



Overseas Market Information

Brazil A Country Profile

Synopsis of the Country

Capital	: Brasilia
Currency	: Brazilian Real (BRL)
Languages	: Portuguese (official), Spanish, English, French
Business Language	: Portuguese, English and Spanish
Population	: 201009622 (July 2013 est.)
Total Area	: 8514877 sq. kms.
GDP	: \$2.394 trillion (2012 est.)
GDP Growth Rate	: 0.9% (2012 est.)
GDP Per Capita	: \$12,100 (2012 est.)
Major Exports	: Transport equipment, iron ore, soybeans, footwear, coffee, autos.
Exports Value	: \$242.6 billion (2012 est.)
Major Countries of Export	: China, US, Argentina, Netherlands.
Major Imports	: Machinery, electrical and transport equipment, chemical products, oil, automotive parts, electronics.
Imports Value	: \$223.2 billion (2012 est.)
Major Countries of Import	: China, US, Argentina, Germany, South Korea.

The foundations for long-term economic development remain fragile in Brazil due to the absence of an efficiently functioning legal and regulatory framework. The state maintains an extensive presence in many sectors, and the legacy of decades of central planning is a substantial tolerance for state meddling in economic activity, even where it has demonstrably failed. Despite some progress, corruption continues to be pervasive. Progress with market-oriented reforms has been uneven. The burdensome regulatory environment discourages private-sector growth and hampers realization of the economy’s full potential. Increasing inflationary pressure poses a risk to overall macroeconomic stability. Business confidence has floundered, with foreign investments declining about 40 percent in the first half of 2012.

Background

Brazil is the world’s fifth-largest country in terms of land mass and population, and its almost 200 million people are heavily concentrated on the Atlantic coast. Its democratic

constitution, adopted in 1988, ushered in an era of economic reform and more responsible monetary policy that broke the back of chronic hyperinflation. President Dilma Rousseff, two-term Workers’ Party President Luiz Inacio “Lula” da Silva’s hand-picked successor, became Brazil’s first female president in 2011 and enjoys a high popularity rating. Brazil has benefited from surging prices for its commodity exports, and it weathered the 2009 global economic downturn better than many developed countries. The middle class is growing, and the real is stable. Ensuring adequate infrastructure for the 2014 World Cup and 2016 Rio Olympic games will challenge the government’s administrative and development capacity.

Rule of Law

Contracts are generally considered secure, but Brazil’s judiciary is inefficient and subject to political and economic influence. Though protection of intellectual property rights has improved, piracy of copyrighted material persists. Corruption continues to undermine economic freedom, although President Rousseff has ousted six cabinet ministers in response to a public backlash and mobilization against lax governance standards.

Limited Government

The income tax rate is 27.5 percent. The standard corporate tax rate is only 15 percent, but a financial transactions tax, 10 percent surtax, and 9 percent social contribution on net profits bring the effective rate to 34 percent. The overall tax burden amounts to 32.5 percent of GDP. Public spending is over one-third of GDP, and attempts at fiscal stimulus have added to a history of chronic public deficits. Public debt, however, has been relatively stable.

Regulatory Efficiency

Progress in improving the regulatory framework has been uneven. Bureaucratic hurdles remain common, including lengthy processes for launching a business and obtaining permits. The non-salary cost of employing a worker adds to the cost of doing business, and labor regulations remain stringent. Inflation has increased as the Banco Central do Brasil has cut interest rates in the face of sluggish demand and an overvalued currency.

Open Market

The trade-weighted tariff rate is 7.6 percent. Non-tariff barriers and the use of antidumping measures are a cause for concern. Foreign investors are generally granted national treatment, but their activity is restricted in some sectors. A



complex tax and regulatory environment challenges investors. The banking sector emerged relatively unscathed from the global downturn, with credits to the private sector increasing.

Foreign Trade in Figures

Although foreign trade only represents one-fourth of its GDP, Brazil is amongst the 20 top world exporters and has an enormous economic potential. The country's main trade partners are China, the United States, the countries of the Mercosur and the EU. Brazil's trade balance is structurally positive.

In 2011, the country recorded the highest trade surplus since 2007. However, it went down by 35% in 2012, a trend that continued in 2013 since its trade surplus was only USD 2.5 billion, a reduction of 87% in relation to 2012. This clear decline was due to the decrease in prices of raw materials, the increase in energy imports and less competitiveness in Brazilian products. However, it is important to note that the export of agricultural products broke the record in 2013, increasing by 4% from the previous year. The surplus (USD 83 billion) obtained from these exports compensated the trade deficit from the other sectors. According to the estimations, the agricultural sector has triplicated its results in relation to the year 2000.

