

BRAZIL

*A Guide
for
Canadian Exporters*

External Affairs and
International Trade Canada

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STORAGE

A Guide for Canadian Exporters

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I. THE COUNTRY

Area and Geography

With its 8 511 965 km², Brazil is the fifth-largest country in the world and covers almost half of South America. Distances are impressive: an Atlantic coastline of 7 400 km, 4 300 km between the northern and southern extremities, and a similar distance between the coast and the western border.

Brazil can be divided roughly into five main regions: the Atlantic Coast, the South, the Central Plateau, the Amazon and the Northeast.

Climate

Most of Brazil enjoys a mild climate with an average temperature of about 20°C in July to approximately 24°C in January.

Northwestern Brazil and the Amazon basin are hot and humid, with heavy rainfalls throughout the year. The coast, where most of the industries are located, has an average temperature of 22°C and is also humid but rarely receives excessive rainfall. South of Rio de Janeiro to the border with Uruguay, the temperature can drop as low as 12°C in July, the coolest month of the year.

Business people should avoid visiting during the vacation period which is from mid-December to the end of February, when the temperatures are hot and hotels crowded.

Social and Economic History

Claimed by Portuguese navigators, Brazil became a colony of Portugal in 1500. Using thousands of slaves from Africa, early colonists developed the mining and agricultural sectors. Brazil remained a colony until 1822 when it achieved its independence from Portugal and became a constitutional monarchy. Its second monarch, Emperor Pedro II, eliminated slavery in 1888. Economically threatened by that "progressive" decision, the plantation owners allied with the mine owners and the military hierarchy to overthrow the monarchy and declare Brazil a republic.

Two years later, in 1890, a federal Constitution was adopted. Immigration increased significantly. Although still dominated by a coffee-based export sector, Brazil's econ-

omy became more centralized in the industrial states of Rio de Janeiro, São Paulo and Minas Gerais. The Great Recession marked the start of industrialization in all states of the federation.

In 1930, a revolution brought Dr. Getulio Vargas to power. He established a centralized Constitution and remained in power until 1945. A new Constitution restored democracy in 1946, permitting development of the economy, which was characterized by the growth of Brazil's manufacturing sector.

In 1964, a coup d'état brought the military to power for 21 years. During this period income distribution and wealth became increasingly unbalanced, accentuating regional disparities.

In 1982, the military allowed free gubernatorial elections which gave a majority to the opposition in the Chamber of Deputies. Due to strong support and as a result of legislation introduced by the military, the electoral college was able to choose the principal leader of the opposition, Tancredo Neves, as civilian President on January 15, 1985. He died before assuming power and was replaced by Vice President José Sarney.

Constitution

Brazil is a Federal Republic composed of 24 states, two territories and a federal district, Brasilia, the capital of the Union.

Under the Constitution, an elected president assumes the *executive power* with a cabinet of ministers which can issue decrees. Laws are promulgated by a bicameral legislative branch composed of a Chamber of Deputies and a Senate. Laws and presidential decrees are enforced by five major sectorial tribunals, all dominated by the Supreme Federal Tribunal which controls, under the Constitution, the *judicial power* for the Union.

Population and Principal Cities

With 140 million inhabitants, of which one in every two is under 25 years old, Brazil has roughly half the entire South American population with an average density of 16 persons per square kilometre. The population is mostly concentrated along the coast where the original settlements were made and in the island pockets created by the industrial states of São Paulo and Minas Gerais. The two major metropolitan

areas, Rio de Janeiro and São Paulo, hold 20 per cent of the Brazilian population while about 100 cities have a population exceeding 100 000 inhabitants. The decision to found a new federal capital, Brasilia, deep in the interior, was an attempt to direct the population from the heavily populated coastal regions to the under-developed central and western plateaux of the country.

Metropolitan Areas	Estimated Population (in thousands)
São Paulo	13 500
Rio de Janeiro	10 000
Belo Horizonte	2 300
Salvador	2 000
Fortaleza	1 600
Nova Iguaçu	1 400
Recife	1 300
Curitiba	1 300
Pôrto Alegre	1 300
Belém	1 200

Language

The official language of Brazil is Portuguese. While many Brazilian business people and government officials possess a working knowledge of either English or French, efforts to speak or at least to conduct business in Portuguese are greatly appreciated.

The Canadian Embassy can inform business visitors about interpretation and translation services which are available in major cities.

