

Architecture, Construction and Engineering (ACE) Industry

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Overview

Brazil is experiencing major growth in the ACE industry. The country will capture global attention as its major cities are undergoing a construction boom in preparation for the World Cup in 2014 and, specifically for Rio de Janeiro, the Olympic Games in 2016.

The Government of the State of Rio de Janeiro estimates that investments in the State from 2010-2016 will reach US\$50 billion, in sectors including infrastructure, construction, transportation and others. Most of these investments will be done with both public and private moneys under Brazil's Public-Private Partnerships (PPPs).

Architectural design and engineering projects around the country, from roads and stadiums to airports and retail space, are abundant. Although there is strong competition from local firms, American ACE firms with a niche expertise are welcome to do business in Brazil, provided they understand the regulatory procedures for being able to work in Brazil.

Market Challenges

In order for ACE companies to do business in Brazil, there are two general options. The first possibility is for a U.S. company to partner with a local firm that is licensed to provide architectural/engineering services in Brazil. As with most services imported to Brazil, the Brazilian firm using the service will have to pay additional costs of up to 40% of the price of the services rendered. To avoid this process, a U.S. firm may prefer to set up a business in Brazil directly and obtain the license to provide such services in Brazil. This option works for U.S. firms looking to do business in Brazil over the long-term, as starting a business in Brazil and obtaining the necessary approvals to do architectural or engineering work is not a short-term process.

More information on the regulatory process can be read here:

http://buyusainfo.net/docs/x_1475447.pdf

Sub-Sector Best Prospects

Best Prospects in the architectural, construction and engineering sectors can be found in areas such as commercial real estate, airports, ports, hotels, hospitals, and include:

- Urban projects: Planning for ports (e.g., the Port of Rio re-development - design of the walkways, buildings, etc. along the port), airports (some being privatized as above mentioned, there are opportunities for design work and other projects), traffic, transportation, parking, sporting venues, etc.
- Airport design
- Real estate: New or retrofit
- Industrial plants, new or planned extensions
- Hospitality, including new or refurbished hotels, and transformation of residential buildings into hotels
- Health sectors (new hospitals and upgrades to existing)
- Low income housing projects planning

- Lighting, including residential, commercial, industrial, urban (LED is increasingly gaining popularity in Brazil)
- HVAC
- Furniture design
- Drywall technologies
- Landscaping, including gardens, golf courses, hotels, residential, commercial, industrial)
- Sport venues design and equipment, such as golf courses
- Building Information Modeling (BIM) Process

Many ACE projects are now being required to contain sustainable or “green” content, according to **LEED, AQUA** and other certification programs.

Opportunities

Although U.S. architectural firms face a competitive environment, many U.S. firms have been winning contracts. For example, U.S. firms have recently won design contracts in Rio de Janeiro related to the upcoming 2016 Olympic Village, the new golf course to be used for the Olympics, and the new Museum of Image and Sounds, to be relocated to Copacabana in Rio de Janeiro. U.S. engineering equipment providers have also been successful in the Brazilian market, several of them with a local presence, such as Caterpillar, John Deere, Terex, among others.

However, many large procurement projects that involve construction and architectural design services are won by Brazilian engineering and construction companies such as Odebrecht, OAS and Camargo Correa, among others. Thus, the U.S. Commercial Service recommends U.S. architectural and engineering firms with no physical presence in Brazil to partner with Brazilian architecture, engineering and constructions firms before bidding directly on projects.

For a better understanding of the regulatory environment that architectural design firms face in Brazil, please read our report on licensing at:

http://export.gov/brazil/games/eg_br_024085.asp

Web Resources

- The Brazilian Council for Architecture and Urbanism (CAU) - <http://www.caubr.gov.br/>
- The Brazilian Association of Architecture Firms (ASBEA) – www.asbea.org.br
- The Federal Council for Engineering and Agronomy (CONFEA) – www.confesb.org.br
- The Brazilian Association of Architectural and of Consulting Engineering Companies (SINAENCO) - <http://www.sinaenco.com.br/>
- The Brazilian Association of Engineering Consultants (ABCE) – www.abceconsultoria.org.br
- The Brazilian Equipment and Maintenance Technology Association (Sobratema) – www.sobratema.org.br
- The U.S. Commercial Service Brazil World Cup and Olympics reports at: <http://export.gov/brazil/games/index.asp>