

# Brazil



In the past decade or so, newspaper headlines on Brazil have focussed on the millions lifted out of poverty. However much this creditable effort deserves praise, for many Brazilians raised expectations have not been matched by results. The surprise and shock that greeted the mid-year protests in 2013 reflected the complacency that had begun to characterise the administration of President Dilma Rousseff. As Brazil found itself in the limelight as host of football's 2013 Confederation Cup, the first of a series of rehearsals for the 2014 world football cup and the 2016 Olympic Games, things began to fall apart. In a pattern established by the Arab Spring, the Brazilian unrest began with relatively small demonstrations over fare-rises on public transport. But in no time at all and certainly not enough for a measured government response, the initial spark had become more

of a blaze as tens of thousands of young people, took to the streets. As the protests spread, so they deepened; they were no longer limited to the single issue of bus fares. The focus of all this discontent began to widen, embracing a wide range of issues: the costs of hosting the World Cup and the Olympics sat alongside demands to invest more in education and health. Political corruption also loomed large; Brazil's politicians were accused of paying themselves high salaries and appointing their relatives to sinecures in the administrative capital, Brasilia.

## Indignant protest

There was, in mid-June 2013, no doubt that political protest in Brazil had become as much the norm as it was – or had been – in Tunisia,

## KEY FACTS

**Official name:** Republica Federativa do Brasil (Federative Republic of Brazil)

**Head of State:** President Dilma Rousseff (PT) (from 1 Jan 2011)

**Head of government:** President Dilma Rousseff (PT) (from 1 Jan 2011)

**Ruling party:** Coalition Lulista, led by Partido dos Trabalhadores (PT) (Workers' Party) with nine other political parties (from 2002; re-elected 2010)

**Area:** 8,511,965 square km

**Population:** 198.36 million (2012)\* (190,755,799; 2010, census figure)

**Capital:** Brasília

**Official language:** Portuguese

**Currency:** Real (R\$) (plural reais)

**Exchange rate:** R\$2.27 per US\$ (Jul 2013)

**GDP per capita:** US\$12,079 (2012)\*

**GDP real growth:** 0.87% (2012)\*

**GDP:** US\$2,395.97 billion (2012)\*

**Labour force:** 24.64 million (2012)\*

**Unemployment:** 5.50% (2012)\*

**Inflation:** 5.40% (2012)\*

**Oil production:** 2.15 million bpd (2012)

**Natural gas production:** 17.40 billion cum (2012)

**Balance of trade:** US\$19.43 billion (2012)\*

\* estimated figure

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Libya, Egypt and, latterly, Turkey. If bus fares were the catalyst, after a few days the protests were about a lot more: Brazil's protestors were discontented with both their politics and their politicians. The irony appeared to be that the people and institutions that were the cause of the protests seemed to be in denial, unable to understand what all the fuss was about. Fed up with a political system that failed to represent the interests of a large swathe of the Brazilian population, the protests had moved on from something as straightforward as increased bus fares to target corruption and police repression. As the protests took hold, the respected opinion pollster Datafolha analysed the profile of the estimated 65,000 protesters who had taken to the streets in São Paulo and found that 84 per cent held no particular political allegiance. Over seventy per cent had never protested before. In São Paulo the Movimento Passe Livre (MPL) (Free Pass Movement), whose defence of free public transport lay at the heart of the original protests, claimed that the brutal police response had only increased support for the protestors. The images of a young couple being clubbed to the ground by a clearly hostile policeman that appeared on the front pages of many of the world's newspapers added fuel to the fire. As in Turkey, where a number of parallels emerged, the Brazilian government discovered that

its investment in education had succeeded in creating a younger generation that were not only better informed, but through the use of social media networks were better able to organise their protests and highlight their dissatisfaction. Access to consumption had not been matched by access to citizenship.

At first wrong-footed by the protestors, President Rousseff eventually decided to come down, at least in terms of appearance, on the side of the protestors, saluting their determination while managing to criticise the acts of vandalism mostly carried out by a minority of protestors in São Paulo, where the State government's seat, the Bandeirantes palace, was occupied, as was the iconic Oscar Niemeyer-designed National Congress building.

'The voice of the street must be listened to,' announced Rousseff, interpreting the protests as 'a direct message for the government.' The President added that 'citizens are seeking their rights,' highlighting the importance of the street protests as indicating that the revindication of 'better schools and hospitals, affordable and quality public transport, the right to influence government decisions, the rejection of corruption and the pilfering of public funds all demonstrated the intrinsic strength and value of democracy.' An indication that the President was beginning to take matters seriously was her

announcement that, in company with ex-president Lula (a sure sign that things were seriously off-course), she was to visit São Paulo. The demonstrations were Brazil's largest since 1992, when people took to the streets to demand the impeachment of President Fernando Collor de Mello.

It was not only Brazil's political circles that had failed to register the level of popular discontent. Sociologists and economists also seemed to have fallen asleep at the wheel. Polls conducted in early 2013 suggested that most Brazilians were both contented and optimistic and indeed looking forward to their country hosting the World Cup and the Olympic Games. The sudden outpouring, with protests not seen since the last years of dictatorship in the 1980s, revealed a very different picture. Dilma Rousseff, whose presidency the polls seemed to approve of, suddenly found herself the butt of cries of disapproval. At the opening ceremony in Brasilia of the Confederation Cup instead of basking in reflected glory, President Rousseff was booed. The Brazilian footballer Hulk (Givanildo Vieira de Souza) went as far as saying that watching the protests made him feel like taking part. At least two other players sent messages of support on social media. There were clashes with police outside the stadia not just in Brasilia, but also in Rio de Janeiro and in Belo Horizonte.

A little belatedly, all Brazil's political parties endeavoured to follow the President's initiative, acknowledging the importance of the demonstrations. They didn't have too much choice – the essentially peaceful protests had brought no less than a quarter of a million Brazilians on to the streets in some 100 towns and cities across Brazil.

Almost every Brazilian politician describes himself as 'progressive'. But progress can mean many different things. In the first decade of the twenty-first century, millions of Brazilians became able, for the first time, to buy themselves a pair of new shoes. However, not many of the pavements and roads that their new shoes were likely to be treading were asphalted (one report puts the figure at only 12.5 per cent). The World Bank has estimated that Brazil's anti-poverty campaigns have lifted an impressive 30 million out of impoverishment. That's the good news; less encouraging is the realisation that the income gap between rich and poor is growing, not shrinking. According to the World Bank, the middle class comprised 15 per cent of the Brazilian population in

### KEY INDICATORS

### Brazil

	Unit	2008	2009	2010	2011	2012
Population	m	189.61	*191.61	190.76	*194.93	*198.36
Gross domestic product (GDP)	US\$bn	1,572.80	1,574.00	2,142.90	2,492.90	*2,395.97
GDP per capita	US\$	8,197	8,220	10,086	12,789	*12,079
GDP real growth	%	5.1	-0.6	7.5	2.7	*0.9
Inflation	%	5.7	4.9	5.0	6.6	*5.4
Unemployment	%	7.9	8.1	6.7	5.8	*5.5
Industrial output	% change	4.3	-6.7	10.2	-	-
Agricultural output	% change	5.8	-4.6	6.5	-	-
Oil output	'000 bpd	1,899.0	2,029.0	2,137.0	2,193.0	*2,149.0
Natural gas output	bn cum	13.9	11.9	14.4	16.7	17.4
Coal output	mtoe	2.4	1.9	2.1	2.4	2.2
Exports (fob) (goods)	US\$m	197,942	152,995	201,915	256,040	242,580
Imports (fob) (goods)	US\$m	173,106	127,705	181,694	226,233	223,149
Balance of trade	US\$m	24,837	25,290	20,221	29,807	19,431
Current account	US\$m	-28,192	-24,302	-47,365	-52,480	*-54,247
Total reserves minus gold	US\$m	192,844	237,364	287,056	344,377	369,566
Foreign exchange	US\$m	192,843	231,888	280,570	337,302	362,097
Exchange rate	per US\$	1.83	1.99	1.76	1.62	2.06

\* estimated figure

the early 1980s, a figure which had risen to almost 30 per cent by the twenty-first century's second decade. The Bank attributed the rise to Brazil's good economic performance in recent years, poverty reduction policies, new work opportunities and a better-educated workforce. The Bank saw fit to sound a note of concern, however. Although between July 2011 and July 2012, 9.5 million Brazilians took a flight for the first time, (according to Data Popular, a think-tank based in São Paulo) in the view of the Bank the consumption boom posed a risk: Brazilian middle-class households may be saving too little. Families could become over-indebted and vulnerable in the long term if, as later turned out to be the case, Brazil's economy slowed down. Such was the speed of events, that the Workers' Party government found itself wondering what was really happening and with whom it ought to be negotiating.

### The economy

In its July 2012 assessment of the Brazilian economy, the International Monetary Fund (IMF) noted that the previous decade had seen a remarkable social transformation in Brazil, underpinned by macro-economic stability and rising living standards. A strong policy framework (fiscal responsibility, inflation targeting and a flexible exchange rate) and improved income distribution and social outcomes have been important accomplishments. Together with terms of trade gains and economic and financial inclusion, this supported sizeable gains in private consumption and some increase in investment. Financial stability is underpinned by a strong banking system and a framework for regulation and supervision.

Monetary policy was subsequently eased substantially, though its effect on the real economy took hold more gradually than in previous cycles, while the primary surplus target for 2012 remained unchanged at 3.1 per cent of Gross domestic product (GDP). The economy expanded only slowly in early 2012, reflecting weak investment and business confidence and slowing trade volumes. Industrial output remained sluggish. However, consumption has been recovering since late 2011 on the back of improving confidence and buoyant labour market conditions, including a large increase in the minimum wage.

Inflation has been falling but medium term expectations have risen above the target mid-point. After peaking at over 7 per cent in September 2011, annual

headline inflation dropped to 5 per cent in May 2012. This decline reflected to some extent the unwinding of transitory supply factors and the effect of the normal periodic updating of the index weights. The lagged impact of moderating growth and the negative output gap has also exerted some downward pressure.

An article in the London *Economist* noted that Brazil owes much to former President Cardoso who, in 1993 had been named as Brazil's 13th finance minister in as many years, 'a seemingly hopeless job in a country trapped in hyperinflation, debt and an anachronistic economic statism'. To widespread surprise and admiration, Mr Cardoso's Real Plan brought inflation under control. As President, Mr Cardoso later laid the foundations for a stability and liberal economic reform. The *Economist* considered that under Dilma Rousseff 'the formula behind Brazil's success has been slowly abandoned'. The government appeared to give up on market reform and increased its expenditure. However, overheating turned to stagnation, and Ms Rousseff publicly encouraged the Banco Central do Brasil (central bank) to cut interest rates. When inflation neared the top of its target range (6.5 per cent), Rousseff declared herself more concerned about growth. Investors became confused about the direction of Brazil's economic policies. Uncertainty contributed to a mediocre performance: since 2011 with growth lower and inflation higher than in most Latin American countries.

Fortunately, Brazil still has some big strengths, including its farming and energy industries, more science and innovation than you might think and a huge, albeit less fizzy, domestic market. And whatever Ms Rousseff's mistakes, they are small compared with those of, say, Argentina's Cristina Fernández. But in any event, the going for Brazil is getting harder. A consumption and credit boom has run out of steam, the trade account has moved into deficit as Chinese demand for Brazilian iron ore slows and the imminent end of cheap money in the rich world is prompting a slide in the real. Though that will help Brazilian manufacturers, it will push up inflation. Change is needed if Brazil is to return to the path set by the Real Plan. Above all, Ms Rousseff's team need to curb spending and get the state out of the business of micromanaging investment decisions.

