

BUSINESSEUROPE



# **EU-Brazil Relations**

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# BUSINESSEUROPE: 41 members in 35 countries

|   |   |   |   |  |   |   |   |
|---|---|---|---|--|---|---|---|
|     |    |    |    |    |    |    |    |
| Austria   | Belgium   | Bulgaria  | Croatia   | Cyprus   | Czech Republic  | Denmark   | Denmark   |
|    |    |    |    |    |    |    |    |
| Estonia   | Finland   | France  | Germany   | Germany  | Greece  | Hungary   | Iceland   |
|    |    |    |    |    |    |    |    |
| Iceland   | Ireland   | Italy   | Latvia  | Lithuania  | Luxembourg  | Malta   | Montenegro  |
|    |    |    |    |    |    |    |    |
| Norway  | Poland  | Portugal  | Portugal  | Rep. San Marino  | Romania   | Slovakia  | Serbia  |
|   |  |  |  |  |  |  |  |
| Slovenia  | Spain   | Sweden  | Switzerland   | Switzerland  | The Netherlands   | Turkey  | Turkey  |
|  |   |   |   |  |   |   |   |
| United Kingdom  |   |   |   |  |   |   |   |



# Brazil – Dynamic Economy

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- Brazil
  - Brazil > France and UK GDP
  - Sixth biggest economy in the world
  - Young work force
  - Potential in commodities and manufacturing

2012: Attractive market for EU companies



# Brazil – Economic Challenges

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- Brazil faces significant challenges:
  - High inflation
  - Slowing growth rate
  - “Dutch disease” due to focus on raw materials
  - Strong currency harming its manufacturing sector
  - Poor infrastructure
  - Social challenges (but improving)

2012: High risk of protectionist pressures



# Brazil – Rising protectionism

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- Recent protectionist measures
  - 30 point increase in industrial-product tax on cars
  - Limits on procurement and investment
  - Limits on foreign companies in oil exploration
- MERCOSUR
  - MERCOSUR 35% tariff on 100 goods for 3 years
  - Targets: Capital goods, textiles and chemical imports

2012: BUSINESSEUROPE to remain vigilant



# EU-Brazil Relations

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- Vice President Tajani: EU business delegation to Brazil in December 2011
  - Signature of Memorandum of Understandings
    - SMEs
    - Raw Materials
    - Exchange of young professionals

2012: Companies interested in young professionals should contact Commission.



# EU-Brazil Trade Relations

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- Relations between the EU and Brazil are growing rapidly
- The EU is Brazil's biggest trading partner, accounting for 22.5% of its total trade (2009)

## Goods

- EU goods exports to Brazil 2009: **€21.6 billion**
- EU goods imports from Brazil 2009: **€25.7 billion**

## Services

- EU services exports to Brazil 2009: **€8.8 billion**
- EU services imports from Brazil 2009: **€6.3 billion**

## Investment stocks

- EU Investment stocks in Brazil 2009: **€112.5 billion**
- Brazil investment stocks in EU 2009: **€42.1 billion**



# EU-Brazil Trade Relations

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- European Commission pushing for EU-MERCOSUR Association Agreement.
  - Negotiations at a technical level
  - Expected breakthrough after French Elections mid 2012

2012: BUSINESSEUROPE will need company support to push negotiations.





# BUSINESSEUROPE-CNI Relations

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- Relations are excellent
  - Successful EU Brazil Business Summit
  - EU-MERCOSUR Business meetings
  - Tax and Investment Council
  - Crop Protection Working Group

2012: BUSINESSEUROPE visit with companies





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**Thank you**

