

## BRAZIL

Official Name:	Federal Republic of Brazil
Capital:	Brasilia
Head of State:	President Itamar Augusto Cautiero Franco
Foreign Minister:	Celso Amorim
Finance Minister:	Fernando Henrique Cardoso

### DOMESTIC SITUATION

Democratic roots do not run deep in Brazil. Developments over the next few months will be critical as Brazil addresses constitutional reform and prepares for presidential elections in November 1994.

Human rights remain of concern. Socio-economic disparities lead to abuses of those groups which are most marginalized, such as street children, indigenous people and rural communities.

Brazil is an important regional and international player, currently occupying a seat on the Security Council, with the potential of securing a permanent seat in eventual UN reform and representing a significant voice in the Organization of American States (OAS) and other inter-American institutions. It will chair the influential Rio Group in 1994. The Group is an informal association of Latin and South American countries which is used as a consultative mechanism.

Despite its enormous possibilities, Brazil has failed to reach its full economic potential. After a brief period of optimism a few years ago, it suffers once again from problems of uneven development and very high inflation. Nonetheless, Brazil, one of the 10 largest economies in the world, is undergoing a process of economic liberalization which should lead to increased opportunities for Canadian business.

### CANADIAN INTERESTS

#### i) Trade and Economic

Brazil is a major destination for Canadian direct investment (cumulative total is approximately \$2.4 billion as of 1992). It is Canada's second largest export market (\$640 million in 1992) in Latin America.