In its review of the Brazilian economy for 2011, the central bank observed that reflecting what it described as an

'international scenario', the Brazilian economy did not manage to repeat the vigorous growth rate registered in the previous year. The moderation of economic activity in 2011 was also consistent with policy measures implemented since the end of 2010, aimed at adjusting domestic liquidity conditions and the mismatch between aggregate supply and demand. GDP registered annual growth of 2.7 per cent in 2011. Investment, reflecting the growth in the civil construction sector and the absorption of capital goods, expanded 4.7 per cent, while household consumption and government consumption grew by 4.1 per cent and 1.9 per cent, respectively. The negative contribution of the external sector reflected a 9.7 per cent growth in imports but only 4.5 per cent in exports.

The agricultural sector expanded by 3.9 per cent, services by 2.7 per cent and industry by 1.6 per cent. The performance of the agricultural sector reflected an annual expansion of 7 per cent in the grain harvest and fluctuations of -2.8 per cent, 6.6 per cent and 9.4 per cent in the slaughter of cattle. The expansion of the services sector was fuelled by the information services sector which grew by 4.9 per cent; financial intermediation, insurance, pension and related services by 3.9 per cent; commerce by 2.4 per cent; and transport, storage and postal services by 2.8 per cent. In general terms, the expansion of the Brazilian economy continued to be fuelled by domestic demand; consumption registered its eighth consecutive annual growth, mainly reflecting the impact on household income of favourable labour market conditions and government social programmes.

In the external sector, perceptions about the solidity of Brazilian external accounts offset the impact of international financial markets volatility. This sentiment was bolstered by Brazil's continued macro-economic policy, based on inflation targets, fiscal responsibility and the floating exchange system, all of which was endorsed by the improvement of Brazilian sovereign credit ratings by Fitch, Moody's and Standard and Poor's.

### Forecasts lowered

In September 2012, the central bank dropped its economic growth forecast for 2012, signalling that it was unlikely to keep cutting interest rates to boost output because inflation was picking up again. In its quarterly inflation report, the bank forecast that the economy would expand just 1.6 per cent in 2012, down sharply

from its previous estimate of 2.5 per cent, but in line with most market estimates. This revision emphasised the government's need to restore Brazil's economy to the levels seen when annual growth rates were above 4 per cent.

According to the central bank, the administration had prevented an even deeper slowdown by taking stimulus measures that included tax breaks for targeted industries and a year-long rate-cutting campaign that brought borrowing costs to an all-time low. But by late 2012 the easing cycle looked to be over after the central bank raised its inflation estimate for 2012 to 5.2 per cent from 4.7 per cent. Additional rate cuts could push inflation closer to the 6.5 per cent ceiling of the government's target range. Brazil's economy was stagnant for much of 2012, hit by fall-out from the European debt crisis, slower growth in China and other problems such as a manufacturing sector struggling with high taxes and a strong currency.

It was hoped that government plans to reduce electricity prices would help ease inflation pressures in 2013, when it was hoped that economic growth could rise back above 4 per cent. Perhaps optimistically, the central bank had lowered its inflation forecast for 2013 to 4.9 per cent, down from 5 per cent. None the less, inflation estimates remained above the mid-point of the official target range of 4.5 per cent. A rise in food prices pushed inflation up to 5.24 per cent in August, reversing a downward trend that took inflation to a near two-year low of 4.92 per cent in June.

As reported by Reuters, Fitch Ratings, which had cut its estimate for Brazil's 2012 growth to 1.5 per cent, expected the economy to grow by 4.2 per cent in 2013. However, Fitch qualified its 2013 forecast as 'uncertain, given the international financial volatility and the pace at which the Brazilian economy responds to monetary and fiscal stimuli.' The central bank did not provide economic growth estimates for 2013 in its quarterly inflation report.

### Hydrocarbons

As a relatively new member of the gilded club of oil and gas producers, increasing domestic oil production has been a long-term goal of successive Brazilian governments. Recent discoveries of large offshore, pre-salt oil deposits could well transform Brazil into one of the largest oil producers in the world. According to the *Oil and Gas Journal* (OGJ), Brazil had 14.0 billion barrels of proven oil reserves

in 2012, the second-largest in South America after Venezuela. The offshore Campos and Santos Basins, located off the country's south-east coast, hold the vast majority of Brazil's proven reserves. In 2010, Brazil produced 2,137 thousand barrels per day (bpd) of liquids, of which 75 per cent was crude oil. Average liquids production in Brazil contracted slightly in 2011, with modest gains in crude oil production offset by a decrease in ethanol production stemming from a poor sugar cane harvest. By 2012 Brazil was producing 2,149 thousand bpd.

Most Brazilian oil is currently produced in the south-eastern region of the country in Rio de Janeiro and Espírito Santo states. More than 90 per cent of Brazil's oil production is offshore in very deep water and consists of mostly heavy grades. Six fields in the Campos Basin (Marlim, Marlim Sul, Marlim Leste, Roncador, Jubarte and Barracuda) account for more than half of Brazil's crude oil production. These Petrobras-operated fields each produce between 100,000 and 350,000bpd. International oil companies also play a role in Brazilian production. The Shell-operated Parque de Conchas project and the Chevron-operated Frade projects produce 75,000 and 85,000bpd, respectively. In November 2011, Chevron reported an oil spill of about 2,400 barrels at the Frade facility. Chevron took full responsibility for the accident and has paid more than US\$27 million in fines. The spill has caused numerous Brazilian legislators to question Chevron's presence. Recent offshore exploration efforts in Brazil have yielded massive discoveries of 'pre-salt' oil fields.

In 2009, according to the US government Energy Information Administration (EIA), Brazil's liquids production overtook its liquids consumption. Brazil continued to be a net liquids exporter in 2010 and EIA data showed that the country remained a net exporter in 2011. Brazil's economy had grown rapidly in 2011, driving up fuel demand. At the same time, reduced ethanol production and rising ethanol prices caused Brazil to import refined products from the United States. The EIA reported that Brazilian liquids consumption roughly equalled production in 2012 and that Brazil will return to being a net liquids exporter in 2013, largely driven by expanded crude oil production.

State-controlled Petrobras is the dominant participant in Brazil's oil sector. Petrobras held a monopoly on oil-related activities in Brazil until 1997, when the government opened up the sector to

competition. Royal Dutch Shell was the first foreign crude oil producer in the country and has since been joined by Chevron, Repsol, BP, Anadarko, El Paso, Galp Energia, Statoil, BG Group, Sinopec, ONGC and TNK-BO. Competition in the sector is not limited to foreign companies: Brazilian oil company OGX, which is staffed largely with former Petrobras employees, started to produce oil in the Campos Basin in 2011. The principal government agency charged with monitoring the oil sector is the Agência Nacional do Petróleo (ANP) (National Petroleum Agency), which is responsible for issuing exploration and production licences and ensuring compliance with relevant regulations. Recent legislation concerning pre-salt exploration and production has changed the operating environment.

Brazil is the second largest producer of ethanol in the world after the United States. Production has doubled over the decade from 2002 (6.15 million tonnes of oil equivalent (toe)) to 2012 (13.56 million toe). When a combination of high world sugar prices, a poor sugar cane harvest and under-investment caused a precipitous decline in ethanol production in 2011, Brazil was forced to import corn ethanol from the United States. The Brazilian government has since taken measures to prevent future ethanol supply shortages and increase public involvement in the sector. The government has lowered the blend requirement in gasoline from 25 per cent to 20 per cent and brought regulation of the ethanol sector under the jurisdiction of the ANP and announced plans to expand Petrobras' presence in the ethanol market. In the medium term, Brazil aspires to export ethanol to the United States, which has removed tariffs on Brazilian sugar cane ethanol.

A consortium of Petrobras, BG Group and Petrogal discovered the Tupi field in 2007, which contains substantial reserves in a pre-salt zone 18,000 feet below the ocean surface under a thick layer of salt. Following Tupi, numerous additional pre-salt finds were announced in the Santos Basin, such as Iracema, Carioca, Iara, Libra, Franco and Guara. Additional pre-salt discoveries have also been announced in the Campos and Espírito Santo Basins. Estimates for the total pre-salt resources vary. Some analysts place total extent of pre-salt recoverable oil and natural gas reserves at more than 50 billion barrels of oil equivalent (boe). In December 2010 Petrobras submitted a declaration of commerciality to the ANP for the

Tupi and Iracema fields, which renamed the fields Lula and Cernambi, respectively. The total recoverable reserve estimate for these fields is 8.3 billion boe (6.5 billion boe for Tupi and 1.8 billion for Iracema). In January, 2011 Petrobras declared the Guara field to be commercial, with a reserve estimate of 1.1 billion boe.

Petrobras plans to develop its major pre-salt assets in three discrete phases: extended well tests, pilot projects, then large-scale production through multiple, duplicate floating production, storage and offloading (FPSO) facilities. Pilot production projects in the Lula and Guara fields began production in 2010 and 2011, respectively. According to Petrobras, by June 2013 Brazil was producing over 310,000bpd of oil from its pre-salt fields.

## Natural gas

The OGJ reported that Brazil had 14.7 trillion cubic feet (tcf) of proven natural gas reserves in 2012. The Campos, Espírito Santo and Santos Basins hold the majority of reserves, but sizable reserves also exist in the interior of the country. Despite Brazil's substantial natural gas reserves, natural gas production has grown slowly in recent years, mainly due to a lack of domestic transportation capacity and low domestic prices. In 2010, Brazil produced 445 billion cubic feet (bcf) of natural gas – the majority of this production was associated with oil. By 2012 this had risen to 614bcf. Although growing, natural gas consumption is still a relatively small part of the country's overall energy mix.

Petrobras plays a dominant role in Brazil's entire natural gas supply chain. In addition to controlling the vast majority of the country's natural gas reserves, the company is responsible for most domestic Brazilian gas production and for gas imports from Bolivia. Petrobras also controls the national transmission network and it holds a stake in 18 of Brazil's 27 state-owned natural gas distribution companies. However, Brazil passed a new Natural Gas Law in 2009 that created a separate regulatory framework for natural gas. This law is designed to facilitate private investment in the sector.

The largest share of Brazil's natural gas production occurs in offshore fields in the Campos Basin in Rio de Janeiro state. Most onshore production occurs in Amazonas and Bahia states and is mostly for local consumption due to the lack of transportation infrastructure.

In order to meet rising demand and decrease reliance on imports, Petrobras plans to bring several new natural gas

projects online over the coming years. The largest is the Mexilhao project, which contains estimated total reserves of 8tcf. Production began in March 2011 at 154bcf per year, eventually rising to 193bcf per year in 2012. Recent announcements about discoveries in Brazil's offshore pre-salt have generated excitement about new gas production. Along with the potential to significantly increase oil production in the country, the pre-salt areas are estimated to contain sizable natural gas reserves as well. According to Petrobras, Tupi alone could contain 5–7tcf of recoverable natural gas, which if proven, could increase Brazil's total natural gas reserves by 50 per cent.

## Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Good

## COUNTRY PROFILE

### Historical profile

1500 First sighted by Portuguese mariner, Pedro Alvares Cabral. The area was claimed by the Portuguese crown.

Sugar-cane plantations were started by the Portuguese, using Indian slave labour. The Indians were decimated by disease and the survivors fled to the interior. The Portuguese turned to Africa as another source of slaves.

1807 Portuguese imperial court moved to Brazil after the invasion of Portugal by Napoleon's armies and Brazil became a kingdom within the Portuguese empire. Following Napoleon's retreat, Prince Pedro, the son of João VI, became regent of Brazil.