Foreign Trade Indicators	2009	2010	2011	2012	2013
Imports of Goods (million USD)	133,673	191,537	236,964	233,388	250,447
Exports of Goods (million USD)	152,995	201,915	256,039	242,580	242,179
Imports of Services (million USD)	44,074	59,519	72,976	77,751	83,540
Exports of Services (million USD)	26,245	30,072	36,435	38,121	37,460
Imports of Goods and Services (Annual % Change)	-7.6	35.8	9.7	0.2	8.3
Exports of Goods and Services (Annual % Change)	-9.1	11.5	4.5	0.5	2.5
Imports of Goods and Services (in % of GDP)	11.1	11.9	12.6	14.0	15.0

Foreign Trade Indicators	2009	2010	2011	2012	2013
Exports of Goods and Services (in % of GDP)	11.0	10.9	11.9	12.6	12.6
Trade Balance (million USD)	25,271	20,147	29,807	19,431	-
Foreign Trade (in % of GDP)	22.1	22.8	24.5	26.6	27.6

(Source : WTO - World Trade Organization; World Bank, Last Available Data)

Economic Indicators

Brazil is the sixth largest global economy. Prudent fiscal and monetary policies along with the necessary micro-economic reforms allowed the Brazilian economy to withstand the global economic crisis. After having experienced strong growth, the Brazilian economy started showing signs of a slowdown due to the stagnation of prices of raw commodities in exports, a drop in domestic demand caused by the high level of household debts and a decline in investments. Growth was weak in 2012; however, it increased again in 2013 (2.5%) and inflation was 6%. The economic growth should keep this same pace in 2014.

President Dilma Rousseff is committed to pursue the same politics of Lula, her predecessor. However her interventionism policies hinders investors. The priority is given to relaunch the economy and to encourage foreign investment. The country's potential is hindered by a number of challenges: it has an expensive currency, transportation infrastructures are in decaying conditions and there is social and geographic inequalities. The Plan for accelerated growth includes, among other measures, an extensive program of credit support and financing of investments (about EUR 660 billion) as well as long-term fiscal measures. The government also wants to keep inflation under control and reduce its public debt which has attained more than 60% of GDP. However, the measures that support growth are being delayed and the government is not applying them fairly. Moreover, the country has to start structural reforms such as the modernization of its fiscal system. Salaries are taxed at 58% and the tax share to the GDP (36%) is the highest among the emerging countries. The same is happening with consuming taxes. Lastly, the pension retirement system is extremely high. In mid 2013, a huge protesting movement broke off criticizing the decay of the transportation infrastructures and public services, the poor condition of the education system, the high cost of living and the expenditures for the World's Cup 2014. Public investments are not sufficient to ensure a sustainable growth and private investments declined in 2013. The observers highlight the



country's fragility in case of an external impact. In spite of these problems, Brazil counts with efficient multinationals, a performing food-processing industry sector, an important amount of foreign reserves (USD 376 billion) and powerful public bank for the development.

Despite the good economic performance, there are still significant social problems. The country's inequalities are among the highest in the world. There are large regional disparities and delinquency and criminal violence are on the rise. The unemployment rate (5.4%) is getting close to its historical minimum; however, informal employment remains high. Although the results are not equitable, during the last two years 22 million of persons are no longer in extreme poverty conditions.

Main Indicators	2010	2011	2012	2013	2014(e)
GDP (billions USD)	2,142.91	2,474.64	2,253.09e	2,190.22	2,169.80
GDP (Constant Prices, Annual % Change)	7.5	2.7	0.9	2.5	2.5
GDP per Capita (USD)	10,992	12,584e	11,359	10,958e	10,773
General Government Balance (in % of GDP)	-3.8	-3.0	-2.7	-3.0	-3.2
General Government Gross Debt (in % of GDP)	65.0	64.7	68.0	68.3	69.0
Inflation Rate (%)	5.0	6.6	5.4e	6.3	5.8
Unemployment Rate (% of the Labor Force)	6.7	6.0	5.5	5.8	6.0
Current Account (billions USD)	-47.27	-52.47	-54.23	-74.01	-68.56
Current Account (in % of GDP)	-2.2	-2.1	-2.4	-3.4e	-3.2

Note : (e) Estimated Data

(Source : IMF - World Economic Outlook Database, Last Available Data)

Main Sectors of Industry

Brazil has abundant natural resources and its economy is relatively diversified.

As a major agricultural power, Brazil is the world's largest producer of coffee, sugar cane and oranges, as well as one of the largest producers of soy. The country also attracts many world groups in the food and bio-fuels industries. Brazil has the world's largest commercial livestock herd. Nevertheless, agriculture's contribution to the GDP is relatively small, accounting for only 5.5%, yet this sector ensures 40% of its exports. Forests cover half of the country, with the largest rain forest in the world situated in the Amazon Basin. Brazil is the world's fourth largest exporter of timber.

Brazil is also a great industrial country. It benefits from its mineral ore wealth and it is the second world largest exporter of iron and one of the main producers of aluminum and coal. As an oil producer, Brazil is aiming to become self-sufficient in the near future (its reserves could make of Brazil one of the main five producers of oil). The country is asserting itself more and more in the textile, aeronautics, pharmacy, automobile, steel and chemical industry sectors. Most of the large automobile manufacturers have set up their production plants in the country. The industrial sector contributes to more than one-fourth of the GDP but it has experienced a strong slowdown; the government is trying to improve this situation through the "Brazil Maior" plan.

The tertiary sector represents two-thirds of the GDP and employs 60% of the active workforce. In the recent years, the country has embarked on the production of high added-value services, especially in the fields of aeronautics and telecommunications.

