

Brazil

An overview of the economy and of the business environment



Brazil is the world's fifth largest country and it is one of the world's most populous countries with an estimated population above 211 million. The Brazilian economy is the twelfth largest economy in the world in terms of gross domestic product (GDP) and it is diversified with very big companies in the agricultural, mining, commodities, industrial, and service sectors; the country has one of the largest middle classes.

Brazil has been strongly affected by the COVID-19 pandemic also in terms of economic indicators, with GDP reductions and unemployment rates growing. It showed a strong recovery in the third and fourth quarter of 2021 exiting recession, but the recovery in 2022 is slower due to rising inflation, the situation in Ukraine which is having a global impact, and tighter financial conditions.



Brazil is extremely rich in natural resources. It is a major producer of minerals, like iron ore, tin, bauxite, manganese, gold, quartz, diamonds and gems like topazes, amethysts, opals, aquamarines, tourmalines, emeralds, and others; however mineral reserves that are still partly exploited. Especially gold and diamonds quantities vary widely from year to year and place to place as deposits are located and exhausted

Forests cover about three-fifths of Brazil's land area, representing between one-sixth and one-seventh of the world's forest coverage. The South and Southeast account for the majority of Brazil's timber production which is used mainly to manufacture cellulose and paper products.

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The country is essentially self-sufficient in basic foodstuffs and is a leading exporter of a wide range of crops, including oranges, soybeans, coffee, and cassava, which are grown mainly in the South and Southeast. Brazil, unlike most Latin American countries, has increased agricultural production by greatly enlarging its cultivated area since World War II, but this expansion has come at grave environmental cost in frontier areas. About one-third of the world's oranges are grown in Brazil which is also the world's main producer of cassava and a major grower of beans, corn (maize), cacao, bananas, and rice.



Brazil has one of the world's largest livestock populations (at more than 200 million) and slaughters more cattle annually than does the United States. The meatpacking industry's principal operations are in Rio Grande do Sul, the state closest to the beef-producing plains of Uruguay and Argentina. Brazil also produces great quantities of poultry; both poultry and meat are important exports.

Brazil has also huge offshore reserves of petroleum and natural gas, notably in the Southeast. Whereas other Latin American countries export the vast majority of their mineral and petroleum production, Brazil's powerful manufacturing sector is a ready market for primary materials and the country's industries absorb most of its mineral production.

Since the mid-20th century Brazil has been a major world supplier of automobiles, electrical machinery, paints, soaps, medicines, chemicals, aircraft, steel, food products, paper, textiles, clothing, and footwear.



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The service sector employs more than half of the labour force. It is composed of private and government services, including national and local bureaucracies, public utilities, and a host of special agencies. In the private sector the largest number of workers are employed in hospitality industries (hotels, restaurants, and bars) and repair shops of various kinds. Retail sales and personal services each account for most of the rest of the private-sector workers. Employment is growing most rapidly in the field of information technology.

Before the Covid 19 pandemic, tourism was a fast growing industry in Brazil, receiving three million foreign visitors a year. However, Brazilians visiting abroad spent significantly more money than do foreigners visiting Brazil; among Brazilians' preferred destinations are Uruguay, Argentina, and the United States.

In 2022 tourism has seen a new great increase growing by 85.7% compared to the same period in 2021.

Brazil's eight biggest exports by value in 2021 were iron ores and concentrates, soya beans, crude oil, sugar, solid residues including soya bean oil-cake, processed petroleum oils, frozen beef, and fresh, chilled or frozen poultry meat. Collectively, that subset of Brazilian products represents over half of Brazil's exports during 2021.

The top export partner are mainland China, United States of America, Argentina, Netherlands and Chile.



Brazil's top imported commodities are Mineral fuels including oil, Machinery including computers, Electrical machinery, equipment, Fertilizers, Vehicles, Organic chemicals, Pharmaceuticals, Plastics, plastic articles.

The main import partners are China, United States, Germany, Argentina, South Korea.

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- Financials: balance sheet and profit and loss (if available and if companies is willing to disclose them during the interview).
- Credit rating and suggested credit limit
- Number of employees
- Activity details: sector and industry of the company, when possible also information on import and export activities.
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