

## Market overview

Brazil is the fifth-largest country in the world, boasts a rapidly developing economy and a GDP per head that is greater than either China or India. It has natural resources in abundance, a developed industrial base, high standards in scientific research and substantial human capital.

The UK enjoys a strong and historic trading relationship with Brazil, stretching back over 200 years. Today, Brazil remains the UK's most important trading partner in Latin America. The UK is also one of the largest investors in Brazil.

Against this backdrop, Brazil, host of the 2014 FIFA World Cup, has immense potential as a trade and investment partner, with huge opportunities for UK companies across a range of sectors.

## Key opportunities

The following sectors in Brazil provide some of the best opportunities for UK companies:

- Aerospace

An estimated 850 companies are active in Brazil's aerospace sector, mostly supporting Embraer, the third largest aircraft manufacturer in the world. Local supply chain opportunities exist, particularly in structural components, parts and assemblies for Embraer and its first tier suppliers.

- Biotechnology

Brazil is internationally recognised for its biotechnology advances, including genomics, stem cell research, phytotherapeutics and vaccines which place it among the top countries in biotechnology research, thus attracting the interest of European, Japanese and American companies.

- Construction and Infrastructure

Brazil has rapidly developing construction and infrastructure sectors. The FIFA World Cup and the government's Growth Acceleration Programme – a major government plan to upgrade the Brazilian infrastructure with investment in the region of US\$300 billion by 2010 – will offer huge opportunities for UK companies.

- Creative Industries

The UK's creative industries are highly regarded in Brazil and there is a growing demand for good industrial and product design to maintain Brazil's international competitiveness across different sectors. The sub-sectors offering the most opportunities are design, music and publishing.

- Energy

Brazil is the largest energy market in South America. New oil discoveries in the last 12 months have almost doubled Brazil's deep-sea reserves and have significantly increased

Population

187.5 million

Local currency

Real

Local time

GMT

-2 to -5 hours

Official language  
Portuguese

GDP per capita  
US\$9,500 (2007)

GDP (purchasing power parity)  
US\$1.849 trillion (2007)

opportunities for support in exploration and development. Petrobras plans to invest US\$112.4 billion under its 2008-2012 business plan.

- Financial & Legal Services

Brazil has a large, modern and sophisticated financial and professional services sector. The Brazilian Stock Exchange, BM&F Bovespa-Nova Bolsa trades 75 per cent of all equities in Latin America and is keen to develop key areas for growth such as: PPP, Carbon Credits, Reinsurance and Legal Services.

- Healthcare

Brazil has the largest healthcare market in Latin America, with over 7,000 hospitals, 280,000 doctors and an annual federal budget of US\$22 billion. Recent dramatic growth and major health reforms and modernisation means there are substantial business opportunities for UK suppliers of healthcare products and services.

### UK business activity

Recent examples of UK business activity in Brazil include:

- Anglo American has purchased a 49 per cent stake in Brazil's MMX Minas-Rio, representing an investment of US\$1.15 billion.
- Aegis Group has acquired Brazil's AgenciaClick for £15.9 million, plus up to 3.4 million Aegis shares over five years.
- In April 2007, BT announced the acquisition of US-based Comsat International, a leading provider of data communication services for corporations and public-sector organisations in Latin America. Some 50 per cent of Comsat's business and workforce is centred on Brazil.

- Wellstream Holdings is investing some £32.5 million on the first phase of construction of Brazil's Niteroi high-performance pipe manufacturing plant.
- JR Boone Ltd design and manufacture mixing machinery, used to blend everything from breakfast cereals and speciality teas and chemicals. A family firm with a long tradition of manufacturing has found the perfect formula for overseas success, after securing orders worth £140,000 in Brazil.
- Following recent legislative changes to open up Latin America's largest insurance market, Lloyd's of London has established a Brazilian representative office in Rio de Janeiro.
- Chemical engineering group Whitefox Technologies has devised a new, more energy efficient and environmentally friendly, process for extracting ethanol.

### Next steps

Like all markets, Brazil has its challenges but with appropriate help and advice there can be considerable opportunities.

For further information visit [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk), or contact UK Trade & Investment on +44 (0)20 7215 8000, who will put you in touch with your International Trade Adviser.

## Elstat Electronics Ltd

Preston-based firm Elstat, which designs and builds environmentally friendly systems which can dramatically reduce the costs incurred by running fridges and refrigerated cabinets, is enjoying lucrative success in Brazil after consulting UK Trade & Investment advisers.

"A UK Trade & Investment specialist was able to explain the Latin American approach to taxation and put us in touch with many helpful people," explained commercial director Mark Ratcliffe.

"We then joined a UK Trade & Investment trade mission to Brazil, and found this an excellent way to further our business. The trip gave us a real fast track to Brazil and what drives the economy there.

"UK Trade & Investment also organised a briefing, which really helped us to understand our Brazilian customers in terms of both cultural and commercial differences, and this enabled us to move relationships on more quickly and efficiently.

"We already have an order of £907,000 annually and have just received our first call off to the value of £350,000. We are also negotiating more orders, including an ongoing enquiry from a Brazilian beer giant, worth around £8 million, and are hoping to see considerable volume growth in Latin America in the future."

[www.elstat.co.uk](http://www.elstat.co.uk)