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São Paulo *Outlook*

GLOBAL METROPOLIS

GDP

São Paulo and its area of influence generate 388 billion dollars in wealth per year, the **10TH HIGHEST** amount worldwide

STOCK EXCHANGE

São Paulo is home to BM&FBovespa, one of the **5 LARGEST** stock exchanges in market capitalization

POPULATION

The metropolitan region of São Paulo shelters about 20 million people, the **3RD LARGEST** urban agglomeration on the planet

MOBILITY

São Paulo's subway system transports 1 billion passengers every year and is among the **15 LARGEST** in the world

SÃO PAULO IN NUMBERS

POPULATION

11 million inhabitants

live in the city of São Paulo, which represent 6% of all Brazilians. The city is the sixth largest in the world in number of inhabitants and, with its 39 municipalities, it represents the sixth largest metropolitan region in the world, where almost 20 million people live.

DIVERSITY

200 thousand immigrants

live in the city of São Paulo, which has one of the greatest diversity in population in the world. The municipality has the largest population groups of Japanese, Spanish, Portuguese and Lebanese origin outside of their respective countries. The state of São Paulo has 700 thousand foreigners, around 7% of the total immigrants in Brazil.

HEALTHCARE

33 thousand hospital beds

exist in the city. The public and private healthcare network of São Paulo has 204 hospitals that offer three beds for every one thousand inhabitants. This index is 20% higher than that recommended by the World Health Organization (WHO). The city has four doctors for every one thousand inhabitants, a number that is also higher than the minimum recommended by WHO (one professional for each one thousand inhabitants).

EDUCATION

3 million children and adolescents

are enrolled in more than 7 thousand elementary and high schools in the city. There are 3,153 public schools and 3,885 private schools. The public schools can be managed by the municipality (1,975) or by the State (1,178). The average schooling period for the population of São Paulo is 8.4 years, and 50% have 11 years or more of study.

DEVELOPMENT

0,841 is the HDI

of São Paulo city. This is the Human Development Index created by the UN to parameterize development. With rates starting at 0.8 the development level of the region is considered high. In cities such as London and New York the index is over 0.95.

BASIC SANITATION

75 % of the sewerage is treated

and 97% is collected. These are the sanitation indexes of the city, where 99.4% of the homes are connected to the water supply network. The target of the water and sewerage service utility of São Paulo State (Sabesp) is to universalize the services in all indexes by 2018.

TELECOM

25,4 million mobile phones

are registered in the city of São Paulo. It is the highest mobile phone index per inhabitant in the country: two phones with lines per city inhabitant. The landline telephony network has 5.8 million lines. It corresponds to around one landline for every two inhabitants.

INCOME

12 % of Brazilian GDP

is produced in the city of São Paulo. The municipality registered a GDP of R\$ 320 billion in 2007. In comparison to other countries, this generation of wealth places it as the fifth largest country in South America and is sufficient to place the city among the 50 largest economies in the world.

LABOR

4,7 million workers

have a formal employment tie, in other words, they are officially registered by a company, in the metropolitan region of São Paulo. Another 1.6 million are self-employed workers and around 1 million work informally. As such, the region has a total of 7.3 million workers. A total of 1.3 million workers in the urban area are unemployed, or 12.2% of the population in 2010 - a decline of more than five percent in relation to 2000.

CONSUMPTION

212 billion reais a year

is the consumption potential in São Paulo city, whose average per inhabitant is 20 thousand reais a year. The city accounts for 10% of Brazil's consumption in 2010. The capital of São Paulo State also represents 65% of the domestic luxury market, which represented R\$ 12 billion (US\$ 6.45 billion) in 2009.

LEGAL SERVICES

35 % of the law firms

in Brazil are located in São Paulo. The city has around 80 thousand lawyers in almost 5 thousand bars from all legal areas and half of the 900 firms are specialized in corporate law. São Paulo offers 36 law degrees, which account for 6 thousand new professionals every year.

