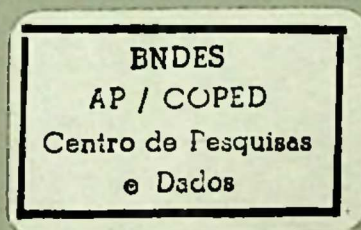


Competitiveness at foreign markets Improving regional development
 Financing the economic infrastructure Modernizing the industrial sector
 Import substitution Supporting the export of manufactured goods
 Preserving the environment Developing the capital market
 Technological development Developing new sources of energy
 Social infrastructure Developing the private sector
 Strengthening the small and medium scale sector
 Strengthening the network of financial agents
 Restructuring the industrial sector Defining industrial policies
 Economic infrastructure Promoting priority projects
 Diffusion of technological know how Competitiveness at foreign markets
 Improving regional development Financing the economic infrastructure
 Modernizing the capital goods sector Import substitution
 Supporting the exports of manufactured goods Preserving the environment
 Developing the capital market Technological development
 Developing new sources of energy Social infrastructure
 Developing the private sector Strengthening the small and medium scale sector
 Strengthening the network of financial agents Restructuring the industrial sector
 Defining industrial policies Economic infrastructure Promoting priority projects
 Diffusion of technological know how

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BNDES, 40 years
An agent of change

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BNDES. 40 YEARS AN AGENT OF CHANGE

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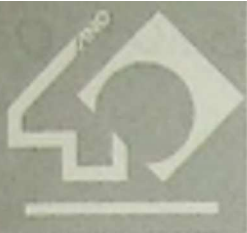
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BNDES, 40 years
An agent of change



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Foreword

Created June 20, 1952, BNDES has just celebrated its 40th birthday.

And it is with justifiable pride that we commemorate such a significant date, as all of the efforts undertaken in these four decades by the Bank's staff and its successive administrations have enhanced the development of Brazil's economy.

The changes have been staggering in scope: from a nascent post-war industry we have built the largest, most complete and most integrated industrial plant in all of Latin America. There is no major project in Brazil that has not been supported by the Bank.

BNDES's role during these 40 years has proven that it is an institution born to lead, one which strives to be contemporary not with the present but with the future. Indeed, the Bank has always managed, in the various phases through which Brazil's economy has passed, to identify the changes of course required and point out the routes to be followed.

For us, being an agent of change is a basic characteristic of BNDES, the one which best defines its institutional personality.

In presenting this history of the Bank's 40 years, we are all aware that there is still a long way to go, a lot to develop, to perfect and enrich.

This is because economic growth is a means. What we are really striving for is social development, enhanced quality of life for our citizens.

Much has been accomplished in four decades, but it is not enough, it will not suffice. Society demands more and wants it quicker. This is our challenge. This is our mission.

Eduardo Modiano
President



Introduction

Ever since its creation in 1952, BNDES has been an agent of change. At each stage, heeding the trends of the Brazilian economy, the Bank has made a major contribution to ensuring the transformations necessary for economic development take place much more efficiently and quickly.

With its dynamic attitude pointing in the direction of modernity, BNDES has known precisely how to handle the many varied roles it has been assigned over the course of its history, as determined by the needs of each moment. For instance, when the possibilities of economic growth within the framework of the import substitution model became exhausted in the 1980s, the Bank once again took the lead by proposing a strategy of competitive integration.

At present, among the problems of the nation's economy that require immediate solution are the three-folded needs to modernize, increase the competitive edge of the Brazilian industrial sector and redefine the role of the state. Faithful to its nature of adapting itself and being ready to carry out its mission at critical points in the developmental process, BNDES has recently focused its attention on these major challenges.

With respect to modernization and restructuring the industrial sector, current financing is aimed in accordance with the role defined for BNDES in its 1991/1994 Strategic Plan. This consists of expanding output capacity and increasing the competitiveness of the Brazilian economy.



In carrying out its mission, the Bank has been stimulating the participation of private funding in financing investments, with a view to the restructuring of industry, modernization and adaptation of economic infrastructure, modernization of the agricultural/livestock-raising sector and preservation of the environment. To meet such challenges, the Operational Policies have undergone continual enhancements, with creation of new products and services tailored to meet the various investment structuring requirements.

As regards reformulating the state's participation in the economy, BNDES's role has been two-fold. On the one hand, the Bank was assigned the task of administering the Brazilian Privatization Program and providing it with technical, administrative and financial support. On the other hand, it has sought to mobilize the private sector to make new investments in infrastructure, including participation in the structuring and examining of proposals in the distinct spheres of government.

Privatization is fundamental for the modernization of Brazil's economy, as is the decentralization of markets, reduction in the strength of monopolies and oligopolies, greater democratization of capital and adoption of new company management models.

Agent of transformation and pioneer in the definition of actions for development promotion, BNDES is presently an essential part of implementing a policy aimed at enhancing the productivity and quality of the nation's industrial sector, strengthening its capacity to compete in both domestic and international markets, without damaging the environment.



1

BNDES: financing agent of transformations

History needs to be rewritten every once in a while, for although the past never changes, the present modifies our perspective. Each generation asks new questions and finds new areas of interest as it relives distinct aspects of preceding experiences.

This particular history has a clear-cut birthdate: June 20, 1952, the day Law 1628 was enacted by the government of Brazil.

The second administration of President Getúlio Vargas, begun in 1950, inherited from the previous administration a nation anxious for change. The favorable balance of trade was being weakened by the importation of heavy industrial products and equipment, the rise in post-war consumption and international fuel prices.

Given such a dilemma, the nationalistic bourgeoisie sought to expand its maneuvering space, emphatically calling for reduction in structural deficiencies by earmarking special funds for development of basic industries.

In harmony with these desires, the Vargas government imagined that it could boldly invest funds in the sectors of infrastructure, mainly transportation and energy. But there was a problem: where to obtain funding? The scarcity of domestic savings, as well as the difficulty of channelling them in an efficient manner, posed another



question: should the funds come from the state or from abroad?

In an attempt to staunch the controversy resulting from the growing nationalist tide, the government chose a two-folded strategy. In 1951, the Finance Minister Horácio Lafer announced a US\$ 1 billion five-year plan to invest in basic industrial sectors, the government being responsible for the portion intended to make up for energy shortages. At the same time, it worked through the Joint U.S.-Brazil Commission to eliminate obstacles to foreign public and private investments in Brazil.

The need for a specific financing agency became evident, to make it viable to channel funding to the projects required for such major changes. Thus, with the advent of Law 1628/52, BNDES was born. At the time it was christened the Brazilian Economic Development Bank (BNDE) and assigned the task of promoting the economic development of the nation.

Given the lack of agile taxation mechanisms to ensure sufficient domestic financial resources, the government chose instead to impose a mandatory loan, collected as a surcharge on the income taxes. This guaranteed a steady supply of funds specifically aimed at the projects covered by the Economic Renewal Program.

In its search for the most rational means of investing such funds, BNDES introduced in Brazil the very notion of project appraisal: analysis of the technical process, market evaluation and appraisal of economic-financial viability, which at the time were innovative techniques.

Therefore, a more up-to-date historical understanding reveals that, ever since its formation and in many forms, BNDES has been responsible for staying in tune with economic trends and acting as a financing agent of change.



2


Sources of funds

BNDES is a public sector financial institution. Ever since its creation it has operated with funding mechanisms especially adapted to the performance of its activities. Today, the Bank's principal source of funding is the Worker Protection Fund (FAT), which represents almost 70% of its normal sources of funds.

Officially, FAT is the replacement for the PIS/Pasep Fund created in the 1970s and extinguished by the new Federal Constitution of 1988. In fact, however, the source continues to be funds belonging to workers, paid over by all companies in Brazil and duly invested by the Bank to obtain solid yields.

Forty percent of FAT funds go to BNDES to finance projects that make a decisive contribution towards national development, including job creation, thereby giving workers a return on the investment of their equity. The remaining 60% cover the costs of the Unemployment Insurance Program and the second annual automatic bonus (14th salary) of those workers who earn up to two minimum salaries per month.

The first source of BNDES funds was the Economic Renewal Fund (FRE) created in 1951 precisely for the purpose of providing the Bank with capital and making its operations a viable proposition. The fund consisted of a compulsory loan of 10% on income taxes. It was extinguished in 1967. On the occasion, the participation of foreign funding from the World Bank and the U.S.'s Eximbank was scheduled,



but this never came about due to political problems, mainly greater interest on the part of the United States in Europe and Asia and conditioning factors imposed by those two agencies.

Therefore, BNDES began its activities exclusively with Brazilian funding. The same law that created the Bank defined other sources of funds: the compulsory percentage of deposits made at the Federal Savings Bank (CEF), the mathematical reserves of insurance companies and annual Social Security revenues (excluding the federal government's share).

During the first 13 years of BNDES's existence, the compulsory 10% of income tax accounted for more than half of the institution's sources of funds. But in light of the rise of inflation and new opportunities for funding, the inadequacy of this source became apparent and its original importance receded.

Already in the 1950s, another highly important source of funds was the Wheat Agreement signed between Brazil and the United States. These resources increased to the point where they represented 40% of the Bank's budget, but in 1967 this source was extinguished.

In the 1960s, budget appropriations from the Brazilian Treasury increased in importance and major capital inputs were made.