Religion

Brazil is a predominantly Christian country with 90 per cent of its population Roman Catholic, 6 per cent members of other Christian denominations, 2 per cent Jewish and 2 per cent practising other religions or philosophies, including animist cults that originated in Africa.

Education

The academic year begins in March and terminates in mid-December for the summer season.

Primary and secondary education is compulsory between the ages of 7 and 14 and is offered without cost through a

public system throughout the country. An extensive network of private schools is also in place and offers international programs in French and English.

Some 20 private universities compete with about 47 state-run institutions offering a wide variety of academic or technical subjects.

Currency

In February 1986, the cruzado officially replaced the cruzeiro as the monetary unit of Brazil. One cruzado is equivalent to a thousand cruzeiros, 1 cruzado (CZ \$) = 100 centavos. While existing 1 000, 5 000, 10 000, 50 000 and 100 000 cruzeiro notes are still in circulation, their cruzado values are respectively 1, 5, 10, 50 and 100. New cruzado notes come in denominations of 500, 1 000, 5 000 and 10 000.

Banco do Brasil will change U.S. dollars or U.S. travellers' cheques at the official rate. Travellers' cheques cannot be changed in U.S. dollars nor can dollars be obtained on an American Express card. Official rates (as well as parallel market rates) are quoted on television news programs and in daily newspapers.

Local Time

Brazil official time is three hours behind Greenwich Mean Time (GMT) and two hours ahead of Eastern Standard Time (EST).

Of the major cities, only Manaus, Cuiaba, Campo Grande and Corumbá in the Amazon region are four hours behind GMT and one hour ahead of EST. Clocks move forward one hour on the third week of October and return to normal time on the first week of February.

Business Hours

Offices are usually open between 0900 and 1800, Monday through Friday, with a lunch break of about two hours. Government departments are open from 1100 through 1800, five days a week.

Public Holidays

January 1	New Year
January 20	Foundation of Rio de Janeiro (Rio only)
January 25	Foundation of São Paulo (São Paulo only)
February-March-April (variable)	three days up to and including Ash Wednesday
March-April (variable)	Good Friday
April 21	Tiradentes
May 1	Labour Day
May-June (variable)	Corpus Cristi
September 7	Independence Day
October 12	Nossa Senhora Aparecida
November 2	All Souls' Day
November 15	Proclamation of the Republic
December 25	Christmas

Weights and Measures

The metric system is standard throughout Brazil which follows the International System of Units (SI). Although Brazil does not impose legal requirements for the use of metric units for imported goods, all products should be labelled metrically. For more information about metric requirements and usage, you may contact the Instituto Nacional de Pesos e Medidas, Praca Mova 7/10, Rio de Janeiro, Brazil.

Electricity

Brazil has a 110 V/60 cycles electrical system almost everywhere. Brasilia and the northern part of the country have a 220/240 V, 60 cycles system and Recife has a 127/220 V, 50 cycles electrical system.

Religion

Brazil is predominantly Christian, with 95% of its population Roman Catholic. Other major religions include Protestantism, Spiritism, Umbanda, and Candomblé. Government departments are open Monday through Friday, 9:00 a.m. to 5:00 p.m. (Brazilian time).

Education

The academic year begins in March and terminates in December. The minimum age for enrollment is 6 years.

Primary education is compulsory and free for all children up to the age of 14. The minimum age for enrollment is 6 years.

II. *DOING BUSINESS IN BRAZIL*

Opportunities for Canadian Products and Services

Historically Brazil has always maintained a very protected market. As one of the top per capita debtors in the world, Brazil has adopted very strict policies to encourage exports and reduce the volume of imported goods and services. The Brazilian market is therefore highly complex and restrictive with a vast menu of tariff and non-tariff barriers. Despite this, Brazil remains a highly attractive market for Canadian goods and services.

In addition to its traditional imports of commodities such as wheat, metallurgical coal, sulphur, potash and newsprint as well as manufactured products such as industrial chemicals and equipment and aircraft engines, Brazil offers attractive prospects to Canadian exporters of specialized and technologically advanced products. This is particularly true for those exporters who are prepared to look beyond direct export sales to other avenues of market penetration such as co-production, joint ventures, and technology transfer. Export opportunities also exist for the sale of oil and gas exploration, production and distribution equipment, electric power generation and distribution equipment, process control equipment, scientific instruments, and medical equipment.

