

# **EU-Brazil Relations BUSINESSEUROPE**

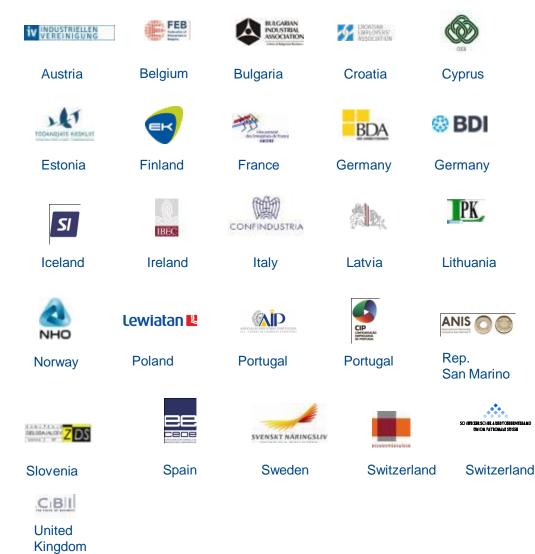
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11 January 2012





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Greece	Hungary	Iceland
	THE WALLS CHAMBER OF COMMERCE INTERNAL AND MULTIPLE	
Luxembourg	Malta	Montenegro
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Romania	Slovakia	Serbia
VNONCW The Netherlands	Turkey	<b>TUSIAD</b> Turkey



BUSINESSEUROPE



# **Brazil – Dynamic Economy**

- 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**

- 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**

- 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**

- 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**

- 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**

- 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

- 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





### Thank you

