



Brazil

Is Brazil a good country to do business in now?

Yes, we believe it is.

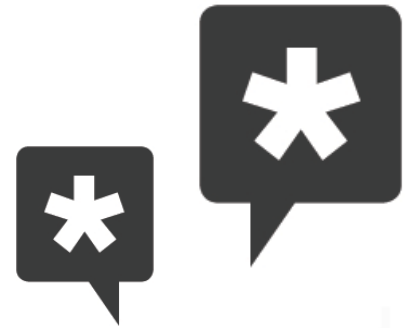
Here's why

Brazil is widely acknowledged to be an economy with great investment potential. It has been one of the countries to lead the world out of recession.

Brazil is the largest and most populous nation in South America. Since the election of Luiz Inácio Lula da Silva in 2002 Brazil has taken on an increasingly prominent role in South American and international politics, and has established numerous trading deals and institutions of co-operation between nations in the southern hemisphere. In 2009, China became Brazil's biggest trading partner, overtaking the USA.

Lula was the most popular president in the history of Brazil and made real inroads into easing poverty. He stood down after two terms and in January 2011, his former chief of staff, Dilma Rousseff, was appointed president. She is Brazil's first female president and has vowed to consolidate his legacy by continuing to fight poverty and improve public health, education and the country's infrastructure.

Fast Facts



Population: 185 million

Language/s: Portuguese

Religion/s: Christian (secular)

Land area: 8.5 million square km (3.3 million square miles)

Currency: Real

Capital: Brasilia

Internet domain: .br

International dialing code: +55

Innovation ranking¹: 49 (out of 82 countries)

Digital economy ranking¹: 42

Macroeconomic indicators:¹

	2010	2011	2012
GDP (US\$)	\$1.317 trillion	\$1.391 trillion	\$1.474 trillion
GDP per capita (US\$)	\$6,692.19	\$6,982.79	\$7,311.45
Real GDP growth	7.5	4.3	5.0
Inflation (CPI)	5.6	5.3	5.1

Economy

The Brazilian economy has been expanding at a rapid pace since mid-2009 and grew at an annual rate of 9 per cent in the first quarter of 2010. It slowed toward the end of 2010 but is expected to continue to grow over the next two years as private consumption is fueled by wage increases and credit availability. Fiscal and monetary stimulus implemented during the global financial crisis has been eased but massive infrastructure projects will help lift growth rates in the near future.



Fast Facts



Politics

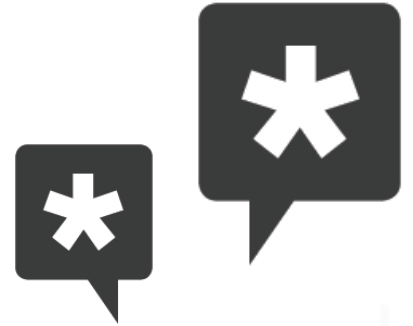
Brazil is a stable Presidential Democracy. The president executes policy approved by the 513-seat Chamber of Deputies (the lower house) and the 81-seat Senate (the upper house). Constitutional review is handled by an independent judiciary. Although the president can resort to temporary decrees to push through legislation, the 1988 constitution gives Congress ample capacity to frustrate the executive. As a result, there are many political parties in Brazil and party discipline has traditionally been weak. Brazil elected its first female president in 2010 and she was sworn into office in January 2011.

Doing business

When conducting business in Brazil, remember the following few guidelines:

- Business is conducted mainly through personal connections. Brazilians will only be interested in long-term business relationships.
- Make appointments at least two weeks in advance. Arriving at an office without an appointment is unacceptable, especially if the person you're visiting is a senior person in the organisation.
- Avoid scheduling appointments around Carnival, which takes place in the weeks before Lent (February/March).
- Poor punctuality is characteristic of Brazilian business culture. Waiting around for your Brazilian counterparts is part of doing business here. Also, traffic in the main cities is chaotic and often responsible for the delays.
- Looking smart is important although it is not necessary to wear a suit.
- Shake hands with everyone at the meeting and maintain eye contact.
- Use local professional advice (legal and financial).





References

¹ Taken from the Economist Intelligence Unit's report: 'A new ranking of the world's most innovative countries' that ranks innovation in 82 countries. Innovation is defined as the application of knowledge in a novel way, primarily for economic benefit. Companies deem it vitally important as a competitive tool. Government policymakers see it as essential for economic growth.

¹ Digital economy ranking is the Economist Intelligence Unit's measure of the quality of a country's information and communications technology (ICT) infrastructure and the ability of its consumers, businesses and governments to use ICT to their benefit. When a country uses ICT to conduct more of its activities, the economy can become more transparent and efficient.

¹ Source: Organisation for Economic Co-operation and Development, www.oecd.org (Real GDP growth and inflation), and International Monetary Fund, www.imf.org (GDP and GDP per capita). 2009 and 2010 figures are OECD and IMF staff predictions. Real GDP growth and inflation are defined in percentage change from previous period.



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