Opportunities in the service sector in Brazil are subject to significant market constraints because of the high level of technical competence of Brazilian engineering firms. Nevertheless, Canadian companies possessing specialized expertise and willing to work in conjunction with Brazilian firms will find numerous opportunities for the sale of their services.

Merchandising and Distribution

There are many ways of selling products in Brazil, including the use of a trading house, the operation of a local subsidiary or, the appointment of a local representative. As many agents do not possess the resources they claim, it is highly recommended that the Canadian exporter personally visit Brazil, observe the local conditions and consult with the

Canadian trade commissioner before selecting a local representative. The ideal candidate should have strong sales experience, with a technical background, and if not your sole representative, should sell a range of products which would complement and not compete with your product. Often, your success will depend on your ability to maintain close relations with your agent and your clients.

Advertising and Promotion

Throughout Brazil, there are 2 073 radio stations, 177 television stations, 45 daily newspapers and 30 periodicals. In 1986, there were an estimated 66 million radio receivers and 26 million television sets in use.

Promotion varies according to the segment of the market identified and, as in Canada, market surveys are recommended. The Canadian trade commissioner can advise you about local marketing consultants.

Membership in Trade Blocs

Brazil is a member of the Latin American Integration Association (ALADI) which includes Mexico and the Latin American countries in South America. Duty concessions are extended to other ALADI members in accordance with the approved agreements of the association.

Membership in International Organizations

Brazil has membership in the following international organizations:

- General Agreement on Tariffs and Trade (GATT)
- Inter-American Development Bank (IADB)
- United Nations Development Programme (UNDP)
- International Bank for Reconstruction and Development (IBRD)
- Latin American Economic System (SELA)
- Amazon Pact which includes seven other South American nations: Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela
- Economic Commission for Latin America and the Caribbean (ECLAC)

Price Quotations

Quotations should be c.i.f. in U.S. dollars. The f.o.b. value should also be clearly shown on invoices. Some importers, especially in the public sector, may request f.o.b. quotations with an estimate of insurance and freight costs with the intention of contracting these services locally.

You should be aware that profits on sales through your local agent are taxed according to the Brazilian income tax laws. If you ship and bill directly to your customers, it is assumed that a profit of 20 per cent is included, on which income tax is payable.

Banking System and Local Financing

Brazil has an extensive and efficient financial network which includes 11 stock exchanges, 21 major insurance companies, 9 development banks, 44 public and private banks, including the Banco Real do Canada, the Brazilian subsidiary of the Royal Bank. The Bank of Montreal also operates an investment bank with an office located in Rio de Janeiro.

Banco do Brasil, one of the largest institutions with 2 296 branches country-wide, is one of the principal financial agents for the National Treasury acting as a lender in government-subsidized projects and is also involved in private financing. Some programs could be sponsored by the *Banco Nacional do Desenvolvimento Economico e Social (BNDES)* which will grant loans and supervise the financing operations of the government's plans. Other major banks are the Banco Brasileiro de Descontos, Banco Itau, and Banco do Estado de São Paulo.

Like their Canadian counterparts, the Brazilian financial institutions are simultaneously implicated in various services such as commercial leasing, investment funds, insurance, brokerage and securities houses, among others. Again, all their operations are subject to the directives of the Central Bank.

Import Licensing

Import licences based on f.o.b. prices are only issued by the Foreign Trade Department (CACEX) of the Banco do Brasil. The validity of the permits varies according to the specifications of the products:

- a) 60 days: food products
- b) 90 days: raw materials
- c) 180 days: capital goods, parts and components (renewable for equal periods)

Note: Any goods to be exhibited at a trade fair are also subject to import regulations.

Although Brazil has signed the General Agreement on Tariffs and Trade, the country has imposed very strict regulations and procedures aimed at discouraging imports with

the exception of goods that are essential for export-oriented industries. The Foreign Trade Department of the Banco do Brazil refuses import permits to approximately 1 150 products considered superfluous; any products can be added or removed from that list at any time without prior warning. In some instances, an import licence can be denied if a manufactured product falls under the "Law of the National Similar." This legislation allows CACEX to refuse an import permit to a foreign manufactured good when a domestic equivalent is produced and offered at a similar price, quality and delivery time. This applies when the importer is a state-owned corporation or if the importer enjoys certain fiscal benefits from the state.