1822 Brazil gained independence from Portugal and Emperor Pedro became Brazil's first monarch. The immediate post-independence period was marked by minor civil wars, slave rebellions and attempts at secession, with many in the south favouring a republican form of government.

1831 Pedro I abdicated following a period of political turmoil. Under a regency, his five-year-old son, Pedro II, succeeded him.

1840 At the age of 14, Emperor Pedro II was granted full powers as monarch. Although his reign was characterised by stability and a move towards political liberalism, wealth was concentrated in the hands of a small feudal elite while the rest of the population remained illiterate and poor.

1850 Pedro II abolished the slave trade.

1864–70 Brazil, Argentina and Uruguay were at war with Paraguay, ending with Paraguay's defeat.

1888 Pedro II abolished slavery, leading to a revolt by the country's landed gentry.

1889 The monarchy was overthrown in a revolution led by Manuel Deodoro da Fonseca and the king was sent into exile. A federal republic was established, although ruled in the interest of coffee plantation owners.

1929 Turmoil caused by the Wall Street crash led to a military coup which installed a civilian politician, Getulio Vargas, as president in 1930.

1937 Vargas assumed dictatorial powers and began a revolution in welfare provision and reformed laws governing industry.

1939-45 Brazil remained neutral in the Second World War, but received a large number of exiled Nazis after the defeat of Germany.

1945 Vargas was ousted in a military coup. Elections were held under a new caretaker government and a new constitution was promulgated.

1951 Vargas was narrowly elected president.

1954 Vargas committed suicide after the military gave him the option of resigning or being overthrown.

1956 Juscelino Kubitschek, a strong democrat, came to power after fresh elections. Construction of the new capital, Brasília, began.

1960 Brasília was declared the country's new capital city.

1964 João Goulart was elected president, but after months of hyperinflation leading to the country's virtual bankruptcy he was overthrown by the military. General Humberto Castello Branco was installed as president, overseeing a period of political repression and economic growth based on state-owned industries. Repressive military treatment of opposition led to human rights abuses and the disappearance of arrested suspects.

1974 General Ernesto Geisel became president and introduced reforms which allowed limited political activity and elections.

1982 Brazil defaulted on its foreign debt repayments, which were among the world's biggest.

1985 Tancredo Neves was elected president, but died before his inauguration. His vice-president, José Sarney, was declared president, taking over a country wracked by hyperinflation.

1986 Sarney introduced the Cruzado Plan that froze prices and wages in an effort to control inflation. However, growing public opposition led to abandoning the controls thereby maintaining hyperinflation.

1988 A new constitution was promulgated, reducing presidential powers.

1989 Fernando Collor de Mello was elected president. He introduced a radical

economic reform, which involved trade liberalisation, privatisation and a controversial freeze on savings and bank accounts. However, this failed to meet expectations, inflation remained high and the country defaulted on its debt repayments.

1992 Collor resigned after being accused of corruption; he was later exonerated.

Itamar Franco became president.

1994 Fernando Henrique Cardoso won the presidential election. A constitutional amendment limited presidential terms to four years.

1997 A constitutional amendment allowed presidents to run for a second term in office.

1998 President Cardoso was re-elected.

2000 Brazil's 500th anniversary celebrations were disrupted by protests by indigenous peoples on the issue of land reform and against the legacy of European colonialism, including genocide and the destruction of their cultures.

2001 Corruption scandals rocked the political establishment and a number of senior figures in government and Congress resigned.

2002 Luiz Inácio da Silva (known as Lula), leader of the Partido dos Trabalhadores (PT) (Workers' Party), was elected president.

2003 Lula was sworn in as president, heading a broad coalition government, led by the PT. The centrist Partido do Movimento Democrático Brasileiro (PMDB) (Democratic Movement Party) joined the coalition, ensuring a congressional majority able to pass social security and tax reforms.

2004 The Movimento dos Trabalhadores Rurais Sem Terra (MST) (Landless Workers' Movement) launched its biggest campaign, known as Red April, with a wave of farm occupations to force speedier expropriation and redistribution of unused farmland. Brazil applied for a permanent seat on the UN Security Council. The country launched its first rocket into space.

2005 Allegations of corruption were made against the ruling PT. President Lula apologised to the nation, while denying any personal responsibility for illegal actions.

2006 Elections were held for federal president, vice president and legislators (deputies and one-third of the senate) and state governors, lieutenant governors and members of state unicameral legislatures. In presidential elections Lula da Silva won a second term in office with over 60 per cent of the vote.

2007 Over 1,000 people were freed from sugar-cane plantations in the Amazon by Brazil's ministry of labour's anti-slavery teams. The world's largest iron ore mine

in the Carajas region, operated by Companhia Vale do Rio Doce (CVRD), reached a record 972 million tonnes of ore processed.

2008 A previously unknown aboriginal tribe was found in the border region of Brazil and Peru.

2009 Severe floods struck in eight states across the north and north-east, killing 42 people and forcing 274,000 people to flee their homes.

2010 A controversial new, 11,000MW, Belo Monte hydroelectric dam, the world's third largest, to be built in the Amazon rainforest on the Xingu River, was given its environmental licence. When completed 500 square kilometres will be inundated and any indigenous communities within 100sq km living along the river will be displaced. In August, the Brazilian airline TAM Linhas Aereas and the Chilean airline LAN agreed to merge to form the region's largest carrier, with 115 destinations in 23 countries. The new company will be called the Latam Airlines Group, although the individual airline brand names will remain in use. Results of the national referendum recorded a population of 190,755,799. In presidential elections, Lula da Silva's chosen successor and former Marxist guerrilla, Dilma Rousseff (PT) failed to win an outright majority in the first round and was forced to contest a second round, in which she won 56.05 per cent, while her rival José Serra (PSDB) won 43.94 per cent. In parliamentary elections, Lulista (a coalition of 10 political parties led by the ruling PT) won 311 seats (out of 513), the opposition centre-right coalition of six parties, led by PSDB, won a total of 136 seats; seven other political parties won 66 seats. Central bank head, Henrique Meirelles, was replaced by Alexandre Tombini. The state-owned Petrobras was ranked the third biggest energy company, based on capital value, in the world, with assets of US\$228.9 billion.

2011 Dilma Rousseff took office as Brazil's first female president on 1 January. Heavy rains in early January caused flash-floods and mudslides that killed over 600 people in the mountainous regions of the state of Rio de Janeiro. Government approval for the initial work of clearing the forest for the Belo Monte dam was given in January. In March a new road, the 3,400km, US\$1.3 billion, Carretera Interoceánica (Interoceanic Highway), was opened from Brazil's Atlantic coast to Peru's Pacific seaboard, bisecting the Amazon Forest and crossing the Andes Mountains. In April parliament eased the law to allow greater forest logging. New satellite pictures issued in May showed that deforestation of the Amazon rainforest had increased from 103 square

kilometres in March–April 2010 to 598 square km in March–April 2011. The Mato Grosso State, the centre of soya cultivation, had the largest loss of rainforest. Despite a fall in deforestation in December 2010 with the lowest recorded loss since late-1980s, deforestation jumped by 27 per cent from August 2010–April 2011. A previously unknown aboriginal tribe of around 200 people, found in the Amazon rainforest in the Javari Valley, was identified in June. Analysis of the 2010 census showed that, for the first time, non-white people made up the majority of the population. Out of a population of 191 million, 91 million identified themselves as white, a fall from 53.7 per cent of the population in 2000 to 47.7 per cent in 2010.

2012 The leaders of the Brics countries met in Delhi on 29 March to discuss their position regarding the control the US and Europe has on the World Bank and the IMF. Indian Prime Minister Manmohan Singh said 'The Brics countries have agreed to examine in greater detail a proposal to set up a South-South development bank, funded and managed by the Brics and other developing countries.' On 25 May, President Rousseff modified and vetoed part of legislation that had been enacted in April, which among other things had required how much land farmers must preserve as forest and offered an amnesty to illegal loggers. On 16 May President Rousseff inaugurated the Comissão Nacional da Verdade (National Truth Commission), to investigate state administered human rights violations from 1946–88, focussing on the military era of 1964–85; an amnesty, however, means no-one will be held legally responsible. On 3 July the landscape of Rio de Janeiro was added to Unesco's World Heritage List. On 15 August, a federal court ordered an immediate suspension of construction of the Belo Monte hydroelectric dam because, it adjudicated, indigenous people had not been properly consulted nor had their opinions on the project been taken into account. On 28 August work resumed on the dam as the Supreme Court overturned the lower court's ruling. However the Supreme Court undertook to study the evidence of the lower court and could reverse its ruling.

2013 In mid-June demonstrators took to the streets of Rio de Janeiro and Sao Paulo against a US\$0.20 rise in public transport fares. Within a week there were more than a million people on the streets of 100 cities throughout Brazil. The rallies, and the violence that followed, coincided with Fifa's Confederation Cup football tournament, a run-up to the World Cup in 2014. Although the protests began over the cost of a bus fare,

concerns over healthcare, security, rising inflation and World Cup and Olympic overspending, corruption and dissatisfaction with political leaders, who they believed did not understand the 'real people' of Brazil, became the main focus of the protestors. On 24 June Ms Rousseff promised a referendum and proposed five 'pacts' that would cover political reform, fiscal responsibility and extra spending on health, transport and education. The referendum would establish a Constituent Assembly to eventually amend the constitution. In the meantime Ms Rousseff said the government would allocate R\$50 billion (US\$25 billion) to improve public transport. Pope Francis arrived in Rio de Janeiro on 22 July, his first foreign visit since becoming Pope. He attended the Roman Catholic World Youth Day festival. On 14 August Congress approved a bill that designates royalties from newly discovered oil fields to education (75 per cent) and healthcare (25 per cent). The move was one of a number of reforms proposed after protests in June after a rise in bus fares. On 23 August the central bank announced moves to prop up the real by spending US\$500 million a day Monday to Thursday and US\$1 billion on Fridays. The real had fallen to its lowest point for almost five years on fears of a rise in US interest rates. A row with Bolivia about the escape of an opposition politician from asylum in the Brazilian embassy in La Paz over the border to Brazil led to the resignation of Brazil's foreign minister, Antonio Patriota, on 26 August. Mr Patriota was replaced by Luiz Alberto Figueiredo, who had been Brazil's head of mission at the UN, and himself became UN Ambassador. On 17 September President Rousseff announced the cancellation of her state visit to the US in October. The reason given was the alleged spying on herself and her aids of her cabinet by the US National Security Agency (NSA). Marina Silva, who came third in the first round of the 2010 presidential election, joined the Partido Socialista Brasileiro (PSB) (Brazilian Socialist Party) after failing to officially register her new party.

### Political structure Constitution

The 1988 constitution is the country's seventh charter since independence from Portugal in 1822. The federal republic consists of 26 states and one federal district (Brasília). Congress passed a constitutional amendment in 1997 allowing Fernando Henrique Cardoso to become the first president to stand for re-election.

### Form of state

Federal presidential democratic republic

### The executive

Executive power is exercised by the president, aided by ministers of state who are appointed by the president. The president is elected for a four-year term.

The president is also assisted by the Council of the Republic, an advisory body consisting of the vice president of the republic, the presidents of the Chamber of Deputies and the Senate, the leaders of the majority and minority in each house, the minister of justice, and six other members (two appointed by the president of the republic, two elected by the Chamber of Deputies and two elected by the Senate). These six members have a three-year term of office. The national defence council is the president's advisory body on defence matters. It consists of the vice president of the republic, the presidents of the Chamber of Deputies and the Senate, the minister of justice, ministers of the army, navy and air force, and the ministers of foreign affairs and planning.

