

# INVESTING IN INNOVATION

## Incentive programs and innovation

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## INNOVATE AUTO

### What is Innovate Auto?

This is an incentive program for Technological Innovation that aims at thickening the whole automotive productive chain, through the reduction of IPI (Tax over Manufactured Products). The program proposes to support the technological development, innovation, security, environmental protection, energy-efficiency and the quality of vehicles and parts that are produced.

### Who benefits from it?

- .Organizations from various sectors.
- .Organizations that manufacture vehicles in Brazil
- .Organizations that not only produce vehicles, but that sell them
- .Organizations that have investment projects in the Country

### How does it work?

Through presumed IPI credit up to 30%, invested in projects in the following areas:

- . Research and Development focusing in innovation
- . Expenditures in Engineering
- . Basic Industrial Technology(BIT)
- . Suppliers Training
- . Production of more efficient vehicles

### Obligation

In order to benefit from the Program, organizations should ensure the following:

- . Power Efficiency: additional reduction of up to two percentagepoints for organizations that present energy efficiency increments



. To have a minimum amount of manufacturing stages and of Engineering Infrastructure Activities

. To present expenditures in the following areas: Research and Development (focusing on Innovation), Engineering, Basic Industrial Technology, and Suppliers' Training.

### **Information about the automotive sector – Pier Consulting Research**

- . 55%of the organizations supply materials and parts in the automotive chain;
- . 59% have only a small (or none at all) idea of investment opportunities in R&D&I;
- . 44%do not have R&D&E projects, BIT and suppliers' training (Innovate Auto rules);
- . 39% do not use any development lines;
- . 54%do not have development projects with research institutes or universities.

### **How we can help**

CESAR is accredited by the Science and Technology Ministry (MCTI) to execute R&D&I projects to its clients. Focusing on networked actions, CESAR has, currently, over 40 active clients and various partners around the country. The institute is present around Brazil with branches in the North (Manaus), South (Curitiba) and Southeast (Sorocaba), besides its headquarters, located in the Northeast, in Recife-PE.



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