EXECUTIVES

53 % of executives

of multinational companies based in Brazil are in the city of São Paulo. In addition, 37% of medium-level executives of local companies are based in the municipality. It is the largest concentration of decision makers and opinion formers in South America.

THE CITY'S INFLUENCE

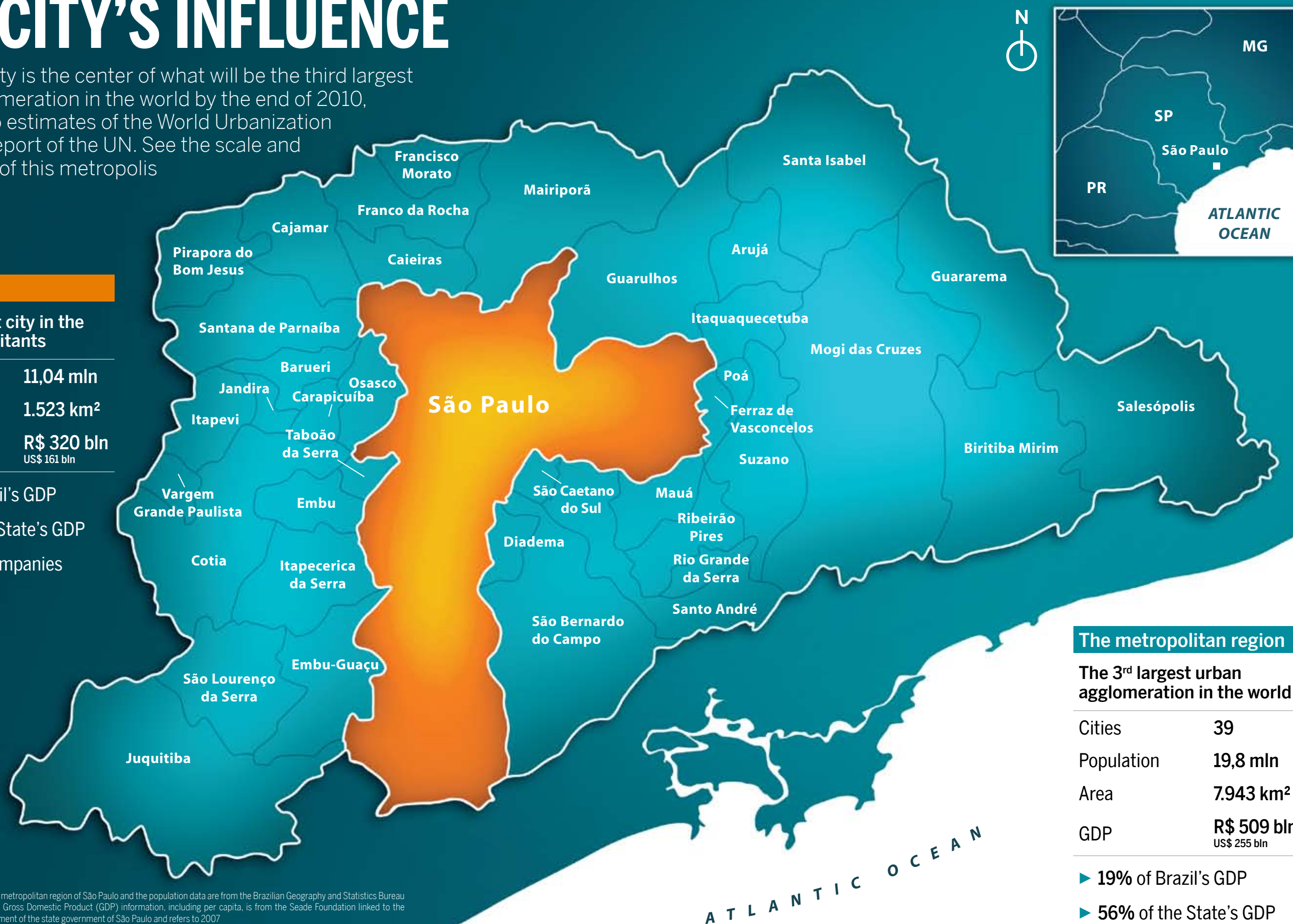
São Paulo city is the center of what will be the third largest urban agglomeration in the world by the end of 2010, according to estimates of the World Urbanization Prospects report of the UN. See the scale and importance of this metropolis

