quickly beginning to get shorter and temperatures are dropping so I was happy to get back to Brazil and the beginning of spring.

Interest in Brazil is bigger than ever in Sweden. Brazilian music and literature are much praised and many Swedes are planning to spend their next vacation here. The business-related interest is also increasing. Together with the consulting firm Brazilian Business Partners, a member of Swedcham, I gave a presentation called "Brazil – The Country of Opportunities" in four different cities.

We were surprised by the response. Companies from various areas came to listen and ask questions about how to proceed in order not to miss the "Brazilian bandwagon". Many companies in Sweden and Europe have had a tough first semester and now, when Brazil already is showing signs of quick recovery, they look to new markets. I have no doubt that, among the four BRIC countries, Brazil is the one less risky to invest in and most Swedes I met share my opinion.

We have a steady flow of new members to the Chamber. Our latest members include experts in energy saving, cooking Scandinavian food and corporate social responsibility consultancy, as well as a gym! The gym First Personal Studio offers excellent discounts to all members.

It is with great satisfaction that we note that our Yearbook 2009 is ready. The last chapters talk about all members and the services they provide. This is yet another member service we offer and we hope it will be used by all our members and that it will serve as a directory when you need a specific service or product.

We are not there yet but the last quarter usually flies by, so I for one have started to make some plans how to best enjoy Sweden's snowy winter and Brazil's sunny summer—the best of both worlds...

Jonas Lindström

Executive Secretary, Swedish-Brazilian Chamber of Commerce

Summer in Norway is over, and all the Norwegians are coming back to Rio from their summer holidays only to realize that the winter in Rio really is warmer than the summer in Norway. Personally I went to Svalbard and experienced the midnight sun and even a short swim in the Arctic (definitely colder than in Ipanema). The visit to Svalbard was yet another personal experience of the relations between Norway and Brazil as I met two Brazilians working at Svalbard, where they are very happy. I have said this before and I might say it again: I do believe that Brazilians and Norwegians share some characteristics that enable them to talk easily to each other. Both are fairly informal and simple people, and hard working. And there is quite a lot of mutual admiration.

The NBCC is ready to start up again and so I believe we all are. The Chamber has had a good start with the new board in place. I am very happy with the way we are working now, with all the board members more actively involved in preparing events. They all have broad experience from business in general and, of course, in Brazil in particular. We have already had three events this year and the program is being filled up as we are moving forward.

In this edition we are welcoming StatoilHydro's new Country President, Kjetil Hove, and also focusing on the opportunities deriving from the pre-salt discoveries in Brazil. We are still awaiting the new regulatory regime for pre-salt, which might influence many Norwegian companies to move forward in this country. We at the Chamber can only hope that the government appreciates the complexity and magnitude of the pre-salt projects in Brazil. These projects can only be compared to the ones in the North Sea during 1970-80 and to more recent projects in the Gulf of Mexico. In both cases, the host nations have benefited from having a huge diversity of companies present, from operators to suppliers. It has also enabled a better financial support that otherwise wouldn't have been possible.

The NBCC has no doubt that the continuation of the current model with concession contracts and a diversity of operators would be the best solution for Brazil to move forward. Rio is already the oil capital in Brazil. If the politicians make the right decisions, it may be the future oil capital of the world.

The Chamber wishes all members and friends a very good spring!

Kjetil Solbraekke

Chairman, Norwegian-Brazilian Chamber of Commerce

A word from the Chairman



Many well reputed economists in various parts of the world are making public statements that the worst of the global economic crisis may be over. These include the president of the Federal Reserve, chief economists in major banks and in the OECD. Positive signs of recovery in the EU are being registered in France and in Germany, where the economy has shown some growth.

Whether the recession really is over or not remains to be seen. There are also voices that warn against "unfounded optimism", and claim that the recovery will take several years.

Nobody is a prophet. One can only take note that a great number of economists express a cautious optimism about the immediate future, but also that they all avoid being triumphant. And policy makers do seem a bit more relaxed than some months ago. The issue of a possible new depression has disappeared from the discussion.

Brazil, a member of the most important group of emerging markets, BRIC (Brazil, Russia, India and China) and among the world's 10 largest economies, was relatively well prepared for the crisis. Sound economic fundamentals were laid down already during President Cardoso's eight years and have been maintained during the Lula government, ushering in faster economic growth. Paul Krugman, Nobel Prize laureate in economics, is of the view that Latin America will overcome the crisis more rapidly than industrialized countries - and that particularly would go for Brazil.

FIESP President Paulo Skaf has also expressed his feeling that the worst is left behind. In a survey conducted recently by FIESP, 55% of more than 600 companies express optimism for the rest of the year, and not more than 14% said that they intend to let people go. Of the companies interviewed, 71% admit, however, that they do not intend to hire more people, and 65% of them that 2009 will be worse than 2008 with sales falling an average of 28%. On the bright side, 35% think that their sales will increase by an average of 13%. In yet another survey, 63% of Brazilians say that they do not feel any effect of the recession.

What has been negatively affected since the crisis began is Brazil's external trade, which has fallen so far this year compared with the same period last year by 26% (exports - 24% and imports - 31%). Export industries have been hurt.

To conclude the more general picture, Brazil was one of the very last of the major economies to enter into recession, and now it looks like being one of the first to leave it.

Turning to Swedcham, there is no doubt that the Chamber feels the recession. Many of our members have had to make cuts in their budgets with consequences on their non-core activities. And this is perfectly understandable. But I am both optimistic and confident about the Chamber. Our members are showing a loyalty to Swedcham that is extraordinary. Fees are being paid, and sponsorships maintained. In the name of the Chamber, I want to express my deep gratitude to all of you.

I hope that this fidelity is not merely for sentimental reasons, but also mirrors a conviction and a general understanding that the Chamber plays a significant role for commercial relations between Sweden and Brazil and for the Swedish-Brazilian business community.

Swedcham's Executive Secretary Jonas Lindström and his team are doing an excellent job in recruiting new members, cutting expenses and promoting the Chamber's different activities.