Breakdown of Economic Activity by Sector	Agriculture	Industry	Service
Employment By Sector (in % of Total Employment)	15.3	21.9	62.7
Value Added (in % of GDP)	5.7	25.0	69.3
Value Added Annual % Change	7.3	2.2	2.0

(Source : World Bank - Last Available Data)

Monetary	2009	2010	2011	2012	2013
Brazilian Real (BRL) - Average Annual Exchange Rate For 1 USD	2.00	1.76	1.67	1.95	-

(Source : World Bank - Last Available Data)



Main Partner Countries

Main Customers (% of Exports)	2013
China	19.0%
United States	10.3%
Argentina	8.1%
Netherlands	7.2%
Japan	3.3%
Germany	2.7%
Venezuela	2.0%
South Korea	1.9%
Chile	1.9%
Panama	1.8%

Main Suppliers (% of Imports)	2013
China	15.6%
United States	15.1%
Argentina	6.9%
Germany	6.3%
Nigeria	4.0%
South Korea	4.0%
Japan	3.0%
Italy	2.8%
France	2.7%
India	2.7%

(Source : Comtrade, Last Available Data)

Main Products

242.2 bn USD of products exported in 2013

Iron ores and concentrates, incl. roasted iron pyrites	13.4%
Soya beans, whether or not broken	9.4%
Petroleum oils and oils obtained from bituminous minerals, crude	5.4%
Cane or beet sugar and chemically pure sucrose, in solid form	4.9%
Light-vessels, fire-floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks, floating or submersible drilling or production platforms (excl. fishing vessels and warships)	3.2%
Meat and edible offal of fowls of the species gallus domesticus, ducks, geese, turkeys and guinea fowls, fresh, chilled or frozen	3.0%

Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil	2.8%
Maize or corn	2.6%
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars (excl. motor vehicles of heading 8702)	2.3%
Chemical wood pulp, soda or sulphate (excl. dissolving grades)	2.0%

239.6 bn USD of products imported in 2013

Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing >= 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	7.4%
Petroleum oils and oils obtained from bituminous minerals, crude	6.8%
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars (excl. motor vehicles of heading 8702)	3.8%
Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles of heading 8701 to 8705, n.e.s.	3.5%
Petroleum gas and other gaseous hydrocarbons	3.3%
Electronic integrated circuits and micro assemblies	2.0%
Electrical apparatus for line telephony or line telegraphy, incl. line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line systems; videophones; parts thereof	1.9%
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses incl. those in the form of transdermal administration or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006)	1.6%



Parts suitable for use solely or principally with transmission and reception apparatus for radio-telephony, radio-telegraphy, radio-broadcasting, television, television cameras, still image video cameras and other video camera recorders, radar apparatus, radio navigational aid apparatus or radio remote control apparatus, n.e.s.	1.5%
Mineral or chemical potassic fertilizers (excl. those in pellet or similar forms, or in packages with a gross weight of <= 10 kg)	1.4%

Tax Rates

Consumption Taxes

Nature of the Tax

ICMS (Imposto sobre circulação de mercadorias e serviços): Tax on operations concerning the movement of goods and on national, municipal and local transport services.

Tax Rate

There are various indirect tax regimes in Brazil, including but not limited to :

- ICMS (Imposto sobre a Circulação de Mercadorias e Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação), State Sales Tax. The rate is 4% for imported goods which are not subject to any kind of industrial process after customs clearance and for the manufactured product resulting from the assembling or manufacturing process with more than 40% of imported good or raw materials. In other cases, rates are 7% applicable on sales made by business based in the south or south-east regions to customers in the north, north-east and mid-west regions, as well as to Espírito Santo state; 12% applicable on sales from any region to the customers in south or south-east regions and sales from north, north-east, mid-west regions and Espírito Santo State to customers in north, north-east, mid-west regions and Espírito Santo state.
- IPI (Imposto sobre Produtos Industrializados), Federal VAT Tax.
- ISS (Imposto sobre Serviços), Municipal Services Tax, Municipal Tax (governed by a Federal Law).
- COFINS, Social Contribution for Social Security Financing, Federal Tax.
- PIS, Employees' Profit Participation Program, Federal Tax.

Reduced Tax Rate

A great number of deductions are applicable, each State being able to alter them.

Other Consumption Taxes

A tax on industrialized products (IPI) is also collected: an excise duty levied at the federal level. It applies to almost all sales and transfers of goods manufactured or imported

in Brazil. The IPI rate can vary between 0% and 330%. The least taxed products are: basic foodstuffs, and the most taxed: alcohol and cigarettes.

Corporate Taxes

Company Tax

15%. Companies can benefit from reductions or exemptions when they are located in under-developed geographical areas (zonas francas).

Tax Rate For Foreign Companies

Companies resident in Brazil pay taxes on their worldwide profits. Foreign companies are only subject to tax if they engage in certain sales operations involving companies or agents resident in Brazil.

Capital Gains Taxation

The tax rate on long term capital gains is the same as for corporate tax. Non-resident investors are subject to an obligatory deduction of 15%, rising to 25% for residents of tax havens.

Main Allowable Deductions and Tax Credit

All the expenses necessary for company activity are deductible. Other expenses can be added: for employees' lunches, training, investment in the north-east of the country or in IT equipment. On the other hand, only 20% of managers' salaries are considered to be deductible expenses.

