

# GAIN Meeting in New Zealand

ASSOCIAÇÃO NACIONAL DAS  
ENTIDADES DE PRODUTORES  
**DE AGREGADOS PARA CONSTRUÇÃO**

## Strategic Challenges for the Aggregates Sector in Brazil

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# Agenda

1. Profile of companies in the sector;
2. Demand for aggregates;
3. Structure of the aggregates industry;
4. Sector challenges;
5. Perspectives;

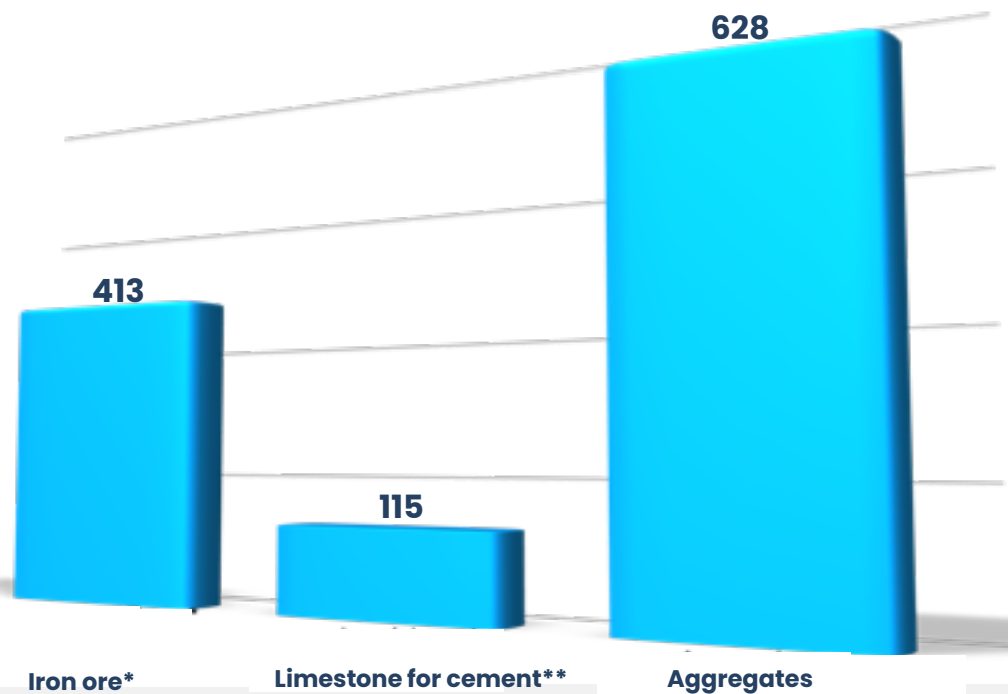
## Profile of Companies in the Sector;

Porte das Minas	Produção Anual (toneladas)	
	Areia	Brita
Pequena	Abaixo de 120 mil (*)	Abaixo de 360 mil
Média	Entre 120 e 300 mil	Entre 360 e 600 mil
Grande	Acima de 300 mil	Acima de 600 mil