### National legislature

The bicameral, Congresso Nacional (National Congress) consists of the Senado Federal, (federal senate) (upper house) and Câmara dos Deputados (chamber of deputies) (lower house).

The federal senate has 81 members, of which two-thirds are directly elected and one-third indirectly elected. Members are elected in rotation for eight years. The chamber of deputies has 513 members elected by proportional representation to serve for four years.

All legislation proposed by the executive must be submitted to congress. As well as fiscal and budgetary control, congress must be consulted on matters concerning payments of external debt. Congressional committees have powers of oversight on nominations to important posts proposed by the executive. The senate must approve issues of treasury bills. Constitutional amendments must be approved by a three-fifths majority of both the chambers of the national congress.

### Legal system

An 11-member Supreme Federal Tribunal is Brazil's highest judicial body. Judges are appointed by the president of the republic and approved by the Senate. It gives decisions in cases involving the president, vice president, ministers of state, members of Congress, its own members and judges of other courts. It interprets the constitution, judges disputes between the federal and state authorities, between different state authorities, between federal and state authorities and foreign governments, between different levels of the judicial system, and cases involving extradition, *habeas corpus* and *habeas data*.

The Higher Tribunal of Justice is composed of at least 33 members and gives decisions in cases involving state governors. Its members are appointed by the president and approved by the Senate. Regional federal tribunals have at least seven members, who are appointed by the president. The Higher Labour Tribunal is composed of 27 members appointed by the president and approved by the Senate. The Higher Electoral Tribunal includes at least seven judges, three from the Supreme Federal Tribunal, two elected by secret ballot from the Higher Tribunal of Justice and two appointed by the president. The labour and electoral tribunals each have regional counterparts. The Higher Military Tribunal is composed of 15 judges appointed by the president and approved by the Senate for life. Four of its judges are selected from the army, three from the navy and three from the air force. The remaining five are civilians. There is a federal court of appeal. The Federal Audit Court provides for the administrative review of national and state accounts.

### Last elections

3 and 31 October 2010 (first and second round presidential); 3 October 2010 (Chamber of Deputies and Senate, partial).

**Results:** Presidential (first round): Dilma Rousseff (PT) won 46.91 per cent of the vote, José Serra (PSDB) 32.61 per cent, Marina Silva (Partido Verde (PV) (Green Party)) 19.33 per cent; six other candidates won less than 1 per cent of the vote each. Second round: Rousseff won 56.05 per cent, Serra 43.94 per cent. Voting is compulsory; turnout was 78.4 per cent. Chamber of Deputies: the Partido dos Trabalhadores (PT) (Workers' Party)) won 88 seats (out of 513), the Partido do Movimento Democrático Brasileiro (PMDB) (Democratic Movement Party) 79, Partido da Social Democracia Brasileira (PSDB) (Party of Brazilian Social Democracy) 53, Democratas (DEM) (Democrats) 43, Partido da República (PR) (Republic Party) 41, Partido Progressista (PP) (Progressive Party) 41, Partido Socialista Brasileiro (PSB) (Brazilian Socialist Party) 34, Partido Democrático Trabalhista (PDT) (Democratic Labour Party) 28, Partido Trabalhista Brasileiro (PTB) (Brazilian Labour Party) 21, Partido Social Cristão (PSC) (Christian Social Party) 17, Partido Comunista Brasileiro (PCB) (Brazilian Communist Party) 15, Partido Verde (PV) (Green Party) 15, Partido Popular Socialista (PPS) (Socialist People's Party) 12; seven other political parties each won less than 10 seats.

Federal Senate (54 seats in contention): the PMDB won 16 seats the PT 11, the PSDB 5, the PP 4, PR and PSB 3 each,

and the PDT, Partido Socialismo e Liberdade (PSL) (Socialism and Freedom Party), and DEM 2 each; six other political parties each won one seat.

### Next elections

October 2014 (presidential, chamber of deputies and senate, partial)

### Political parties

#### Ruling party

Coalition Lulista, led by Partido dos Trabalhadores (PT) (Workers' Party) with nine other political parties (from 2002; re-elected 2010)

#### Main opposition party

Partido da Social Democracia Brasileira (PSDB) (Party of Brazilian Social Democracy) leads a coalition of six centre-right parties.

### Population

198.36 million (2012)\* (190,755,799; 2010, census figure)

The national census was held between 1 August and 31 October 2010; 58 million households were surveyed by 240,000 census takers. The budget for the census was US\$900 million and allowed information to be given via written questionnaires or the internet.

By 2040, the population is expected to reach about 220 million and then stabilise or even fall. Approximately 22 per cent of the population live below the national poverty line.

**Last census:** 1 August and 31 October 2010: 190,755,799

**Population density:** 20 per square km. Urban population 87 per cent (2010 Unicef).

**Annual growth rate:** 1.3 per cent, 1990–2010 (Unicef).

### Ethnic make-up

European (54 per cent), mixed race (39 per cent), black (6 per cent) and Japanese (1 per cent). The major cities in the centre-south area of the country contain substantial communities of Portuguese, Italian, Lebanese and German immigrants. There are an estimated 210 indigenous groups in Amazonia, making up only 0.2 per cent of the total population of Brazil.

### Religions

Catholic (90 per cent); Protestant (5 per cent). Brazil is the largest Catholic country in the world. There is freedom of worship and many other religions are represented.

### Education

The investment in education amounts to 4.2 per cent of GDP.

State education is free from pre-primary level. Primary education begins at the age of seven and lasts for eight years. Secondary education, which is not compulsory, begins at the age of 15 and lasts for four years.

Primary and secondary education suffer from scarce resources. Although the initial enrolment rate is similar between the rich and the poor, the inequality is evident at later stages. Only 15 per cent of poor children compared to 80 per cent of children from the richest households complete primary school. Inequalities in budget affect enrolment patterns between those prosperous regions and the north-east where over half of rural children receive less than four years of schooling, and one-quarter of the population has had no schooling at all. Brazil has doubled the number of students reaching their final year in secondary school but has only places for 11 per cent of them. If the country is to compete internationally it will have to increase this amount to at least 40 per cent, to match even its neighbour Argentina.

To combat the problem of lack of opportunity for poorer students in higher education, the president introduced tax concessions, in July 2004, for private universities who reserve at least 20 per cent of their places to black or native Indian students. It is expected that these tax breaks will provide places for up to 100,000 underprivileged students.

**Literacy rate:** 86 per cent adult rate; 94 per cent youth rate (15–24) (Unesco 2005).

**Compulsory years:** 7 to 14.

**Pupils per teacher:** 24 in primary schools.

### Health

In theory, medical, pharmaceutical and dental treatment is free. However, in practice the social health system is underfunded and cannot meet the growing needs of the population. Private health insurance and healthcare facilities are widely available for those who can afford them. The National Social Security and Assistance Institute for Medical Care (INAMPS) is responsible for healthcare.

**Life expectancy:** 73 years, 2010 (Unicef 2012)

**Fertility rate/Maternal mortality rate:** 1.8 births per woman, 2010 (Unicef 2012); maternal mortality 160 per 100,000 live births (World Bank).

**Child (under 5 years) mortality rate (per 1,000):** 14 per 1,000 live births (WHO 2012); 6 per cent of children aged under five are malnourished (World Bank).

### Welfare

Employers pay 20 per cent of the payroll into the Social Insurance Scheme to cover payments for social benefits: pensions, invalidity pensions, sickness pay, family allowances, funeral grants, maternity grants, prisoners' family pensions, widows'

pensions and special pensions for workers in dangerous jobs.

The state sets aside taxes to cover the costs of collection and administration. Brazil shows a highly unequal distribution of income among households and individuals in both rural and urban economies.

On 14 May 2012, a range of social welfare programmes were introduced, aimed at low-income families with children. The welfare programme, targeted in the north and north-east, is intended to benefit 18 million people. Families with children under aged six and living in poverty will receive US\$35 per month for each family member. Access to healthcare (with an emphasis on nutrition) will be expanded and day care facilities increased with the construction of 1,500 new day care centres.

The Instituto Nacional de Previdência Social (INPS) (National Social Security Institute), administers the scheme for all workers except military personnel, civil servants and agricultural workers, who are covered by a separate system.

### Pensions

The retirement ages for those in urban areas are 70 and 65 for men and women respectively, with 35 years contributions; in rural areas 60 and 55 for men and women respectively, with 30 years contributions.

### Main cities

Brasília, (capital, estimated population 2.6 million (m) in 2012), São Paulo (11.4m), Rio de Janeiro (6.4m), Salvador (2.7m), Fortaleza (2.5m), Belo Horizonte (2.4m), Manaus (1.9m), Curitiba (1.8m), Recife (1.6m), Porto Alegre (1.4m), Belém (1.4m), Goiânia (1.3m), Guarulhos (1.3), Campinas (1.1m), São Gonçalo (1.0m).

### Languages spoken

Many business people and officials speak English. Spanish, Italian, French and German are also widely spoken, especially in tourist areas. There are nearly 200 indigenous languages.

### Official language/s

Portuguese

### Media

The constitution guarantees freedom of the press.

Brazil is the largest media market in South America and its media is dominated by a few domestically owned conglomerates of broadcasters and publishers.

### Press

There are many publications for most interest groups.

**Dailies:** There are around 280 daily newspapers but the difficulty of distribution has limited readership to regional centres. Nevertheless, major media

conglomerates supplies news and views through privately owned news agencies to local outlets.

In Portuguese, major city newspapers include *Correio Braziliense* ([www.correioweb.com.br/cbonline](http://www.correioweb.com.br/cbonline)) and *Tribuna do Brasil* ([www.tribunadobrasil.com.br](http://www.tribunadobrasil.com.br)) from Brasília, *O Dia* (<http://odia.terra.com.br>) and *O Globo* (<http://oglobo.globo.com>) from Rio de Janeiro, *Folha de São Paulo* ([www.folha.uol.com.br](http://www.folha.uol.com.br)) and *O Estado de São Paulo* ([www.estado.com.br](http://www.estado.com.br)) from São Paulo, *Correio da Bahia* ([www.correiodabahia.com.br](http://www.correiodabahia.com.br)) from Salvador, *Super Notícia* ([www.supernoticia.com.br](http://www.supernoticia.com.br)) from Belo Horizonte and *O Povo* ([www.opovo.com.br](http://www.opovo.com.br)) from Fortaleza.

**Weeklies:** In Portuguese, *Istoé* ([www.terra.com.br/istoe](http://www.terra.com.br/istoe)), *Veja* (<http://veja.abril.uol.com.br>) and *Época* (<http://revistaepoca.globo.com>), are general news magazines.

In English, *Brazil Magazine* ([www.brazil.com](http://www.brazil.com)) covers general news.

**Business:** In Portuguese, *Panorama Brasil* ([www.panoramabrasil.com](http://www.panoramabrasil.com)), *Prima Pagina* ([www.primapagina.com.br](http://www.primapagina.com.br)), *Valor Econômico* ([www.valoronline.com.br](http://www.valoronline.com.br)) and *Gazeta Mercantil* ([www.gazetamercantil.com.br](http://www.gazetamercantil.com.br)) offer a wide range of news and information.

Magazines include the weekly *Carta Capital* ([www.cartacapital.com.br](http://www.cartacapital.com.br)) and the monthly *Amanhã* ([www.amanha.com.br](http://www.amanha.com.br)) and *Banco Hoje* ([www.bancohoje.com.br](http://www.bancohoje.com.br)) for banking news.

