



BENEFITS OF THE TFA IMPLEMENTATION

*THE BRAZILIAN PRIVATE
SECTOR PERSPECTIVE*

GENERAL BENEFITS

- Transparency, certainty, coordination, efficiency, technology
- Streamlining formalities (before automating them)
- Process standardization
- Reducing bureaucracy and costs
- Reducing time to clear goods
- Increased trade flows and GDP
- FDI attraction

ROLE OF THE PRIVATE SECTOR

PUSHING REFORMS

- Public-private dialogue
- Impact studies
- Mapping of processes
- Support of the TFA negotiations

MONITORING THE TFA IMPLEMENTATION

- Public-private dialogue (National Trade Facilitation Committee)
- Updated reports

ROLE OF THE PRIVATE SECTOR

FACILITÔMETRO CNI



Appeal or
review
procedures



Food and
Beverage
Inspection



Perishable
goods



Use of
Customs
Brokers



Documentation
Requirements



Acceptance
of Copies



Use of
International
Standards



Pre-shipment
Inspection



Electronic
Payment



Pre-arrival
Processing



Post-Clearance
Audit



Implemented

Source: CNI

ROLE OF THE PRIVATE SECTOR

FACILITOMETRO CNI



Customs
Cooperation



Temporary
Admission



Risk
Management



Single
Window



Authorised
Economic
Operator



National
Trade
Facilitation
Committee
(CONFAC)



In Progress

Source: CNI

ROLE OF THE PRIVATE SECTOR

FACILITÔMETRO CNI



Advertising and
availability of
information



Consultations



Border Agency
Cooperation



Movement of
Goods Intended
for Import Under
Customs Control



Publication of
Average
Release Times



Movement of
Goods Intended
for Import Under
Customs Control



Rejected
Goods



Freedom
of transit



Under
Adjustment

Source: CNI

ROLE OF THE PRIVATE SECTOR

FACILITÔMETRO CNI



Disciplines on fees and charges with importation, exportation and penalties



Advance ruling



Advance ruling of origin of the good



Pre-shipment processing



Expedited Shipments



Stopped

Source: CNI

SINGLE WINDOW (PORTAL ÚNICO DE COMÉRCIO EXTERIOR)

- Most important initiative for implementing the TFA
- Implementation of at least 30% of the TFA obligations
- Reformulation of processes
- ***Goals: reducing the average time to export by 38% (13 to 8 days) and the average time to import by 41% (17 to 10 days)***

SINGLE WINDOW (PORTAL ÚNICO DE COMÉRCIO EXTERIOR)

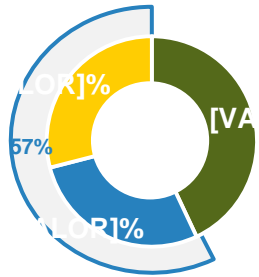
- Single electronic site for documents
- Fully computerized procedures
- Harmonized data among documents
- Shared historical databases with government bodies
- Shared information among operators and government bodies
- Use of electronic signatures
- Integration with “Nota Fiscal Eletrônica”