After 16 years, primarily counting on government tax-derived funds, BNDES from 1968 onwards sought to diversify its sources, including from the international financial market.

After the first oil crisis in 1973, the availability of hard currency loans to developing nations increased considerably.



Under such circumstances, BNDES intensified its efforts to obtain funding from international banking institutions. Even so, tax-derived funds continued to account for roughly half of the Bank's budget.

In the 1970s, with the transfer of PIS/Pasep to the Bank, the institution's responsibility in correctly investing these funds increased, since the Fund represented the hard-earned equity of workers and, as such, had to be properly administered to obtain the best yields.

The PIS/Pasep Fund gradually became of major importance in the Bank's budget, which in that decade began to depend much less on budgetary allocations. By 1980 the latter source dried up completely.

Recognition of the competent and upright manner in which the Bank administered the PIS/Pasep funds led it to be assigned the role of financial manager of the Merchant Marine Fund (FMM). Previously handled by the now extinct Sunamam, the resources of this earmarked fund are invested in expanding and modernizing the nation's merchant marine fleet.

In 1982, the Bank earned another letter — "S", which stands for Social. This was because the government created the Social Investment Fund (Finsocial) and assigned the Bank the task of administering it. Nevertheless, this experiment did not last very long. From 1985 onwards, declining portions of Finsocial proceeds were repassed to the Bank. By 1990, these funds were no longer transferred but went instead directly to the Ministries handling the various social programs.

Economic development bank is synonymous with long-term financing of projects with long-term maturation. This means that stable sources of funds are required on terms



compatible with the characteristics of the investments. To-day, the Worker Protection Fund (FAT) duly performs this function, ensuring expansion of the jobs and incomes of Brazilian workers.



3

The role of BNDES

The history of Brazil's recent economic development is closely related with the history of BNDES. Upon creation of the Bank in 1952, Brazilian industrialization was just beginning and the transportation infrastructure, represented a serious hurdle to economic growth. The nation was crying out for more energy.

The Bank's initial, urgent mission was to participate in the economic renewal effort, its first function as a financing agency. At the time, sectorial priorities were established on the basis of diagnoses made by the federal government and the Joint U.S.-Brazil Commission, which focused on economic infrastructural weaknesses as barriers standing in the way of development.

Indeed, power shortages in the 1950s got to such a point that they hindered production activities, making any consistent plan for economic development of Brazil an inviable proposition.

Another stumbling block to industrialization was the railroad network, out of joint and inadequate to the pattern of expansion required by the market. Railroad modernization, as well as power generation and transmission, were the first two sectors benefitting from the activities of the recently created Brazilian Economic Development Bank.

Until 1959, almost all of the Bank's budget was invested in these two sectors, as they were considered fundamental to the industrialization process that was beginning to walk on its own two feet.



In its capacity as manager of the Federal Electrification Fund, the Bank implemented an electrification program that permitted execution of several basic projects, both through direct financing and as underwriter of loans contracted overseas.

Always ahead of its time, BNDES — whose technical staff participated intensely in drawing up the Plan of Goals — began to support expansion of Brazil's steelmaking capacity at the end of the 1950s. This support was vital to the growth of the nation's automotive industry.

Investments in steelmaking were made parallel to those in the electric power sector. Between 1958 and 1967, fully one half of BNDES funds went to steelmaking, transforming Brazil, at the first stage, into a self-sufficient steel producer and, later, into a major exporter of steel products.

The Bank's role in expanding the power, railroad and steel-making sectors was behind the government's decision to create three companies — Eletrobrás, RFFSA (the federal railroad network company) and Siderbrás — which then took over the planning and implementation of their specific projects.

With the infrastructural solutions well on their way, in 1964 BNDES turned its attention to supporting private sector investments. Its activities were diversified and the range of sectors it supported was expanded. This was the period in which, besides financing the setting up of new industries, the Bank began to promote technological development, to finance the purchase of Brazilian-made machinery and equipment and to help the small- and medium-sized companies segment. Adapting itself to the new realities of the 1960s, it once again exercised its role as an agent of change and created various programs to meet the new requirements of the day.




Therefore, the Technological Development (Funtec) and Small- and Medium-Sized Companies Financing (Fipeme) Programs were created. The former started in 1964, the year which marked the beginning of the process for diversification of BNDES's support activities. Its objective was to train human resources and make them capable of absorbing technological development so as to keep Brazil's industrial plant constantly up to date.

The first Funtec funds had two basic purposes: financing programs for turning out M.S. and PhD graduates in the exact sciences and supporting technical-scientific research linked to basic industries. The result: over 5,000 master's degrees were awarded by Brazilian universities with funds provided by BNDES. Furthermore, it also financed R&D at the Air Force Ministry's Aerospace Technical Center (CTA), which would become the original nucleus of Embraer.

The aim of Fipeme, created in 1965, was to broaden the range of companies for which BNDES ensured support. This program represented the Bank's first step towards operational decentralization, giving rise to an agile mechanism for repassing of funds through financial agents all over the nation. This was the embryo of what would later become the network of development and investment banks. Indeed, since 1972, this network is responsible for all of the Bank's repasses to small- and medium-sized companies.

As in the case of infrastructure, once again the innovative action of BNDES put into focus the complexity of questions relating to economic growth and the need to create institutions oriented towards technological development and support for smaller companies. Consequently, Finep and Cebrae were created.

Today, the support for technological enhancement of Brazilian industry is provided through a wide-ranging



technology program, with financing lines available for technological enhancement, increased productivity and competitiveness and even direct shareholdings in technology-intensive companies.

Support for smaller companies is mainly carried out nowadays through repass operations under the Automatic POC and Automatic FINAME programs.

Ever alert to supply needs and with a view to expanding the demand for Brazilian-made capital goods, in 1964 BNDES created FINAME — Special Industrial Finance Agency. The objective of this agency is to promote the development and consolidation of Brazil's machinery and equipment manufacturing sector by financing purchase and sale transactions.

Set up as a BNDES subsidiary for medium- and long-term financing, FINAME also operates through a wide network of agents, including development and investment banks, commercial banks and credit and finance companies.

Over the course of time, the Agency became the principal investor of BNDES funds. Its activities have made possible the consolidation of the nation's equipment manufacturing industries, mainly small- and medium-sized ones which generally have greater difficulties in obtaining access to bank credit, especially on a long-term basis.

Beginning in 1974, with the oil crisis that suddenly hit Brazil's balance of payments hard, the government decided to intensify its import substitution program, as set out in the second National Development Plan. The result of this effort was the formation of the most complete industrial park in all of Latin America.

This economic policy turnabout led to marked changes in BNDES's activities. It began to finance principally two



major sectors: capital goods and basic raw materials, consisting of minerals and ores, steel and non-ferrous metal products, chemical and petrochemical products, fertilizers, cement, pulpwood and paper.


The strategic importance of these raw materials caused a chain reaction in the formation of new industries which consume same and, consequently, led to the rise of major private Brazilian business groups.

In keeping with its philosophy of innovation and modernization, BNDES soon perceived that the recently-created companies needed to develop technologically. To such end, the Bank changed and expanded the concept of Funtec, creating two sub-programs (1) demand and utilization and (2) generation and supply of technology. The former was aimed at encouraging companies to develop original technologies in terms of product, process and design. The latter sought to integrate universities and research institutes with companies.

Adapting the manner in which it carries out its functions as per the needs of the moment, BNDES opened up a new front of participation in the economic development of Brazil as of 1974. This consisted of the creation of three subsidiaries to support capitalization of Brazilian companies: Mecânica Brasileira S/A (Embramec), Insumos Básicos S/A Financiamento e Participações (Fibase) and Investimentos Brasileiros S/A (Ibrasa), which in July of 1982 were merged into a single company, BNDESPAR — BNDES Participações S.A.

All the three former subsidiaries and their successor company were created in accordance with the philosophy of minority shareholdings, temporary investments and stimulation of capital markets.

The creation and strengthening of basic industries in Brazil



during the 1970s was the result of the pioneering attitude of BNDES, which conducted various studies and opened up spaces for businessmen in vacant areas of the nation's economy. This work gave rise to numerous major projects in such areas as steel, equipment, pulpwood and paper, petrochemicals, caustic soda and chlorine, copper, aluminum, tin and zinc, among many others. In fact, no major undertaking involving private Brazilian capital was implemented without BNDES support.

The environmental question is another matter where the speed with which BNDES incorporates new concepts into its activities can be noted. Already in 1976, long before ecology and sustainable development became fashionable, the Bank signed an agreement with the government's then Special Environmental Secretariat to initiate a process of making development and environmental concerns compatible. At the beginning of the 1980s, BNDES was one of the participants of the Cubatão Interministerial Group, first studying and then financing improvements in the environment of that city, at the time notorious as the nation's most polluted industrial centers.

The persistence of the international oil crisis led BNDES, once again in 1979, to the forefront of events. Its mark was firmly made in financing of the National Alcohol Program, the Conserve Program and the support for the giant Itaipu hydroelectric power plant.

In the area of infrastructure, the outstanding achievements of that period involved the operations with the Federal Railroad Network (RFFSA) and the investments in local roads. Moreover, the Bank financed installation of industrial parks and the Carajás Project infrastructure as well.