Other Corporate Taxes

There are many indirect taxes :

- The PIS and COFINS, respectively allocated to an employee savings scheme and to reimbursement of social security, and levied on the gross income of the company (1.65% and 7.6%). Exports are exempt, but imports are liable to PIS and COFINS at a combined rate of 9.25%.
- A supplementary tax, the ISS, is deducted by municipalities on services which are not subject to the ICMS, and is about 2 to 5% of the price of the service billed.
- A Financial Transactions Tax (IOF).
- Concerning real estate, a property tax which varies from 0.3 to 1.5% (in case of São Paulo city) of the value of the property is deducted every year by the municipality, as well as a second tax of 0.03 to 20% on rural property, according to the States and the use of the land. Every buyer must pay a progressive tax of 2 to 6% on the price of the property. This federal value added tax is levied on nearly all sales and transfers of products manufactured in or imported into Brazil, depending on the degree of necessity.
- In addition, import companies pay an import duty which varies according to the type of goods, and companies which pay royalties or pay for services rendered by foreign companies are subject to a deduction of 10%.


India's Total Trade with Brazil
All Commodities :
(Provisional Value in Rs. Lac)

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Export	1136483.36	1833586.35	2757688	3287202	3387064
Import	1625997.86	1606429.86	2042032	2643883	2254730
Total Trade	2762481.22	3440016.21	4799720	5931085	5641794

(Provisional Value in US\$ Million)

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Export	2414.29	4024.16	5769.75	6048.53	5552.47
Import	3437.97	3548.88	4271.47	4825.76	3720.94
Total Trade	5852.25	7573.04	10041.22	10874.29	9273.4

(Source : Website of Department of Commerce, Government of India)
**Engineering Export to Brazil (Principal Commodities)
(Provisional Figures)**
(Value in US\$ Million)

Commodities	April 2012 - March 2013	April 2013 - March 2014
Mica	0.2	0.15
Ferro Alloys	6.48	6.42
Aluminium other than products	3.35	28.87
Non-Ferrous Metals	9.67	8.07
Manufactures of Metals	113.11	134.25
Machine Tools	2.62	4.63
Machinery and Instruments	356.13	324.51
Transport Equipments	207.67	253.55
Residual Engineering Items	9.12	11.34
Iron & Steel Bar/Rod etc. & Ferro Alloys	27.16	31.31
Primary & Semi-Finished Iron & Steel	44.91	46.43
Total	780.42	849.53

**Engineering Import from Brazil (Principal Commodities)
(Provisional Figures)**
(Value in US\$ Million)

Commodities	April 2012 - March 2013	April 2013 - March 2014
Primary Steel, Pig Iron based Items	73.53	56.8
Iron & Steel	162.75	56.14
Non-Ferrous Metals	9.13	12.28
Manufactures of Metals	6.79	11.77
Machine tools	2.51	2.53
Machinery except Electric & Electronics	103.5	63.79
Electric Machinery except Electronics	5.06	9.43
Transport Equipments	153.83	61.96
Professional Instruments, etc. except Electronics	11.12	14.06
Total	528.22	288.76



Investing in Brazil

FDI in figures

After a slowdown in 2009, foreign direct investment (FDI) into Brazil has been booming. After having reached USD 65 billion in 2012, FDI inflows in Brazil increased to USD 64 billion in 2013, largely compensating for the deficit in the current accounts. Even though FDI influx is going through a slight decline since 2011, Brazil remains the largest recipient of FDI in Latin America and the fourth one in the world. Currently, the country is the fourth largest investor in emerging markets and the first in Latin America.

The attractiveness of Brazil for international investors is due to several factors :

- A domestic market of nearly 200 million inhabitants;

- A booming economy;
- Easy access to raw materials;
- A diversified economy, therefore less vulnerable to international crises;
- A strategic position allowing easy access to other South-American countries.

Among the factors hindering FDI are heavy and complicated tax systems, slow bureaucracy and cumbersome and rigid labor legislation. Brazil ranks 116 out of 189 countries in the classification of Doing Business 2014 issued by the World Bank.

The main investors in Brazil are the United States, Spain and Belgium. The sectors attracting most of the foreign investments are finance, the beverage industry, oil and gas and telecommunications.

Country Comparison For the Protection of Investors

	Brazil	Latin America & Caribbean	United States	Germany
Index of Transaction Transparency*	6.0	4.0	7.0	5.0
Index of Manager's Responsibility**	7.0	5.0	9.0	5.0
Index of Shareholders' Power***	6.0	9.0	5.0	
Index of Investor Protection****	5.3	5.0	8.3	5.0

(Source : Doing Business - Last Available Data.)

Note : *The Greater the Index, the More Transparent the Conditions of Transactions.

**The Greater the Index, the More the Manager is Personally Responsible.

*** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

**** The Greater the Index, the Higher the Level of Investor Protection.

Foreign Direct Investment	2010	2011	2012
FDI Inward Flow (million USD)	48,506	66,660	65,272
FDI Stock (million USD)	682,346	695,103	702,208
Performance Index*, Ranking on 181 Economies	51	34	-
Potential Index**, Ranking on 177 Economies	-	25	-
Number of Greenfield Investments***	75	89	53
FDI Inwards (in % of GFCF****)	11.6	14.0	15.1
FDI Stock (in % of GDP)	31.8	28.1	31.2

(Source : UNCTAD - Last Available Data.)

Note : * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP.

** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk.

*** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up.

**** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.



Why You Should Choose to Invest in Brazil

Strong Points

Brazil has Universities that perform just as well as their counterparts in the OECD and a very big manpower reserve educated to all levels. It also has extensive raw material resources. A number of sectors offer good business opportunities. The Brazilian economy is diversified and more and more manufactured goods are produced and exported. The potential of the Brazilian domestic market as well as the low cost of labor are elements which may attract foreign investors.