Customs Duties and Taxes

Duties are fixed ad valorem on the c.i.f. value of imports. Since 1988, tariff reform rates vary between 75 and 5 per cent ad valorem, depending on the goods, the most frequently applied rate being 60 per cent. Your customs broker should be able to inform you about the tariff that applies to your product, or you can communicate with the Secretary of Internal Revenue (Secretario de Receita Federal), Ministerio da Fazenda, Esplanada dos Ministerios, Brasilia, D.F., Brazil. The Latin America Division of External Affairs and International Trade Canada can also provide tariff information (see Chapter V).

Brazilian authorities use three methods to calculate duties. The common standard is to base the valuation on the price established between the supplier and the importer, substantiated by documentation such as price lists or promotional brochures.

In other cases, a base price or a value is imposed on foreign products that compete favourably against local production. On specific products an ad valorem duty is assessed against a "minimum value" pre-established by the Customs Policy Council which can also use a "base price" valued by any of the following factors: wholesale price, production costs or c.i.f. import values.

Internal taxes are also added to the value of imported goods. An "Industrialized Products Tax" (IPI) calculated at 25 per cent or less of the total duty-paid value plus cost of foreign exchange is collected by Brazilian federal authorities, as well as a Merchandise Circulation Tax (ICM) of up to 14 per cent against the same value.

Port authorities impose a marine merchant tax equal to 50 per cent of net ocean freight cost as well as a 3 per cent c.i.f.-value port improvement tax.

Goods entering through an airport are taxed 5 per cent of the c.i.f. value on which is also assessed a 2.2 per cent syndicate fee and a 1 per cent brokerage fee. A charge of approximately US\$17 applies to all printed forms.

Like many other countries, Brazil suffers from regional disparities which has resulted in an impoverished North, a burgeoning industrial South and an underdeveloped Amazonian Frontier. Both the central and regional governments try to modify that pattern by offering incentive programs to potential investors such as reductions or exemptions of duties and taxes on specific products. All programs are managed by the Industrial Development Council (CDI) which allows a 50 per cent to 80 per cent reduction in import duties and taxes for preselected industrial projects. Duties can also be reduced or eliminated by the Customs Policy Council for imports designed to expand the national industry or for the ones that will benefit public services.

A free-trade zone has been created in the 10 000 km² region surrounding the city of Manaus, an ocean deep-water port far inside Brazil. Foreign items can be imported without taxes and duties and if they are used in manufactured products to be exported, they can be shipped duty-free to other parts of Brazil. Quotas of duty-free items are determined each year by the Superintendency of the Manaus Free Trade Zone (SUFRAMA), which also approves import licences issued by CACEX prior to the shipment of goods to the zone.

Usual Terms and Methods of Payment

Credit terms for imported merchandise not requiring a certificate of importation are limited to 180 days maximum from the date on the bill of lading. In case of goods for which a certificate is necessary, credit terms vary according to their category. The categories are as follows:

Type of Product	Value (US\$)	Credit Terms
Raw materials	Up to \$200 000	Cash payment
Raw materials	\$200 000 and over	90 days minimum
Components	Up to \$200 000	Cash payment
Components	\$200 000 and over	180 days minimum
Capital equipment	Up to \$200 000	Cash payment
Capital equipment	\$200 000 and over	Two years minimum

This is applicable on a yearly basis as opposed to transaction by transaction, and is based on the import program of individual companies.

In regard to goods for which a licence of importation is required, the shipping documents must be received and the foreign exchange approved before such a licence can be obtained, and only then can a letter of credit with terms of less than 360 days be issued. Imports made under letter of credit with credit terms exceeding 360 days are exempted from that previous requirement. Generally, imports will be cleared through customs after the exchange contract is closed. Down payments are usually limited to 10 per cent of the import values.

In the case of forward exchange contracts, a guarantee deposit is usually required by the banks and may be used in payment for foreign exchange when the contract is liquidated.

Documentation

Under Brazilian laws, all importers must be registered with CACEX which is the Foreign Trade Department of the Banco do Brazil. In order to apply for an import permit, exporters must present a *notarized pro forma invoice* and a list of prices or a catalogue.

A pro forma invoice in Portuguese must have the following information:

- the name and address of the manufacturer or exporter;
- itemized f.o.b. and c.i.f. costs as well as gross and net weight; and
- signed statements about current export prices and, if applicable, about the agent's commission.