I invite you to make (more!) use of the Chamber's excellent top modern facilities, workstations and conference rooms (including for video conferences). Come and organize your workshops and events in the Chamber at more than reasonable prices!

I will end my column by wishing you all the success in your professional endeavours, hoping that brighter times will soon be coming. And last but by no means least, thank you for the support you give to the Chamber!

Sincerely,
Christer Manhusen



EU Presidency up and running

By Annika Markovic
Swedish Ambassador

Sweden took over the rotating Presidency of the European Union on July 1, 2009. I have already written about how the Swedish Embassy in Brazil will represent the European Union here. On July 1, we inaugurated the Presidency with a *churrasco* at the Ambassador's residence in Brasília. Hundreds of guests enjoyed Brazilian beef and Swedish music.

The two priorities of the Swedish Presidency are to deal with and mitigate the effects of the global economic crisis and to deal with and reduce the effects of climate change. We are convinced that eco-efficient growth is possible and a key to future development of our countries.

As Brazil is one of the key players in both areas, we will have a lot of contacts with Brazilian authorities during the six months of the Presidency. On the agenda are G-20 meetings and climate change negotiations and of course the very important third summit of the EU-Brazil strategic partnership in Stockholm on October 6, 2009.

During this summit, the leaders of Europe and Brazil will take stock of the progress made so far in our strategic partnership. They will look at the Joint Action Plan agreed on at the second summit in Rio de Janeiro in December 2008 and ask what have we achieved so far? An important part of the cooperation is also how we work together with partners in Africa on a trilateral level. Bioenergy and biofuels, climate change, reform of the financial institutions, Doha and Mercosur, trade and investments—all this will be part of the agenda for the leaders at the summit in Stockholm.

Business Europe, Svenskt Näringsliv as





Photo: Drasko Markovic

well as CNI are also preparing for the Business Summit that will take place on the same date in Stockholm. During the Business Summit, business leaders from Europe and Brazil will exchange views and suggestions on how to improve the business climate and lower trade barriers between our different countries.

The conclusions will be delivered to the political leaders and there will be time for interaction between both groups. This will be a

good opportunity for the business community to highlight to the political leaders the importance of free trade and of facilitating international trade and investments, especially at a moment of economic crisis.

I just hope that Stockholm will present itself at its very best, with beautiful golden brown autumn leaves, a clear blue sky, and chilly temperatures but not too cold. And I am sure the stage will be set for a very fruitful and effective third EU-Brazil summit. ■



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Höganäs sponsors first Chamber event of second half

Swedcham's first event of the second half, held on August 19 and sponsored by Höganäs, featured an excellent presentation entitled "Impasses in the Automotive Industry," followed by a cocktail party catered by **emporiUM escandinavia**.

The guest speaker was Luiz Roberto Imparato, who worked at Mercedes-Benz for more than 20 years and during this period had the opportunity to work with Claudinei Reche, today Managing Director of Höganäs Brasil which is celebrating its 10th anniversary in this country this year. The event was held at Reche's own suggestion.

Imparato left Mercedes-Benz to join Volkswagen Caminhões e Ônibus, where he worked as marketing manager for nine years. He was part of the team which at the beginning of this decade prepared the launch of the sales phenomenon Titan Tractor 18.310, called "the most successful truck in the history of the Brazilian Automotive Industry". Today, Imparato is automotive marketing and strategic planning consultant.

Following Imparato's most interesting presentation, delicious canapés and drinks were served by **emporiUM escandinavia**, whose chef de cuisine is the talented Steffen Serup Andersen, who is Danish. The successful Höganäs event attracted around 60 Chamber members and friends! ■



▲ Luiz Roberto Imparato's presentation attracted a large crowd at Swedcham.

Swedish Consul General Barry Bystedt, Swedcham Chairman Christer Manhusen, and Cassio Namur, of Souza, Cescon, Barrieu & Flesch Advogados.



Photos: Alexandre Socci



▲ Claudinei Reche, Managing Director of Höganäs Brasil, with one of the two company Smart cars displayed outside the Swedcham building.

Fabiano Indena of Tracker do Brasil, Cleyton Ferreira da Silva and Nilson Cesar Binatti of Arvato Print, and Jonas Lindström.



▲ Swedcham Managing Director Jonas Lindström, Claudinei Reche and guest speaker Luiz Roberto Imparato.

Pedro Mazza of Höganäs Brasil and Johan Fager of Brazilian Business Partners (BBP).



Itautec – New Venturus client

THE INSTITUTE WILL BE RESPONSIBLE FOR TESTING SOFTWARE FOR COMMERCIAL AUTOMATION.

Aiming to offer more productivity and flexibility in the development of software solutions, Itautec—a company specialized in developing products and solutions in IT and automation—has contracted the Venturus Center for Technological Innovation. The work has been initiated.

Itautec decided for Venturus' services since the institute showed capacity to provide the test services with flexibility and reliability, maintaining Itautec's high quality standards. According to Guilherme Neves, Manager at Venturus, the partnership between Itautec and Venturus will enable the development of automatic test processes. "We already have a group of employees dedicated to Itautec. We will work as an extension to their development area," he explains.

"Itautec was looking for an entity approved by MCT (Ministry of Science and Technology) which had experience in soft-

ware test processes. We are in the beginning of the project but already perceive a formalization of the processes which in the short run will result in increased productivity and quality. Besides that, together with Venturus we have begun the study of tools to automate software tests that will generate a substantial increase in productivity," says Elizabeth Costa, Executive Manager of Software Development at Itautec.

"Itautec is a client of great importance to us and we are proud to have them as part of our client pool," says Neves. According to Elizabeth Costa, Venturus already has shown to be very competent and professional in the execution of projects. "We are very satisfied with both attitude and results so far," she completes.

About Itautec

Itautec is one of the largest global play-

ers in the technology sector with operations in nine countries: Argentina, Brazil, Chile, Ecuador, Spain, US, Portugal, Mexico and Venezuela. The company acts in the areas of commercial and financial automation, Automatic Teller Machines (ATMs) and IT, developing and producing solutions within hardware (computers, notebooks and servers) and software. They also offer total process management (outsourcing) from server administration, including acquisition and update of equipment and software licenses to supplying ATMs.