Weak Points

Despite being open to world trade, several administrative barriers cripple international trade. Valuing the real against the dollar automatically reduces the country's competitiveness against Asian competitors in some sectors. The Labor laws are very onerous, involving substantial costs to foreign companies and keeping a good part of the local business in the informal sector.

Government Measures to Motivate or Restrict FDI

The Brazilian government encourages and promotes FDI. Most of the barriers to foreign investor activity have been removed particularly on the stock market. A very large number of public companies have been privatized and many sectors deregulated over the last fifteen years.

Visa Information

Brazil has a reciprocal visa situation.

Visas are not required by holders of passports of the following countries :

Andorra, Argentina, Austria, Bahamas, Barbados, Belgium, Bolivia, Bosnia and Herzegovina, Bulgaria, Czech Republic, Chile, Colombia, Costa Rica, Croatia, Cyprus, Denmark, Ecuador, El Salvador, Estonia, Finland, France, Germany, Greece, Guatemala, Guyana, Honduras, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macau, Malaysia, Malta, Mexico, Morocco, Monaco, Namibia, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, South Africa, South Korea, Spain, Suriname, Sweden, Switzerland, Thailand, Trinidad & Tobago, Tunisia, Turkey, Ukraine, Uruguay, UK, Vatican and Venezuela.

Everyone else can experience the process of obtaining a visa.

Operating a Business in Brazil

Setting up a company

La Sociedade a responsabilidade limitada is a limited liability company :

Number of partners : 2 partners minimum.

Capital (max/min) : No minimum capital.

Shareholders and liability : Their liability is limited to the amount of capital contributed. They are also jointly liable for the company's commitments within the limit of the capital remaining to be paid up.

La Sociedade anonima is a public limited company :

Number of partners : 2 partners minimum.

Capital (max/min) : No minimum capital.

NB.: 10% minimum of the issue price of the subscribed shares must be paid up in cash.

Shareholders and liability : The partners' liability is limited to the amount of capital contributed.

The general partnership

Number of partners : 2 partners minimum.

Capital (max/min) : No minimum capital.

Shareholders and liability : The partners' liability is limited to the amount of capital contributed.

The limited joint-stock partnership

Number of partners : 2 partners minimum. There are two types of partners, the active partners and the silent partners.

Capital (max/min) : No minimum capital.

Shareholders and liability: The liability of the active partners is unlimited. The liability of the silent partners is limited to the amount of capital contributed as long as they do not participate in the management of the company.

Reaching the consumers

Marketing Opportunities

Consumer behaviour : Consumers are loyal to brands; including the low income population which this allows to assert itself. More well-off consumers pay particular attention to quality, after-sales service, and the company's social commitment (protection of the environment, sanitary standards, etc).

National pride is reflected in consumer habits, but Brazilians remain attached to foreign products as exterior signs of wealth (technological equipment, American sports brands, etc.). Payment terms are an important factor.

Consumer profile and purchasing power : Consumption among the majority of the population is turned towards food and housing. The Brazilian consumer is more demanding and selective. He is aware of quality, the price of goods and special offers. Brazil is a dual economy, in which the upper classes distinguish themselves by consumption close to that of the United States and Europe, while the poorer people have to be careful with prices and buy almost exclusively on the unofficial market.



Distributing a Product

Evolution of the Sector : With the liberalization of trade, undertaken since 1990, many agents and distributors have formed themselves into companies and begun to import to sell on their own account. Today, the majority of the large distribution chains have their own import agency. For several years, supermarkets and in particular hypermarkets, have become more and more important in the distribution milieu. Brazilian hypermarkets make 80% of sales of staple commodities.

Market Access Procedures

Non-tariff barriers : A large number of imported products are subject to a prior license application to the SECEX (Secretariat for Foreign Trade), which is the only organization authorized to issue this license. The license is valid for 60 days from the date of shipment of the goods (sometimes from the date of the license application). This period cannot be extended and is often insufficient. A new license application must then be made. For textiles, regulations are even more strict: the license is only issued if payment is carried out within 30 days following the date of the B/L (importers have to prove that they have effectively paid within the 30 days).

All imports must be accompanied at least by 2 copies of the commercial invoice and the B/L. In the case of non-compliance with the legal requirements of the country, the Customs have the right to impose large fines, up to 100% of the usual Customs duties being common. It is advisable in any case to work with a very good Brazilian Customs broker who alone will be in a position to be informed more or less in due course about Customs regulations. It is necessary to consult the numerous sanitary regulations before importing anything.

Customs duties and taxes on imports : 10.73%, within the average for emerging countries.

Customs classification : Brazil applies the Harmonized Customs system.

Import procedures : Every importer must be registered with the authorities in charge of foreign trade, SISEX, in order to integrate the Customs computer system, the SISCOMEX. This represents a costly investment, as the prerequisites, especially in terms of minimum capital, are considerable. The regime in place in Brazil has an automated process for issuing import licenses, except for a certain number of products listed below. In general, all used consumer goods are prohibited from being imported.

Importing Samples : Imported samples will be considered by the Customs at their market value, unless there is a particular agreement according to the quantity and size of the samples.