With the creation of the Social Investment Fund (Finsocial) in 1982, the Bank was transformed into an agent respon-



sible for promoting social development and adopted multiyear fund investment planning for the projects it supported. It also required the specification of well determined sources and uses of funds, clear identification of the entity responsible for managing and maintaining social equipment and also registering of the low-income beneficiaries.


The objective was to maintain single accounting records of the programs which were constantly updated, with periodic follow-up visits by BNDES technical staff, so as to permit monitoring of project implementation. In 1990 these funds ceased to be invested by the Bank.

At the beginning of the 1980s, the nation's industrial plant was finally set up. However, an economic recession began at that time as well. Import substitutions as a source of economic dynamism were exhausted, as was the state's indebtedness capacity. It was in this context, then, that BNDES introduced the practice of strategic planning, subsidized by the building of prospective scenarios.

The strategic planning process and the discussions on drawing up scenarios led to a change of course in the Bank's activities. It became clear that a reorientation of the nation's economic policy was required, so that it could be aimed at enhancing the competitiveness of Brazilian companies, an essential condition for putting the nation on the level playing field of the world economy.

Out of these conceptual discussions there arose the formulation of a new economic model: an alternative route for developing Brazil through competitive integration. From then on, BNDES stimulated investments in companies that added advantages to their products in terms of improving their domestic and international competitive footing.

The Bank drastically reduced its involvement in financial



recovery of companies, as well as commitments to state and municipal governments whose operations proved to have poor return.

Between 1984 and 1989, BNDES advanced rapidly while absorbing new concepts that significantly altered its activities profile. The priority became the private sector and the Bank's approach to project appraisal changed to evaluation of the competitiveness of undertakings as the guiding criteria for allocation of funds. This process was ahead of its time in anticipating the need of adapting Brazilian companies to the new competitive environment, which became the order of the day with the beginning of economic and trade liberalization in 1990.

The 1980s were marked by important events in the story of BNDES's activities, which should be recapitulated here.

In 1984, BNDES gained a new source of funds and, along with this, a new assignment. Financial management of the Merchant Marine Fund (FMM) was entrusted to the Bank, which resulted in a radical change in the manner of handling the funds derived from the Merchant Marine Fleet Renewal Surcharge (AFRMM).

Indeed, the first years of the FMM involved technical-administrative recovery. With the return of the financings, the Bank instituted project analysis and began financing the purchase of ships by the shipowners and the exportation of vessels by the nation's shipyards.

Another innovation introduced by the Bank during that same period was to extend its credit lines to agri-business, which brought to the nation's farms and ranches the same project evaluation systems implemented in the industrial sector.

At the same time, BNDES financed major projects in the 1980s linked to the public sector, with excellent results. Such



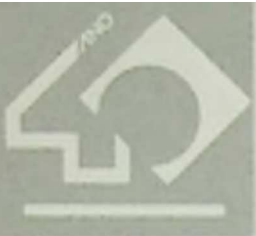
was the case, for instance, with the Itaipu hydroelectric power plant, automation of the Federal Railroad Network, improvements in the Brazilian Urban Train Company (CBTU), integration of São Paulo urban transportation, various urban transportation programs in medium-sized cities and towns and port expansion and modernization projects.

Still during the second half of the 1980s, BNDES initiated a serious discussion on the role of the state in the economy and began returning some of the companies it controlled back to private initiative.

Due to the speed with which the import substitution process occurred in the 1970s, BNDES took over control of manufacturing companies which were essentially producers of raw materials and capital goods. This was what happened in the cases of Caraíba Metais, an integrated copper mining and manufacturing project; Sibra, a producer of ferro-manganese alloys; Celpag, a paper and pulpwood manufacturer; and the machinery company Máquinas Piratininga. All of them were important undertakings for the nation's economy and their activities would have been interrupted were it not for the Bank's intervention.

Thus, beginning in 1986, BNDESPAR began planning a privatization program, which got underway the following. The first company returned to the private sector was Cia. Nacional de Tecidos Nova América, a textile manufacturer sold in June, 1987 to Multifábrica S/A, part of the Cataguazes-Leopoldina Group. That same year saw the privatization of Máquinas Piratininga do Nordeste, Máquinas Piratininga and Siderúrgica Nossa Senhora Aparecida, a steelmaker.

This process was carried out in an absolutely open and widely disseminated manner. The shares in the companies were sold at stock exchange auctions, thereby inaugurating privatization-Brazilian style.



The experience acquired led BNDESPAR in 1988 to begin using its know-how to support the same process in government-controlled companies where it did not have any shareholdings itself. Thus, the subsidiary came to be the agent for privatization of Siderbrás — a public sector holding company in the steel sector — and, in this capacity, was responsible for the sale of two steelmakers: Cofavi and Usiba.

Discussions on redefinition of the state's role in the economy led to an important alteration in BNDES's activities in the infrastructure area. Instead of continuing to finance states and municipalities, the Bank began to act in the sense of mobilizing private capital to carry out investments in public services.

On the other hand, in 1986 the Bank created the Environmental Protection Program, through which it financed several projects, including as repass agent for World Bank funds. This program was aimed at supporting the environmental protection projects of Brazilian companies, as well as garbage collection projects. With investments of over US\$ 300 million, the main undertakings involved those carried out in the nation's petrochemical complexes, at paper and pulpwood plants and at the Carajás mining complex.

As the 1990s got underway, the federal government defined a new industrial and foreign trade policy for the nation and decided to expand the privatization program to a major-scale project.

These new directives included important watersheds: increasing the exposure of Brazilian companies to a greater degree of competition by freeing up imports and stimulating increased productivity and competitiveness, enhancing their ability to compete in this new business environment mainly through support of investments in technology.



The need for technological enhancement is not limited to just the industrial sector. In the agriculture and livestock-raising area too, competitiveness is increasingly linked to new technologies, especially in relation to biotechnology; permanent ties between the field and agribusiness are the order of the day.


Boosting the overall competitiveness of Brazil's economy also requires modernization of its economic infrastructure and greater participation by the private sector. This context includes concern with the environmental impact of new undertakings.

Thus, the Strategic Plan set out by BNDES for the 1991/1994 period establishes that the System should carry out the following role:

"Contributing towards expansion of the productive capacity and increasing the competitiveness of the Brazilian economy, stimulating the participation of private funds in the financing of investments, thereby bringing about:

- restructuring of industry, adapting it to a greater degree of domestic and international competition;
- modernization and adaptation of the economic infrastructure, with emphasis on investments by the private sector;
- modernization of the agricultural and livestock-raising sector, emphasizing the incorporation and dissemination of new technologies; and
- environmental protection."

BNDES's activities in this new phase deserve a few comments. Among the new strategies, investments in increased productivity and quality are considered by the Bank as fundamental pre-requisites for enhancing the competitiveness of Brazil's economy, especially its industrial plant. In this sense, the Bank has begun to grant financing for implemen-



tation, expansion, relocation, technological enhancement and implementation of industrial sector quality management systems.

Another important line of activity of BNDES is in support of business restructuring, facilitating undertakings aimed at adapting the nation's industrial structure through mergers, amalgamations or acquisitions of companies, as long as the result is enhanced competitiveness.

These financing lines are supplemented by BNDESPAR, which has corporate shareholdings and thereby shares in project risks. In the context of the System's innovative vision, this subsidiary recently created an ultra-modern and pioneering product: the Technology-intensive Company Capitalization Syndicate (Contec), through which it shares risks with small- and medium-sized companies that are developing basic technologies.

This new product was launched by BNDESPAR to ensure that technology-intensive companies at the stages of conception, start-up, expansion or initial development will not lack investment funding due to the risks at stake.

Another fundamental aspect of BNDES's new operational mode is the priority assigned to expanding the exports of machinery and equipment. Two new products have thus been launched to provide Brazilian capital goods manufacturers with conditions for competing in foreign markets: Finamex Preshipment and Finamex Postshipment.

Finamex Preshipment finances the production of capital goods intended for export and the credit line is made operational through FINAME's financial agents. Instituted in January of 1991, the objective of Finamex Preshipment is to extend to the area of foreign trade the services traditionally provided by the Bank for sale of Brazilian-made machinery and equipment on the domestic market.



Finamex Postshipment, launched in September of 1991, offers capital goods manufacturers an agile and systematic credit mechanism for refinancing exports through factoring and discounting of securities representative of the respective transactions overseas. This line is likewise made operational through FINAME's financial agents.


With respect to environmental protection, BNDES's strategy includes activities encompassing all Bank sectors. Thus, procedures adopted to finance or participate through shareholdings in projects have to be approved from the environmental standpoint as well.

In the 1991/1994 Strategic Plan, BNDES incorporates the concept of sustainable development in its activities. In other words, the institution's financings should promote economic development without compromising future generations. This strategy also aims at preventing accidents, avoiding waste and meeting the growing demands of consumers and society at large.

The operational policies specify that this area is to be processed through the Environmental Protection Program and through analysis and monitoring of the undertakings supported by the Bank, with a view to rationalizing the consumption of energy and environmental impacts.

The Environmental Protection Program finances the following items: control and prevention of water and air pollution; appropriate collection, disposal and treatment of industrial, household and hospital wastes; tracking, monitoring and follow-up; environmental recomposition of mined areas and other degraded regions; vegetative recovering with essences native to the affected areas; and on-the-job safety and hygiene.