**Periodicals:** In Portuguese, monthly magazine include *Claudia* (<http://claudia.abril.com.br>) for women *Continente Multicultural* ([www.continentemulticultural.com.br](http://www.continentemulticultural.com.br)) for the Latin culture and *Veja*, Popular magazines published in Portuguese include *Epoca*, *Isto E* and *Veja*. *Brazil* is an English-language magazine covering the Brazilian economy, politics and culture.

#### Broadcasting

The responsibility for radio and television broadcasting is overseen by the state body Empresa Brasileira de Radiodifusão (Radiobrás) ([www.radiobras.gov.br](http://www.radiobras.gov.br)).

**Radio:** There are over 2,000 radio stations, with an estimated 80 per cent of homes with access to a radio receiver. The state-run public radio network Radiobrás ([www.radiobras.gov.br](http://www.radiobras.gov.br)) operates four radio stations over AM/FM. The largest commercial network is Globo Radio (<http://globoradio.globo.com>), others include Radio Eldorado ([www.radioeldorado.com.br](http://www.radioeldorado.com.br)), Radio Bandeirantes (<http://band.com.br>), Radio Cultura ([www.radiocultura.com.br](http://www.radiocultura.com.br)) is a public cultural station.

**Television:** The conversion to digital TV began in São Paulo in 2007 and should be completed nationwide by 2016. The state-run public TV network Radiobrás ([www.radiobras.gov.br](http://www.radiobras.gov.br)) operates four channels including news, documentaries and indigenous and cultural programmes. Large commercial TV networks include Rede Globo (<http://redeglobo.globo.com>), Sistema Brasileiro de Televisão (SBT) ([www.sbt.com.br](http://www.sbt.com.br)), TV Record ([www.rederecord.com.br](http://www.rederecord.com.br)) and TV Band (<http://band.com.br>).

There are many cable TV providers, although most are foreign-owned, domestic networks include Televisão Abril ([www.tva.com.br](http://www.tva.com.br)) and Rede TV ([www.redetv.com.br](http://www.redetv.com.br)).

**National news agency:** Agencia Brazil (in Portuguese): [www.agenciabrasil.gov.br](http://www.agenciabrasil.gov.br)

**Other news agencies:** Agencia Estado: [www.ae.com.br/institucional](http://www.ae.com.br/institucional)  
 Agencia Globo: [www.agenciaoglobo.com.br](http://www.agenciaoglobo.com.br)  
 Folha Press (business news): [www.folhapress.com.br](http://www.folhapress.com.br)  
 PR Newswire (business news): [www.prnewswire.com.br](http://www.prnewswire.com.br)  
 Safras e Mercado (business news): [www.safras.com.br](http://www.safras.com.br)

#### Economy

Brazil is the 'B' in BRIC, the acronym reportedly coined in a Goldman Sachs report of 2003. The country has a large industrial base including manufactured aircraft, motor vehicles, armaments and refined oil products, while the agricultural sector produces a significant quantity of exports, notably coffee and soya. It has vast natural reserves, which at the end of 2011 included 15.1 billion barrels of petroleum, with production of 2.19 million barrels per day; natural gas (500 billion cubic metres (cum) with production of 15.4 billion cum), coal (4.6 billion tonnes, with production of 2.4 million tonnes of oil equivalent (mtoe), are in demand worldwide.

GDP growth in 2008 was 5.2 per cent as exports declined from an all-time high of global commodity prices in 2007. In 2009 the economy fell into recession of -0.6 per cent as the commodity markets shrank. Brazil is the eighth largest economy in the world and as global trade picked up the economy surged with growth of 7.5 per cent in 2010, slowing to an estimated 2.7 per cent in 2011. Inflation was running at an average 5.5 per cent (2008–10) before the central bank raised its interest rate to 11.75 per cent in March 2011, in a move designed to dampen inflation, which was 5.0 per cent during 2010 and was estimated to have risen to 6.6 per cent in 2011.

Poverty remains a serious problem with large income inequalities and almost a third of the country living below the poverty line. In 2011, the UN Human Development Index (HDI) ranked Brazil 84 (out of 187) for national development in health, education and income. In 2010, 39.3 per cent of the population experienced at least one indicator of poverty, while 3.8 per cent lived on the equivalent of US\$1.25 per day. The government provides limited welfare for over 12.5 million families through a *Bolsa Familia* programme.

In June 2012 Brazil and China agreed to swap the equivalent of US\$30 billion in each other's currencies. Their central banks will be able to exchange each other's currency (up to the US\$30 billion) without consideration to fluctuation in the money markets and avoiding varying exchange rates when buying US dollars to make commodity purchases.

#### External trade

In 2008, the União das Nações Sul-Americanas (Unasul) (Union of South American Nations) (known as Unasur from the Spanish Unión de Naciones Suramericanas), modelled on the European Union (EU) was ratified by three member states (out of 10 founding members plus two associate members). Unasur seeks to integrate with the Andean Community of Nations and Mercosur in a single market by 2014, when tariffs on non-sensitive products are abolished with the remainder eliminated by 2019. However political tensions within the region have hampered the ongoing process. Brazil is the world's largest producer of coffee, sugarcane and oranges and has the largest commercial cattle herd. The majority of the Amazon rain forest is located in Brazil, covering 50 per cent of the land. The government called a halt to 70 per cent of all forest clearing in 2008, which will limit to amount of new land available for cattle pastures. Many international car manufactures have assembly plants in Brazil.

#### Imports

Principal imports include mineral fuels and oil products, machinery and electrical equipment.

**Main sources:** China (15.3 per cent of total in 2012), US (14.5 per cent), Argentina (7.4 per cent).

#### Exports

Principal exports include vehicles and machinery, iron and steel, coffee, beef and other agricultural products, footwear and textiles.

**Main destinations:** China (17 per cent of total in 2012), US (11 per cent), Argentina (7.4 per cent).

### Agriculture

Brazil's agricultural sector accounts for 8.8 per cent of total GDP. This figure is no higher than that in comparable countries, but the significance of Brazil's agriculture sector lies in the fact that it has not declined as a percentage of GDP as development has gathered pace. Approximately 60 million hectares of the total land mass is used for agricultural purposes with another 90 million hectares available for cultivation. Large-scale farming is concentrated in the south and south-east of Brazil.

Brazil has shown remarkable progress in agribusiness development, which includes not just farming production but also increased investment in the sale of farm machinery and processing activities.

Brazil's agribusiness offers a diversified range of products from several regions and supplies cost-effective high quality food products. It accounts for over 40 per cent of the country's total exports.

Irrigated fruit growing in the São Francisco River and the Açu River Valleys, both located in north-eastern part of Brazil has contributed to its prosperous agribusiness sector.

Major agricultural exports include coffee (the world's largest producer and exporter), sugar cane (world's largest producer) and soya beans (world's second-largest producer after US). Orange juice (supplies 85 per cent of world market for orange juice concentrates), tobacco, cocoa, cotton, butter, maize and cattle (around 10 per cent of total world trade) are also significant.

Though agriculture has performed well in recent years, the sector's growth potential continues to be held back by poor transport infrastructure. Only 10 per cent of Brazil's roads are paved.

Brazil has a coastline of 8,500km, 12 per cent of the world's freshwater reserves and two million hectares of flooded land. The country is yet to fulfill its vast potential for marine and freshwater fishing despite efforts by the national government to promote fish as an export commodity. Brazil's annual catch is typically in the range of 980,000 metric tonnes (mt) including 505,957mt marine fish and 117,863mt shellfish.

Brazil has vast forest areas; some 543.9 million hectares with the humid tropical areas of the Amazon forests in the north-west of the country accounting for 95 per cent of the total forested area.

There are approximately five million hectares of forest plantations, the majority of which are pine and eucalyptus. However, vast areas of protected woodland land exist; 30 million hectares inclusive of state parks and national reserves.

In November 2009, the government reported that the annual rate of deforestation of the Amazon had fallen by 45 per cent and was the lowest level since 1988. The environmentalist campaign group, Greenpeace, claims government targets to reduce deforestation are too low, while others believe the downturn matches the global recession and will pick up when growth returns; the government plans to limit deforestation by 80 per cent by 2020.

### Industry and manufacturing

Brazil's industrial sector is one of the most well developed in Latin America. Manufacturing contributes over 23 per cent to annual GDP and industrial goods account for up to 60 per cent of exports. Industry as a whole accounts for approximately 29 per cent of GDP and employs 20 per cent of the labour force.

Industry has relied primarily on imports of capital and intermediary goods, which are either higher quality or cheaper than domestically produced goods. This has caused balance of payments problems and depressed some sectors of industry, such as machine tools. In a drive to replace imports with domestically produced goods, the government has encouraged multinational investment in key sectors of industry. Problems arose in the pharmaceutical, biotechnology and computer industries when the government's desire for self-sufficiency caused it to ignore foreign patent rights and the payment of royalties.

### Tourism

Brazil has some world-class and diverse attractions, from the primordial natural beauty of the Amazon rain forest to the street spectacle of the Rio de Janeiro Mardi Gras carnival. However, in its 2008 analysis, the Inter-American Development Bank (IADB) concluded that Brazil had the potential to be one of the world's top destinations, but was hampered by its lack of general and tourist infrastructure, with tourist development largely concentrated along the coastline. Domestic tourism accounted for 5.5 times more revenue than foreign visitors in 2008 but until people can move more easily around the country a competitively structured market to attract more visitors is unlikely. Brazil will be host to the Football World Cup in 2014 and will invest US\$11.3 billion among the 12 host cities, to be used to refurbish hotels, public transport, airports and other tourism and hospitality facilities, as well as stadia. Other areas not involved in the competition will also be offered US\$573 million to enhance their tourism facilities as the country prepares for a surge in tourist numbers. Investment by the government, including a series of

IADB loans, includes ecotourism in the Amazon region.

In 2010, 5.16 million foreign visitors arrived in Brazil, which was an increase of 8 per cent on the 2009 numbers, of which the greatest number (1.4 million) came from Argentina, followed by the US (641,000). Brazil is also becoming popular with European visitors escaping a northern winter.

Travel and tourism in 2011 was forecast to directly contribute R\$129.6 billion (US\$212.5 billion) to GDP (3.3 per cent of total GDP) and indirectly R\$356.7 billion (US\$584.9 billion), or 9.1 per cent of GDP. Visitor receipts were forecast to be R\$12.5 billion (US\$20.5 billion), or 2.9 per cent of total exports. The industry was estimated to have committed R\$47.4 billion (US\$77.7 billion) in investment for 2011, which constitutes 5.8 per cent of total investment. Direct employment in travel and tourism was forecast to be over 2.8 million jobs, representing 2.9 per cent of total employment and 8.2 million jobs in related industries amounting to 8.3 per cent of total employment.

### Environment

Around 20 per cent of the Amazon rain forest was felled between mid-1960s and 2007. The land cleared was given over to cattle and soya bean production. Illegal logging accounted for a proportion of this deforestation and in 2008 a presidential decree made it unlawful to trade in beef and soya produced on deforested properties.

In August 2010, the US agreed to convert US\$21 million of Brazilian debt into a fund to halt deforestation and conserve the Atlantic coastal rainforest and the Cerrado and Caatinga ecosystems in Brazil. Around 90 per cent of the Atlantic coastal rainforest has been lost since Western explorers began to exploit the wealth of the region.