Organizing Goods Transport

Main useful means of Transport : The Brazilian transportation infrastructure faces many challenges, as roads and ports need to be upgraded. Brazil's participation in the waterway modal of transportation is small when compared to other countries, despite its enormous potential for river traffic. Only 13% of cargo is transported by this mode. The roads represent 58% of the total freight while railroads comprise 21%.

Brazil's large cities are well served by air. However, goods transport is not much developed, mainly because of the high cost of this type of transport.

Practically all the State capitals are linked by tarmac roads. São Paulo, Rio de Janeiro and other important States have expressways. The road and motorway network covers approximately 1.5 million kilometers, of which some 160 000 are tarmac, an increase of more than 300% over the last two decades. This is the means of transport used most, as it handles about 85% of the transport of people and Brazilian products. Recently, the exploitation of several motorways has been transferred to the private sector.

The railway network carries 22.5% of goods traffic. Only 7% of the lines are electrified.

Identifying a Supplier

Type of Production : Industry is dynamic and contributes 37% to GDP, especially in the following sectors: agri-foods, textiles, aeronautics, pharmacy, automobile, iron and steel industry, chemical industry.

Useful Addresses

Embassy of India in Brazil

Embassy of India
SHIS QL 08, Coj 08
Casa 01, Lago Sul, CEP 71.620/285
Brasilia, DF
Tel. : 00-55-61-2484006 [4 lines]
Fax : 00-55-61-2485486
Email : hoc@indianembassy.org.br
Website : www.indianembassy.org.br

Consulate General of India

Avenida Paulista, 925 – 7th Floor
Sao Paulo-01311, Brazil
Tel. : 00-55-11-31710340-41
Fax : 00-55-11-31710342
Email : bhojwani@indiaconsulate.org.br
Website : www.indiaconsulate.org.br

Embassy of Brazil in India

Embassy of the Federative Republic of Brazil

8, Aurangzeb Road
New Delhi 110011
Tel. : +91-11-2301 7301
Fax : +91-11-2379 3684
Email : brasindi@vsnl.com

**Honorary Consulate**

Shakespeare Court
21 A, Shakespeare Sarani
Kolkata 700 071
Tel. : +91 33 2247 9752, 2240 1935
Mobile : 9831005408
Fax : +91 33 22401934
Email : pradeep_khemka@hotmail.com

Honorary Consulate

406, Sharda Chambers
New Marine Lines
Mumbai 400 020
Tel. : +91-22-2200 2236
Fax : +91-22-22009456
Email : akadokia@vsnl.com

Trade Associations

International Chamber of Commerce of Brazil
Rua Timbiras, 1200, 60andar
30140-060 Bello Horizonte, Brazil
Tel. : 5531-213-1550
Fax : 5531-213-1552
Email : camint@camint.com.br
Website : <http://www.camint.com.br>

Associacao Brasileira das Empresas Comerciais
Exportadoras
Rua Da Candel'ria, 9-60 andar
S/601, 20091-020 Rio De Janerio, Brazil
Tel. : 55021 2531225
Fax : 55021 2537278

Associacao de Comircio Exterior do Brasil (AEB)
AV. GENERAL JUSTO, 335 / 4o. andar
20021-130 Rio De Janerio, Brazil
Tel. : 5521- 2544-0048 / 25
Fax : 5521- 2544-0577
Email : aebbras@aeb.org.br
Website : <http://www.aeb.org.br>

Confederacao Nacional da Industria (CNI)
Av. Nilo Peganha, 50, sl.3216
20044-900 Rio De Janerio
Brazil
Tel. : 5521 5348145
Fax : 5521 5348292
Email : webmaster@mail.cni.org.br
Website : <http://www.cni.org.br>

Confederacao Nacional do Comercio
Av. General Justo, 307, 40 andar
20022 Rio De Janerio
Brazil
Tel. : 55021 2970011
Fax : 55021 5247111
Email : cncrj@cnc.com.br

Confederation of Chambers of Commerce of Brazil
Rua Da Candel'ria, 9-120 andar
20091-020 Rio De Janerio, Brazil
Tel. : 55-21 2639461
Fax : 55-21 2637613
Email : cacb@nutecnet.com.br
Website : <http://www.cacb.org.br>

Federacion de Camara de Comercio Exterior
Av. General Justo, 307, 60 andar
20021-130 Rio De Janerio, Brazil
Tel. : 005521-38049289
Fax : 005521-25247111

Useful Links**Business Environment****Accounting Rules****Accounting Regulation Bodies**

CFC (<http://www.cfc.org.br/>)

Regulation of financial institutions (<http://www.cosif.com.br/>)

Accounting Reports

Brazil Company Handbook (<http://www.brazilcompany.com/html/account.html>)

Accounting News

Brazil Accounting News (<http://www.einnews.com/brazil/newsfeed-brazil-accounting>)

Tax Authorities

Administration of federal tax revenue (<http://www.receita.fazenda.gov.br/>)

Standards**National Standards Organizations**

Brazilian technical standards association (<http://www.abnt.org.br/>)

Brazilian committee for standardization in the fields of electricity, electronics and telecommunications (<http://www.cobei.org.br/>)

National Council of Metrology, Standardization and Industrial Quality (CONMETRO) (<http://www.inmetro.gov.br/english/index.asp>)

