

Brazil Buzz!

Business news and updates for opportunity seekers



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Brazil Office



Peer-to-peer economy advances in Brazil

The growth of peer-to-peer exchanges of goods and services has not excluded Brazil.

With the expansion of companies with existing presence in the country, as well as the arrival of new firms, the so-called sharing economy is gaining seed and advancing quickly in Brazil.

Car sharing and bike sharing, for example, have both expanded quickly in places like Sao Paulo.

But the trends are also seen outside of the larger metropolises. In Curitiba, for example, the municipal government is in the process of approving and implementing rules to govern the use of shared

cars—a service similar to Zipcar in the United States but using an exclusively electric fleet. The service includes stations around a city where drivers can charge the vehicles.

Meanwhile, larger companies like Uber have continued their foray into the Brazilian peer-to-peer market, with Uber operating in multiple cities and even offering a helicopter service with limited pick-up points and destinations.

These trends suggest that other more recent trends in sharing economy services will also appear in Brazil soon after their introduction in other markets.

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NOVEMBER 1ST

FOREX QUOTES:

USD-BRL 3.198

USD-GBP 0.820

USD-EUR 0.912

USD-KRW 1136

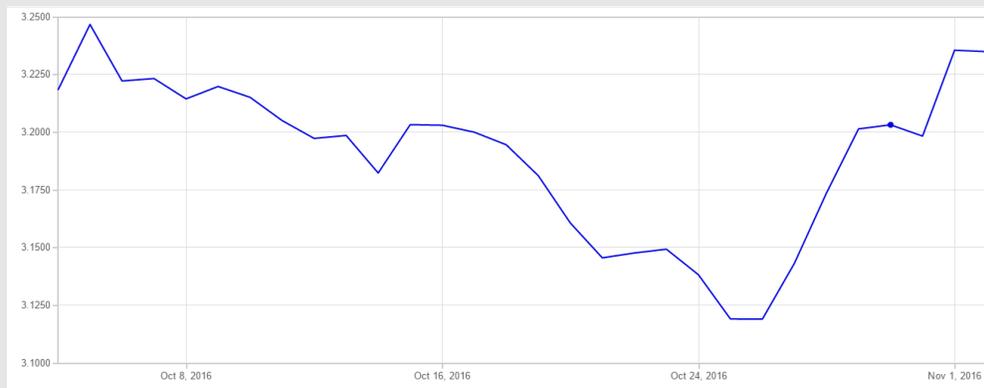
USD-JPY 104.87

USD-CNY 6.773

Exchange Rate News

The Brazilian real (BRL) appreciated against the US dollar (USD) in October (see graph at right on inverted scale), fluctuating during the month but ending October at roughly the 3.225 BRL per USD level where September ended.

BRL per USD in October 2016



Source: Oanda

Brazil Buzz!

Finance minister: Brazil needs open infrastructure investment



Itajaí Port in South Brazil (Source: Wikimedia Commons)

Henrique Meirelles, Brazil's finance minister, spoke recently on obstacles to growth in the country, and suggested Brazil needs more open infrastructure and more open investment channels to boost output.

As is the case in many countries,

Brazil's transport and trade infrastructure need additional investments in order to improve efficiency in trade and distribution.

Minister Meirelles' comments came on the heels of a trip abroad where he promoted foreign direct investment (FDI) in Brazil—both infrastructure and other areas of potential FDI. With meetings in Japan, alongside Brazilian President Michel Temer—the minister will continue his pitches for increased foreign involvement in infrastructure development.

Many of the infrastructure projects on the table, especially those involving seaports, airports, and highway systems, facilitated the access of foreign goods into more Brazilian states and cities.

“THERE IS DISCUSSION AND GREAT INTEREST IN INVESTING IN BRAZIL...I'VE EMPHASIZED THE ISSUE PREDICTABILITY OF RULES...THE IDEA IS TO PROMOTE FREE COMPETITION.”