New satellite pictures issued in May 2011, showed that deforestation of the Amazon rainforest had increased from 103 square kilometres in March–April 2010 to 598 square km in March–April 2011. The Mato Grosso State, the centre of soya cultivation, had the largest loss of rainforest. Despite a fall in deforestation in December 2010 with the lowest recorded loss since late-1980s, deforestation jumped by 27 per cent from August 2010–April 2011.

### Mining

Brazil is a major mining nation, ranking twelve in the world gold production league (second in Latin America) with an annual output of 55 million tonnes. Forty tonnes is accounted for by formal mines and the remainder is generated by alluvial

operations which are worked by prospectors.

The mineral potential of Brazil has not been fully assessed. Less than one-third of the country has been thoroughly prospected. The authorities are keen to exploit the country's raw material wealth and a comprehensive aerial survey has been completed by the government's National Mineral Resources Company (CPRM). The centre of the mining industry is the state of Minas Gerais, named after the large number of gold and precious stone mines discovered in colonial times. Minas Gerais is also Brazil's main producer of mica, beryl, talc, marble, dolomite, graphite, zirconium, bauxite and nickel. There are also large known reserves of minerals scattered throughout the country with concentrations in the state of Rio Grande do Sul (copper, lead, zinc and wolfram), Bahia (lead, barite, quartz crystal and magnesite), Amapa (manganese) and São Paulo (lead, wolfram and zinc). Brazil ranks as the world leader in production and reserves of niobium/colombium and as the world's top producer of tantalite (28 per cent of total world output). It is the second largest producer of iron ore, third largest producer of bauxite and fourth largest producer of tin. The Carajas mineral deposit contains most of these reserves.

Brazil has vast iron ore reserves, reportedly the world's sixth largest in volume, and is one of the world's leading iron ore exporters. Iron ore is produced from the Quadrilateral area of Minas Gerais in the south-east and the Carajas region in Southern Para. The privatised Companhia Vale do Rio Doce (CVRD), which operates the Carajas deposit with 67 per cent iron metal content, is one of the world's top iron ore exporters.

Brazil is also an important gold producer. Gold production has been decentralised and the market has become more accessible. Minas Gerais is Brazil's main gold producing area, accounting for 45 per cent of the sector's total exports. Copper has been mined from two sources, the state-owned Caraiiba Metals in Bahia and a small mine in Rio Grande do Sul. Production at these two sites is uneconomic. CVRD expects to initiate production from Salobo in the Carajas complex.

Eight areas around Brazil have been found to contain uranium, although production is little more than 5,000 tonnes per annum.

Proven oil reserves were 15.1 billion barrels at the end of 2011, with production at 2.2 million barrels per day (bpd) (105.7 million tonnes). Consumption was 2.7 million bpd in 2011, a rise of 2.3 per cent from the 2.6 million bpd in 2010.

Energy production is focussed on oil, with 48 per cent of domestic energy consumption coming from oil (including ethanol). Brazil's refining capacity is 2.1 million bpd; work began on a joint Brazil-Venezuela oil refinery in 2007, whereby Brazil expects to increase oil refining by an additional 1.3 million bpd by 2015–20.

Oil exploration has intensified led by the state-owned entity Petrobrás, which announced in 2007, that a new offshore oil field, Tupi, could hold between 5–8 billion barrels of recoverable light oil with reserves of natural gas. Tupi alone could represent 40 per cent of the oil reserves that Brazil has ever discovered, although drilling for and extracting the gas will be challenging and costly. There are large reserves of oil shale concentrated in the south of the country, which have been exploited since 1880s.

Brazil is one of the world's largest ethanol producers, based on its sugar cane industry. It produced 390,000 bpd of ethanol in 2007 and is forecast to produce 530,000 bpd in 2009. All domestic automobile petrol uses 20–25 per cent ethanol blending.

#### Hydrocarbons

Proven gas reserves were 500 billion cubic metres (cum) in 2011, despite Brazil's large gas fields located in the Campos and Santos basins. Production has grown steadily from 7.7 billion cum in 2001 to 16.7 billion cum in 2011, however consumption was 26.7 billion cum in 2011 and required imports of natural gas (from Bolivia) to make up the shortfall.

A new, 179km, natural gas pipeline was launched in 2010, capable of carrying 40 million cum per day, from the Campos and Espírito Santo basins to intersect with Brazil's principal gas terminal, Cabinúnas, in Duque de Caxias.

Proven reserves of coal were 4.6 billion tonnes in 2011, although it was sub-bituminous and lignite, used primarily in power stations; recoverable reserves only amount to 7 million tonnes. Production was 2.4 million tonnes oil equivalent (mtoe), a figure that grew from the 1.9 mtoe in 2011. Consumption of coal was 13.9 mtoe in 2011, a figure that has remained largely stable throughout the 2000s; imports bridged the shortfall. The state-owned Petrobras was ranked the third biggest energy company (after ExxonMobil and PetroChina), based on capital value, in the world, with assets of US\$228.9 billion at the end of 2010.

#### Energy

Brazil became a net exporter of energy, from sugar cane ethanol and hydroelectricity, in 2006. It has the largest hydroelectric resources in the Americas, with installed electric capacity of over

1,000MW of which hydropower provides over 80 per cent of all generation. Brazil and Paraguay jointly run one of the world's largest hydroelectric complexes, Itaipú on the Paraná River, which has a capacity of 13.3GW. Brazil financed its building, using Paraguay's resources; all excess electricity produced by Itaipú is sold to Brazil. In May 2009 a review of the contractual agreement was discussed at ministerial level as Paraguay considered the price paid by Brazil for its electricity had not increased since Itaipú became operational in 1973; Brazil considered Paraguay must consider the investment Brazil originally made. Future developments include the construction of more plants including a 4.1GW extension to Tucuruí and 37GW in other locations. Other electricity generation comes from coal and natural gas. Conventional thermal plants generate only 7.4 per cent of Brazil's total electricity. President Lula has expressed his administration's desire to expand hydroelectric power plants, leaving the future of conventional thermal generation unclear.

A controversial new hydroelectric dam, to be built in the Amazon rainforest on the Xingu River, was given its environmental licence in January 2010. When completed, at a cost of US\$11 billion, the facility will produce 1.1GW of electricity. However 500 square kilometres will be inundated to provide the water catchment area and any indigenous communities within 100sq km living along the river will be displaced.

Nine out of 27 states, including the cities of Rio de Janeiro and São Paulo, experienced a major powercuts, on 10 November 2009. The damage was caused by a storm that brought down two power lines from the Itaipú hydroelectric power station, which automatically closed down, losing its entire output for several hours. Brazil has two nuclear power plants, both of which are operated by a subsidiary of Eletrobras, Eletronuclear, producing 2.5 per cent of electrical generation in 2005. The construction of the country's third nuclear facility, Angra-3 has been slowed by political disagreements and a shortfall in funds.

#### Financial markets

##### Stock exchange

Bolsa de Valores de São Paulo (Bovespa) (São Paulo Stock Exchange), La Bolsa 64, Santiago (Tel: 698-2001; fax: 697-2236)

##### Commodity exchange

Maringá Mercantile and Futures Exchange, São Paulo

##### Banking and insurance

The government of President Lula da Silva, signalled its more cautious approach to bank privatisation, with the

cancellation of the sale of a 17.8 per cent stake in Banco do Brasil, Latin America's largest retail bank. Less than a quarter of the banking industry in Brazil is owed by foreign institutions. The major market operators are domestic finance houses.

A new Bank of the South, with a headquarters in Venezuela, will be launched in 2008 to provide an alternative source of development funding for the participating countries. Assets of US\$7 billion will underpin its operations.

### **Central bank**

Banco Central do Brasil

### **Main financial centre**

Rio de Janeiro and São Paulo

### **Time**

GMT minus three hours (daylight saving GMT minus two hours): most eastern cities, São Paulo, Rio de Janeiro and Brasília

GMT minus two hours (no daylight saving): Fernando de Noronha Archipelago  
GMT minus four hours (no daylight saving): Amazonas State

GMT minus five hours (no daylight saving): Acre State

Daylight saving time is determined and set locally.

### **Geography**

Brazil borders all South American countries except Chile and Ecuador. The distance from north to south is 5,320km, and from east to west 4,328km. Brazil has a land frontier of 15,719km and an Atlantic coastline of 7,408km.

Although Brazil's topography varies greatly, it can be divided roughly into five zones: the Amazon basin, the River Plate basin, the Guiana highlands, the Brazilian highlands and the coastal strip.

The densely forested Amazon basin covers some 40 per cent of Brazil's territory but has only one inhabitant per square km. It receives heavy rainfall and floods annually.

The River Plate basin in southern Brazil is less heavily forested. The land is higher and the climate cooler. The Guiana highlands, north of the Amazon, are part forest and part scrubland. The Brazilian highlands, lying between the Amazon and the River Plate basin, form a tableland from 300 metres to 900 metres high. There are a few mountain ranges, mostly in south-eastern Brazil.

### **Hemisphere**

Southern

### **Climate**

The average annual temperature increases from south to north. On the equator in the Amazon basin, average temperatures are 27 degrees Celsius (C) with no seasonal variation. From the latitude of the port of Recife to the border

with Uruguay, the average temperature range is 17–19 degrees C. The two winter months in the south are June and July. Humidity is relatively high in Brazil, particularly in the Amazon basin and on the coast. The rainy seasons are January–April in the north, April–July in the north-east and November–March in the southern coastal area.

### **Dress codes**

Suits are normally worn to business meetings, particularly in Brasília. They are also worn for formal social events and in exclusive restaurants and clubs. For other occasions smart casual clothes are suitable.

Lightweight clothing is advisable for all seasons in the north and for all but the two winter months in the south, when warmer clothing is necessary. Rainproof clothing or umbrellas are necessary during the rainy seasons.

### **Entry requirements**

#### **Passports**

Required by all, except nationals of Argentina, Chile, Paraguay and Uruguay. Must be valid for at least six months from date of entry.

#### **Visa**

Required by all, except nationals of most EU member states, South America, Israel and some other countries. It is advisable to check online or with the nearest embassy or consulate for latest details.

#### **Currency advice/regulations**

There is no restriction on the import and export of local currency. Foreign currency import is unlimited but amounts must be declared; export of foreign currency is allowed up to US\$4,000. Regulations may change at short notice. International credit cards are widely used, though cash advances are only paid in local currency.

### **Health (for visitors)**

#### **Mandatory precautions**

A yellow fever certificate is required from travellers arriving from an infected country and any of the following countries: Angola, Bolivia, Cameroon, Colombia, Democratic Republic of Congo, Ecuador, Gabon, Gambia, Ghana, Guinea Republic, Liberia, Mali, Nigeria, Peru, Sierra Leone and Sudan.

#### **Advisable precautions**

Yellow fever vaccinations are essential for visits to infected areas within Brazil; these include Mato Grosso, Rondônia and states surrounding the Amazon. Typhoid, tetanus and hepatitis A and B vaccinations are recommended. Malaria prophylaxis is advisable for visits to Amazon regions. There is a high risk of catching dengue fever. Rabies is also a risk. Water precautions should be taken.

### **Hotels**

Graded from one- to five-stars. Wide range available in main towns but sometimes heavily booked (especially during Carnival) and advance booking advisable. Listings available from local tourist offices. Only five-star hotels are not price controlled.

A service charge is usually included in bill; if not, a 10 per cent tip is usual.

### **Credit cards**

Amex, Diners, Mastercard and Visa widely accepted for purchases other than fuel.

### **Public holidays (national)**

#### **Fixed dates**

1 Jan (New Year's Day), 21 Apr (Tiradentes Day), 1 May (Labour Day), 7 Sep (Independence Day), 12 Oct (Our Lady Aparecida, Patroness of Brazil), 2 Nov (All Souls' Day), 15 Nov (Proclamation of the Republic), 25 Dec (Christmas Day).