Itautec is one of the few companies in the segment capable of offering customized outsourcing solutions, project realization, manufacturing, installation, integration, consolidation, management, monitoring and maintenance, according to the needs of each client. It has more than 5000 employees. ■



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“Human Beings or Human Bonsais?”

By Ingrid Appel

Human Beings or Human Bonsais” was the title of an excellent workshop presented by Giselle Welter, master in psychology and professional career coach, at the Swedcham's premises on June 9.

The bonsai tree is of course Oriental in origin, emanating art and spirit. For the Japanese culture it symbolizes the fourth dimension of beauty and culture, meaning life. The external shape is modelled with a great deal of tenderness because per se it represents the ultimate struggle for life, the eternal fight for growth and prosperity. The analogy in the title lies in the fact that, despite its potential for growth (several meters in height), the bonsai is ultimately cut by the human being who tries to achieve the best result, this in his own particular view.

The intrinsic motivation of the human being is the base defined by the old doctrine from the Temple of Delphos, “Gnothi Seauton”, meaning “recognize yourself”. For the professional to be truly satisfied does not require only compliments and a big cheque but in the long run a pleasant workplace based on mutual respect, just to mention a few main factors. This should be a sine qua non for every institution. Happiness, personal growth and ultimately higher productivity depend on this harmony.

Interestingly, the preference for a certain formation is corrupted in the line of service, often leading to the employee being exonerated from his functions for the same reasons he was hired the first place. Therefore a perfectly good choice can be abandoned at the peak of a career due to the famous “pressure” factor and the antagonistic characters by which one is surrounded.

Unfortunately, the business world still is about competitiveness, absolute gain, shareholder value, the manipulation of the media and also of the professional who exceeds his own limit. Up to what point is this limit healthy for human beings? Is it just the psyche-soma limit or is it the limit that hurts honor, integrity and loyalty?

During her presentation, Giselle Welter aptly emphasized the several aspects dramatically affecting performance and productivity at work due to frustration, stress and burn-out. The event that took place at Swedcham was fundamental in that it dealt with a series of issues

which are not often mentioned but experienced by the individual on a daily basis in the pursuit of leadership.

The importance of the HR department structures a conception of the human being placing him/her as a priority within the entrepreneurial flow that goes beyond the qualification interview which can easily be overcome by a well-prepared candidate. Therefore the main criterion is focused on the daily functions. This makes all the difference; the focus is on human beings and not just certain selection techniques.

According to Giselle, “it is of the utmost importance to identify the aptitudes, interests and abilities...to establish the harmony between the necessities and the individual characteristics of a professional, favouring the motivation of all the parties involved and guaranteeing performance and productivity.”

An excellent contribution brought to us by Giselle's human resources consultancy firm GW Vocação & Relações Humanas in partnership with Sweden's Humankonsult is the HumanGuide principle, which allows the evaluation of professionals to be online. For example, certain factors are taken into account such as personal fulfillment and task commitment. The principle also aims at the optimization of the work environment and the formation of teams, resulting in an increase in work quality, productivity and stability.

The HumanGuide principle gives us the possibility to create five different profiles on-line:

- Personal
- Professional requirement
- Cultural
- Third party
- Ideal colleague

It is based on the “Theory of the Personality” by Leopold Szondi. In the primary phase (data collection), there is no requirement for direct contact. All that is needed is a computer connected to the Internet. In a second stage, the personal contact is established together with a report referring to the individual or group.

The selected profiles provide valuable material for a group synergy analysis which will identify the aspects of the daily professional life.

Concluding this article, one should stress the importance of HR as a necessity rather than a luxury especially in times of challenge. GW pointed out quite impressively that the wisely chosen professionals of today are the saviours of tomorrow. ■

(Left to right) Swedcham Executive Secretary Jonas Lindström, Giselle Welter and Chamber Chairman Christer Manhusen.



Solving Efeso houses Brazilian Chamber office in Stockholm

Solving Efeso sponsors the Brazilian Chamber of Commerce by hosting the Chamber's office in Stockholm.

The company works both in Brazil and in Sweden with Tetra Pak and believes that it can support more Scandinavian companies in Brazil. By sponsoring the Brazilian Chamber in Stockholm, it hopes to get a better knowledge of Swedish and Norwegian business in Brazil.

Solving Efeso is a European consulting company based in Paris, focused on supporting its customers in the transformation of business strategies into organizational structures, practices and processes quickly adapted to the company culture. Solving Efeso has offices in Scandinavia and Brazil and is present in 23 countries.

With offices in Brazil since the beginning of this decade, it serves high-ranking customers such as Nestlé, Klabin, Alcoa, Usiminas and Pirelli, among many others.

The relationship with the Scandinavian business community began in 2000, when the work started with Tetra Pak in Brazil. The results were so successful that Tetra Pak has decided to introduce the methodology of Solving Efeso in all its affiliates worldwide, including, of course, the plants from its home country, Sweden. These results are not only measurable in dramatic cost reductions, increases in productivity and industrial output with virtually no new investments, but especially in the generation of a cultural

change; this cultural change is the key factor, ensuring that the company will never go back to old, bad practices - very common in campaigns of performance improvement - and that every new employee will be from the beginning immersed in a culture of excellence. Thanks to this, international awards of excellence were also obtained by Tetra Pak factories in Brazil and the world.

The worldwide presence of Solving Efeso makes possible a very important aspiration for a multinational corporation: the homogeneous deployment and identical approach of the methodology across all countries of the five continents, including all the training delivered in each native language, since the methodology (under continuous improvement) is updated and translated into 21 languages - which greatly favors the spread of culture in factories. Thus, the same management style and methods can be found in any plant in the world, facilitating comprehension, speed to implement the policies and cross-fertilization between executives from different countries. Today, Brazilian executives who worked in the original deployment of this methodology are managers of Tetra Pak in several countries and with global responsibilities.

