Export Opportunities in Brazil

In 2017, Brazil ranked 10th among U.S. export destinations and 12th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Brazil include:

- Aerospace
- Oil & Gas
- Medical Technology
- Franchising
- Safety & Security
- Drugs and Pharmaceuticals
- Oil and Gas
- Defense Articles

Top Virginia Exports to Brazil

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$304.2</td>
<td>-2%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$52.6</td>
<td>18%</td>
</tr>
<tr>
<td>Mineral Fuels and Oils</td>
<td>$45.1</td>
<td>-40%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$32.0</td>
<td>18%</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>$31.7</td>
<td>-30%</td>
</tr>
<tr>
<td>Tanning/Dyeing Extracts</td>
<td>$19.2</td>
<td>31%</td>
</tr>
<tr>
<td>Woven Fabrics</td>
<td>$17.2</td>
<td>61%</td>
</tr>
<tr>
<td>Vehicles, not Railway</td>
<td>$13.0</td>
<td>65%</td>
</tr>
<tr>
<td>Paper and Paperboard</td>
<td>$11.5</td>
<td>17%</td>
</tr>
<tr>
<td>Aircraft and Spacecraft</td>
<td>$10.7</td>
<td>52%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$10.3</td>
<td>-11%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

Map of Brazil

(U.S. Central Intelligence Agency)

In US$ Billions

2015: $31.6
2016: $30.1
2017: $37.2

(World Trade Atlas)
Opportunities in Brazil for Exporters

Aerospace

Aerospace is one of Brazil’s most important industries and offers excellent opportunities for U.S. aircraft manufacturers and parts suppliers. Embraer, the world’s third-largest aircraft manufacturer, leads the Brazilian aerospace industry. In 2016, US firms exported US$ 5 billion worth of aerospace products to Brazil. The Brazilian fleet consists of 21,895 aircraft, suggesting robust MRO demand.

Top prospects for U.S. exporters include:
- Replacement parts
- Avionics
- Communication systems
- Airplane & helicopter parts & components

Consumer Products

According to the World Franchise Council, Brazil ranks fourth worldwide for the number of franchise brands. In addition, an entire 1.8% of the entire Brazilian GDP in 2016 went to toiletry and fragrance products. E-Commerce has grown in Brazil by more than 20% over the past three years. Finally, social media has fueled a 13.5% growth in the electronic gaming market in 2018.

Top prospects for U.S. exporters include:
- Bio-cosmetics
- Shoes
- Electronic games
- Food

Defense and Security

The Brazilian cybersecurity market is expected to reach $7.29 billion in 2019, after large investments by the military. With more than 500,000 cars stolen in Brazil every year, vehicle surveillance is a fast growing market segment. Non-lethal weapons are also helping combat levels of crime. Brazil’s 2017 budget for the defense sector was approximately $30.3 billion.

Top prospects for U.S. exporters include:
- Electronic surveillance
- Cybersecurity
- Unmanned Aerial Vehicles
- Escort ship and transport ship platforms

Drugs and Pharmaceuticals

Brazil is a medical tourism destination, has a higher number of doctors and dentists per capita, and is the eighth largest pharmaceutical market worldwide. Market revenues of pharmaceutical products were $14 billion in 2016, while imports of pharmaceutical raw materials were $2.5 billion. Generics comprise 29% of the market.

Best prospects for U.S. exporters include:
- Nutritional supplements
- Medicines for chronic diseases, weight control, and diabetes
- Contraceptives
- Diagnostic tests and mosquito-borne illness control

(US Commercial Service)
Brazil's economy has well-developed agricultural, mining, manufacturing, and service sectors, and a rapidly expanding middle class. Brazil's economy outweighs that of all other South American countries and Brazil is expanding its presence in world markets. Government spending grew substantially over the last decade, pushing public debt to 73.7% of GDP at the end of 2017. This has accompanied a rise in bureaucracy, corruption scandals, and protectionism to address rising unemployment.

Under the Temer administration, the Congress approved a spending cap and passed labor reforms to restructure the economy. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenue. In 2017, Brazil’s GDP grew 1% and inflation fell to historic lows of 2.9%.

Social programs, the environment, energy, and local content and technology transfer requirements on foreign businesses are priorities for Brazil.

(CIA World Factbook)

### Cultural Guide

- Brazilians prefer face-to-face meetings to written communication as it allows them to know the person with whom they are doing business.
- Expect questions about your company since Brazilians are more comfortable doing business with people and companies they know. Wait for your Brazilian colleagues to raise the business subject. Never rush the relationship building time.
- Use local lawyers and accountants for negotiations. Brazilians resent an outside legal presence.
- Brazilians pride themselves on dressing well. Men should wear conservative, dark colored business suits. Three-piece suits typically indicate that someone is an executive. Women should wear suits or dresses that are elegant and feminine with good quality accessories.

(Kwintessential)

*It is common to be interrupted while you are making a presentation.*

- When arranging a meeting, it is advisable to provide the Brazilian company with the subject of the meeting in advance, although only limited detail will be required at that stage.
- Punctuality can sometimes be an issue in Brazil, but you should not interpret lateness as a sign of rudeness or laziness. Plan your trip with plenty of time to allow for delays.
- It is normal to exchange business cards at the start of meetings, although in restaurants or at business lunches they should be exchanged after the meal.
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

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<th>Brazil Country Commercial Guide</th>
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<td>U.S. Commercial Service</td>
</tr>
<tr>
<td>Brazilian Taxation System</td>
<td>Doing Business in Brazil</td>
</tr>
<tr>
<td>ICAEW-Brazil Economy &amp; Taxation</td>
<td>Office of the US Trade Representative</td>
</tr>
<tr>
<td>The Rio Times</td>
<td>Ease of Doing Business Report</td>
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<tr>
<td>News in English for Rio de Janeiro &amp; Brazil</td>
<td>World Bank</td>
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<tr>
<td>Kwintessential</td>
<td>Exporting to Brazil</td>
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<td>Kwintessential - Brazil Culture Guide</td>
<td>United Kingdom Trade &amp; Investment</td>
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