

30/05/89

DEPARTMENT OF EXTERNAL AFFAIRS

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RPTB1

TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

89/90 TRADE AND ECONOMIC OVERVIEW

Mission: BRASILIA

Country: BRAZIL

A) TRADE PROMOTION OVERVIEW: EMBASSY TERRITORY COVERS 65% OF BRAZIL AND ACCOUNTS FOR 60% OF BRAZIL'S 140M INHABITANTS. HOWEVER, LEVEL OF URBANIZATION IS LOW AND OUR TERRITORY ACCOUNTS FOR A MERE 25% OF BRAZIL'S GDP. AS A RESULT THE MAJOR INDUSTRIAL AND CONSUMER MARKETS ARE HANDLED BY OUR CONSULATE IN SAO PAULO. CONSEQUENTLY OUR TRADE PRIORITY IS CENTERED ON LOBBYING GOVERNMENT MINISTRIES AND AGENCIES. PRIORITIES IN COMING YEAR WILL BE (1) PROMOTION OF SALE OF SPARS SATELLITES. EMBASSY WILL WORK CLOSELY WITH SPAR IN ITS LOBBYING EFFORTS IN 1989-90 AS CONTRACT ACCORD IS EXPECTED DURING THIS PERIOD. (2) NEW MOU FOR SANTA ISABEL HYDRO PROJECT. WE WILL PURSUE NEW MEMORANDUM OF UNDERSTANDING WITH BRAZILIAN GOVERNMENT TO REPLACE MOU SIGNED IN 1982 AND WILL CONTINUE TO LIAISE CLOSELY WITH CGE. (3) LOBBY EBTU FOR CANADIAN PARTICIPATION IN IMPLEMENTATION OF BRAZILIAN NATIONAL MASS TRANSIT PLAN. WE WILL MOUNT MISSION TO CANADA OF MIN. OF TRANSPORT AND OF PRESIDENT OF EBTU (BRAZILIAN URBAN TRANSIT CO); WE WILL CONTINUE TO WORK CLOSELY WITH TTCL/STCUM AND ASSIST LAYALIN. (4) PROMOTION OF CANADIAN NATURAL GAS TRANSMISSION AND DISTRIBUTION TECHNOLOGY TO MINISTRY OF MINES AND ENERGY, AND NATIONAL ENERGY COMMISSION AND STATE POWER COMPANIES. (5) ASSIST CANADIAN COAL EXPORTERS IN THEIR EFFORTS TO OBTAIN INCREASED QUOTAS FROM SIDERBRAS, BY LOBBYING VARIOUS MINISTRIES IN SUPPORT OF CDN COUNTER-TRADE PROPOSALS. (6) PROMOTE CDN PARTICIPATION IN HEALTH CARE PROJECT. (7) AECL (THERATRONICS). PROMOTE NEW SALES OF CANCER TREATMENT AND IRRADIATION EQUIPMENT TO THE MINISTRY OF HEALTH. (8) FES INTERNATIONAL SALE OF ELECTRONIC DIAGNOSTIC EQUIPMENT TO ELETRONORTE AND OTHER INTERESTED UTILITIES (CEMIG). (9) RENEWAL OF WHEAT SALES TO BRAZIL. WHILE MARKET CONDITIONS IN BOTH CANADA AND IN BRAZIL RESULTED IN NIL SALES FOR 1988, WE WILL MONITOR CLOSELY DEVELOPMENTS IN THE MARKET SO AS TO REESTABLISH SUBSTANTIAL WHEAT SHIPMENTS AS SOON AS POSSIBLE. WHILE GOVT-RELATED INDIRECT TRADE PROMOTION IS THE PRIMARY ACTIVITY OF THE EMBASSY THERE ARE SIGNIFICANT TRADE OPPORTUNITIES WITHIN OUR OWN TERRITORY. THESE INCLUDE URBAN TRANSIT PROJECTS IN BRASILIA, GOIANIA, FORTALEZA AND SALVADOR; MOBILE CELLULAR TELEPHONE PILOT PROJECT IN BRASILIA; A VARIETY OF OPPORTUNITIES FOR DIRECT EXPORT & BUSINESS ASSOCIATIONS IN BELO HORIZONTE; AND STRONG NEW MARKETS FOR CDN DAIRY CATTLE, SEMEN AND EMBRYOS AND OTHER LIVESTOCK PARTICULARLY IN THE STATES OF GOIAS, MINAS GERAIS, BAHIA AND PERNAMBUCO. THE EMBASSY WILL CONTINUE TO ENCOURAGE OUTGOING MISSIONS TO INCLUDE BELO HORIZONTE WHERE WE HAVE AN HONOURARY COMMERCIAL REPRESENTATIVE.

B) ECONOMIC OVERVIEW: AS THE EIGHTH LARGEST ECONOMY IN THE WESTERN WORLD, BRAZIL IS ACQUIRING A NEW STATURE IN THE WORLD ECONOMIC SCENE. THERE IS A GROWING AWARENESS OF THIS NEW REALITY IN CANADA. WE WILL CONTINUE OUR MONITORING, REPRESENTING, AND REPORTING RELATIVE TO (A) THE BRAZILIAN ECONOMY, (B) AGRICULTURAL COMMODITIES AND FARM POLICY, (C) MINERALS & MINING POLICY, (D) ARGENTINE-BRAZILIAN PROCESS OF ECONOMIC INTEGRATION, (E) VARIOUS INTERNATIONAL MINERAL STUDY GROUPS.