Solving Efeso has an important branch also in Scandinavia, based in Stockholm and in Gothenburg with over 35 professionals who advise major private and public companies on strategy and operational excellence. Among the major customers of the Scandinavia office are Outokumpu, Volvo, Lantmännen, The City of Stockholm and Ahlstrom.

This methodology for operational excellence, known as WCOM - World Class Operations Management, is a system of operations that seeks continuous improvement through the elimination of losses and relating them to business objectives. WCOM harmonically integrates and uses the best of methodologies such as TPM (Total Productive Maintenance), Lean Manufacturing and Six Sigma,

all under a unique agenda.

The first phase of this system seeks to identify opportunities for improvement through the most appropriate analysis tools such as VSM (Value Stream Mapping) and Deployment Costs, among others.

In the second stage, improvement groups are launched that will eliminate the losses by "attacking" the root causes. Here we apply the specific roadmaps such as: breakdown reduction, defect reduction, waste elimination, and inventory management; these detailed and easy-to-understand roadmaps, compiled in a specific tool-kit produced after many years of consultancy experience, make the application of the methodology quicker and more effective. The involvement of senior management has an important role at this stage.

Seeking to consolidate the application of best practices and their stabilization, the next stage is the launch of the "pillars", the fundamental part of WCOM methodology that aims at the creation and development of the System Management WCOM. The pillars are multifunctional structures with representation from various areas and levels of the organization.

Autonomous groups are then initiated to maintain the gains. In this phase, we also form the PKE (Process Kaizen Engineers) who will act as agents of change for the future. Excellent results are obtained and cultural change is established through this new way of working, almost a new way of life for the operators. Companies around the world and various industries, trade and services have been able to achieve their goals and reach the level of World Class.

Once the program is ended, the complete know-how has been transferred to the customer, who is then perfectly skilled to proceed by himself, keeping the gains obtained and permanently continuing to improve, for this concept is already part of the company's culture. ■

Solving Efeso/Brazilian Chamber reception in Stockholm.





Participants in the Swedish stand at the FILDA 2009 trade fair in Luanda, Angola.

Brazilian companies have a strong presence in Angola

By Sandra Skogar

The Brazilian Chamber of Commerce in Stockholm has noticed a growing interest from Brazilian companies in Angola during Chamber Director and Swedcham Representative in Sweden Hugo Oljemark's visit to Luanda. Both Petrobras and Oderbrecht are focusing more on their business in Angola and the big Brazilian companies purchase nearly all their equipment in Brazil. As an example, Oderbrecht purchased a large number of Scania trucks from Brazil.

The Brazilian Chamber has detected this business opportunity for Swedish and Norwegian companies in Brazil to start doing business with Angola through their Brazilian companies that are active in that country.

One step to increase the Swedish presence was to participate in the FILDA 2009 trade fair in Luanda, with a common stand and six Swedish companies took part this year. There were 30.000 visitors and 680 exhibitors, according to the figures announced by the organizers.

Swedish businesses hadn't been present at the event in the last 20 years and the country's presence was appreciated and notified by the Angolan media.

The participating companies took the opportunity to book individual meetings during the week with a reportedly successful outcome.

Increased trade

The Brazilian Chamber hopes that this will become a tradition, with increased participation of Swedish companies leading to increased trade between Angola and Sweden.

Another area of interest is the housing industry and Angola is planning to build a million houses over the next four years.

How can Swedish enterprises support and gain from the construction boom in Angola?

The Swedish Trade Council together with the Swedish Embassy in Angola are planning a Trade Delegation to Angola between October 12 and 16 this year. The main objective for the delegation is to learn more about the

opportunities within the construction sector and meet with entities, public and private, directly involved in the Angolan government's vision and goal of the construction of a million houses in four years. Many of these houses will probably be built by Brazilian construction companies.

Swedish know-how and experience at the planning stage, how to plan and build in a sustainable way and the experience from the years of the million programs in Sweden, should have much to offer at this stage in Angola. Focus and priority to participate in this delegation will be given to architects and other companies offering different solutions in how to build in a sustainable way at a relatively low price.

If you have any questions regarding Angola please don't hesitate to contact us:

sandra.skogar@swedishtrade.se
patrick.andersson@swedishtrade.se
hugo@swedcham.com.br

Kinnarps starts operating in Brazil

By Laura Reid



KINNARPS, THE LEADING SUPPLIER OF OFFICE FURNISHING SOLUTIONS IN SCANDINAVIA AND THE SECOND LARGEST IN EUROPE, SET UP OPERATIONS IN BRAZIL IN MARCH THIS YEAR.

The company, which has an annual turnover of EUR 400 million, is represented in 40 countries and has some 200 showrooms spread throughout the world. In Scandinavia, Kinnarps has a market share of 55% in Sweden, 30% in Norway and 16% in Denmark. In terms of office chairs alone, it is the leader in Europe, topping the USA's Steelcase.

Kinnarps do Brasil Ltda. is led by Börje Jerner, who has years of experience from both the industrial and financial sectors in the local market.

Jerner believes there is a great market potential for Kinnarps products as Brazil's leading suppliers of office furniture tend to be expensive. Furthermore, Kinnarps furniture is of the highest quality and the company offers integrated solutions while assuming responsibility for the entire chain, all the way from the requirements analysis to ensuring that the products are correctly placed on site

and maintained during their long lifetime.

"We provide tools for our customers to increase profitability through improved efficiency, cost savings and better performance. Local subsidiaries of existing Scandinavian customers have already given us plenty of positive feedback. They can now have the same furniture as their respective head offices and colleagues in Europe. Once you have been working in a Kinnarps chair you know the difference."

All the furniture at Swedcham as well as the Swedish Trade Council in São Paulo is from Kinnarps. So basically Kinnarps already had (and still does!) two showrooms in São Paulo before setting up operations in this country.

