



Brazil

Cyber Security Market



Brazil is one of the largest markets in the world

- Sixth largest population (approx. 201 million)¹
- Eighth largest economy (GDP – approx. \$2.4 trillion)²
- Eleventh largest defense budget³ (approx. \$3.7 billion)⁴
- Seventh largest online market⁵

And room for growth remains

- 2013 GDP growth estimated at 4%⁶
- Defense spending is less than 2% of GDP⁷
- 49.8% of Brazilians were online in 2012⁸

Recent developments are driving demand for cyber security in Brazil

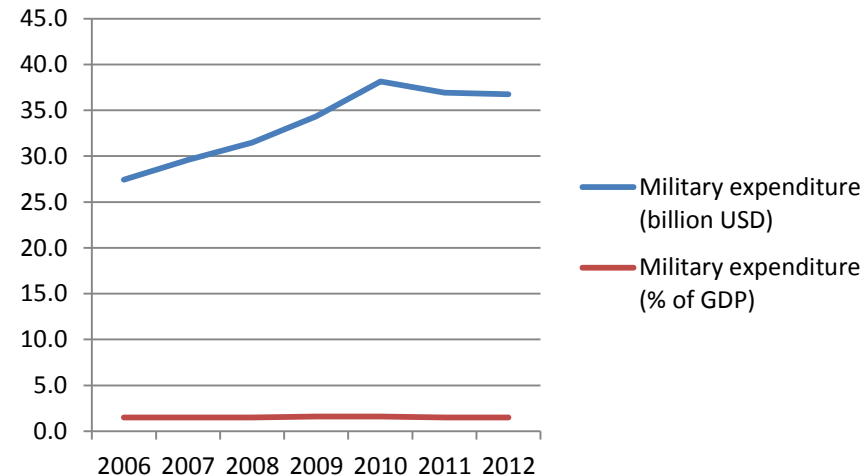
- Military modernization
- World Cup 2014 and Summer Olympics 2016 to be hosted in Brazil
- Allegations that the NSA accessed communications of the President of Brazil and other government officials
- October 2013 government announcement that a secure email service would be created.¹
- Government websites attacked
- Brazil ranked as the second largest source of cyber attacks²

Government spending and initiatives

- 2013 defense budget - approx. \$3.7 billion
- Military Modernization
- Cyber Defense Initiative - \$420 million through 2013
- CDCiber established
- TI Maior (Greater IT) project

Brazil military expenditures 2006-2012

Source: SIPRI military expenditures database



Potential Challenges

- Brazil was ranked 116th out of 189 countries for ease of doing business by the World Bank.¹
- *Buy Brazil Act*
- *Law to Promote the Industrial Base of Defense*
- Legal system
- Intellectual property rights
- Accusations of NSA spying on Brazilian officials

Strengths

- As the economy continues to grow investments in defense are expected to increase as well
- Large market with room for further growth

Weaknesses

- Cumbersome legal process
- Bureaucracy
- Time required to build relationships

Opportunities

- Military modernization plans
- The need for cyber security is in the news now
- 2014 World Cup and 2016 Olympics

Threats

- Political issues with the US due to allegations against the NSA
- Regulations favoring Brazilian businesses