



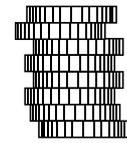
Brazil



Capital: Brasília
Largest city: Sao Paulo
Administrative divisions: 26 States
Currency: Riel (KHR)
Area: 8,514,877 km²
Population: (2013) 193,946,886
Calling code: +55
Official languages: Portuguese

Ease of trading across borders

Importing a standard container of goods into Brazil requires



£1415

Source: The World Bank, Trading Across Borders: Doing Business 2013

Brazil has a mixed economy with abundant natural resources. The Brazilian economy is predicted to become one of the five largest in the world in the decades to come. In the last 15 years, the country has pursued a strategy of export-led growth and regional integration. The economy is relatively well diversified with a strong manufacturing and agricultural base. But economic activity is still concentrated in the southeast, particularly in the state of São Paulo.

Economic snapshot (% annual growth rate)

	2012	2013	2014-17
GDP	1.0	2.5	1.7
Export of goods and services	0.5	2.5	5.1
Import of goods and services	0.2	8.3	4.3
Inflation	5.4	6.2	6.1
Exchange Rate (Per £)	3.23	3.50	4.01
Population	0.9	0.9	0.8

Source: Oxford Economics

Economic outlook

Brazil's economy, according to government figures, contracted by 0.6% in the April-June period, marking the second consecutive quarter of negative GDP growth and meeting the technical definition of a recession. However the government expects the economy to grow 0.9% this year, while the Central Bank sees GDP expanding at a 0.6%. Brazil's economy grew just 1% in 2012 and expanded 2.3% last year.

Trade outlook

Latin America, China and Europe are Brazil's top exporters over the medium term. However, Brazil exports to Europe are set to decline in the medium term, while exports destined for Asia and the US continue to increase as a share of total exports. Trade with Asia (excluding Japan) already accounts for more than a quarter of Brazil's merchandise exports. The continued rapid industrialisation of these Asian economies is expected to drive further demand for raw materials from Brazil in coming years. China and Vietnam will be the fastest-growing export destinations over this period.

SWOT analysis

Strengths

World's sixth largest economy.
 Large population.

Opportunities

2016 Olympics.
 Growing middle class.

Weaknesses

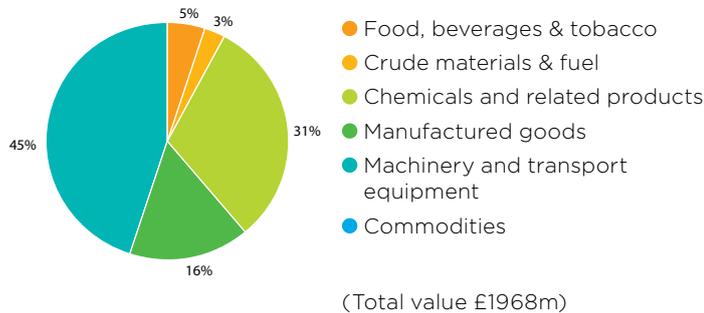
Income inequality.
 Excessive bureaucracy.

Threats

Export dependency.
 High interest rates.

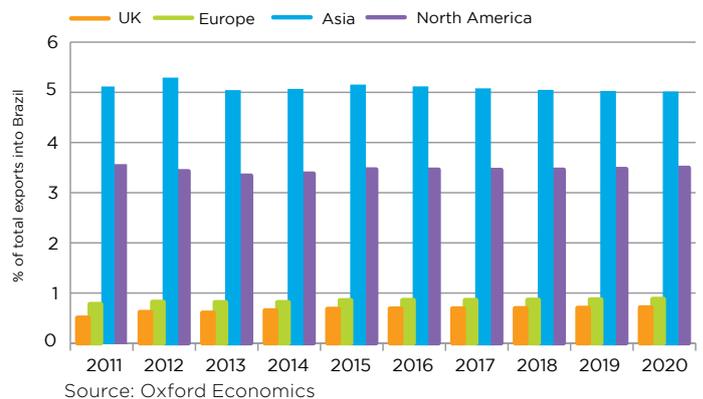
Brazil's trade with the UK

UK exports to Brazil (2013) - by major product groups



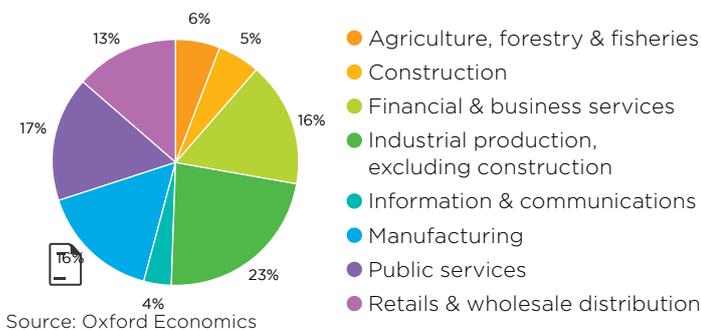
Source: Eurostat

How UK's exports to Brazil compare



Sector segmentation growth

Forecast for Brazil's economic structure (2021) - Output, value-added, real, % of GDP



Sectors to watch:

- Financial and business services
- Manufacturing
- Public services

Opportunities for UK businesses

Certain sectors of the Brazilian market have experienced higher than average growth, such as air transportation, telecoms, oil and gas, and mining. Under the second phase of the Growth Acceleration Programme the Government will be spending to develop the country's energy generation and infrastructure. Other promising areas for UK companies include construction, aerospace and aviation, electrical power, safety and security devices, environmental technologies, retail, and transportation.