Jerner noted that Kinnarps is a wholly owned family company that was set up by Jarl Andersson and his wife Evy when they founded their furniture factory in 1942. The company is owned and run by the family to this day. Jarl's workbench stands in the foyer of Kinnarps' main office in Sweden as a re-



minder of the company's origins and history.

The company is named after the Anderssons' home town Kinnarp, a small city which is located in the Falköping Municipality in Västra Götaland County. There are five production sites in Sweden, and the company employs a total of 2,200 persons, some 800 of whom are outside of Sweden—mostly in Europe.

There are three brands: Kinnarps (the largest one with seven decades of experi-



ence), Materia and Skandiform—the latter two complementing the former with various types of lounge, meeting and conference furniture plus accessories with experimental and creative design. Skandiform also has special product lines for care and education. Renowned designers from all the Scandinavian countries vouch for Kinnarps' edge as opinion leader in design and ergonomics. Kinnarps also has an extensive network of specially selected partners with expertise in fields such as acoustics, lighting and audio-visual technology.

"When analyzing the feasibility of this market investment, consulting firm Brazilian Business Partners - BBP (a member of Swedcham) was instrumental in developing the market study and sales & marketing strategies," said Jerner.

"We identified the market potential here as large and we found that we could be competitive in terms of prices," he added. "Now we provide our customers with the opportunity to buy Kinnarps furniture in the local currency, the *"Real"*, without import bureaucracy at the same price of locally produced furniture of prime brands."

Börje Jerner



Among many other products, Kinnarps offers the market anatomically designed swivel desk chairs aimed at providing the maximum comfort, with a control panel on each side, allowing the user to fine-tune the chair while seated and create the perfect sitting position. "These chairs have a back rest and seat that move completely independently, imitating natural movements of the human body," Jerner pointed out.

"While working seated, you maintain completely different positions depending on your activities. When you write by hand you tend to lean forward, while working on the computer you sit upright and when speaking on the phone or with a person in your visiting chair you lean backwards."

Another important factor is that "studies show a definite link between ergonomics and profitability", the executive went on to say. "Comfort at work means reduced absence due to back problems, for instance. This is an effective way of attracting and retaining employees and improving communication, which leads to increased efficiency all day long. Therefore, acquiring Kinnarps products is an investment in maintaining human resources and sustainable results. This is why we have obtained such a strong position in Scandinavia, known for its focus on health, performance and work ethics."

Kinnarps' furnishing solutions allow for an optimal use of office space, which also means increasing efficiency and reducing rental costs in the long run. Besides the ergonomic desk chairs, the company produces tables that can be lowered and raised, so called sit-stand tables. "People with back problems, for instance, can choose to spend part of the day working at the table while standing in-

stead of sitting. Standing keeps one awake and alert, especially after lunch!" jokes Jerner.

According to the executive, nowadays most offices in Scandinavia provide this type of table—which however might take some effort to introduce on the Brazilian market due to cultural differences. "This kind of table is seen here more as a luxury for management," he added. "Another cultural difference is that in Europe we use wood veneer for covering tables rather than melamine laminates, which is a plastic material, and this is also seen more as a product for management."

"In Brazil, melamine laminates are used by normal staff, whereas in Europe wood is seen as a more natural and environmentally friendly material for office tables. We do of course offer melamine laminates as well, when this is requested by our customers. One of the reasons for the hesitation to use wood veneer for staff in Brazil is that this material as provided by local suppliers is considered softer than melamine. The Kinnarps surface treatment including the lacquer process makes the wood veneer as durable as melamine. Standing evidence of this are the meeting tables as Swedcham, which during the past three years has received daily visits by laptops without showing even a scratch."

"All the wood used by Kinnarps comes from certified forests in Europe and North America," Jerner stressed. "Kinnarps works in close cooperation with the Forest Stewardship Council (FSC), having obtained all environmental certificates, and it reuses material rather than recycles."

Kinnarps assumes responsibility for everything from raw materials and production to the delivery and installation of its integrated furnishing solutions—which is not only convenient and cost-effective for its customers but also environmentally friendly. One example of the company's environmental way of thinking is that it uses blankets as packaging, never leaving any packaging behind at the customer's premises, and it reuses the blankets over and over again.

The Kinnarps brand name stands for design, quality, comfort, durability and environmental awareness. Many years in the industry, extensive product know-how and financial stability are values much appreciated by both the company's long-standing and new customers throughout the world. "For a number of the Scandinavian companies present in Brazil we have been a preferred supplier for some 50 years at their home bases." ■



Thank you, Pastor Olof!

As this magazine was going to press, the Chamber was organizing a special Happy Hour to bid farewell to Pastor Olof Olsson and his wife Marie from the Scandinavian Church in São Paulo. The event was scheduled for September 16 at Swedcham's premises on Rua Oscar Freire.

Olof, who arrived in Brazil around five years ago to head the Scandinavian Church for Brazil and Argentina, was to leave this country at the end of September for Florida, where he will set up a Scandinavian Church. This will be yet another challenge that will most certainly be met again with great competence by Olof, whose missions prior to Brazil included the Grand Canary Islands, Austria, Bangkok and his native Sweden.

On the occasion of the Pastor's farewell, the Chamber was to start distributing its much-awaited Yearbook 2009, which is free for members. Non-members wishing to acquire the Yearbook are asked to please contact Swedcham.

We wish to take this opportunity to thank Olof for his great work as head of the Scandinavian Church here and wish him and Marie Godspeed and all the very best in their new venture in the United States!

Networking Luncheons

Since the last edition of our magazine came out in June, the Chamber has held three successful, well-attended networking lunch-

eons: on July 1, August 6 and September 10.

These luncheons are always an excellent opportunity to meet and talk with other Swedcham members and friends in an informal atmosphere with delicious food! The events attract on average around 30 people.

The venue for the last three luncheons was the Hillman Bistrô at the Hotel George V on Alameda Casa Branca in São Paulo's pleasant Jardins area. The restaurant was named in honor of J. R. Hillman, an American designer who created the famous George V Paris project in 1928, to this day an icon of the famous French "savoir-vivre".



