

Overview about the market and perspectives

Present trends show that Brazil will continue to import technology but only in a very select manner. Sophisticated technology, unavailable in Brazil, and involving essential industries will be given priority, particularly when the recipient is a government entity, a government controlled entity or a Brazilian company whose majority voting capital remains in the hands of the local Brazilian partners.

The feeling that the import of technology creates dependency is widespread. Local companies are urged not to buy ready-made technological packages from abroad although it is acknowledged that this may be simpler, in the long run it is dangerous because the recipient company remains forever dependent on know-how from abroad. By changing this ready-made-technology-purchase mentality, it is hoped that local companies will engage in research and develop their own technology.

Capability of Brazilian companies

Brazil has developed into an exporter of technology particularly in the road building and oil prospecting fields, in addition to certain industrial areas, by exporting genuinely native technology or technology transferred from abroad but already fully absorbed by local industry.

Exports of Brazilian technology in the cited cases, are greatly facilitated due to the fact that Brazilian labour costs are lower than these same costs in developed countries, and because the Brazilian government grants a wide range of tax benefits to exported goods and these benefits to some extent are equally applicable to exports of technology from Brazil.

FINEP

Government financed research programs such as FINEP (financing of studies and projects) as well as technological research funded by large industrial concerns and, in some instances, transfer of technology directly from foreign suppliers to Brazilian government entities, are factors to be considered in order to lend further support to this trend in Brazil's present transfer of technology policy.

FINEP has been playing an important role in Brazil's technological development. By financing local industry engaged in the manufacture of capital goods, this government entity would have a strong influence in the approval and implementation of engineering projects developed by local companies. Whenever such companies find it necessary to obtain technology from abroad, FINEP will apparently insist on having the technology agreements approved not only by INPI but also by FINEP itself.