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v. 24
June 1,
2006
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CANADEXPORT

LATEST ISSUE

DERNIER
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www.canadexport.gc.ca

Volume 24 > Number 10
June 1, 2006

BRAZIL EDITION

South America's thriving superpower

While Brazil may be better known for its famous beaches and world-class soccer, it is now emerging as an economic force in the world—buoyed by an economy poised for impressive growth.

some \$41 billion of that surplus. Brazil has also recently become energy self-sufficient in oil.

“Potential is what makes this marketplace so special”, says Rishchynski. “There have been

many positive changes to Brazil's economy in recent years,” he says, noting that the marked economic improvements are primarily due to the macro-economic policies of its government. “A solid and stable democracy has led to a functioning market economy. In fact, progress in economic reforms has been evident in bankruptcy legislation, anti-trust reinforcement and in the public-private partnerships law designed to improve the country's infrastructure.”

The facts support Rishchynski's optimism. Inflation is under control at 6.9%, the debt-to-GDP

ratio has shrunk, foreign reserves have been built up and credit conditions are improving. Despite some domestic political concerns, Brazil's “country risk” has been decreasing and is well on its way to attaining an investment grade level. In 2005, Brazil ranked tenth as a destination for foreign direct investment— attracting over \$17 billion—after France, the U.K., the U.S., Mexico, China, Hong Kong, Malaysia, Singapore and Russia.

see page 2 - A market of huge potential



“Brazil is evolving from an economy of production to an economy of consumption,” says Guillermo Rishchynski, Canada's Ambassador to Brazil. As a result, Brazil has been identified as one of Canada's three priority emerging markets, says Rishchynski.

Big market to tap

Some 45 million consumers and a highly developed industrial economy has resulted in strong export and import growth and a record goods trade surplus of some \$50 billion, with goods and services accounting for



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