(Left to right), Marcos Cordeiro of Max 2, Helena Backlund, Paulo Nigro, Managing Director of Tetra Pak do Brasil, and Swedcham Executive Secretary Jonas Lindström at the August 6 Networking Luncheon.

Visit to new Alfa Laval plant

Swedcham's Human Capital Committee organized a visit to Alfa Laval's new factory in the State of São Paulo on September 15, as this magazine was going to press.

Alfa Laval, which operates in more than 50 countries, manufactures a wide range of equipment, systems, and services for liquid/solid separation, heat transfer and treatment, and fluid handling. All these technologies are of great significance for industrial companies and Alfa Laval holds leading global market positions within its fields of technological expertise.

Come hold events at the Chamber!

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New Members

The Chamber wishes to welcome the following new members:

Corporate:

- **Adara Soluções Sociais** – Consulting firm specialized in social responsibility that provides management of social investments for individuals and corporations.
- **Agera Brasil Consultoria Empresarial** – Training and development of individuals and organizations, offering knowledge, experience and wide application in sales.
- **Akers Brazil** – The Akers group is the largest manufacturer in the world of cast and forged rolls.
- **Altran Control Solutions** – Leading global solutions provider of independent internal audit, compliance, risk management and technology.
- **emporiUM escandinavia** – Source of original Scandinavian food in São Paulo and neighboring cities.
- **Enigin** – Developing solutions for companies wishing to increase their profits through energy efficiency measures.

- **First Personal Studio** – The only gym in São Paulo that offers personalized service to its clients as it believes in individualized work.
- **FlexLink Energia & Negócios** – Global provider of solutions for production logistics for manufacturing industries.
- **Globale Agência de Viagens, Consultoria em Opções de Turismo** – Consulting, support and full service programs in tourism such as tour packages and excursions, among others.
- **Hudson Legal Talent** – Leading provider of permanent recruitment, contract professionals and solutions to talent management throughout the world.
- **Neuroclínica Barretos** – Private clinic in the city of Barretos in São Paulo State, specializing in the care of patients with neurological disorders and examinations of clinical neurophysiology.
- **Pinheiro Neto Advogados** – One of the largest law firms in Latin America and one of the most traditional of the country.
- **Primeway** – Offers solutions for the Internet in the areas of e-business, content management, development of customized solutions with web

technology and relationship programs.

- **Saab International Brasil** – Saab develops solutions for the Brazilian Armed Forces in different areas, such as radar and weapons systems, camouflage and training equipment.
- **Svensk Företags Förmedling** – Leading business broker organization in Sweden.
- **Vecsa International Security Systems** – Official representative of Troax, Fichet-Bauche and SecureLine in Brazil. Specializes in security solutions and physical security perimeter.
- **Vocalis: Voz e Expressão** – Consulting and training in communication, with emphasis on vocal expression and vocal health.

Individual:

Simon Viktor Wiberg
Dirceu Amadio
Fredrik Berggren
Per Tuve Martell
Ataide Yassuto Komatsu
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Why do companies reach the terminal stage?



THROUGHOUT THE HISTORY OF CAPITALISM, WE HAVE SEEN ALL KINDS OF COMPANIES—SMALL, MEDIUM-SIZED, LARGE, FAMOUS, LESS FAMOUS, CONSERVATIVE, MODERN, TRADITIONAL, INNOVATIVE, ETC. IN THE MOST DIVERSE SECTORS—JOIN THE LIST OF COMPANIES THAT HAVE CEASED TO EXIST BECAUSE THEY HAVE GONE BANKRUPT, BEEN INCORPORATED OR SIMPLY CLOSED THEIR DOORS. WHAT IS THE MAIN REASON FOR REACHING THE TERMINAL STAGE?

There are few doubts with regard to how most companies get started. Two, three or four friends with a dream, entrepreneurs or not, decide that it is time to put their ideas and creativity into practice and found a company. In their dream, all believe that in about two years they will recover their capital and that in 10 years at the most either they will be a super-conglomerate or be acquired by some investor in tune with their dream.

But in practice we see dreams being transformed into a completely different reality. Seldom does a company reach long-lasting success in a short space of time. Effort, tenacity and especially enthusiasm mark the beginning of any winning company. However, what will really decide the future is its vision, its values and, in a most pragmatic way, its management. If the company is in line over the years with its main ideology, or focus, and stimulates the core which generated its existence and at the same time stimulates progress, these will be accomplished premises that will certainly enable it to be a part of the small number of centennial companies.

The last upheavals of the market, characterized as a crisis, have clearly shown the role of entrepreneurial management in the survival of corporations. And when we talk about management, we clearly and pragmatically combine the binomial people and technology. We cannot see sustainable companies that do not clearly dominate this binomial. At this point, hasty and incautious people will contest this with the argument that it is the focus on the client that is most important. Absolutely correct! We also agree that



adding value to the client is a priority. But is it possible, without a correct management, to remain always focused on the client?

Yes, methodologies such as BSC, BPM, Lean and Six Sigma are essential for companies to have the conditions to lead the binomial "people and technology" in the direction of keeping the company's values on focusing on the client. As never before, the client is the one who ends up deciding whether the company should or should not continue to exist. Methodologies show us with which tools we should keep our organizations on track. But they do not show us how to think about the future and be successful today. For this we need visionary leaders. In this context, we have vigorously defended the figure of "Leaderger" (a leader with strong management skills or a manager with strong leadership skills). Taking away unethical motives, apparently companies have been heading towards a terminal stage when their leaders become increasingly distant from the figure and behavior of a Leaderger.

One of the most outstanding and pre-occupying aspects concerning the executives of terminal companies is their presumption. The great majority demonstrate excessive confidence in the face of success. This presumption ends up making the company as a whole arrogant and consequently drives clients

away. On the other hand, many executives of such companies ignore the precepts of a good entrepreneurial management and seek growth in a disorderly fashion, remaining shortsighted with regard to the risks resulting from turning away from the main focus. When negative indicators start to appear, these executives tend to put the blame on the market, competition, crisis and even pure and simple bad luck. When one does not try to diagnose the causes of problems, one simply pushes the company faster on the road to the terminal stage.