In 1990, BNDES was assigned the task of implementing the expanded privatization process, now defined as an official



government program. Law 8031 of April 12, 1990 created the Brazilian Privatization Program, the Brazilian Privatization Fund and the Program's Governing Commission and appointed BNDES as the administrator of the entire process.

The commitment to openness is reinforced by the contracting of independent consulting and auditing firms, chosen on the basis of public tenders, to demonstrate the correctness of each appraisal and sale.

The sale of the traditional steelmaker Usiminas inaugurated the new Program. Convinced that the state's role in the economy needed redefinition, BNDES went to court to overcome attempts to thwart the sale, which finally came about through an auction conducted by the Rio de Janeiro Stock Exchange on October 24, 1991. Transferred to the private sector together with its subsidiary Usimec, the company was purchased by a consortium headed by the Bozano, Simonsen banking group for US\$ 1.5 billion.

As it turns 40, BNDES has already contributed, in its capacity as administrator of the Brazilian Privatization Program, to the privatization of 10 companies: Usiminas, Usimec, Celma, Mafersa, Cosinor, SNBP (River Platte Navigation Service Company), Indag, Piratini, Petroflex and Copesul.

For BNDES, privatization represents part of a series of measures aimed at modernizing Brazil's economy. The purpose of the Bank's role is to advance in the direction of deconcentrating markets, reducing the weight of monopolies and oligopolies, with increased democratization of capital ownership and adoption of new company management models.

The agenda for the future is full of new challenges for BNDES and its subsidiaries. The need for adjustments



in Brazil's economy, the liberalization of foreign trade, the enhancement of the competitiveness and productivity of the nation's industrial plant and continuation of privatization make clear to the Bank the current validity of the changes that it extolled ahead of time.

In 1992, BNDES is just as necessary to the development of Brazil as it was 40 years ago. The Bank distributes its funding throughout all sectors of the economy, with pre-defined strategies aimed at maximizing the economic and social return of the financings granted. In industry, agriculture and infrastructure, it is constantly striving for improvements in the quality of the goods produced and the services rendered, as well as technological enhancements and partnerships with private capital.

It is in these and a thousand other ways, every decade and every day, that BNDES fulfills its obligation to be an agent of change for the better.



Tables

Table 1

BNDES System - Approvals per Fields and Types of Activity
(1952/1981)

Table 1-A

BNDES System - Approvals per Fields and Types of Activity
(1982/1991)

Table 2

BNDES System - Approvals per Major Regions and States
(1966-1971-1976-1981-1986-1991)

Table 3

BNDES System - Disbursements
(1952/1991)

Table 4

BNDES System - Disbursements per Fields and Types of Activity
(1973/1979)

Table 4-A

BNDES System - Disbursements per Fields and Types of Activity
(1980/1991)

Table 5

BNDES - Structure of Funding Sources
(1952/1965)

Table 5-A

BNDES - Structure of Funding Sources
(1966/1971)

Table 5-B

BNDES - Structure of Funding Sources
(1972/1981)



Table 5-C

BNDES System - Structure of Funding Sources
(1982/1991)

Table 6

BNDES - Evolution of Foreign Source Funding
(1966/1978)

Table 6-A

BNDES - Foreign Source Funding - Operations Carried Out
(1979/1991)

Table 7

FINAME - Operations Approved and Disbursements Made
(1965/1981)

Table 8

Embramec, Fibase and Ibrasa - Approvals and Disbursements
(1974/1981)

Table 8-A

BNDESPAR - Approvals and Disbursements
(1982/1991)

Table 9

BNDES System - Foreign Currency Guarantees Provided
(1952/1981)

Table 9-A

BNDES System - Foreign Currency Guarantees Provided
(1982/1991)



Table 1
BNDES System - Approvals per Fields and Types of Activity (1952/1981)

YEAR	BASIC RAW MATERIALS					EQUIPMENT		
	MINING	STEEL	METAL- LURGY	CHEMI- CALS & FERT- ILIZERS	PULP & PAPER	NON- METAL- LIC ORE PRODUCTS	ELECTRICS MECH.	TRANS- PORTA- TION MATERIAL
1952	—	—	—	—	—	—	—	—
1953	—	5,35	—	19,25	—	—	—	—
1954	—	2,14	2,14	—	—	—	2,14	13,90
1955	—	2,14	2,14	5,35	4,28	—	—	—
1956	—	2,14	1,07	42,77	—	—	7,48	—
1957	—	31,01	24,59	26,73	7,48	—	10,69	10,69
1958	—	187,12	14,97	47,05	16,04	—	10,69	21,38
1959	—	23,52	2,14	53,46	9,62	1,07	2,14	81,26
1960	—	286,55	—	36,35	—	—	3,21	5,35
1961	—	103,72	5,35	17,11	1,07	—	1,07	39,56
1962	—	201,02	—	31,01	—	—	—	4,28
1963	—	252,34	—	16,04	—	—	2,14	—
1964	—	278,00	12,83	9,62	0,00	2,14	4,38	1,07
1965	—	580,59	9,62	37,42	2,14	4,28	51,32	32,08
1966	0,00	418,07	24,59	87,68	29,94	10,69	55,60	32,08
1967	0,00	367,82	10,69	66,29	9,62	5,35	52,39	66,29
1968	24,59	76,98	4 389,20	13,90	141,14	36,35	57,74	62,02
1969	4,28	122,96	57,74	52,39	106,92	97,30	55,60	57,74
1970	5,35	110,13	28,87	227,75	43,84	45,98	68,43	62,02
1971	3,21	272,65	70,57	213,85	176,42	31,01	74,85	194,60
1972	53,46	193,53	95,16	205,29	57,74	132,58	94,09	23,52
1973	17,11	278,00	369,95	385,99	116,55	207,43	124,03	140,07
1974	263,03	1 143,01	290,03	822,24	638,33	460,84	443,73	170,01
1975	103,71	1 957,77	625,50	1 305,53	538,89	421,28	850,04	457,63
1976	256,62	2 673,08	886,39	2 070,03	656,51	928,09	902,43	175,35
1977	116,55	2 663,46	207,43	443,73	99,44	158,25	294,04	56,67
1978	153,97	2 742,58	573,11	780,54	340,02	227,75	248,06	68,43
1979	180,70	1 906,44	381,72	986,90	492,92	221,33	351,78	64,15
1980	168,94	1 645,55	577,39	417,00	285,49	305,80	263,03	82,33
1981	451,22	2 475,27	1 245,66	266,24	218,12	183,91	177,49	20,32

Note: Any discrepancies in totals are the result of automatic rounding off.

US\$ millions 1991

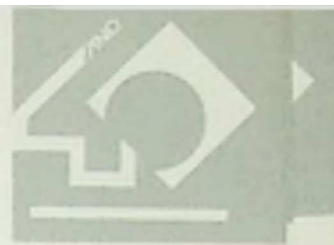
OTHER INDUSTRIES			INFRASTRUCTURE				OTHER ACTIVITIES				TOTAL
TEXTILES & FOOT- WEAR	FOOD PRO- DUCTS	OTHERS	ELEC- TRIC POWER	TRANSPORTATION			OTHER SEC- TORS	INSTRUC- TION & TECH. R&D	DIST.	OTHERS	
				RAIL	ROAD	WATER					
—	—	—	—	143,28	—	—	—	—	—	—	143,28
—	—	—	39,56	79,12	—	11,76	—	—	3,21	—	158,25
—	—	—	34,22	186,05	—	—	—	—	4,28	6,42	249,13
—	—	—	95,16	72,71	—	—	—	—	3,21	—	184,98
—	—	—	39,56	289,76	—	2,14	—	—	17,11	—	394,55
—	—	—	242,72	80,19	—	4,28	—	—	14,97	—	442,66
—	—	—	256,62	—	—	—	—	—	16,04	—	559,21
—	—	1,07	119,75	55,60	—	8,55	—	—	4,28	—	360,33
—	—	1,07	359,26	16,04	—	0,00	—	—	1,07	—	705,70
—	1,07	1,07	294,04	4,28	—	—	—	—	13,90	—	481,16
—	1,07	1,07	75,92	—	—	—	—	—	12,83	—	327,19
—	2,14	2,14	14,97	4,28	—	—	—	—	3,21	—	295,12
—	3,21	0,00	79,12	—	—	—	—	0,00	—	—	386,00
10,69	24,59	29,94	9,62	—	—	—	0,00	21,36	1,07	—	763,43
29,94	28,87	67,36	111,20	—	—	2,14	—	8,55	—	—	851,12
24,59	31,01	37,42	246,99	—	—	—	—	63,08	2,14	—	931,30
52,39	64,15	40,63	117,62	120,82	167,87	68,43	75,92	53,46	—	29,94	5.535,42
45,98	50,25	81,26	36,35	99,44	96,23	33,15	113,34	56,67	26,73	1,07	1.139,81
84,47	75,92	70,57	18,18	128,31	106,92	53,46	64,15	51,32	35,28	42,77	1.255,28
124,03	172,15	102,65	58,81	50,25	86,61	55,60	64,15	66,29	102,65	64,15	1.909,64
172,15	124,03	579,52	90,88	90,88	179,63	291,90	43,84	8,55	24,59	8,55	2.375,83
128,31	187,12	559,21	98,37	189,25	191,39	23,52	106,92	112,27	179,63	17,11	3.308,21
352,85	300,45	411,65	248,06	1.025,39	223,47	—	287,62	33,15	148,62	124,03	6.943,60
303,66	400,96	534,62	488,64	395,62	213,85	56,57	960,17	82,33	142,21	242,72	9.231,75
244,85	577,39	767,71	846,83	122,96	196,74	122,96	871,42	25,66	176,42	144,35	11.743,38
135,79	297,25	290,83	640,47	377,44	158,25	145,42	25,66	7,48	52,39	156,11	6.032,61
212,78	263,03	433,04	5.768,51	2.480,62	172,15	222,40	181,77	4,28	148,62	413,79	15.187,38
249,13	351,78	721,73	879,98	747,39	331,46	136,86	156,11	18,18	363,54	346,43	8.536,76
191,39	236,30	836,14	3.203,42	626,57	333,60	72,71	372,09	2,14	116,55	246,99	9.720,40
87,68	95,16	952,69	2.372,63	1.707,56	126,17	11,76	17,11	6,42	13,90	709,97	10.961,77



