

Brazil Liberalizes Its Informatics Market

Brazil has called for an end to the market reserve for the domestic informatics industry.

The plan, announced on September 12, recognizes the need for Brazilian manufacturers to improve their technological capacity.

The Brazilian authorities have proposed that by 1992 all the restrictions and incentives in the existing Informatics Law be completely eliminated. This will mean that:

- the requirement to obtain prior import authorization and official production approval will disappear; and
- existing fiscal incentives and the prohibition to form joint ventures will also be eliminated.

However, there will remain a list — just published — of informatics products that will receive residual protection until 1992. This list includes processors and related higher-end technology (for details, see contacts at end of article).

The Brazilian government will also be taking steps to assist Brazilian companies in improving their technological bases. The specific changes that were announced and that could indirectly benefit Canadian exporters, include:

- Brazilian companies will be able to deduct up to 8 per cent of the income tax they owe if they invest in technological research activities;
- Brazilian companies will be exempt from paying the IPE (Industrial Production Tax) for machinery and equipment which is to be used for research and development;
- pre-consultations in respect of technology acquisition with the National Institute for Industrial Production (INPI) will no longer be necessary — instead a guide on the legal requirements relating to technology transfer contracts will be issued;
- import tariffs rates for inputs,

components and parts used by the informatics industry, will be reduced; and

— joint ventures with foreign companies that wish to transfer technology will be permitted — within 30 days, a commission is to prepare a revision of the present software laws.

These measures are consistent with the intent of the new Brazilian government to adopt industrial policies that will allow Brazil to integrate itself more fully into the global economy.

Informatics, a sector of well-developed Canadian expertise, should offer significant opportunities for Canadian exporters in the near term.

For more information on the liberalizing Brazilian market and trade opportunities it has to offer, contact Roman Hruby at External Affairs and International Trade Canada (EAITC)'s South America and Mexico Trade Development Division (LST). Tel.: (613) 996-4199. Fax: (613) 952-3904.

Letter to the Editor

I would like to comment on a few articles/sections in your October 1 (Vol. 8, No. 16) issue.

We are an export marketing organization with over 20 years of practical export experience.

I fully agree with your article "The Human Factor". Unfortunately, many Canadian companies do not see this very important aspect of selling internationally and, as a result, many opportunities are lost.

The section on "Contracts Awarded" appears to me great reason for concern. It gives the impression that without some form of EDC financing no export transaction can be successfully concluded. I know this not to be the case and therefore I would suggest you point this out in future issues.

The section of "Business Opportunities" is always read by our company, but I find it odd that in every issue, Singapore seems to be the main source. In the October 1 issue, 16 are from Singapore, 2 from England and nothing from the rest of the world. Moreover, how practical are the Singapore "opportunities" for

Canadian manufacturers?

I look forward to receiving many more issues of CanadExport in the future.

John Tesselaar
Scarborough, Ontario

More Canadian companies than we can count export successfully — without assistance from the Export Development Corporation (EDC). However, the EDC-financed contracts primarily are the ones on which we receive information or press releases.

"Business Opportunities" (for the time being, at least), is weighted in Singapore's favour — basically because Singapore, with the necessary material available, was selected as a test case for this type of feature. We are making every effort to have other posts from around the world supply information suitable for publication in this section.

Geographically limited as it is, "Business Opportunities" has proved very popular — and has led to specific exchanges between businesses in Singapore and Canadian businesses.