Many companies believe that it is possible to revert the trend with a strategic merger or by hiring new executives. Obviously if the company is still in good financial shape these measures may work out. But in the majority of cases it is too late. When there is a great distance between leadership and management there is very little one can do in the short term. When one looks at companies that are on the decline, it is easy to see this from their actions. It is not feasible for a company to be successful without having a cultural discipline to fulfill business rules, including those with a solid cash flow, and a pervasive joy of working there. These two aspects are the true driving forces to guarantee the sustainability of a company. ■

**Dieter Kelber is the Executive President of the Advanced Institute of Intellectual Development (INSADI)*

*www.insadi.org.br,
dieter.kelber@insadi.org.br*

Arbitrators' cultural background: an unexploited asset

By Bruno Mirabile,
Julia Krautter Romeiro and
Renato Pacheco Neto*

It has been 13 years since Brazil adopted its Arbitration Law and now we are trying to consolidate this long time of experience in order to secure Swedish and other Nordic investors in their business projects in Brazil.

From 1996 on, arbitration legitimacy has been gradually recognized and its boundaries have systematically expanded. There is nowadays very little focus of resistance to be overthrown before its practice becomes effectively widespread in our society.

The advantages of arbitration are so evident from a business point of view that one should not take more than one line to remind people of them: time control, cost control, arbitrators' technical expertise and confidentiality.

Bruno Mirabile



Nevertheless, there is one more important advantage that is often neglected when businessmen opt for arbitration. Such advantage is arbitrators' cultural background.

Indeed, arbitration is commonly chosen as a method of conflict resolution whenever an activity is subject to an international contract. That allows parties from different countries to agree on the applicable law and, most important, to agree on the legal system.

It is unquestionable that whenever a contract is subject to a foreign legal system, be it continental or common law, it would be most appropriate that arbitrators be chosen in regard to that particularity.

However, it is still very unusual to find in contract clauses stating that "French law is applicable and arbitrators must be French" or "'Swedish law is applicable and arbitrators must be Swedish".

It is fairly interesting to note that despite the fact that foreign and international arbitration chambers often indicate their place of origin as an asset, available arbitrators are usually well renowned local citizens not fully acquainted with foreign cultural backgrounds.

It is for that reason that under the Swedish Chairmanship of Eurocâmaras (2009-2010), the CAE, *Câmara de Mediação e Arbitragem das Eurocâmaras*, today's most important European arbitration institute in Brazil, has recently decided to undertake a reform and to remodel its structure in order to make it better adjusted to the cultural background element being so crucial to satisfactory conflict resolutions among international business partners. ■



Julia Krautter Romeiro

** Bruno Mirabile, LL.M., graduated both in Economics from the Federal University of Paraná (UFPR) and in Law from the Curitiba Law School; holds a DEA in Private International Law and International Trade Law by Panthéon-Assas (Paris II) University; where he also followed his PhD Program. He is International Trade practice group leader at Fraga, Bekierman e Pacheco Neto – Advogados.*

Julia Krautter Romeiro, LL.M., graduated in Law from the University of Bonn in Germany; holds her Master's Degree from the University of Minnesota - USA, and PhD from the University of Saint-Gallen in Switzerland. She is an Advisory Board member at Fraga, Bekierman e Pacheco Neto – Advogados.

Renato Pacheco Neto, LL.M., alumnus of Harvard's Leadership Program, holds Executive Management Diplomas from both Stockholm School of Economics (Handelshögskolan) and Helsinki School of Economics (Kauppakorkeakoulu). He is Swedcham's Legal Director and Member of the Ethics Board of Eurocâmaras. He is also Managing Partner of Fraga, Bekierman e Pacheco Neto – Advogados

Cooperation between Swedcham's LBC and the Arbitration Institute of the Stockholm Chamber of Commerce



Renato Pacheco Neto



Dear Swedcham Members,

Welcome back from the holidays! Important things have been happening in the meantime. Swedcham's Legal & Business Committee (LBC) is planning a series of activities and would like to share information with our participants.

First of all, please book your agenda. On September 24th, Cypress Associates will hold a very nice presentation on international business focusing on M&A transactions. The Cypress team is a very professional and outstanding performer of financial and structured business. There will be a lot of discussion about ongoing matters in the international scenario involving different business experiences.

Furthermore, we would like to remind you of an important political event. Since Stockholm's government has been leading the European Commission as from July 1st, 2009, the European Union is currently under Swedish administration in Brussels. This means a lot of responsibility for Sweden, due to the large arising issues in European policy and regulation. Business depends much on the legal framework, and the latter always focuses on safe international investments. Arbitration cannot be forgotten.

The summer vacation in Sweden was almost over when in August this year, the Legal & Business Committee together with Executive Secretary Jonas Lindström and Chairman Christer Manhusen welcomed Elisa Sohlman, Board Member of the Brazilian Chamber of Commerce in Stockholm, to São Paulo.

She paid us a visit also on behalf of the Arbitration Institute of the Stockholm Chamber of Commerce ("Stockholms Handelskammars Skiljedomsinstitut"). Elisa reported the great work which her colleague Marie Öhrström is carrying out in order to maintain Sweden's highest repu-

tation in arbitration matters worldwide. The Institute offers dispute resolution services for all sectors, countries and businesses.

Next year, Marie Öhrström, who is the Deputy Secretary General of the Stockholm Arbitration Institute, will participate in the ICCA (International Council for Commercial Arbitration) Rio Conference to be held in May.

Swedcham's Legal & Business Committee was delighted to become aware of the rising interest the Stockholm Arbitration Institute is dedicating to Brazil.

As an evidence of our common willingness to improve cooperation between the Arbitration Institute of the Stockholm Chamber of Commerce and Swedcham's LBC, we were kindly handed out the "Handbok och regelkommentar för skiljeförfaranden" ("Handbook and Regulations for Arbitration") organized by Marie.