The city

The 6th largest city in the world in inhabitants

Population	11,04 mln
Area	1.523 km ²
GDP	R\$ 320 bln US\$ 161 bln

- ▶ 12% of Brazil's GDP
- ▶ 35% of the State's GDP
- ▶ 600,000 companies



The metropolitan region

The 3rd largest urban agglomeration in the world

Cities	39
Population	19,8 mln
Area	7.943 km ²
GDP	R\$ 509 bln US\$ 255 bln

- ▶ 19% of Brazil's GDP
- ▶ 56% of the State's GDP

Sources: The breakdown of the metropolitan region of São Paulo and the population data are from the Brazilian Geography and Statistics Bureau (IBGE) and refer to 2009. The Gross Domestic Product (GDP) information, including per capita, is from the Seade Foundation linked to the Economy and Planning Department of the state government of São Paulo and refers to 2007

INFRASTRUCTURE AND SERVICES

Photo: Wanderley Celesino/SPTuris



Multinationals and large companies

São Paulo city is home to almost 600 thousand companies, more than half geared towards services, 38% in the commerce sector and 11% in the industrial sector. Additionally, the municipality is the headquarters of approximately 40 business chambers, such as the American Chamber of Commerce of São Paulo (Amcham), the second largest US chamber of commerce in the world.

Photo: Divulgação/Salão do Automóvel



Business tourism

São Paulo concentrates 75% of the Brazilian business fair market and generates revenue of more than R\$ 4 billion a year from this market and is the 12th world destination for international events. An event is held every six minutes in the city and a business fair every three days.

Photo: Divulgação/SPTuris



Sporting events

The city is the only one to headquarter two of the largest automobile racing events in the world: The Formula One Gran Prix, since 1972, and the Sao Paulo 300 of Formula Indy, whose first edition was held in 2010. In 2014, two São Paulo stadiums will host the games of the World Soccer Cup.

Photo: Claudio Rossi/Análise



Real estate market

In 2009, 329 new residential buildings and 23 commercial enterprises were concluded in São Paulo, adding 3.5 thousand commercial buildings and 32 thousand apartments to the city's inventory. The municipality concentrates 60% of the total office properties in Brazil, which equals to 10 million m2, and registers a vacancy rate of only 9%.

Photo: Sérgio Coelho/CODESP



International trade

São Paulo city is Brazil's leading exporter with a total of US\$ 6 billion in sales in 2009. Around 8% of total Brazilian exports derive from the metropolitan region, comprised of 38 municipalities in addition to the capital city. The centre of São Paulo is only 80 km away from the Santos Port, the largest in Latin America.

Photo: Divulgação/Shopping Cidade Jardim



Consumption

São Paulo offers 79 shopping malls in activity, more than 10% of the country's total. Brazil is already the eighth in the world in number of built shopping malls. The city also has popular and open-air shopping centers, such 25 de março street and its surroundings, a region that concentrates more than 3 thousand points of sale of popular products, accounts for R\$ 20 billion a year.

Photo: Divulgação/Hotel Unique



Hotel chains

São Paulo has a total of 410 hotels with 42 thousand available rooms. In 2009, the sector maintained an occupation rate of 62.2% and welcomed around 11.3 million tourists, of which 1.6 million were foreigners. The average stay is 5.3 days with expenses that vary between 2 thousand and 5 thousand reais

Photo: Claudio Rossi/Análise



Gastronomy

São Paulo has one of the most diverse gastronomic scenes in the world with a total of 12.5 thousand restaurants, that serve dishes from 52 different cuisines, and around 15 thousand bars. The municipality has more restaurants than cities like Paris and London.