#### **Variable dates**

Carnival (five days, Feb), Good Friday, Easter Sunday, Corpus Christi (May/Jun).

### **Working hours**

In Rio de Janeiro and São Paulo there is no siesta break; in Brasília there is a three-hour siesta from 1200–1500.

### **Banking**

Mon–Fri: 1000–1600.

### **Business**

Mon–Fri: 0900–1200; 1400–1800.

### **Government**

Mon–Fri: 0930–1800.

### **Shops**

Mon–Fri: 0900–1830/1900, Sat: 0900–1300. Shopping centres Mon–Sat: 0900–2200.

### **Telecommunications**

#### **Mobile/cell phones**

GSM 900 and 1800 services available in most regions of the country.

### **Electricity supply**

127V AC (Bahia (Salvador) and Manaus); 220V AC, 60Hz (Brasília and Recife); 110/220V AC, 60Hz (Rio de Janeiro and São Paulo).

Most hotels provide 100V and 220V outlets, transformers and adaptors.

### **Social customs/useful tips**

There is generally a relaxed attitude towards timekeeping in Rio de Janeiro and the north-east, but people are much more punctual in São Paulo and Brasília. It is the usual practice to shake hands in greeting and on departure. When invited to someone's home for a meal, a gift of flowers for the hostess is customary.

### **Security**

The Brazilian authorities insist on extensive personal documentation. This should be carried at all times.

Brazil's big coastal cities, particularly Rio de Janeiro and those situated in the north-east, have serious crime problems. Street robberies are common and press estimates put the number of armed assaults on bus passengers in Rio alone at about 20 per day.

First-time visitors to Rio are advised to be extremely cautious in allowing strangers to engage them in conversation, especially in areas such as the Avenida Atlantica (the Copacabana sea-front) and the western suburbs. It is inadvisable to visit the Baixada Fluminense, where a murder rate of 20 deaths per day makes the district one of the most violent areas in the world.

### Getting there

#### Air

**National airline:** Varig (Viação Aérea Rio Grandense, privatised in July 2006).

**International airport/s:** Brasília-International (BSB), 11 km from city, with duty-free shop, bar, restaurant, buffet, bank, post office, shops, hotel reservations, car hire; Rio de Janeiro Galeão-International (GIG), 15 km north of city, bank, hotel, taxi, duty-free shop, restaurant; São Paulo-Cumbica (GRU) 25 km north-east of city; Recife (REC).

**Other airport/s:** Fortaleza (FOR), Salvador-Dois de Julho (SSA), Belem-Val de Cans (BEL), Belo Horizonte-Pampulha (BHZ).

**Airport tax:** US\$36, but should be included in ticket price.

#### Surface

**Road:** It is possible to reach Brazil by road from Argentina, Bolivia, Paraguay and Uruguay.

In January 2011 a road from Nazca on the Peruvian coast, across the Andes cordillera to Cusco and on to Inapari on the border with Brazil was officially opened by some 30 racing drivers. The road is expected to increase trade between the two countries, especially Brazilian exports to Asia. There are, however, fears for the ecology of region as the road opens up the area to miners with heavy equipment to replace the old panners. Migration too is having an effect as miners move from the Andes to the Amazon. The 2,589 km road took five years to build.

**Rail:** There are rail connections to Argentina and Uruguay.

**Water:** There are boats sailing along the Rio Paraguay between Asunción in Paraguay and Corumba. There are also boat services to Peru along the Amazon.

### Getting about

When travelling between cities on public transport, visitors must carry passports as proof of identity is required.

#### National transport

**Air:** Regular domestic and charter flights to all main cities. Air is the main form of

long-distance travel. Air taxis are available at most domestic airports. Advance booking is not necessary for shuttle flights between Rio de Janeiro and São Paulo (about one hour). Domestic flights are expensive, although safety and quality of service are good.

**Road:** All main centres are connected by surfaced highways, with particularly good roads in the north. Many of the local roads are in need of urgent repair. In total, around 1.6 million km of roads are supervised by the Departamento Nacional de Estradas de Rodagem (DNER).

**Buses:** Buses are the most popular means of transport with frequent inter-city bus services between main centres. Standards are variable although many routes are now served by modern high quality coaches. Sleeping berths (*leito*) are available on some routes.

**Rail:** State- and privately-owned railways operate limited services to most main centres throughout the country. Service is generally slower than bus and long distance travelling can be uncomfortable. Good sleeper services with restaurant cars operate between São Paulo, Rio de Janeiro and Belo Horizonte.

**Water:** Services on São Francisco River between Juazeiro and Pirapora and up the Amazon to Manaus. Hydrofoil service between Rio de Janeiro and Niteroi.

#### City transport

**Taxis:** Metered taxis, identified by their roof lights, are available almost everywhere in urban areas. They are inexpensive and often rudimentary. The fare is regularly adjusted according to a table posted on the inside of a rear window. In Rio de Janeiro, there are several types; these include so-called 'common' taxis (yellow with checkered stripe) and the more expensive radio taxi (white, with a red and yellow stripe). A 40 per cent surcharge operates between 2300–0600, on Sundays and public holidays. Tipping is optional.

Travellers arriving by plane are advised to use the main taxi companies which operate desks at major airports and run on a fixed-charge basis. Their cars are big and air-conditioned and although rates are more expensive than those officially charged by standard taxis, it is advisable to use them to avoid frequent exploitation of unwary travellers by individual operators.

**Buses, trams & metro:** Extensive services operate in all main centres. Efficient though crowded. Two types – regular and special (*frescos*).

**Metro:** Two-line service in Rio de Janeiro. Line one goes from Botafogo Station to Saenz Peña Station (Tijuca): Mon–Sat: 0600–2300. Line two cuts across the city's centre, from Estácio Station to the

Maria de Graça Station: Mon–Sat: 0600–2000.

There is also a two-line network in São Paulo.

Integrated bus/metro tickets available.

#### Car hire

Car hire is expensive.

An international driving licence is advisable. Traffic is often congested in main cities. Petrol is of poor quality and expensive.

Service stations are rare on some roads and often close on Sundays.

### BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

#### Telephone area codes

The international dialling code (IDD) for Brazil is +55 followed by the area code:

Belem	91	Porto Alegre	51
Belo Horizonte	31	Recife	81
Brasilia	61	Rio de Janeiro	21
Campinas	19	Salvador	71
Curitiba	41	Santos	132
Fortaleza	81	São Paulo	11
Manaus	92		

#### Chambers of Commerce

American Chamber of Commerce in Brazil (Rio de Janeiro), Praça Pio X 15, 20040-020 Rio de Janeiro (tel: 2203-2477; fax: 2223-0438; e-mail: achambr@amchamrio.com.br).

American Chamber of Commerce in Brazil (São Paulo), Rua da Paz 1431, Chácara Santo Antônio, 04713-001 São Paulo (tel: 5180-3804; fax: 5180-3777; e-mail: amhost@amcham.com.br).

Brazilian International Chamber of Commerce, 1.200 Rua Timbiras, 30140-060 Belo Horizonte (tel/fax: 3273-7021; e-mail: camint@camint.com.br).

British Chamber of Commerce in Brazil (Rio de Janeiro), Avenida Graça Aranha 1, Centro, 20030-002, Rio de Janeiro (tel: 2262-5926; fax: 2240-1058; e-mail: rio@britcham.com.br).

British Chamber of Commerce in Brazil (São Paulo), Rua Ferreira de Araújo 741, Pinheiros, 05428-002 São Paulo (tel: 3819-0265; fax: 3819-7908; e-mail: britcham@britcham.com.br).

Rio de Janeiro Chamber of Commerce and Industry, Rua da Assembléia 93, Centro, 20011-001 Rio de Janeiro (tel: 2532-0089; fax: 2532-1918; e-mail: chamber@ccirj.com).

São Paulo Associação Comercial, 51 Rua Boa Vista, Centro, 01014-911 São Paulo

(tel: 3244-3322; fax: 3244-3355;  
e-mail: infocem@acsp.com.br).

### Banking

Banco America do Sul, Alameda Ribeirão Preto 87, 7 andar, Zona postal 01331, PO Box 8075, São Paulo (tel: 287-7955; fax: 287-2762).

Banco Bandeirantes, Rua Boa Vista 162, 7 andar, Zona postal 01014-902, São Paulo (tel: 823-1122; fax: 239-5959).

Banco Boavista, Família Paula Machado, Zona postal 20091-040, PO Box 1560, Rio de Janeiro (tel: 211-1711; fax: 253-9036).

Banco Bozano Simonsen, Av Rio Branco 138, Zona postal 20057, PO Box 3074, Rio de Janeiro (tel: 271-8232; fax: 271-8160).

Banco Brasileiro Iraquiano, Praça Pio X 54 Centro, Zona postal 20091, Rio de Janeiro (tel: 253-2020/2255; fax: 253-3498).

Banco Chase Manhattan, Rua Alvares Penteado 131, Zona postal 01012, São Paulo (tel: 345-751; fax: 239-0594).

Banco de Crédito Nacional, Rua Boa Vista 208, Zona postal 01014-030, PO Box 4222, São Paulo (tel: 235-1079, 235-1118; fax: 356-892).

Banco de la Nación Argentina, Av Paulista 2319, Sobreloja, Zona postal 01311, PO Box 22-25, São Paulo (tel: 280-2674; fax: 881-4630).

Banco de la Provincia de Buenos Aires, Rua L Badaró 425, 26 andar, Zona postal 01009, São Paulo (tel: 258-8798; fax: 257-4557).

Banco de la República Oriental del Uruguay, Av Paulista 1776, 9 andar, Zona postal 01310, São Paulo (tel: 251-2699/2454; fax: 289-8245).

Banco de Montreal, Trav do Ouvidor 4, Zona postal 20149, Rio de Janeiro (tel: 270-209/0210; fax: 221-2706).

Banco do Estado de São Paulo, Praça Antonio Prado 06, 6 andar, Zona postal 01062-900, PO Box 35565, São Paulo (tel: 259-6622, 259-7722; fax: 348-523).

Banco Exterior de España, Av Paulista 1963, 1 andar, Zona postal 01311, PO Box 51623, São Paulo (tel: 251-4344; fax: 288-8015).

Banco Francês e Brasileiro, Av Paulista 1294, 12 andar, zona postal 01310-915, PO Box 8017, São Paulo (tel: 252-7163/64; fax: 283-0794).

Banco Geral do Comércio, Rua Funchai 160, 5 andar, Zona postal 04551-060, São Paulo (tel: 828-7322; fax: 828-7208).

Banco Mercantil de São Paulo, Av Paulista 1450, 9 andar, Zona postal 01310-917, PO Box 4077, São Paulo (tel: 252-2121/2228; fax: 284-3312).

Banco Mitsubishi Brasileiro, Rua Libero Badaró 6633/641, Zona postal 01009-904, PO Box 8449, São Paulo (tel: 239-5244; fax: 362-128, 362-060).

Banco Noroeste, Rua Alvares Penteado 216, 3 andar, Zona postal 010102, PO Box 8119, São Paulo (tel: 239-0844, 378-401; fax: 354-858).

Banco Real, Av Paulista 1347, 3 andar, Zona postal 01310-916, PO Box 5766, São Paulo (tel: 285-5645, 251-9796; fax: 251-9222).

Banco Region de Desenvolvimento do Extremo Sul, Rua Uruguai 155, Porto Alegre (tel: 228-9200; fax: 228-8283).

