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## DEVELOPMENT ALTERNATIVE

In the midst of this political, financial, moral and ethical crisis Brazil is undergoing, public governance needs to take measures to stimulate investments and unlock the economy. Not having internal savings that support growth rates that match our potential, it is necessary to attract and internalize capital from the globalized economy. This is a strategy that competent countries look to do. In the forestry sector, estimates point to the possibility of external investments amounting to R\$40 billion in agroindustrial projects, which will only be possible if the government revises legal restrictions on the purchase of land by Brazilian companies of foreign capital (as per 2010 decision from the National Attorney General's Office – AGU). The restriction was motivated by the growing interest of Chinese sovereign funds to purchase large areas of land – as it did in African nations –, coupled with interests on the eve of elections to satisfy agrarian reform movements. The National Attorney General's Office (AGU) lists several threats for justifying such decision: illegal sale of public land, cultivation in environmental protection areas, speculation of land prices, illegal land ownership, biopiracy in the Amazon region, funds stemming from money laundering, drug trafficking and prostitution, expansion of ethanol and biodiesel production, etc. For all these concerns, there exist legislations in place to inhibit them. As a result, investments have been blocked that could be contributing to the country's growth. We should have created controls and criteria that allow for favorable decisions regarding projects that satisfy national interests.

All countries today depend on a migration of capital that is not volatile. That is, productive capital that's internalized to drive the economy, generate development and create jobs. We have a huge

strategic asset of which we could be tapping: land. By impeding access of Brazilian companies of foreign capital to purchase land, Brazil reduced the flow of capital which, at the time, amounted to investments of \$67 billion in sectors like pulp, ethanol and raw materials. The reasonable thing to do would be to create control means and drivers to attract business with a long-term vision that wish to participate in our development, bringing resources and creating prosperity and jobs.

One possibility would be to create a National Land Council, with representatives from ministries such as Planning, Environment, Agriculture and Development, which would be responsible for analyzing projects by Brazilian companies of foreign capital looking to buy land, analyzing all their stages and effects, verifying whether they add value to the country. Certain things need to be considered before authorizing investments that utilize our land: Is it for an economic activity that interests Brazil? Does it consolidate the economic chain generated in the country rather than simply export agrarian inputs without industrialization? Is the land located in a region of the country that would be interesting to develop?

Brazil has major competitive advantages: climate, soil and forestry technology for the sustainable production of pulp, biorefineries, green economy, etc. Compared to other countries, we use this potential very little, since we only have 7.8 million hectares of forest plantations, while China has 80 million hectares.

The current government promises to review, with intelligence and without ideologies, the restrictions set forth in AGU's decision. What risk are we running? Putting xenophobic feelings aside, the risk is zero, since Brazilian companies of foreign capital, as established in the Constitution, are totally subject to Brazilian scrutiny. ■