- Henrique Meirelles, Brazilian Finance Minister

Seeking growth, Central Bank lowers interest rates

Brazil's Central Bank announced cuts to its key “Selic” benchmark interest rate, lowering it from 14.25 percent to 14 percent.

The move marked the first time since late 2012 that the bank shifted toward an easier, more growth-oriented monetary policy position.

Although the rate reduction was small, it was significant given the concerns about inflation in recent years, which constrained the bank's ability to lower its key benchmark rates. Amid inflation fears, rates had mostly either remained flat or even increased. This caused added strain to a

dour economic scene, and began to look to some observers like the “stagflation” that has plagued the United States in the past.

But with this reversal, the cut therefore signaled renewed confidence in price stability, and came as a relief to those watching inflation closely and hoping the recent declines were not transitory. It also opened the door to more expansionary monetary policy in the future.

In all, the rate cut bodes well for growth and could spell future expansionary policy.



Source: Flickr Creative Commons, Mark Hillary

[Demand for internet increases in spite of downturn](#)



Source: Flickr Creative Commons, NOAA

Demand for broadband internet in Brazil has remained resilient and continues to increase in spite of the economic climate.

While demand for other non-essential goods and services has tended to have seen oscillations and dips over the course of the recession, internet connectivity continues to race ahead.

Total broadband connections in the country surpassed 26 million in August, which consti-

tuted a 5 percent increase over the previous year.

Along with smartphone connections, internet connectivity has shown impressive growth over the past several years, connecting millions of Brazilian consumers to services and peer-to-peer platforms (see page 1) previously available only in foreign markets or for higher-income Brazilians. It has also meant the expansion of Facebook and Twitter to the point where Brazil comprises one of those company's major markets.

[Chinese electronics firm TCL arrives in Brazil](#)

TCL, a Chinese electronics maker, put its first foot in Brazil after reaching an agreement with Brazilian firm Semp.

TCL sees potential for quick expansion and growth in Brazil, according to company executives, in a variety of product areas. Of particular interest to the Chinese firm is the domestic television industry, where TCL hopes to be able to break into a market captured for the most

part by Korean electronics firms Samsung and LG.

The company owns Alcatel, which has been operating and selling in Brazil for roughly six years, but TCL products themselves have not reached Brazilian consumers.

TCL joins a growing list of Chinese electronics firms, including Huawei, which have begun to establish a dominant presence.



Source: Flickr Creative Commons, Vernon Chan

[Expansionary indicators portend GDP stability, says bank](#)

Itau, a large Brazilian bank, released an internally generated measure for domestic market conditions, claiming improvements in the indicator suggested a resurgent economy.

The bank's measure, which combines various indicators to make a broad assessment of macro-economic trends, seeks to predict growth trends in the country. Among the indicator's various

subcomponents, the measure assessing the financial sector contributed heavily to the revised figure, with the Brazilian stock market performing well in recent months.

Earlier measures from the beginning of the year indicated a lower level of confidence in the economic environment, making the most recent measure a departure from previous assessments.

Study points to regional pattern of growth and recovery

A new study by a consultancy reveals regional and sector-specific growth patterns that paint a somewhat more optimistic picture than less granular measures of Brazilian output may have to offer.

The study reveals eleven specific industry categories of growth areas, with pharmaceutical sales and expansion leading the way.

Geographically, the areas showing greatest growth were cities in the northeast, state capitals, and cities relying more heavily on agri-

business results. The fact that the northeast continues to grow has broad implications for poverty reduction, seeing as this region of the country is generally less well-off than other regions of Brazil.

In reaching these findings, the study considered sales data from 5,000 municipalities across the country. Overall, the data and findings provide a more relevant perspective on a complex national economic scene, and deserve attention as a means of assessing trends across the country.