National Institute of Metrology, Standardization and Industrial Quality (INMETRO) (<http://www.inmetro.gov.br/>)

Online Consultation of Standards

The ABNT catalog. (<http://www.abnt.org.br/default.asp?resolucao=1024X768>)

Certification Organizations

List of organizations authorized to issue certifications (<http://www.inmetro.gov.br/credenciamento/organizacoesCredenciadas.asp>)

**Business Practices****General Information**

Main recommendations and codes of business relations (<http://executiveplanet.com/index.php?title=Brazil>)

Ministries

Ministry of Agriculture and Reserves (MA) (<http://www.agricultura.gov.br/>)

Ministry of Foreign Relations (MRE) (<http://www.mre.gov.br/>)

Institute for Mine development (INDI) (<http://www.indi.mg.gov.br/>)

Ministry of Development, Industry and Foreign Trade (<http://www.desenvolvimento.gov.br/sitio/>)

Ministry of the Economy (Fazenda) (<http://www.fazenda.gov.br/>)

Ministry of Labour (<http://www.mtb.gov.br/>)

Ministry of Health (<http://portalsaude.saude.gov.br/index.php/cidadao/principal/english>)

Statistical Office

Brazilian Statistics Institute (<http://www.ibge.gov.br/>)

Central Bank

Central Bank (<http://www.bcb.gov.br/>)

Stock Exchange

Rio de Janeiro Stock Exchange (http://en.wikipedia.org/wiki/Rio_de_Janeiro_Stock_Exchange)

São Paulo Stock Exchange (<http://www.bmfbovespa.com.br/en-us/home.aspx?idioma=en-us>)

Search Engines

Yahoo! Brazil (<http://br.yahoo.com/>)

Aonde (<http://www.aonde.com/>)

Achei (<http://www.achei.com.br/>)

Lycos Brazil (<http://www.lycos.com.br/>)

Bing (<http://www.bing.com/>)

RadarUOL (<http://www.radaruol.com.br/>)

Altavista (<http://www.altavista.com.br/>)

Terra (<http://www.terra.com.br/>)

Economic portals

Economic Portal-Brazil (http://www.wilsoncenter.org/index.cfm?topic_id=1419&fuseaction=topics.item&news_id=210146)

Reaching the consumers**Consumers Associations**

IDEC, Brazilian Institute for the Defense of the Consumer (<http://www.idec.org.br/>)

Main Advertising Agencies

Members of the professional association of Brazilian advertising agencies (<http://webserver.4me.com.br/wwwroot/abap/associados.pdf>)

Organizing goods transport**Ports**

Port of Recife (<http://www.portodorecife.pe.gov.br/>)

Port of Santos (São Paulo) (<http://www.portodesantos.com.br/>)

Port of the Rio Grande (<http://www.portoriogrande.com.br/>)

Port of Salvador (<http://www.codeba.com.br/>)

Port of Rio de Janeiro (http://www.bnamericas.com/factfile_detail.jsp?idioma=l&documento=13597)

Port of Belem (<http://www.cdp.com.br/index.php>)

Port of Paranagua (<http://www.portosdoparana.pr.gov.br/>)

Port of Vitoria (<http://www.portodevitoria.com.br/>)

Port of Itaquí (<http://www.portodoitaqui.ma.gov.br/>)

Port of Sao Sebastiao (<http://www.xmarks.com/site/www.dersa.sp.gov.br/rodovias/cameras.asp>)

River port of Manaus (<http://www.portodemanaus.com.br/>)

Airports

Brazilian airports website (<http://www.infraero.gov.br/>)

Sea transport organizations

Government agency for sea transport (<http://www.antaq.gov.br/>)

Air transport organizations

National Civil Aviation Agency (<http://www.anac.gov.br/>)

Road transport organizations

National land transport agency (<http://www.antt.gov.br/>)

Rail transport organizations

National land transport agency (<http://www.antt.gov.br/>)

Business Directories**Multi-sector Directories**

NEI - Directory for industry in Brazil. (<http://www.nei.com.br/index.aspx?l=en-us>)

NEI Directory - Electronic components, chemicals, electric equipments suppliers directory in Brasil. (<http://www.nei.com.br/>)

All.biz - Brazil - Directory of companies in Brazil. (<http://www.br.all.biz/en/>)

BrazilBiz - Vendors and business opportunities in Brazil. (<http://www.brazilbiz.com.br/english/>)



Brazilian Companies - Directory of resources provided by BrasilGlobalNet. (<http://www.brasilglobalnet.gov.br/UsuariosPesquisa/Cadastro/frmUsuarioPesquisa.aspx>)

Brazilian Exporters Directory - List of Brazilian exporters provided by Brazil4export.com. (<http://www.brazil4export.com/>)

Brazilian Tradings Directories - BTD - Business directory provided by ApexBrasil, Brazilian Trade and Investment Promotion Agency. (<http://dtb.apexbrasil.com.br/Default.aspx?idioma=en>)

Catalogo-Empresas - Brazil - Directory of companies, industries & services in Brazil.

