



BRAZIL

Capital: Brasilia

Population (2009 est.):
Brazil: 201.10 million
Virginia: 7.88million

Government Type: Federal Republic

Head of Government/Chief of State:
President Luiz Inácio Lula da Silva (“Lula”)

Languages (Official): Portuguese

Land Size:
5,289,089 Square Miles
(Slightly smaller than the continental U.S.)

(CIA World Factbook)

Currency:
Brazilian Real (BRL)
1 US\$ = 1.86 BRL (June 2010)
(www.oanda.com)



(Brazil Map. CIA)

DID YOU KNOW?

- Brazil is a founding member of the Mercosur trading block, along with Argentina, Paraguay and Uruguay. The objective of Mercosur is to lower tariffs and increase trade among members.
- Brazil has some of the largest hydroelectric dams in the world, the world's largest iron ore deposits, and holds at least 8.3 billion barrels of proven oil reserves.
- Petrobras, Brazil's state-owned petroleum company, is a pioneer in deep-sea oil drilling technologies. The recent discovery of a deep-sea oil reserve estimated to contain between 5-8 billion barrels of oil would double Brazil's petroleum reserves and could put it among the world's top oil producers and exporters within the next decade.
- Brazil has been a leader in alternative fuel technologies. The ethanol industry is strong in Brazil due to its vast supply of sugarcane. (CIA)
- “Flex Fuel” vehicles –which can run on petroleum gasoline, sugarcane ethanol, or a combination of the two– now account for nearly 90 percent of all new car sales in Brazil. (Reuters)
- After a 64 year hiatus, Brazil will be again hosting the soccer World Cup in 2014. Over the next five years, Brazil will be making substantial infrastructure investments in preparation for the event, which means abundant opportunities for Virginia firms to bid on projects.
- Due to the global financial crisis, U.S. exports to Brazil contracted 19% in 2009 and were valued at \$26.17 billion. Brazil ranks as the 10th largest destination of U.S. exports. (World Trade Atlas)



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ECONOMIC OUTLOOK

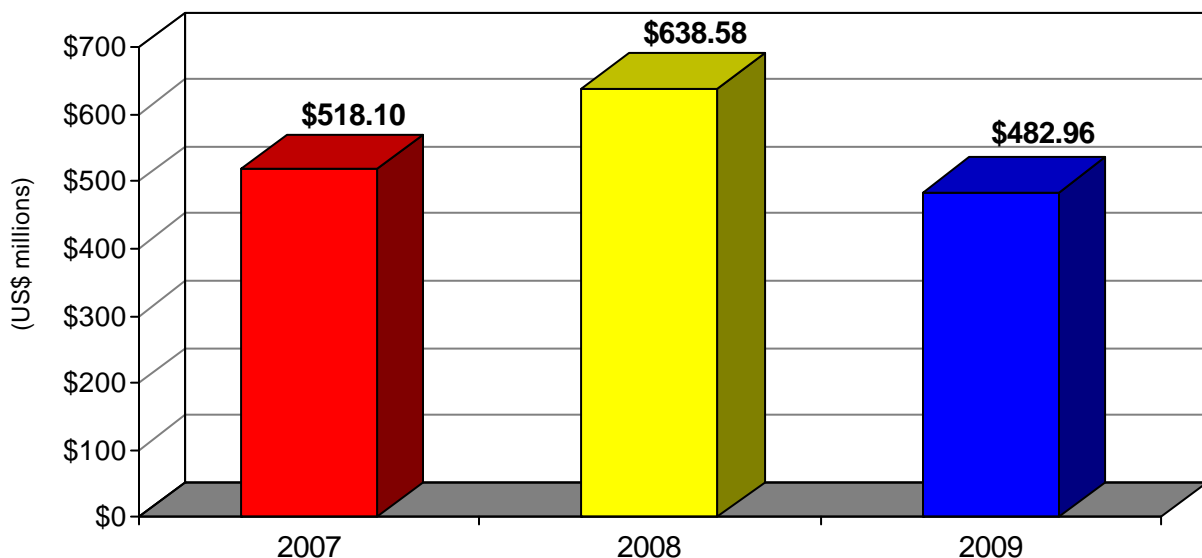
With a gross domestic product (GDP) exceeding \$1 trillion, Brazil is among the world's top 15 economies and represents about half of South America's economic output. Although economic growth slowed in 2009, due largely to the global financial crisis, the International Monetary Fund (IMF) predicts Brazil's economy will expand an estimated 5.5% in 2010.

(IMF)

Brazil has been weathering the turmoil in the global economy relatively well due to strong consumer demand, policies that have promoted fiscal discipline, and a banking sector that was less exposed to "toxic" real estate assets. As a result, the country is now experiencing its fastest economic growth in almost two decades. At the outset of the global downturn, Brazil's Central Bank lowered interest rates to spur domestic demand and increase consumption. The move succeeded, and the Bank is now raising rates to curb inflationary pressures.