Table 1-A
BNDES System - Approvals per Fields and Types of Activity (1982/1991)

FIELDS AND TYPES OF ACTIVITIES	1982		1983		1984		1985	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
MINING	275	4	76	1	188	3	350	6
AGRICULTURE/LIVESTOCK	13	—	14	—	30	—	50	1
PROCESSING INDUSTRIES	3.020	49	2.905	43	2.988	41	2.433	42
Non-Metallic Ore Processing	98	2	85	1	105	1	80	1
Metalworking	1.578	26	1.388	21	1.064	14	825	14
Mechanical	72	1	273	4	148	2	256	4
Elec. & Communication Material	102	2	118	2	102	1	152	3
Transportation Material	13	—	27	—	39	1	52	1
Lumber	0	—	0	—	0	—	0	—
Furniture	0	—	0	—	0	—	0	—
Paper & Pulpwood	215	3	293	4	430	6	201	3
Rubber	0	—	0	—	0	—	0	—
Hides, Leather Goods & Travel Articles	0	—	0	—	0	—	0	—
Chemicals	655	11	327	5	476	6	259	4
Pharmaceutical & Veterinary Products	0	—	0	—	0	—	0	—
Toiletries, Soaps & Candles	0	—	0	—	0	—	0	—
Plastic Products	0	—	0	—	0	—	0	—
Textiles	116	2	123	2	336	5	201	3
Clothing, Footwear & Fabrics	0	—	0	—	0	—	0	—
Food Products	120	2	190	3	224	3	309	5
Beverages	0	—	0	—	0	—	0	—
Tabacco Products	0	—	0	—	0	—	0	—
Printing Supplies	0	—	0	—	0	—	0	—
Sundry Materials	50	1	81	1	64	1	99	2
SERVICES	2.388	39	2.108	31	2.549	35	2.215	38
Support (Utility) & Serv. of Indust. Nature	13	—	20	—	0	—	1	—
Administrative Activities	0	—	0	—	0	—	0	—
Construction	340	6	172	3	472	6	248	4
Publ. Utility Industrial Services	1.058	17	1.006	15	503	7	487	8
Retail Trade	0	—	0	—	0	—	0	—
Wholesale Trade	0	—	0	—	0	—	0	—
Cred., Ins. & Capital Institutions	0	—	0	—	0	—	0	—
Real Estate & Securities Trading	0	—	0	—	0	—	0	—
Transportation	976	16	908	14	1.572	21	1.477	25
Communications	0	—	2	—	2	—	1	—
Lodging and Food	0	—	0	—	0	—	0	—
Repair, Maintenance & Garment-Making	0	—	0	—	0	—	0	—
Pers. Hygiene, Saunas & Physiotherapy	0	—	0	—	0	—	0	—
Radio & Television Broadcasting	0	—	0	—	0	—	0	—
Sundry	0	—	0	—	0	—	0	—
Professional Services	0	—	0	—	0	—	0	—
Direct & Autonomous Public Administr.	0	—	0	—	0	—	0	—
Developmental Entities	0	—	0	—	0	—	0	—
OTHERS	472	8	1.620	24	1.597	22	758	13
TOTAL	6.167	100	6.723	100	7.352	100	5.006	100

Note: Current monthly amounts divided by the monthly IGP-DI (General Price Index - Domestic Demand) and multiplied by the relationship between the IGP-DI for December of 1991 and the US\$ rate in effect on December 15, 1991 = 9.78
Any discrepancies in totals are the result of automatic rounding off.



US\$ millions 1991

1986		1987		1988		1989		1990		1991	
AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
143	2	198	2	102	1	112	2	23	1	46	1
69	1	150	2	212	3	223	5	86	3	347	10
4.305	63	4.711	53	5.008	62	3.479	72	1.854	71	2.220	61
201	3	293	3	126	2	79	2	51	2	84	2
1.184	17	805	9	1.014	13	322	7	189	7	174	5
425	6	473	5	302	4	154	3	81	3	128	4
215	3	417	5	185	2	131	3	80	3	93	3
137	2	324	4	204	3	333	7	39	1	160	4
95	1	83	1	41	1	60	1	31	1	21	1
63	1	49	1	16	—	15	—	12	—	11	—
289	4	262	3	1.228	15	889	18	434	17	582	16
38	1	24	—	19	—	18	—	16	1	9	—
36	1	21	—	11	—	13	—	6	—	6	—
327	5	526	6	853	11	684	14	384	15	339	9
19	—	14	—	6	—	15	—	6	—	7	—
9	—	16	—	7	—	26	1	5	—	2	—
161	2	160	2	128	2	115	2	77	3	87	2
223	3	307	3	290	4	208	4	109	4	133	4
108	2	80	1	52	1	52	1	28	1	26	1
475	7	456	5	295	4	262	5	238	9	223	6
169	2	303	3	185	2	68	1	46	2	65	2
1	—	1	—	1	—	0	—	1	—	46	1
90	1	56	1	24	—	21	—	15	1	19	1
38	1	42	—	20	—	15	—	8	—	7	—
2.139	31	3.352	38	2.545	32	997	21	647	25	1.001	28
0	—	3	—	24	—	79	2	4	—	32	1
66	1	9	—	1	—	0	—	0	—	0	—
357	5	207	2	177	2	71	1	46	2	83	2
534	8	612	7	1.368	17	104	2	90	3	335	9
70	1	65	1	39	—	29	1	17	1	33	1
25	—	20	—	7	—	5	—	3	—	6	—
32	—	2	—	20	—	2	—	0	—	1	—
2	—	2	—	2	—	4	—	0	—	1	—
719	11	1.867	21	627	8	534	11	418	16	443	12
0	—	13	—	65	1	60	1	4	—	0	—
46	1	153	2	76	1	33	1	15	1	22	1
5	—	10	—	2	—	1	—	2	—	2	—
0	—	1	—	0	—	0	—	0	—	0	—
4	—	3	—	4	—	5	—	1	—	4	—
250	4	316	4	90	1	47	1	38	1	28	1
27	—	52	1	26	—	10	—	6	—	12	—
2	—	15	—	18	—	14	—	3	—	0	—
0	—	0	—	0	—	0	—	0	—	0	—
191	3	452	5	178	2	25	1	2	—	3	—
6.848	100	8.863	100	8.045	100	4.836	100	2.611	100	3.617	100

Table 2
BNDES System - Approvals per Major Regions and States
(1966-1971-1976-1981-1986-1991)

US\$ millions 1991

REGION/ STATE	1966		1971		1976		1981		1986		1991	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
NORTH	11,76	1	19,25	1	118,68	1	1.594,23	14	212,78	14	265,17	7
Rondônia	0	0	1,07	0	19,25	0	3,21	0	3,21	0	1,07	0
Acre	0	0	0	0	0	0	1,07	0	13,90	0	0	0
Amazonas	1,07	0	5,35	0	32,08	0	11,76	0	75,92	1	76,98	2
Roraima	0	—	0	—	0	0	0	0	6,42	0	0	0
Pará	10,69	1	12,83	1	66,29	1	1.576,05	14	84,47	1	182,84	5
Amapá	0	—	0	—	0	—	1,07	0	2,14	0	1,07	0
Tocantins	0	—	0	—	0	—	0	—	0	—	3,21	0
NORTHEAST	79,12	9	199,95	10	2.491,31	19	1.725,74	15	1.249,93	18	883,19	24
Maranhão	0	0	26,73	1	31,01	0	800,86	7	90,88	1	12,83	0
Piauí	0	0	0	0	5,35	0	45,98	0	35,28	1	3,21	0
Ceará	1,07	0	14,97	1	75,92	1	43,84	0	98,37	1	24,59	1
Rio Grande do Norte	9,62	1	0	0	20,32	0	42,77	0	78,05	1	6,42	0
Paraíba	1,07	0	20,32	1	23,52	0	66,29	1	50,25	1	6,42	0
Pernambuco	2,14	0	12,83	1	272,65	2	102,65	1	230,95	3	260,89	7
Alagoas	3,21	0	4,28	0	91,95	1	47,05	0	170,01	2	51,32	1
Sergipe	1,07	0	3,21	0	8,55	0	21,38	0	60,95	1	8,55	0
Bahia	60,95	7	117,62	6	1.960,97	15	554,93	5	436,25	6	507,89	14
SOUTHEAST	641,54	71	1.311,95	66	7.955,09	60	5.935,31	53	3.512,43	51	1.502,27	42
Minas Gerais	177,49	20	195,67	10	1.640,20	12	1.370,76	12	816,89	12	146,48	4
Espírito Santo	18,18	2	20,32	1	310,08	2	151,83	1	67,36	1	58,81	2
Rio de Janeiro	32,08	3	296,18	15	1.066,03	8	1.293,77	12	655,44	10	347,50	10
São Paulo	413,79	46	798,72	40	4.937,72	37	3.120,02	28	1.972,73	29	948,48	26
SOUTH	125,10	14	422,35	21	2.184,44	17	1.464,85	13	1.567,50	23	809,41	22
Paraná	62,02	7	57,74	3	773,06	6	973,00	9	814,76	12	347,50	10
Santa Catarina	34,22	4	72,71	4	298,32	2	117,62	1	305,80	4	211,71	16
Rio Grande do Sul	28,87	3	291,90	15	1.113,07	8	373,16	3	446,94	7	251,27	7
MIDWEST	50,25	6	28,87	1	433,04	3	419,14	4	304,73	4	157,18	4
Mato Grosso	22,45	2	7,48	0	50,25	0	122,96	1	69,50	1	55,60	2
Mato Grosso do Sul	0	—	0	—	0	—	75,92	1	102,65	2	42,77	1
Goiás	27,80	3	3,21	0	107,99	1	210,64	2	115,48	2	49,18	1
Distrito Federal	0	—	19,25	1	273,72	2	9,62	0	16,04	0	8,55	0
TOTAL	907,78	100	1.983,43	100	13.181,50	100	11.137,13	100	6.847,37	100	3.617,21	100