English Language news sources for Brazilian news:

<http://www1.folha.uol.com.br/internacional/en/>
<http://thebrazilianeconomy.com/>

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BRAZIL TRADE SHOWS AND EXPOS, NOVEMBER 2016

November 1-3: [SPORT INFRA TECH](#) (soccer arena management & tech)
November 6-9: [REABILITAÇÃO](#) (physical therapy and rehab)
November 8-10: [BUSINESS ON RAILS-NT EXPO](#) (subway & railway technology)
November 22-25: [FEIPPETRO](#) (oil and gas)

BRAZIL TRADE SHOWS AND EXPOS, DECEMBER 2016

December 16-24: [FENAIUC](#) (fashion, accessories)

BRAZIL TRADE SHOWS AND EXPOS, JANUARY 2017

January 15-18: [SÃO PAULO PRÊT À PORTER](#) (fashion, garment & accessories)
January 15-18: [COUROMODA](#) (footwear & leather goods)

Brazil Business News Headlines

Raizen and tech startup partner to predict crop output	Raizen, a Brazilian ethanol giant, announced a deal with a tech startup which would afford greater accuracy in predicting the country's ethanol crop production. The startup, called Space Time Analytics, will monitor and forecast output in each of Raizen's crop areas.
BRF to invest 80 million reais in distribution center	BRF, a Brazilian food giant, will invest 80 million reais toward a new regional distribution complex in the south of the country in the state of Parana.
Cofco Agri invests in grain storage facilities in Mato Grosso state	Cofco Agri, a Chinese firm, invested in two grain storage facilities of 60 and 72 thousand tons in the plains state of Mato Grosso, where many Chinese agribusiness interests lie.
Municipalities invest in new traffic lights	Brazilian municipalities including Sao Paulo are modernizing traffic signals across large metropolitan areas. The equipment forms a niche market with potential for imported products.
Kirin looks to expand options available to consumers	Brazilian beer maker Kirin announced plans to expand the number of choices to consumers, as it struggles to maintain market share in Brazil's competitive beer market.
Latam Brasil reaches an agreement on flight sharing with Cathay	Latam Brasil and Cathay Pacific reached a deal to codeshare flights between the two airlines. Given Cathay Pacific's presence in East Asia, the move should considerably increase connectivity between the region and Brazil.
Government to incentivize fiber optics in some cities	The Brazilian government signaled it will begin incentivizing fiber optics infrastructure in 75 percent of the country's municipalities. Subsidies will also encourage broadband internet connectivity in low-income areas.
Fleury medical group to expand in 2017	Fleury, a medical diagnostics company, announced its plans to open more service points in 2017 and broaden the areas where it serves patients.
Panvel opens pharmacies in Sao Paulo	Panvel, Southern Brazil's largest chain of pharmacies, will expand into the more populous Southeast of the country, opening locations first in Sao Paulo.
Gol and Aeromexico set to begin sharing flight routes	Gol, one of the main Brazilian carriers, will begin a codeshare with Mexican flag carrier Aeromexico in November, potentially elevating traffic between the two hemispheric partners.
Ofner to begin exporting Brazilian panetones to the US	Ofner, a Sao Paulo based maker of panetones and baked goods, will begin exporting the Italian style cakes to the United States.
Facebook incentivizes startups in Brazil	Facebook is beginning its FbStart program in Brazil, which is a business accelerator centered around mobile app development. The program has over 400 participating firms in Brazil.

Culture Corner

Quentão Recipe

1 1/2 cups of sugar
 1 1/2 cups of water
 1/4 cup of thinly sliced ginger
 3 sliced limes
 4 cups of cachaça (Brazilian rum)
 3 cloves
 2 cinnamon sticks

Steps:

Carmelize sugar.
 Add remaining ingredients, minus the cachaça, and mix and dissolve.
 Mix in cachaça and simmer on low heat for 3 minutes.
 Strain through sieve or colander.

Serve hot with cinnamon sticks



Clubedoalambique.blogspot.com.br