Brazil is a country rich in natural resources, and its economy depends heavily on commodity exports, specifically minerals and agricultural products. The uncertain outlook in Brazil's export markets in North America and Europe means that fluctuations in global commodity prices will have a significant impact on Brazil's prospects going forward.

VIRGINIA EXPORTS TO BRAZIL



(Source for Graph: World Trade Atlas)



BRAZIL

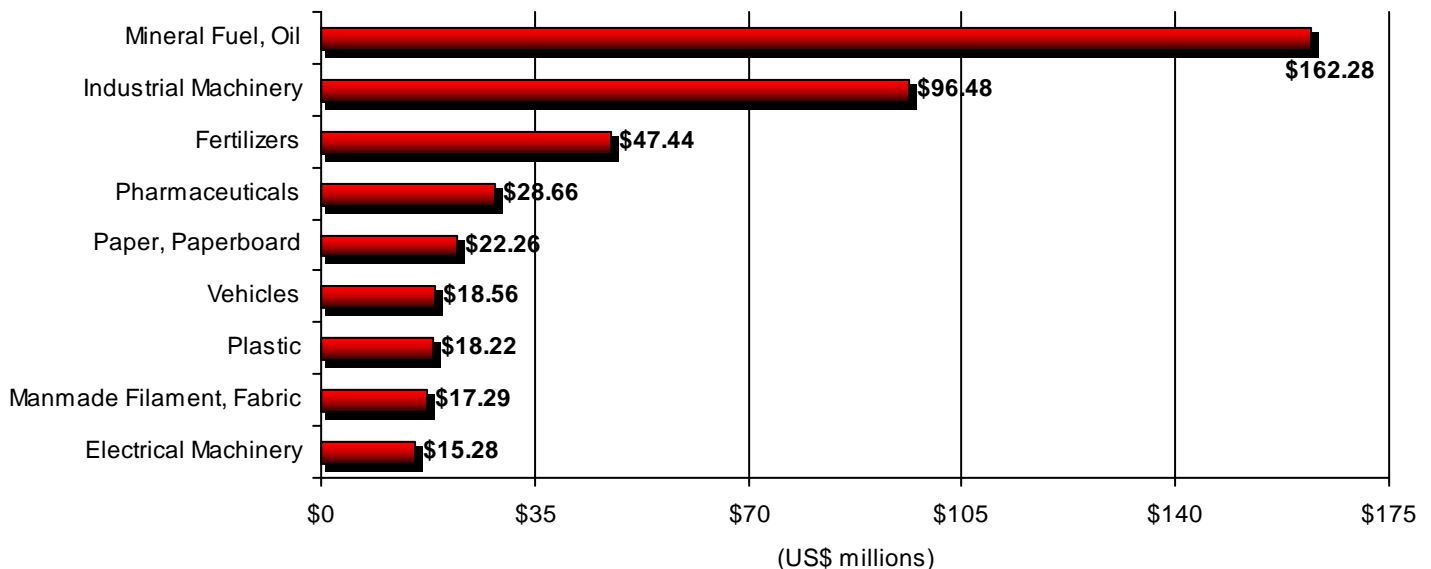
VIRGINIA EXPORTS TO BRAZIL

Brazil ranked as Virginia's 8th largest export destination in 2009. While overall exports to Brazil via Virginia declined in 2009, certain product groups performed well, especially in the defense and security sector. The biggest declines came from exports of coal, industrial machinery, and fertilizers. The strongest advances came from exports of pharmaceuticals, paper/paperboard, vehicles, chemical products, arms and ammunition, soap/wax/dental preparations, aircraft/spacecraft, and manmade staple fibers.

Within the above product groups, specific products that experienced notable export growth via Virginia in 2009 included antibiotics, uncoated paperboard in rolls/sheets, mineral oil additives, dump trucks, telephony apparatus, machine tools for forging/bending/stamping, cellulose, bombs and grenades, pulleys/hoists/winches, parts for aircraft/spacecraft, and armored fighting vehicles. Coal has been Virginia's top export to Brazil for the last eight years straight, and is an essential input for Brazil's steel smelters, which supply its domestic manufacturing industry, especially the automotive sector.

The upcoming 2014 soccer World Cup and the 2016 Olympics, both being held in Brazil, will increase demand for security equipment and services, infrastructure development (especially stadium design and modifications), and IT equipment and services.

VIRGINIA'S TOP EXPORTS TO BRAZIL- 2009



(Source for Text and Graph: World Trade Atlas)



BRAZIL

VEDP TRADE EVENTS

Group Market Visit to Brazil (and Chile): November 8-12

For more information contact Michael Howley, International Trade Manager, (703) 506-1030, mhowley@yesvirginia.org.

Other Services: The VEDP offers a number of export-related services to Virginia businesses, including independent market visits 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: www.exportvirginia.org.

ADDITIONAL RESOURCES

- Embassy of Brazil in Washington D.C.: <http://www.brasilemb.org/>
- U.S. Embassy in Brazil: <http://www.embaixadaamericana.org.br/>
- Brazilian National Confederation of Industry (Portuguese only): <http://www.cni.org.br/>

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