Note: Any discrepancies in totals are the result of automatic rounding off.



Table 3
BNDES System - Disbursements (1952/1991)

US\$ millions 1991

YEAR	AMOUNTS	YEAR	AMOUNTS
1952	—	1972	1.995
1953	42	1973	2.483
1954	58	1974	4.033
1955	86	1975	6.305
1956	60	1976	6.514
1957	52	1977	6.889
1958	236	1978	7.450
1959	265	1979	7.297
1960	249	1980	5.675
1961	163	1981	4.501
1962	547	1982	5.777
1963	359	1983	6.717
1964	286	1984	5.962
1965	513	1985	5.552
1966	575	1986	5.854
1967	589	1987	6.359
1968	506	1988	5.364
1969	929	1989	3.278
1970	1.082	1990	2.595
1971	1.418	1991	2.888



Table 4
BNDES System - Disbursements per Fields and Types of Activity (1973/1979)

SECTORS	1973	1974
BASIC RAW MATERIALS	523	1.279
Mining	14	19
Steelmaking	305	843
Non-ferrous metallurgy	—	15
Chemicals and petrochemicals	110	208
Fertilizers	6	20
Pulp and paper	37	10
Cement	50	103
Fibase	—	61
BASIC EQUIPMENT	295	483
Capital goods and components	110	142
Repasses (onlending) to FINAME	185	270
Embramec	—	72
OTHER PROGRAMS	1.263	2.039
Operations with agents (POC)	333	615
• Small- and medium-sized companies	333	607
• Regional development	—	8
• Strengthening agents	—	—
• Shareholder financing (Finac)	—	—
Corporate modernization	299	407
Infrastructure	373	454
• Rail	149	223
• Road	109	80
• Other sectors	114	151
Technological Development	44	63
Ibrasa	—	72
Capitalization of companies (Procap)	—	—
Other projects	214	429
TOTAL BNDES	2.081	3.801
Less repasses to subsidiaries	185	474
TOTAL ADJUSTED BNDES	1.896	3.327
SUBSIDIARIES	587	706
Fibase	—	13
• Corporate shareholdings	—	9
• Finac	—	—
• Other financings	—	4
Embramec	—	2
• Corporate shareholdings	—	2
• Finac	—	—
• Other financings	—	—
Ibrasa	—	19
• Corporate shareholdings	—	19
• Finac	—	—
• Other financings	—	—
FINAME	587	672
• PME Program	284	177
• Long-term program	—	94
• Special program	154	218
• Others	149	184
TOTAL BNDES SYSTEM	2.483	4.033

Note: Any discrepancies in totals are the result of automatic rounding off.



US\$ millions 1991

1975	1976	1977	1978	1979
2.446	1.870	2.239	2.659	2.232
36	39	101	86	25
1.184	656	762	1.015	890
42	56	124	235	211
446	576	614	562	404
135	103	52	145	101
201	298	318	193	117
267	43	36	64	32
135	99	233	360	452
1.076	2.147	2.190	1.944	1.691
202	365	259	118	94
860	1.682	1.814	1.759	1.478
13	101	117	67	119
2.385	2.052	1.773	1.644	1.959
781	871	806	896	1.136
744	684	508	275	336
37	76	145	62	15
—	110	15	36	76
—	—	139	524	709
423	214	150	163	6
695	452	352	337	317
173	116	133	121	107
83	54	28	26	19
439	282	191	190	191
57	32	14	10	6
126	159	55	62	165
—	96	235	132	270
304	227	160	43	61
5.907	6.069	6.201	6.247	5.882
1.135	2.040	2.218	2.248	2.213
4.772	4.028	3.983	3.999	3.669
1.533	2.486	2.906	3.451	3.628
163	177	234	406	474
159	172	183	303	446
—	—	34	36	29
4	5	17	67	—
41	111	80	132	133
41	111	64	90	63
—	—	16	42	70
—	—	—	—	—
102	124	74	78	175
102	124	51	25	49
—	—	23	48	126
—	—	—	—	—
1.227	2.075	2.517	2.835	2.846
120	237	339	359	436
626	884	800	656	631
455	954	1.379	1.820	1.780
26	—	—	—	—
6.305	6.514	6.889	7.450	7.297

Table 4-A
BNDES System - Disbursements per Fields and Types of Activity (1980/1991)

FIELDS AND TYPES OF ACTIVITY	1980		1981		1982		1983	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
MINING	115	2	152	3	224	4	152	2
AGRICULTURE/LIVESTOCK-RAISING	31	1	19	—	13	—	14	—
PROCESSING INDUSTRIES	3.679	65	2.898	64	3.335	58	3.428	51
Non-Metallic Ore Processing	126	2	172	4	159	3	128	2
Metalworking	1.824	32	1.249	28	1.868	32	1.804	27
Mechanical	156	3	136	3	97	2	246	4
Elec. & Communication Material	132	2	88	2	67	1	113	2
Transportation Material	90	2	34	1	17	—	30	—
Lumber	0	—	0	—	0	—	0	—
Furniture	0	—	0	—	0	—	0	—
Paper & Pulpwood	279	5	192	4	267	5	300	4
Rubber	0	—	0	—	0	—	0	—
Hides, Leather Goods & Travel Articles	0	—	0	—	0	—	0	—
Chemicals	579	10	715	16	571	10	469	7
Pharmaceutical & Veterinary Products	0	—	0	—	0	—	0	—
Toiletries, Soaps & Candles	0	—	0	—	0	—	0	—
Plastic Products	0	—	0	—	0	—	0	—
Textiles	151	3	82	2	115	2	115	2
Clothing, Footwear & Fabrics	0	—	0	—	0	—	0	—
Food Products	263	5	144	3	115	2	159	2
Beverages	0	—	0	—	0	—	0	—
Tobacco Products	0	—	0	—	0	—	0	—
Printing Supplies	0	—	0	—	0	—	0	—
Sundry Materials	78	1	86	2	60	1	64	1
SERVICES	1.507	27	1.253	28	1.845	32	2.039	30
Support (Utility) & Serv. of Indust. Nature	20	—	11	—	10	—	2	—
Administrative Activities	0	—	0	—	0	—	0	—
Construction	293	5	182	4	252	4	237	4
Public Utility Industrial Services	389	7	473	11	908	16	1.171	17
Retail Trade	0	—	0	—	0	—	0	—
Wholesale Trade	0	—	0	—	0	—	0	—
Cred., Ins. & Capital Institutions	0	—	0	—	0	—	0	—
Real Estate & Securities Trading	0	—	0	—	0	—	0	—
Transportation	762	13	564	13	672	12	628	9
Communication	42	1	23	1	3	—	1	—
Lodging and Food	0	—	0	—	0	—	0	—
Repair, Maintenance & Garment-Making	0	—	0	—	0	—	0	—
Pers. Hygiene, Saunas & Physiotherapy	0	—	0	—	0	—	0	—
Radio & Television Broadcasting	0	—	0	—	0	—	0	—
Sundry	0	—	0	—	0	—	0	—
Professional Services	0	—	0	—	0	—	0	—
Direct & Autonomous Public Administration	0	—	0	—	0	—	0	—
Developmental Activities	0	—	0	—	0	—	0	—
OTHERS	344	6	180	4	360	6	1.084	16
TOTAL	5.675	100	4.501	100	5.777	100	6.717	100

Note: Current monthly amounts divided by the monthly IGP-DI (General Price Index - Domestic Demand) and multiplied by the relationship between the IGP-DI for December of 1991 and the US\$ rate in effect on December 15, 1991 = 9.78.

