MSME policy in Brazil

Revolves around Competitiveness Development:

- Reduction of state interference.
- Greater hole of market forces-Free entry & exit.
- Technological innovation
- Productivity
- Quality standards.

Industrial Competitiveness Programme.

- Quality and productivity programme.
- Support programme to Technological training in Industry.
- Resource application in science and tech.
- Encouraging private Enterprises to carry out technological activities through fiscal and credit incentives.
- State as a driver for the modernization process.

MSME Focus:

- A network model- connection of large, medium and small through sub contracting practices.
- Importance to competitiveness, quality, training and technological innovation programmes.
- Multi agency system – public and private institutions of national and state level take part in the state purchase policy - rich network of institutions.
- Decentralization of programme implementation.
- SEBARE- Coordinator of SME related issues at the National level.
- Govt role- design of programmes.

Improve structural competitiveness:

- Financial support to private investment for acquisition of capital goods:
  - Import of capital assets
  - Tax cut on investment
  - Tax exemptions
  - Reduction of domestic content requirement
- Promote exports of capital goods incorporating technology-
• fiscal and credit incentives.
• Custom and port services de-regulation
• PROEX- Financial support programme opening up a credit line.

- Improve teaching & human resource training- educational reform
- Infrastructure modernization- public investment programme & energy price policy.
- Support Technical development
  - Software law reformulation
  - Elimination of barriers to imports, distribution and marketing
  - Facilitating imports, entry of foreign enterprises.
  - Simplification of technological transference process- redesigning the role of the National Industrial Property Institute.

Improve sector Competitiveness:

- Identified sectors with corporative advantage.
- SEBRAE to fulfil the sectoral strategies.
  - Support programme for the division of vertically integrated enterprises.
  - Technological parks.
  - Enterprises Incubators.

Entrepreneurial Competitiveness

- Enterprise merger
- Deverticalisation of supplier development process
- Privatisation

PBQC(Brazilian Quality and Competitiveness Programme)

- General Subprogrammes aiming at eliminating infrastructural and institutional obstacles
  - Awareness and motivation
  - Development and circulation of management methods
  - Human resource education, industrial training
  - Technological service adaptation
• procurement
• Sectoral Sub-programmes-40 programmes grouped into
  • Industrial complexes
  • Trade
  • Services
  • Public Administration

PBQC is governed by national committee comprising of members from public and private sectors-headed by the Commerce and Industry Minister. It has:

• A general sub programme coordinator
• A sectoral sub programme coordinator
• Subject/specific commission coordinator
• National committee representative.

Support Programme to technical training in industries:

• Increased spending in Science and Technology
• Reorient it to application of industrial technology
• Encourage private enterprises to carry out technical activities with the help of fiscal and credit incentives
• Modernization through state procurement.

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