Banco Safra, Av Paulista 2100, Bela Vista, Zona postal 01310, PO Box 9139, São Paulo (tel: 251-7575; fax: 251-7211).

Banco Sogeral, Av Paulista 1355, 12 andar, Zona postal 01311-924, São Paulo (tel: 251-5533; fax: 283-1449).

Banco Sudameris Brasil, Av Paulista 1000, 14 andar, Zona postal 01310-100, PO Box 3481, São Paulo (tel: 283-9251/9260; fax: 283-9269).

Unibanco-União de Bancos Brasileiros, Av Euzébio Matoso 891, 4 andar, Zona postal 05423-901, PO Box 8185, São Paulo (tel: 817-4322; fax: 815-5084).

### Central bank

Banco Central do Brasil, Setor Bancário Sul, Quadra 03, Bloco B, Edifício Sede, PO Box 08670, 70074-900 Brasília DF (tel: 3414-2401; fax: 3321-9453; e-mail: cap.secre@bcb.gov.br).

### Stock exchange

Bolsa de Valores de São Paulo (Bovespa) (São Paulo Stock Exchange), La Bolsa 64, Santiago (Tel: 698-2001; fax: 697-2236)

Alvares Penteado 151, São Paulo (tel: 233-2147; fax: 233-2226; www.bovespa.com.br).

Bolsa de Valores do Rio de Janeiro (BVRJ), (Rio de Janeiro Stock Exchange) Praça 15 de Novembro 20, 2010 Rio de Janeiro (tel: 271-1001; fax: 221-2151; www.bvrj.com.br).

BOVMESB (Bolsa de Valores Minas, Espírito Santo, Brasília), www.bovmesb.com.br

### Commodity exchange

Maringá Mercantile and Futures Exchange, São Paulo

Brazilian Mercantile Futures Exchange (BM&F Bovespa), www.bmfbovespa.com.br

### Travel information

Car Club do Brasil, Rua Mexico 11, Rio de Janeiro 20006-900 (tel: 2533-1129; fax: 2220-2400; e-mail: viasat@carclubdobrasil.com.br).

EMBRATUR (Empresa Brasileira de Turismo), Rua Mariz e Barros 13, Rio de Janeiro 20270 (tel: 273-2212).

VARIG VRG, Edif Varig, Avenida Almirante Silvío Noronha 365, 20021 Rio de Janeiro (tel: 272-5000; fax: 272-5700).

### Ministry of tourism

Conselho Nacional de Turismo (CNTUR), Ministry of Infrastructure, Rua Mariz e Barros 13, 5 andar, 20270 Rio de Janeiro (tel: 273-0691).

### National tourist organisation offices

Centro Brasileiro de Informação Turística (CEBITUR) (Brazilian Tourist Office), Rua Mariz e Barros 13, 6 andar, Praça da Bandeira, 20270-000 Rio de Janeiro (tel: 293-1313; fax: 273-9290).

### Ministries

Ministry of Administration, Esplanada dos Ministérios, Bloco C, CEP 70046-900 Brasília-DF (tel: 224-2682; fax: 225-8927).

Ministry of Agrarian Policy, SBN Ed Palácio do Desenvolvimento, CEP 70057-900 Brasília-DF (tel: 223-8852; fax: 226-8727).

Ministry of Agriculture, Esplanada dos Ministérios, Bloco D, 8 andar, CEO 70043-900 Brasília DF (tel: 226-5161, 226-5380; fax: 225-9046).

Ministry of the Air Force, Esplanada dos Ministérios, Bloco M, CEP 70045-900 Brasília-DF (tel: 321-5303; fax: 223-2592).

Ministry of the Armed Forces, Esplanada dos Ministérios, Bloco Q, CEP 70049-900 Brasília-DF (tel: 223-5356; fax: 321-2477).

Ministry of the Army, QG/EX, Bloco A, SMU, CEP 70630-900 Brasília-DF (tel: 315-5200, 224-2844; fax: 223-1145).

Ministry of Communications, Esplanada dos Ministérios, Bloco R, 80 andar, CEP 70040-900 Brasília DF (tel: 225-9381, 224-9723; fax: 226-3980).

Ministry of Culture, Esplanada dos Ministérios, Bloco B, CEP 70068-900 Brasília-DF (tel: 224-6064; fax: 225-9162).

Ministry of Education, Esplanada dos Ministérios, Bloco L, CEP 70047-900 Brasília-DF (tel: 321-1076; fax: 224-3618).

Ministry of Environment, Water Resources and Amazonia, Esplanada dos Ministérios, Bloco B, CEP 70068-900

Brasília-DF (tel: 322-7819; fax: 226-7101).

Ministry of External Relations, Esplanada dos Ministérios, Palácio do Itamaraty, CEP 70170-900 Brasília-DF (tel: 211-6100; fax: 223-7362).

Ministry of Finance, Esplanada dos Ministérios, Bloco P, CEP 70048-900 Brasília-DF (tel: 314-4805; fax: 322-5009).

Ministry of Health, Esplanada dos Ministérios, Bloco G, CEP 70058-900 Brasília-DF (tel: 224-5269).

Ministry of Industry, Trade and Tourism, Esplanada dos Ministérios, Bloco J, CEP 70056-900 Brasília DF (tel: 325-2001; fax: 325-2209).

Ministry of Institutional Reform, Palácio do Planalto, Praça dos Três Poderes, CEP 70150-900 Brasília-DF (tel: 322-9619; fax: 211-1192).

Ministry of Justice, Esplanada dos Ministérios, Bloco T, Ed Sede, CEP 70064-900 Brasília-DF (tel: 226-2296; fax: 322-6817).

Ministry of Labour, Esplanada dos Ministérios, Bloco F, CEP 70056-900 Brasília-DF (tel: 226-6137; fax: 226-3577).

Ministry of Mines and Energy, Esplanada dos Ministérios, Bloco U, 70 andar, CEP 70065-900 Brasília DF (tel: 218-5447, 223-9059; fax: 225-5407).

Ministry of the Navy, Esplanada dos Ministérios, Bloco N, 20 andar, CEP 70055-900 Brasília DF (tel: 223-6858, 312-1000; fax: 312-1202).

Ministry of Planning and Budget, Esplanada dos Ministérios, Bloco K, CEP 70048-900 Brasília-DF (tel: 224-0679; fax: 225-4032).

Ministry of Science and Technology, Esplanada dos Ministérios, Bloco E, CEP 70067-900 Brasília-DF (tel: 224-4364; fax: 225-1141).

Ministry of Social Security, Esplanada dos Ministérios, Bloco F, CEP 70059-900 Brasília DF (tel: 224-5914; fax: 223-2293).

Ministry of Sport, Esplanada dos Ministérios, Bloco A, CEP 70054-900 Brasília-DF (tel: 224-5285; fax: 224-3618).

Ministry of Transport, Esplanada dos Ministérios, Bloco R, CEP 70040-900

Brasília DF (tel: 224-0185, 224-0995; fax: 226-4864).

President's Office, Palácio do Planalto, 40 andar, CEP 70150-900 Brasília-DF (tel: 211-1303, 211-1034; fax: 226-2078, 321-5804).

#### Other useful addresses

Associação do Comercio Exterior do Brasil (Exporters' Association), Avenida General Justo 335, Rio de Janeiro (tel: 240-5048).

British Consulate-General, Praia do Flamengo 284, 22210-030 Rio de Janeiro (tel: 553-3223; fax: 553-6850).

British Embassy, Setor de Embaixadas Sul, Quadra 801, Loto 8, Conjunto K, 70408-900 Brasília DF (tel: 225-2710, 223-5357; fax: 225-1777).

Companhia Vale do Rio Doce (CVRD – State Mining Company), Avenida Graca Aranha 26, Bairro Castelo, 20005 Rio de Janeiro (tel: 272-4477).

Confederação Nacional de Agricultura (CNA – National Agriculture Federation), Brasília DF (tel: 225-3150).

Confederação Nacional da Industria (CNI – National Confederation of Industry, comprising the 21 state industry federations), Edifício Roberto Simonsen, 16 andar, 70040 Brasília DF (tel: 224-1328).

Council of the State's Reform Programme, Av Borges de Medeiros, No 1501, 7 Andar, CEP 90119-900, Porte Alegre, Rio Grande do Sul (tel: 228-2708, 334-5275; fax: 226-5893, 382-4607).

Departamento Nacional de Telecomunicações (Dentel), Via N2, Anexo do Ministerio das Comunicações, Esplanada dos Ministérios, Bloco R, 70044 Brasília DC (tel: 223-3229).

Divisão de Feiras e Turismo-Departamento de Promoção Comercial (Organisers of Trade Fairs and Tourism), Ministerio das Relações Exteriores, Esplanada dos Ministérios, 2 andar, 70170 Brasília (tel: 211-6644).

Fundação Instituto Brasileiro de Geografia e Estatística (IBGE – Brazil Institute of Geography and Statistics), Avenida Franklin Roosevelt 166, Castelo, 20021 Rio de Janeiro (tel: 220-6671).

National Department of Foreign Trade, Avenida Presidente Vargas 328, 11 andar, 20091 Rio de Janeiro (tel: 271-7504).

Petrolo Brasileiro-Petrobras Segen/Gasbol (State Oil Company), Rua General Canabarro 500, CEP 20271-201, Maracana, Rio de Janeiro (tel: 566-3733; fax: 566-5723/5299).

Rede Ferroviaria Federal (SA – Federal Railway Corporation), Praça Procopio Ferreira 86, 2221 Rio de Janeiro (tel: 223-5795).

Secretaria Especial de Desenvolvimento Industrial (Industrial Development Council), Ministerio de Desenvolvimento da Industria e Comercio, Lotes 2/5-2/8, Bloco G, 8 andar, 70070 Brasília DF (tel: 225-7556).

Superintendencia da Zona Franca de Manaus (Manaus Free Zone Authority), Rua Ministro João Gonçalves de Souza, Cidade Universitaria, Distrito Industrial, 69000 Manaus (tel: 237-3288).

US Embassy, Avenida das Nações, Lote 3, 70403-900 Brasília DF (tel: 321-7272; fax: 225-9136).

World Trade Centre (WTC), Av das Nações Unidas, 12-551, Sao Paulo (tel: 893-7113; fax: 893-7101).

**National news agency:** Agencia Brazil (in Portuguese): [www.agenciabrasil.gov.br](http://www.agenciabrasil.gov.br)

**Other news agencies:** Agencia Estado: [www.ae.com.br/institucional](http://www.ae.com.br/institucional)

Agencia Globo: [www.agenciaoglobo.com.br](http://www.agenciaoglobo.com.br)

Folha Press (business news): [www.folhapress.com.br](http://www.folhapress.com.br)

PR Newswire (business news): [www.prnewswire.com.br](http://www.prnewswire.com.br)

Safras e Mercado (business news): [www.safras.com.br](http://www.safras.com.br)

#### Internet sites

Banco do Brasil: [www.bancobrasil.com.br](http://www.bancobrasil.com.br)

Banco Itaú: [www.ita.com.br](http://www.ita.com.br)

Brazilian Embassy in London: [www.brazil.org.uk](http://www.brazil.org.uk)

Brazilinfo: [www.brazilinfo.net](http://www.brazilinfo.net)

Brazil American Chamber of Commerce: [www.amcham.com.br/](http://www.amcham.com.br/)

Brazil Statistics: [www.ibge.gov.br](http://www.ibge.gov.br)

Brazzil (English-language magazine): [www.brazzil.com](http://www.brazzil.com)

National Industry Confederation (markets and industry information): [www.cni.org.br](http://www.cni.org.br)