Any discrepancies in totals are the result of automatic rounding off.



US\$ millions 1991

1984	1985	1986	1987	1988	1989	1990	1991
AMOUNT %	AMOUNT %	AMOUNT %	AMOUNT %	AMOUNT %	AMOUNT %	AMOUNT %	AMOUNT %
98 2	205 4	210 4	233 4	96 2	69 2	39 1	25 1
24 —	35 1	48 1	81 1	103 2	106 3	99 4	209 7
2.980 50	2.348 42	3.083 53	3.246 51	3.273 61	2.109 64	1.916 74	1.914 66
99 2	77 1	109 2	215 3	115 2	50 2	48 2	35 1
1.393 23	1.007 18	1.101 19	625 10	929 17	319 10	273 11	176 6
218 4	157 3	218 4	311 5	215 4	108 3	66 3	72 2
69 1	119 2	103 2	274 4	198 4	102 3	58 2	39 1
26 —	46 1	97 2	113 2	99 2	154 5	127 5	116 4
0 —	0 —	64 1	72 1	34 1	31 1	30 1	16 1
0 —	0 —	49 1	55 1	16 —	10 —	11 —	8 —
373 6	192 3	286 5	225 4	430 8	546 17	628 24	585 20
0 —	0 —	23 —	27 —	11 —	14 —	7 —	13 —
0 —	0 —	26 —	18 —	10 —	10 —	5 —	5 —
403 7	278 5	204 3	309 5	441 8	258 8	282 11	403 14
0 —	0 —	17 —	11 —	6 —	8 —	6 —	4 —
0 —	0 —	5 —	9 —	8 —	17 1	2 —	1 —
0 —	0 —	96 2	112 2	94 2	76 2	65 3	63 2
162 3	159 3	153 3	208 3	205 4	139 4	88 3	87 3
0 —	0 —	77 1	74 1	44 1	43 1	18 1	23 1
182 3	240 4	286 5	379 6	231 4	154 5	150 6	176 6
0 —	0 —	94 2	139 2	143 3	46 1	33 1	35 1
0 —	0 —	2 —	1 —	0 —	0 —	0 —	41 1
0 —	0 —	50 1	41 1	23 —	15 —	9 —	11 —
54 1	73 1	26 —	28 —	18 —	10 —	7 —	7 —
1.663 28	2.205 40	2.302 39	2.630 41	1.697 32	941 29	533 21	735 25
4 —	1 —	12 —	13 —	20 —	16 —	1 —	27 1
0 —	0 —	4 —	2 —	3 —	1 —	0 —	0 —
257 4	382 7	357 6	282 4	193 4	83 3	27 1	60 2
349 6	329 6	333 6	590 9	210 4	210 6	94 4	104 4
0 —	0 —	46 1	93 1	24 —	22 1	11 —	25 1
0 —	0 —	19 —	18 —	6 —	4 —	3 —	3 —
0 —	0 —	6 —	11 —	22 —	1 —	0 —	0 —
0 —	0 —	1 —	8 —	1 —	2 —	1 —	0 —
1.052 18	1.492 27	1.283 22	1.315 21	941 18	456 14	316 12	472 16
1 —	1 —	23 —	17 —	0 —	23 1	18 1	0 —
0 —	0 —	21 —	96 2	71 1	36 1	17 1	12 —
0 —	0 —	3 —	8 —	3 —	1 —	1 —	2 —
0 —	0 —	0 —	0 —	1 —	0 —	0 —	0 —
0 —	0 —	2 —	3 —	3 —	2 —	2 —	2 —
0 —	0 —	122 2	125 2	162 3	66 2	31 1	19 1
0 —	0 —	12 —	39 1	19 —	10 —	4 —	7 —
0 —	0 —	47 1	4 —	10 —	7 —	3 —	1 —
0 —	0 —	11 —	4 —	7 —	3 —	5 —	0 —
1.197 20	758 14	211 4	168 3	196 4	52 2	9 —	4 —
5.962 100	5.552 100	5.854 100	6.359 100	5.364 100	3.278 100	2.595 100	2.888 100

Table 5
BNDES - Structure of Funding Sources (1952/1965)

%

YEAR	CAPITAL & RESERVES	RETURN ON CAPITAL INVESTED	INCOME TAX SURCHARGE	IDB/BNDE AGREEMENTS (WHEAT)	FUNAI	OTHERS	TOTAL
1952	5,4	—	94,6	—	—	—	100,0
1953	1,1	—	84,4	—	—	14,5	100,0
1954	7,5	—	82,0	—	—	10,5	100,0
1955	9,6	5,1	71,6	—	—	13,7	100,0
1956	2,4	5,4	—	77,4	—	14,8	100,0
1957	11,3	3,0	52,2	28,7	—	4,8	100,0
1958	15,0	5,5	53,5	23,4	—	2,6	100,0
1959	18,5	3,1	51,5	23,4	—	3,5	100,0
1960	23,0	1,6	55,4	17,0	—	3,0	100,0
1961	22,8	4,3	60,2	11,0	—	1,7	100,0
1962	25,7	4,0	44,9	4,2	—	21,2	100,0
1963	23,6	4,2	43,7	2,9	11,0	14,6	100,0
1964	17,8	3,7	29,1	4,5	33,1	11,8	100,0
1965	27,9	9,4	29,2	11,5	4,8	17,2	100,0

Table 5-A
BNDES - Structure of Funding Sources (1966/1971)

%

SOURCES	1966	1967	1968	1969	1970	1971
TAX REVENUES	55,6	49,2	67,3	51,2	55,0	55,0
Monetary reserve	—	25,3	52,7	32,0	31,3	30,5
Budget allocations	—	—	12,2	19,2	23,7	24,6
Income tax surcharge	55,6	23,9	2,4	—	—	—
RETURN ON INVESTMENTS	9,9	9,6	9,5	7,2	12,2	10,6
OPERATIONAL BALANCE¹	6,7	7,1	6,3	10,8	12,2	10,6
EXTERNAL FUNDS	5,6	6,5	4,0	10,1	6,5	4,3
OTHERS	22,2	27,6	12,9	20,7	14,1	10,4
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0

1) Corresponding to the difference between actual revenues and expenses.



Table 5-B
BNDES - Structure of Funding Sources (1972/1981)

	%									
SOURCES	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
INTERNALLY GENERATED FUNDS¹	30,6	38,9	18,9	18,0	21,9	21,8	25,8	37,9	39,6	32,1
BRAZILIAN SOURCE FUNDING	54,5	46,1	74,4	72,7	72,4	67,0	60,5	46,5	44,0	56,6
Budget allocations	16,0	16,2	7,3	5,9	1,0	2,1	3,0	0,9	—	—
Loans and repasses	38,5	29,9	46,3	20,7	17,1	17,8	13,2	9,0	13,2	20,6
PIS-Pasep/FPS funds	—	—	20,8	46,1	54,3	47,1	44,3	36,6	30,8	36,0
FOREIGN SOURCE FUNDING	14,9	15,0	6,7	9,3	5,7	11,2	13,7	15,6	16,4	11,3
Cash loans	5,2	1,8	1,1	0,8	1,1	10,4	13,0	15,1	15,6	10,7
Financing	9,7	13,2	5,6	8,5	4,6	0,8	0,7	0,5	0,8	0,6
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

1) Includes return from financings with PIS-Pasep funds



Table 5-C
BNDES System - Structure of Funding Sources (1982/1991)

SOURCES	1982	1983	1984	1985
OPERATING AND NON-OPERATING FUNDS	46,6	47,5	51,9	61,5
BRAZILIAN TREASURY FUNDS	22,9	23,3	13,9	11,6
Federal Government Debt	1,9	2,0	2,9	4,4
Repasses of Earmarked Funds	13,0	12,5	11,0	7,2
Allocations for Capital	7,9	8,7	—	—
PIS-PASEP/FAT FUNDS	19,2	18,9	5,2	6,7
EXTERNAL FUNDS	7,0	8,2	13,4	8,7
Cash Loans	5,8	5,2	9,1	6,2
Financings	1,2	3,0	4,3	2,6
Taking over Foreign/Domestic Debts	—	—	—	—
FMM (MERCHANT MARINE) FUNDS	—	—	14,7	10,8
OTHERS	4,3	2,2	0,9	0,7
TOTAL	100,0	100,0	100,0	100,0

Note: Any discrepancies in totals are the result of automatic rounding off

Table 6
BNDES - Evolution of Foreign Source Funding¹ (1966/1978)

YEAR	US\$ THOUSAND	YEAR	US\$ THOUSAND
1966	9.574	1972	78.399
1967	11.207	1973	114.541
1968	7.336	1974	109.011
1969	28.410	1975	275.616
1970	22.083	1976	166.388
1971	17.084	1977	409.726
		1978	565.782

1) Data corresponding to estimates made on the basis of annual Cruzeiro amounts.