Right now, Swedcham is in the Chairmanship of Eurocâmaras, the umbrella organization for all the bilateral European Chambers of Commerce in Brazil. There are current discussions at Board level to enhance arbitration activities among all companies which are members of the various Chambers.

The Legal & Business Committee is supporting this initiative and would like to promote a series of arbitration seminars with some international guest speakers so as to better inform its members about the advantages of using this kind of dispute resolution service. Especially in Brazil, where courts are overloaded, it is a very important issue to keep commercial matters resolved as fast as possible.

We hope, therefore, to achieve a common development basis to support a deeper exchange of experience between Swedcham in São Paulo and the Arbitration Institute of the Stockholm Chamber of Commerce. The purpose is to enter an agreement where the two arbitration institutions jointly declare commitment to the further development of efficient methods of resolving commercial disputes worldwide.

Swedcham's Legal & Business Committee is always searching for the most suitable way to strengthen cooperation with other prestigious institutions in order to promote international arbitration and international business.

We hope that the Swedish Chairmanship of Eurocâmaras will also help us to establish this framework of cooperation with the Arbitration Institute of the Stockholm Chamber of Commerce. ■

...Pre-Salt area

Continued from page 30

studying a model of charter agreement that meets the interests of all market players, but there are no formal definitions in this respect so far.

In addition to the lack of regulation in the matters above, investors still face a confused and unclear tax system which, unfortunately, gives rise to several uncertainties to any investor intending to invest in Brazil.

Irrespectively of the model adopted by the Government for exploring the Pre-Salt area (concession with modification in the tax collection rules or share of production), it is essential for the development of the oil industry and for investors that the rules on national content, chartering vessels and tax matters related to such activities be as well prioritized in this stage of revision of laws in the oil sector which is being conducted by the Government, otherwise the increase of costs related to risks of investing in Brazil would be ultimately paid by the final consumers.

**Camila Mendes Vianna Cardoso and Felipe Portugal are, respectively, Senior Partner and Lawyer at LAW OFFICES CARL KINCAID/Mendes Vianna Advogados Associados.*

...Oil & Gas

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data bank and the process of implementing the program may take more than a year but the target is to have it implemented by 2011.

The main intention of the program mentioned above is to promote the Norwegian industry and to prepare human resources for the future of the Norwegian companies in Brazil since local force/content is and will

be mandatory.

Nowadays companies such as DNV and Marintek offer opportunities for a Master's degree in Norway.

In case your company needs professionals with experience in the short term, there is no option but to hire an expatriate or take professionals from your competitor.

One of the questions I've received from Norwegian companies is about hiring Petrobras employees. Why not?

To be able to answer this question, I need to mention the unemployment rate history in Brazil and the business culture generated during those difficult years. Culturally a stable job is far more important than a higher salary with the uncertainties about tomorrow. Over the last two decades Brazil basically stopped growing, therefore it was difficult to have a decent job even for recently graduated people.

This is what makes it so difficult to hire a Petrobras employee. Generally speaking, they don't think about leaving because Petrobras invests heavily in its employees and gives them a full range of opportunities to grow internally. The company also has one of the best retirement plans.

Brazilian citizens are proud of Petrobras and the same is valid for the company's employees, on top of this Petrobras rarely "fires" a person that gives stability to the team. Petrobras positions are very much disputed, sometime more than 2,000 candidates apply for one position.

...Guidelines

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d) Sub-contractors:

Along with educating the project management on the details of the contract prior to project execution, it is also important to raise awareness on the legal position of the various parties involved in a project. Typi-

cally, communication with the other party's sub-contractor should be dealt with diligently, in order not to risk any waiver of the agreed liability for the sub-contractor's performance.

3) Post delivery

a) Continued project management:

Although the object of the project has been delivered and the physical performance concluded, it is important to keep in mind that it might be necessary to keep some of the project management involved in the project for necessary work, e.g. dealing with variation order requests, outstanding items, etc. Project management teams often consist of busy people who move on to different projects shortly after a project has been concluded and delivered. It is thus important to have the option to retain some of the team after delivery and ensure that their focus is kept on the project in question.

b) Assistance in the event of legal disputes:

Although we realize that this last item implies a "feathering of our own nest", we nevertheless take the liberty to advise that external legal assistance is sought as soon as possible when a disagreement between the parties is likely to develop into a legal dispute. This need not necessarily be done upfront vis-à-vis the other party, which may escalate a conflict, but the primary purpose should be to obtain an objective view as to the legal position. It may prove costly to argue a case based on one's immediate and subjective view of the legal merits, and it is not convincing to a court if a party shifts legal arguments and standpoints during the course of a dispute.

**Eirik Thomassen (eth@wr.no) and Trond Eilertsen (tei@wr.no), are partners at Wikborg Rein and Co., reference office of the NBCC's member Bastos-Tigre, Coelho da Rocha e Lopes Advogados (heitor@bastostigre.com.br) in Norway.*

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Swedish-Brazilian Chamber of Commerce
Rua Oscar Freire 379, 12º andar
CEP: 01426-001 – São Paulo
Tel.: +55 11 3066 2550
Fax.: +55 11 3066 2598
www.swedcham.com.br
Executive Secretary: Jonas Lindström

Norwegian-Brazilian Chamber of Commerce
Rua Lauro Muller 116, sala 2401, Torre Rio Sul
CEP: 22290-160 – Rio de Janeiro, Brazil
Tel.: +55 21 2541-7732
Fax.: +55 21 2275 0161
info@nbcc.com.br
Executive Secretary: Ana Luisa Ulsig Leite

Editor: Laura Reid
laura@swedcham.com.br
Tel: 11 3066 2550
General Coordination and Advertising Sales:
Laura Reid

Graphics/Production:
2:d Comunicação Design
Rua Bela Cintra 1618/2, CEP 01415-001- São Paulo
Tel.: 11 3083 6380 www.doisd.com.br

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Arvato Print, Rua Dr. Edgard Theotônio Santana, 351
- CEP 01140-030 – São Paulo – SP
Tel.: 11 3383 4500