(\*) Minas com produções inferiores a 18 mil t/ano não foram consideradas

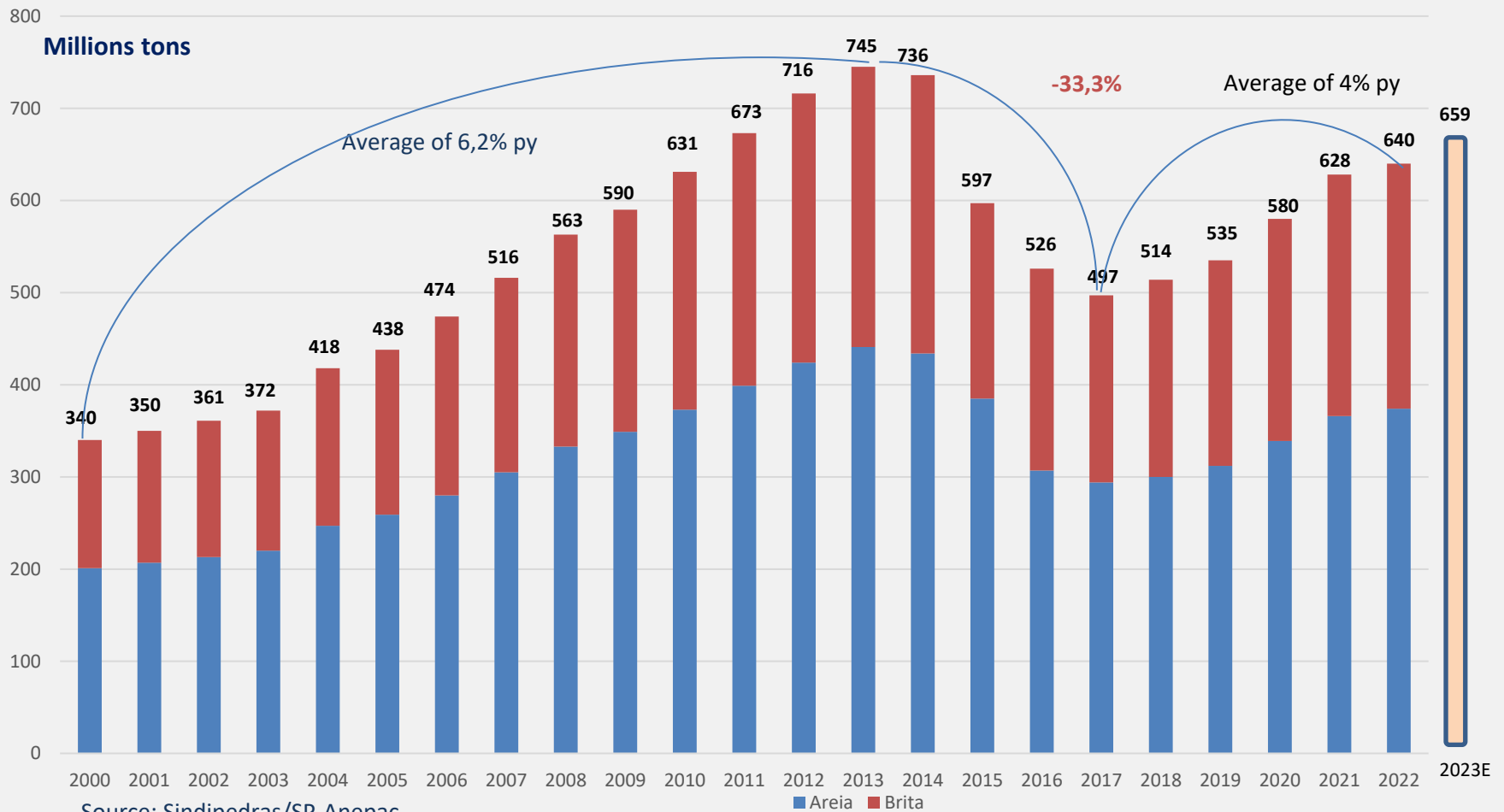
# Largest Brazilian Mineral Industry (2021)

(millions tons)