WEG NET INCOME

CONTINUOUS AND CONSISTENT GROWTH

INTERNATIONALIZATION

• Net Operating Revenue - 2016



Volume of Assets

- 72,3% Brazil
- 27,7% Overseas

- Produced and sold in Brazil
- Produced in Brazil and Exported



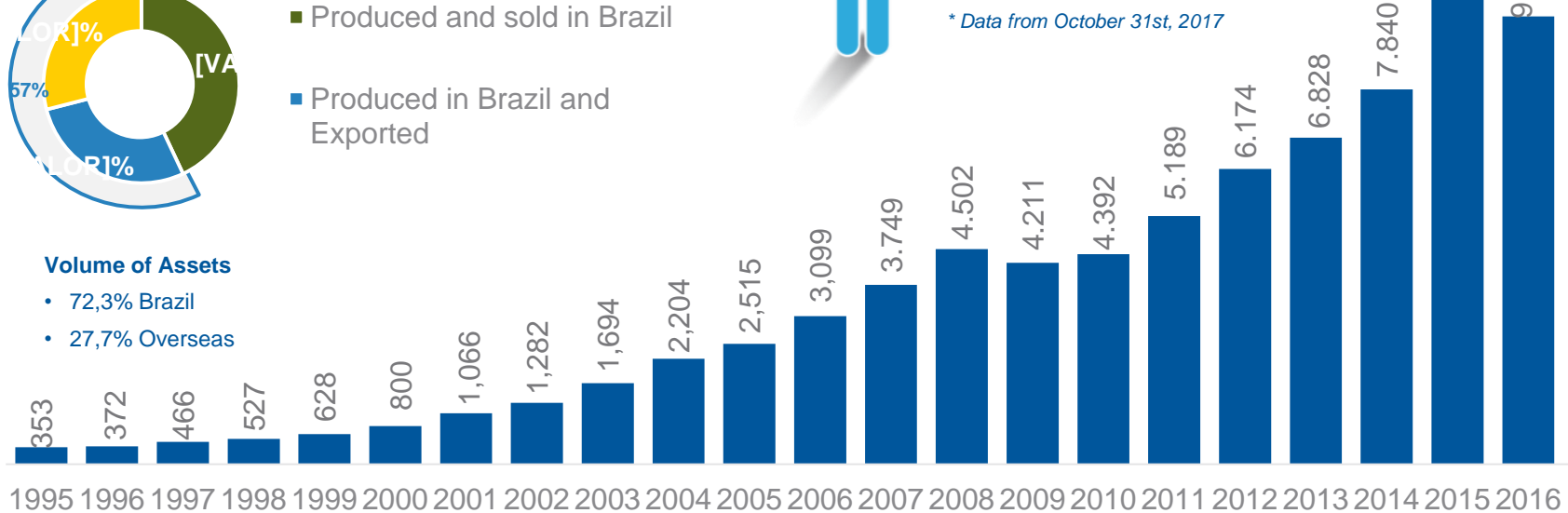
Total: 29.659 Employees*

68% Brazil (20.067)

32% Overseas (9.592)

** Data from October 31st, 2017*

(R\$ Millions)



BUSINESS UNITS

HOW WEG'S OPERATIONS ARE DIVIDED



Motors



Automation



Energy



Transmission
& Distribution



Coatings

PLANTS AND BRANCHES

- | | | | | | | | |
|-----------|-----------|----------|--------|----------------|-------------|----------------------|--------------|
| Argentina | Venezuela | Mexico | Italy | Austria | Belgium | United Arab Emirates | China |
| Chile | Peru | USA | Spain | United Kingdom | Netherlands | Russia | Japan |
| Colombia | Ecuador | Portugal | France | Germany | Sweden | India | Australia |
| | | | | | | Malaysia | Ghana |
| | | | | | | Singapore | South Africa |



(*) Jaraguá do Sul (SC); Guaramirim (SC); Blumenau (SC); Itajaí (SC); Joaçaba (SC); São José (SC); Gravataí (RS); São Bernardo do Campo (SP); Mauá (SP); Monte Alto (SP); Linhares (ES); Manaus (AM).

Brazil(*)



Colombia



USA



Austria



Spain



India

Argentina



Mexico



Germany



Portugal



China



South Africa

PRACTICAL IMPACTS

EXPORTS

WEG - Export Operations in 2016

278.087	EXPORT REGISTERS
5.300	Export Processes by Air
4.210	Export Processes by Sea
1.750	Export Processes by Road



Estimated impacts with Single Window

- Reducing around 40% of export procedures

PRACTICAL IMPACTS

IMPORTS

- Usage of Drawback: 30% of WEG total imports
- Around 8,000 materials imported through Drawback
- 360 different NCM/HS
- WEG is the Pilot Company for adding Drawback into the Brazilian Single Window System



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