Photo: Divulgação/BM&FBovespa



Financial system

The city concentrates around 2.5 thousand banking branches of almost 100 different financial institutions – more than 12% of all the bank service units in Brazil – and is home to the São Paulo Stock Exchange (BM&F Bovespa). The stock exchange is the largest in Latin America and, with more than 460 company listings, registered an average daily trading volume of R\$ 5.3 billion.

Photo: Divulgação/Hospital Santa Catarina



Healthcare system

The single healthcare system (known locally as SUS) offers free medical care to the entire population. The municipal district has more than one thousand SUS units and, in 2009, 26 million medical visits were registered. Around 58% of São Paulo's inhabitants have a healthcare plan to gain access to private medical services, well above the average of other Brazilian capitals, which is 41%.

HOW IT WORKS...



Higher education system

São Paulo offers 148 universities, that educate around 90 thousand graduates in higher learning courses every year. In the past five years, the number of MBA courses offered in the city doubled to around 2 thousand. According to the Education Ministry, the municipality concentrates half of the best post-graduate courses in Brazil and also has around 1.2 thousand technical training institutions that train 200 thousand students a year.



Real estate market

The real estate market in São Paulo has three large players: developers, real estate administrators and construction companies. In 2009, 685 companies were involved in all the projects launched in the city of São Paulo. São Paulo's Stock Exchange (BM&F Bovespa) currently trades the shares of 32 construction companies aimed at the commercial exploration of shopping malls and real estate brokers. In the past three years, more than 100 merger and acquisition operations were registered by Brazilian real estate brokers.



Legal system

The basis of the Brazilian legal system is the State and Federal Justice departments, both with courts of first instance (trial courts) and second instance (appeal courts). This means that a decision ordered by a judge can be reexamined by the justices in the State Court or by federal judges. Labor disputes have a specialized Justice structure represented in three instances: Labor Court Divisions, Regional Labor Courts and the Superior Labor Court. The final instance (court of final appeal) for municipal, state or federal-related matters is the Brazilian Court of Appeals (known locally as STJ). The discussions about constitutional matters are examined by the highest court in the country, the Federal Supreme Court (STF).



Legislative system

Most of the rules that discipline corporate relations, such as contracts and the main taxes, are governed by federal legislation in Brazil, which also regulates foreign investments, the rules of publicly-traded companies and labor relations. Environmental issues and those related to the ICMS goods and services tax are handled by the state. The municipal legislation governs matters related to the real estate market, zoning, construction and taxes related to service provision.



Tax system

The main revenues of the municipality are the result of the sum of its direct tax revenue – the main municipal taxes are the ISS service tax and the IPTU building tax – and the transfers of part of the state and federal taxes levied on transactions made in the city. The revenues are distributed among 31 sub-city governments and 25 municipal departments, in addition to the Municipal Legislative Power.



Transport system

São Paulo city has a fleet of 5 million vehicles, around one for every two inhabitants. A total of 32 thousand taxis, around 200 thousand motorcycle couriers and 160 thousand cargo vehicles circulate on 15 thousand kilometers of roadways. Public transport registers the impressive number of 14.5 million daily trips by bus, train and subway in the municipality.



Telecommunication services

One year before the privatization of the telephony sector in the country in 1998, the General Telecommunications Law was sanctioned to regulate the sector and the National Telecommunications Agency (Anatel) was created. In Brazil, fixed telephony is considered a public service and the concessionaires are subject to the control of Anatel as well as must comply with a series of obligations. In the case of mobile telephony, a service considered private, the price is regulated by the market. There are no obligations set forth in contracts, except, for example, in the case of frequency auctions where Anatel has conditioned the sale of bands for service universalization.