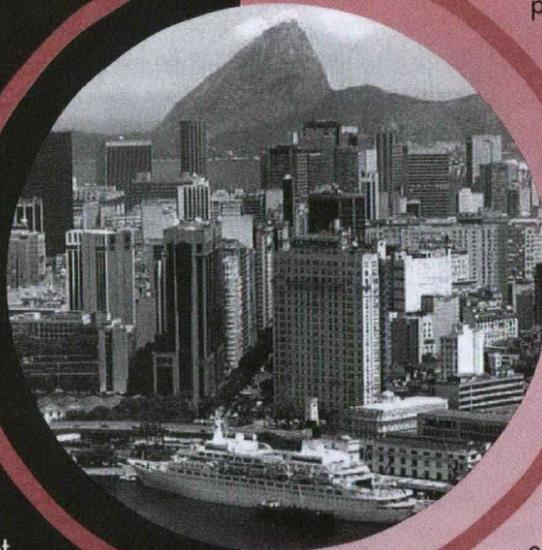


BRAZIL

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This is an overview of the market. For a more in-depth study of this market and for other studies, visit our Web site. When you are prepared to do business abroad, you can use our Web site to get in touch with our offices around the world and request personalized services electronically.

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The Foodservices Market

The foodservice market in Brazil is primed for growth as the country rebounds from its recent economic difficulties. While the import market suffered due to Brazil's currency devaluation, Canadian agri-food exporters can expect modest growth in foodservice for hotels, restaurants and institutional (HRI) clients in the coming years.

Market Overview

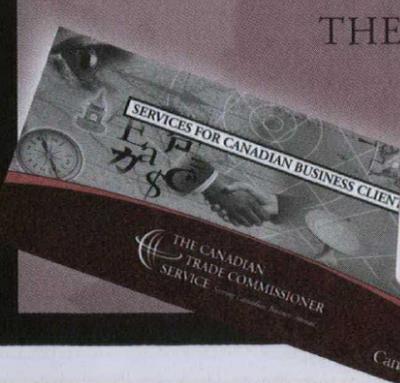
Brazil's foodservice sector comprises many different businesses that provide an estimated 41 million meals each day. These businesses include restaurants, fast-food outlets, street stalls, bakeries, and catering services.

The growth of Brazil's foodservices sector is fueled by a strong economy, and by the country's aggressive promotion of its growing tourism industry. In recent years, Brazilians have attained higher purchasing power and a low inflation rate.

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The stable economy, along with more women entering the work force, has increased disposable incomes and changed the way many Brazilians eat and live. Dual-earner families mean more income, but less time to prepare meals. As a result, more Brazilians are dining out.

There is a strong international presence in the Brazilian food industry, with many global brands and transnational companies firmly rooted in the market. The Brazilian Food Processors Association (ABIA) estimated that foodservice represented approximately \$95 billion or 16% of the total food processing industry revenues in 1998. The ABIA predicts the industry will grow 6-8% by 2005.

Food Trends

The international foods enjoyed by Brazilians include pizza, Middle Eastern cuisine, sushi, hamburgers, and Chinese food. After rice and beans, pizza is the most popular food in Brazil. Ice cream consumption has also risen dramatically, with the number of shops growing from 132 in 1995, to 623 in 1999. The ABIA suggests the following products have the greatest growth potential: yogurt, sodas, beer, cheese, cookies, meat products (including pork and poultry), fish products, juice and vegetables.

Opportunities

Brazil's foodservice sector holds many potential opportunities for imported food products. About 7% of food used by Brazil's foodservice sector is imported, but this figure is growing. An increasing quantity is being imported to prepare international cuisines. There is also a growing demand for high-quality basic food products, such as cheese and meats, by North American owned fast-food chains.

Canadian exporters should seek niche opportunities, such as capitalizing on the growing trend toward healthful food products. Canadian firms may also want to explore the opportunities that arise as Brazil's tourism industry continues to expand.

Market Entry Considerations

The Brazilian foodservice sector is growing faster than the food industry as a whole. However, this sector is very much price-driven and less internationalized than it is in North America. As such, Canadian exporters of high-quality/high-priced products should initially approach this

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sector through the same channels (importer, agent, distributor) used for the overall food import market in Brazil.

Canadian firms interested in this market must be prepared to invest both time and resources to achieve success. There are many barriers to overcome, including fierce competition, language and cultural differences and the lack of awareness of Canadian products.

See Potential?

To learn more about this market, read *The Foodservices Market in Brazil*, prepared by the Market Research Centre of the Trade Commissioner Service. This report and hundreds of others are available on-line at

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