CIB - Directory of Brazilian Importers - Directory of Brazilian importers, managed by the Secretary of International Trade of Brazil. (<http://cib.brasilglobalnet.gov.br/frmPesquisa.aspx>)

Cyclex - Brazil's business directory. (<http://www.cylex.com.br/>)

Directorio Industrial - Brazil's business directory. (<http://www.diretorioindustrial.com.br/>)

Guias - Brazil's Yellow Pages. (<http://www.guiasoesp.com.br/>)

PlanetaBrasileiro - A search engine for companies in Brazil. (<http://www.planetabrasileiro.com/>)

Telelistas.net - Brazil's business directory. (<http://www.telelistas.net/index.aspx>)

The Yellow Pages - Find a business in Brazil. (<http://www.listas-amarelas.com.br/>)

Trade Agencies and Their Representations Abroad

Chamber of Commerce and Industry of Rio de Janeiro (<http://www.caerj.org.br/>)

Enterprises Federation

Union representation for trade in goods, services and tourism. (<http://www.cnc.org.br/>)

National Confederation of Industry (<http://www.cni.org.br/>)

National agency for support for SMEs (<http://www.sebrae.com.br/>)

Business Setup Procedures

Consult Doing Business Website, to know about procedures to start a Business in Brazil. (<http://www.doingbusiness.org/data/exploreeconomies/Brazil/starting-a-business/>)

Register of commerce (<http://www.facil.dnrc.gov.br/>)

Civil Register of legal entities (<http://www.irtdpjbrasil.com.br/Gestao2013/>)

For Further Statistics

IPEA Data (<http://www.ipeadata.gov.br/>)

Unions

Unitarian Workers Group (<http://www.cut.org.br/>)

CGT Brazil (<http://www.cgtb.org.br/>)

Força Sindical (<http://www.fsindical.org.br/fs/index.php>)

Competent Organization for the Declaration

Central Bank of Brazil (<http://www.bcb.gov.br/>)

Investment Aid Agency

BNDES (<http://www.bndes.gov.br/>)

Agency for the promotion of investment in Brazil (<http://www.apexbrasil.com.br/>)

FINAME (http://www.bndes.gov.br/programas/industriais/finame_modermaq.asp)

Traveling in Brazil

Entry Requirements

Passport and Visa Service

Federal police (<http://www.dpf.gov.br/>)

Diplomatic Representations

Ministry of Foreign Affairs (in Portuguese) (<http://www.mre.gov.br/>)

Organizing Your Trip

Means of Transport Recommended in Town

The Metro is an efficient means of transport in large cities. Taxi drivers speak very little English, Spanish or French but it is enough to state the place where you want to go. Late at night and for a woman alone, it may be useful to ask for the taxi's official number. In the daytime, outside the shanty towns, buses present no danger; you should just have your destination confirmed by the "cobrador", the ticket inspector, or another passenger. A bus journey costs 2 BRL, as opposed to 12 on average for a 10 to 15 minute taxi ride.

Maps of Urban Networks

Plan of the São Paulo metro (<http://www.urbanrail.net/am/spau/sao-paulo.htm>)

Plan of the Rio network (<http://www.metrorio.com.br/VadeMetro/Mapas>)

Plan of the Brasilia network (<http://www.aboutbrasil.com/facts/metro.html>)

Rail Companies

SuperVia (<http://www.supervia.com.br/>)

Traveling by Yourself

Recommendation

An extensive road network over 1.5 million km, but only 10% is asphalted. Expressways are rare, the roads are in bad condition and there are practically no road signs outside towns. Be careful and avoid driving at night.

Road Maps

Road maps by State (<http://www.dnit.gov.br/mapas-multimodais/mapas-multimodais>)

Find an Itinerary

Addresses and itineraries (<http://www.maplink.com.br/>)



Tourism Organization

Brazilian Tourism portal (<http://www.braziltour.com/index.html?locale=en>)

Ministry of Tourism (<http://www.turismo.gov.br/>)

Rio Convention Camp & Visitors Bureau (<http://www.rcvb.com.br/?/2/default.html>)

Type of Climate

A tropical area but there are 5 different climatic regions in Brazil. The climate is very mild in Sao Paulo and Brasilia, on average 19°C, and it is hot in Rio de Janeiro. It is better to visit the south of Brazil between September and November. The tropical climate in the north allows visiting all year, but be careful of the rainy season from December to March and the very high temperatures which go with it. The ideal time to visit Amazonia is the dry season, from June to September.

Getting Some Knowledge

Use travlang (<http://www.travlang.com/>)

Free Translation Tools

Lexilogos : Online dictionary (http://www.lexilogos.com/portugais_langue_dictionnaires.htm)

Eurodicautom : EU dictionary

(<http://iate.europa.eu/iatediff/SearchByQueryLoad.do; jessionid=9ea7991c30d67707f6f1cc554083bf62fab549aa8189.e3iLbNeKc3mSe3aNbxuQa3eTbi0?method=load>)

(Source : EEPC INDIA Website, Statistics Department – EEPC INDIA, www.fita.org)

[Prepared and compiled by Trade Information Department, EEPC India (Head Office) Kolkata]



BOMBAY EXHIBITION CENTRE
16-18 DECEMBER 2014
www.iesshow.in

India Engineering Sourcing Show (IESS)

INDIA'S LARGEST INTERNATIONAL ENGINEERING SOURCING SHOW

The 4th edition of India Engineering Sourcing Show (IESS) 2014 will be held between 16-18 December, 2014 at Bombay Convention & Exhibition Centre (BCEC) in Mumbai. The event is organized under the aegis of the Ministry of Commerce & Industry, Government of India, with EEPC India as the lead agency.