Sources: IBRAM; SNIC; ANEPAC

# Demand for Aggregates 2000-2022 and Projection 2023



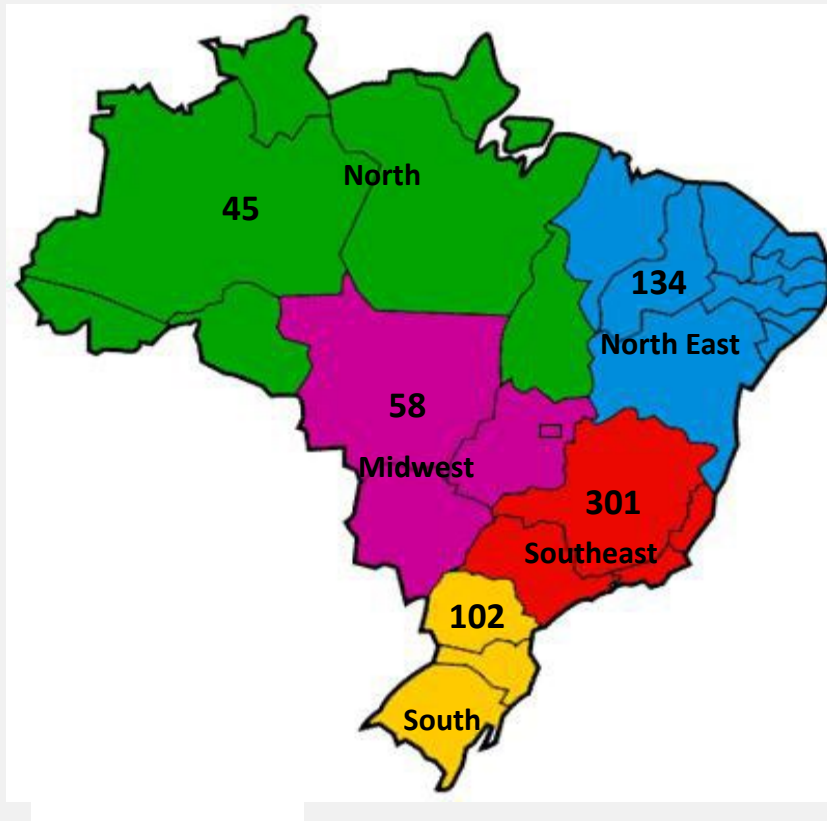
Despite the recovery since 2017 the fall of the 2013-2017 period has not been overcome. We are still at the level of 2011. The expectation for 2023 is an increase of 3%.

# Demand by Region ( 2022 )

Million tons

In 2022, Brazilian production of aggregates reached 640 million tons, 1.9% above 2021

In 2022, cement consumption was around 63 million tons, according to the SNIC.



# Structure of the Aggregates Industry

Year 2022	SAND	CRUSHED STONE	TOTAL AGGREGATES
Production (million tons )	374	266	640
tonnes/capita	1,8	1,2	3
Number of companies	2500	600	3100
Employees (x 1.000)	49	31	80
Installed capacity (millions tonnes/year	500	400	900
Revenues ( R\$ bilhões)*			37,8

Source: Sindipedras/Anepac

\* Average FOB price excluding taxes year 2021

# Challenges for the Sustainable Mining of Aggregates

- There is a misconception that small businesses are big businesses on a smaller scale. They are not! Size matters!
- The complexity of regulations has a proportionally greater impact on the cash flow of small and medium-sized companies than for large corporations: we are paying for the sin of big companies;
- There is incompatibility between the set of imposed norms and the reality of the market economy;
- As a result, legal uncertainty for the maintenance and continuity of operations due to the complexity of the actors involved (bodies, committees, councils, different spheres of public power, etc.) and the long terms involved in environmental licensing processes and their renewals;
- Consequence: risk of change in market profile: from powdered to concentrated.





# Desafios para a Mineração Sustentável de Agregados

Uncontrolled urbanization in Brazil is leading to the sterilization of mineral resources close to consumer markets

There is an urgent need to preserve resources in critical areas through the promotion of continuous execution programs aimed at planning the activity and preserving existing deposits

Territorial planning is the indispensable policy instrument for the sustainability of aggregate mining. It is much more than an economic issue, as it is about guaranteeing quality mineral resources for the best use at prices compatible to the next generations.



# Government measures being implemented

1. Federal **decentralization** to the states;
2. Implementation at the federal level of a “**Security Perimeter**” for existing mines;

# Perspectivas para o Setor de Agregados


Despite the unfavorable situation in the short term, Brazil needs investments in urban development and infrastructure, considering in particular that:


- 5.8 million families have nowhere to live (33 million people) and the existence of a housing deficit of 7.7 million units;
- Lack of integrated and efficient transport infrastructure;
- New “Sanitation Legal Framework” whose objective is to universalize water and sewage services in Brazil by 2033.






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**Thank you**

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