Table 6-A
BNDES - Foreign Source Funding - Operations Carried Out (1979/1991)

	1979	1980	1981	1982	1983
BONDS	95,0	85,0	—	—	—
BANK LOANS	315,0	410,0	135,0	340,0	169,6
INTERNATIONAL AGENCIES	110,0	81,2	16,2	547,6	—
TOTAL	520,0	576,2	151,2	887,6	169,6



					%
1986	1987	1988	1989	1990	1991
57,8	52,7	67,4	69,4	62,6	54,5
8,0	3,2	7,0	0,6	0,0	—
6,4	1,8	4,8	0,3	0,0	—
1,7	1,3	2,2	0,3	—	—
—	—	—	—	—	—
17,2	12,0	3,6	9,7	21,1	34,5
7,6	4,7	1,6	0,8	0,9	1,9
1,0	1,8	—	0,8	0,0	—
3,6	2,9	1,6	—	0,9	1,9
3,0	0,0	—	—	—	—
9,2	16,1	16,6	17,5	15,2	8,9
0,1	11,3	3,9	2,0	0,2	0,3
100,0	100,0	100,0	100,0	100,0	100,0

							US\$ millions 1991
1984	1985	1986	1987	1988	1989	1990	1991
—	—	—	—	—	—	—	55,0
350,0	281,3	22,6	161,8	—	—	—	—
—	443,8	—	60,6	—	—	—	550,0
350,0	725,1	22,6	222,4	—	—	—	605,0

Table 7
FINAME - Operations Approved and Disbursements Made (1965/1981) US\$ millions 1991

YEAR	APPROVALS				DISBURSEMENTS		
	NUMBER OF APPROVALS	AMOUNT	INDEX	VARIATION %	AMOUNT	INDEX	VARIATION %
1965	1 965	105	100	—	78	100	—
1966	3 970	128	122	22	115	148	48
1967	3 487	151	144	18	109	141	(5)
1968	6 626	243	231	61	194	250	77
1969	6 179	221	211	(9)	211	272	9
1970	8 122	272	259	23	231	298	9
1971	12 219	475	453	75	410	528	77
1972	11 383	616	587	30	509	656	24
1973	10 003	911	869	48	587	757	15
1974	9 749	1 242	1 184	36	672	867	15
1975	10 829	2 395	2 283	93	1 227	1 581	82
1976	20 338	5 223	4 978	118	2 075	2 674	69
1977	16 361	3 801	3 623	(27)	2 517	3 245	21
1978	18 721	11 324	10 794	198	2 835	3 655	13
1979	21 984	3 557	3 391	(69)	2 851	3 676	1
1980	20 876	5 622	5 359	58	2 151	2 773	(25)
1981	11 981	3 593	3 425	(36)	1 808	2 331	(16)
1982	10 331	2 344	2 235	(35)	1 699	2 190	(6)
1983	10 545	1 536	1 464	(34)	1 216	1 567	(28)
1984	11 805	2 097	1 999	37	1 148	1 480	(6)
1985	19 144	2 511	2 393	20	1 538	1 982	34
1986	45 135	3 170	3 022	26	2 015	2 597	31
1987	30 593	3 515	3 351	11	2 141	2 759	6
1988	21 670	2 997	2 857	(15)	1 763	2 272	(18)
1989	20 223	2 112	2 013	(30)	1 135	1 463	(36)
1990	14 613	1 154	1 100	(45)	852	1 098	(25)
1991	31 222	1 595	1 520	38	999	1 288	17

Table 8
Embramec, Fibase and Ibrasa - Approvals and Disbursements
(1974/1981)

US\$ millions 1991

YEAR	EMBRAMEC		FIBASE		IBRASA	
	APPROVALS	DISBURSEMENTS	APPROVALS	DISBURSEMENTS	APPROVALS	DISBURSEMENTS
1974	3	2	141	13	32	19
1975	84	41	83	163	111	102
1976	248	111	199	177	143	124
1977	38	80	255	234	70	74
1978	68	132	430	406	172	78
1979	148	133	538	474	235	175
1980	117	97	213	412	263	165
1981	116	63	153	269	161	70

Table 8-A
BNDESPAR - Approvals and Disbursements (1982/1991)

US\$ millions 1991

YEAR	APPROVALS	DISBURSEMENTS	YEAR	APPROVALS	DISBURSEMENTS
1982	450	483	1987	332	139
1983	652	717	1988	333	341
1984	420	445	1989	583	319
1985	246	262	1990	175	140
1986	272	205	1991	190	195

Table 9
BNDES System - Foreign Currency Guarantees Provided (1952/1981)

YEAR	BASIC RAW MATERIALS						EQUIPMENT	
	MINING	STEEL	METAL- LURGY	CHEMICALS & FERT- ILIZERS	PULP & PAPER	NON- METALLIC ORE PRODUCTS	ELECTRIC EQUIPMENT	TRANS- PORTATION MATERIALS
1952	—	—	—	—	—	—	—	—
1953	—	5.050	—	—	—	—	—	—
1954	—	—	—	—	—	—	—	—
1955	—	—	—	—	16.258	—	—	—
1956	—	—	—	—	—	—	—	13.580
1957	—	31.019	24.302	4.808	—	—	1.050	49.817
1958	2.867	727.259	—	—	—	—	994	46.689
1959	—	577.651	—	3.336	—	—	27.390	26.257
1960	—	17.644	20.288	—	—	—	4.955	8.236
1961	—	127.911	—	—	—	—	—	1.349
1962	—	—	—	67.630	—	—	—	23.041
1963	—	19.508	—	8.814	—	—	—	—
1964	—	—	—	1.402	—	—	—	—
1965	—	167.234	—	1.503	—	—	—	—
1966	—	9.136	1.906	12.970	20.764	19.310	—	—
1967	—	1.506	2.497	—	—	—	—	40
1968	—	7.770	—	3.302	—	11.723	257	111
1969	74	300.219	7.743	18.796	—	1.814	—	—
1970	—	14.309	—	30.992	16.729	—	—	—
1971	—	132.098	—	94.517	—	3.226	—	3.413
1972	—	45.150	—	—	—	24.659	—	—
1973	—	12.392	27.347	49.365	—	54.435	13.218	—
1974	—	59.152	29.592	213.250	155.790	—	18.248	21.920
1975	154.498	122.279	903	131.602	194.167	5.871	55.013	6.272
1976	10.651	170.039	—	154.871	715.355	19.833	34.051	—
1977	7.793	34.070	40.626	82.840	246.382	—	55.085	—
1978	—	3.023	302.480	78.837	71.465	—	10.770	—
1979	3.349	—	18.652	13.400	50.251	—	—	—
1980	37.370	—	434.536	4.099	162.501	—	155.991	4.165
1981	16.531	98.030	31.162	117.933	201.704	—	115.824	—

Note. Any discrepancies in totals are the result of automatic rounding off.



US\$ thousands 1991

OTHERS INDUSTRIES			INFRASTRUCTURE						TOTAL
TEXTILES & FOOTWEAR	FOOD PRODUCTS	OTHERS	ELEC- TRIC POWER	TRANSPORTATION			OTHER SECTORS	OTHER ACTIV- ITY	
				RAIL	ROAD	WATER			
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	5.050
—	—	—	34.380	—	1.473	—	—	—	35.854
—	—	—	68.177	19.677	—	—	—	—	104.112
—	—	—	111.995	97.070	—	—	—	20.509	243.154
—	—	—	187.345	—	20.586	20.539	64.651	26.719	430.837
—	—	—	10.526	—	22.490	133.457	30.291	5.625	980.198
—	—	—	110.692	—	—	8.892	—	—	754.219
2.247	—	—	20.671	—	31	—	154.597	—	228.669
—	—	—	154.048	—	—	—	—	—	283.308
—	—	—	14.685	—	6.568	—	188.952	272	301.149
—	—	—	18.981	—	—	—	—	92	47.394
—	—	—	9.044	—	—	—	—	356	10.803
1.533	2.424	—	10.250	—	—	8.108	46.234	—	237.287
—	—	—	9.252	—	—	—	110.496	—	183.834
—	1.089	12.135	6.532	22.189	—	1.016	132.339	544	179.886
1.374	746	1.717	—	60.337	2.650	57.692	200.625	—	348.304
239	3.033	564	3.663	2.809	27.258	7.591	37.960	351	412.114
5.595	3.260	—	1.078	26.236	5.046	—	221.088	—	324.335
—	1.968	6.660	3.523	57.781	—	20.353	878	5.346	329.763
—	—	—	24.467	181.597	—	—	21.431	—	297.305
—	5.828	23.246	—	—	—	—	—	12.154	197.986
44.452	4.982	—	—	—	—	—	423.985	—	971.371
5.017	5.606	3.137	253.734	—	—	—	143.282	—	1.081.382
—	—	—	259.873	—	—	—	—	—	1.364.671
—	—	15.597	537.962	—	—	—	20.219	—	1.040.574
—	—	—	596.930	—	—	—	—	—	1.063.505
—	—	—	—	—	—	—	445.932	—	531.584
—	—	6.559	—	108.880	—	—	—	—	914.101
—	—	12.595	—	—	—	—	—	1.827	595.605

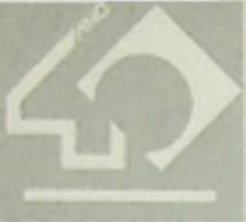


Table 9-A
BNDES System - Foreign Currency
Guarantees Provided (1982/1991)

US\$ thousands 1991

YEAR	AMOUNT	YEAR	AMOUNT
1982	752.576	1987	—
1983	257.407	1988	—
1984	93.848	1989	13
1985	7.648	1990	—
1986	94.193	1991	—

SISTEMA BNDES



**Banco Nacional de Desenvolvimento
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