



UBINODES



BRAZIL



Brazil.



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1. Overview.

Brazil has the biggest economy in Latin America and the second largest in the Western Hemisphere. It is the eighth largest in the world by GDP. Brazil's GDP is over 3 trillion USD. It also has the largest population in South America, with more than 211 million people. Brazil is

part of important international trade groups like Unasul, WTO, Mercosur, BRICS, and G-20. This helps Brazil take advantage of international trade opportunities because of its large size.

2. Benefits of Brazil.

Brazil excels in many trade sectors. In agriculture, it is a major exporter of seeds, sugar, and meat, selling to markets in Asia, Europe, and the Americas. Brazil is also the 12th largest oil producer in the world, producing over 2 million barrels a day. Additionally, it has the third-largest manufacturing sector in the Americas, which makes up nearly 30 percent of its GDP. This sector includes steel, automobiles, petrochemicals, computers, aircraft, and consumer goods.

Brazil is an important importer of machinery, computers, consumer electronics, pharmaceuticals, fertilizers, and medical equipment. Because of its long coastline, Brazil has a large port sector that handles over 90 percent of the country's international trade (refer to source 14).



3. What to import from Brazil.

Brazil emerges as a major exporter, leading in soybeans, followed by iron, mineral fuels, vehicles, meat, and sugar (refer to source 4).

Top 10 exports:

- Oilseeds.
- Ores, slag, ash.
- Mineral fuels including oil.
- Vehicles.

- Meat.
- Machinery including computers.
- Sugar, sugar confectionery.
- Iron, steel.
- Wood pulp.
- Food industry, animal fodder.

The Brazilian government offers numerous incentive programs for businesses interested in importing from Brazil, coupled with bureaucratic advantages and tax exemptions.

4. What to export into Brazil.

Brazil has a trade deficit in electronic products and produces very few domestically, so it relies heavily on imports. This shortage shows that Brazil is not competitive in the global electronics market, creating trade opportunities for manufacturers (refer to source 1 and 5).

Top 10 imports into Brazil:

- Electrical machinery, equipment.
- Fertilizers.
- Organic chemicals.
- Pharmaceuticals.
- Optical, technical, medical apparatus.
- Machinery including computers.
- Other chemical goods.
- Plastics, plastic articles.
- Mineral fuels including oil.
- Rubber, rubber articles.

Exporting to Brazil can be difficult because of significant bureaucratic barriers and high taxes. These challenges are tough for businesses due to Brazil's government policies that protect local industries. However, with the election of right-wing President Jair Bolsonaro, Brazil might become more open to imports as he is expected to implement a more liberal agenda.

5. To manufacturers.

Manufacturers looking to import or export with Brazil can use Ubinodes' expertise to find the best trading partners. Some products can only be imported and sold in Brazil if the manufacturer sets up a local manufacturing unit or office, or if they appoint authorized and licensed Brazilian distributors approved by the authorities. Sometimes, there might be separate importers and distributors for these products. It's important to note that the Brazilian government bans the import of several types of meat (refer to source 8).

The Brazilian government is open to lowering taxes on products that are not produced domestically. Recently, the Foreign Trade Chamber has temporarily reduced taxes on imported auto parts and machinery as indicated in source 9 and 10.

For all other products, they can be imported and effectively handled through our network of import and distribution partners. Despite potential complexities, manufacturers have opportunities to leverage trusted importers and distributors, as well as benefits like tax exemptions and streamlined bureaucracy. This is especially advantageous for those operating within the Manaus Free Trade Zone.

6. Manaus Free Trade Zone (MFTZ).



The Manaus Free Trade Zone (MFTZ) is a designated area for free import and export trade, providing special tax incentives. It was established to create an industrial, commercial, and agricultural hub in the Amazon Region, aiming to foster economic conditions that support the region's occupation and development.

A common strategy for importing into Brazil, especially in the electronics sector, is to have some products assembled in the MFTZ hubs. Companies that choose to conduct part of their assembly in the Free Zone can benefit from tax exemptions and streamlined bureaucratic procedures.

Illustratively, notable companies such as Nokia, Pepsi, Siemens, Semp-Toshiba, Panasonic, Samsung, Philips, Harley Davidson, Honda, and LG have chosen to establish a portion of their assembly processes within the Manaus Free Trade Zone (MFTZ).

The main sectors within the Manaus Free Trade Zone (MFTZ) include products such as two-wheel vehicles, electrical and electronics items, computer goods, chemicals, metallurgy, thermoplastics, mechanical components, disposables, watches, and other sectors.

An added advantage is the availability of a cost-effective labor force. Notably, numerous Asian companies, influenced by China, have recently chosen to establish their presence in the MFTZ (refer to sources 11 and 12).

7. Contact Us.

To successfully enter the Brazilian market, it's crucial to have a thorough understanding of its trading systems and opportunities. We offer comprehensive services to facilitate this understanding, including freight forwarding, customs clearance, regulatory compliance, packaging, storage, website and brochure design, marketing campaigns, advertising, identifying sales channels, and any other necessary support to ensure the success of your project.

Our approach involves a thorough analysis of your product(s) and their potential performance. Whether you are interested in exporting to Brazil or importing from it, we invite you to contact us for assistance.

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