The Development Bank for the State of Bahia, Desenbanco, has been renamed and restructured as Desenbahia, the Bahia State Development Agency. The agency has a new focus: to lend financial support for strategic projects that will generate jobs, emphasize the production of finished goods, and integrate the production chain. Desenbahia will prioritize assistance to small- and medium-sized enterprises; it has a financing capacity of R$700 million and 3,000 clients. The agency’s financing will be used exclusively for investments.

The Gerdau Group, Brazil’s largest steel conglomerate, has announced plans to expand its operations in Bahia. It will invest R$37 million to enlarge its existing plants in the Usiba industrial park and to install a new plant in Simões Filho. The new plant, which should be operational in two years, will create 60 direct and 250 indirect jobs. It will produce between two and three thousand tons of steel per month. In 2000, Gerdau’s Usiba plants, which have the capacity to produce 730,000 tons of steel per year, accounted for 28% of Gerdau’s exports from Brazil. By 2003, Usiba’s actual steel production should reach 540,000 tons per year.

The César Borges administration has created Proalba, the Cotton Cultivation Incentive Program, to assist cotton producers in western Bahia. The program reduces the ICMS sales tax on cotton and seeks to benefit those who modernize their cultivation technologies. Proalba will also attract new investments and expand already existing agroindustries. Although cotton cultivation is one of western Bahia’s most recent agricultural activities, production is flourishing. The 2001 harvest was 56,100 tons, surpassing the harvests of all other states in northern and northeastern Brazil. Output next year is expected to reach 90,000 tons.

On August 31, the first thermoelectric plant of the Ministry of Mines and Energy’s Thermoelectric Priority Program was inaugurated in Camaçari. The Fafen Energia plant, an investment of some US$65 million, has a generating capacity of 60MW, which will be increased to 125MW by 2002. Fafen Energia is a consortium formed by Eletricidade de Portugal and Petrobrás. Of the 60MW that will be generated during the plant’s first phase, one-third will be used by Petrobrás and the rest will be sold to the market.

The São Francisco Hydroelectric Company (Chesf) has planned a series of investments to expand the electricity transmission system in northeastern Brazil. In Bahia alone, the company will invest more than R$60 million this year to improve the quality of transmission and to increase installed capacity. One project will link the substations in Camaçari and Pituaçu. “This will be the second circuit of an already existing line, increasing the transmission capacity. With this, we will better be able to serve the metropolitan region of Salvador,” said Manuel Machado, an advisor in Chesf’s Projects and Transmission Superintendency.

The consortium formed by Petrobrás, Queiroz Galvão, Petroserv, and El Paso has received a concession to explore for oil in two blocks of the Camamu-Almada basin in southern Bahia. Under the rules established by the National Petroleum Agency (ANP), the consortium can explore for oil and natural gas in the region for up to seven years. The consortium acquired the
BMCAL-5 block for R$6 million, and the BMCAL-6 block for almost R$800,000. Each block has an area of 1,100 square kilometers.

The installation of Ford and other industries in the Camaçari Petrochemical Complex will require a reordering of the public transportation system in Dias D’Ávila and neighboring municipalities. In light of this need, Aroldo Cedraz, Bahia’s Secretary of Industry, Commerce, and Mining, visited Germany to study the public transportation systems in Aachen and Cologne. “We spoke about the possibility of using German technologies in the sector to create a model that would fit our reality,” said Cedraz. He added that the system in Aachen, which is based on bus transportation, appears to be the one that would best meet Bahia’s requirements. The transportation project will be paid for by resources from the state government, the municipalities involved, Ford, and the other companies that will benefit from the system.

Master Glasses Indústria e Comércio Ltda., a manufacturer of sunglasses and frames, will expand its production by 50% in the next six months, increasing its output from 60,000 to 90,000 units per month. Nearly 16% (10,000 pair) of its production will be exported, mostly to Chile, Uruguay and Spain. Seventy percent will be sold to states in the north and northeast regions of Brazil, and another 16% to the south and southeast. The company, which benefits from the BahiaPlast Program, will invest R$4.8 million in warehouses, equipment, and technology purchased from Italy. Master Glasses currently employs 120 workers. In January 2002, when the company enters its second phase of operations, it will create 250 direct and 800 indirect jobs.

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