An *import licence* (Guia de Importação) must be issued prior to clearance by Brazilian Customs.

A *Standard Commercial Invoice* with all commercial and shipping information is required. An invoice in French or English must be accompanied by a proper Portuguese translation. It must include the Brazilian Import Tariff Number supplied by the importer, the number of the import licence, and dates of insurance and expiration. Details on packaging must be stated as well as a full description of the merchandise. If the original information does not appear on the invoice, an exporter should provide a *notarized Certificate of Origin*. General forms are commonly sold at commercial stationery shops.

A *bill of lading* in conformity with the import licence and non-negotiable copies must show freight charges, but only the original must disclose the total freight charges in figures and words. Note that a merchant marine tax of 50 per cent of the freight is collected on arrival. (See Customs Duties and Taxes earlier in this chapter.)

Product Standards

Brazil is going through a standardization program administered by CONMETRO (Conselho de Metrologia, Normalização e Qualidade Industrial). There are four levels of standards:

1. Compulsory throughout Brazil
2. Compulsory for state-owned organizations
3. Experimental
4. Voluntary

Patents and Trademarks

Patents and Trademarks are regulated in Brazil by the Industrial Property Code, Law 5772. The necessary time to obtain a patent is four and a half years.

As soon as filed, a patent is registered for 15 years, and applications must be published within 18 months. An examination is requested within two years from publication date.

In the case of a trademark, it is registered for the first applicant covering a 10-year period, and is renewable if requested. The time required to complete the registration is from 6 to 12 months.

Foreign Investment

In general, Brazil welcomes foreign investment, especially in areas located outside the traditional industrial centres.

To attract investment, several Brazilian agencies offer reduced import duties and fiscal incentives, equipment and machinery, low-rate financing, and other options. Different factors influence the "distribution" of those incentives toward investment projects, such as the kind of technologies that can be transferred to Brazil, joint-venture projects involving Brazilians, training of staff at every level, and export possibilities.

Consequently, Canadian enterprise can expect a favourable environment to establish a business and invest in any sector apart from those which are reserved for Brazilian

interests, that is, the petroleum sector, transportation, telecommunications, public utilities, and some aspects of mining.

Countertrade

Like imports, all countertrade transactions must receive an import licence from CACEX. When the transaction employs an offshore escrow account funded by Brazilian export revenues and for the purpose of import financing, the whole proposal has to receive a prior approval from the Banco Central do Brasil (Central Bank).

In the petroleum sector, the state-owned company, Petrobras, established a subsidiary, Interbras, to look for import and export opportunities through countertrade agreements. The Brazilian government also signed formal agreements with other South American countries which results in regular exchanges of raw materials, natural gas and manufactured goods.

Transport and Communications

In a country as vast as Brazil, transportation and communication are crucial elements for the healthy growth of the economy. In recent years, the Brazilians have carried out large improvement projects and have come forward with a decennial plan of modernization which will involve every component of the transport network.

As the most important trade link with other countries, the port infrastructure accounts for 36 deep-water ports, 5 of which are privately owned, that can receive vessels of up to 40 000 tons (36 287 metric tons). Brazil possesses the largest fleet in South America with more than 1 600 vessels of 10 000 tons (9 070 metric tons) and plus. Liaisons between Canada and Brazil are made regularly by major shipping companies, including three Brazilian flag carriers.

The three major river systems, the Amazon, the Paraná and the São Francisco play an increasing role in the transportation of goods. The most extensive inland waterway is created by the Amazon on which ocean freighters can go as far as Iquitos in Peru. The major port facilities on the Amazon are in Manaus, a city of approximately 500 000 inhabitants and the booming centre of the major free-trade zone of Brazil.

The railway is very under-developed, but the government has invested considerably to expand the network and mod-

ernize lines. However, the road system remains the most popular mode of transport, with an extensive and well-developed inter-urban transit system accounting for more than 90 per cent of freight movements. Major road projects are under way, and vast parts of Brazil are now accessible by land.

Well-served by air, Brazil has 21 international airports, 2 of which are located in São Paulo and 1 in Rio de Janeiro. Cargo and passenger flights between Canada and Brazil are carried out daily by major air carriers via Toronto and Montreal. Note that the Brazilian domestic air-network is reliable and efficient.

Travel Documents

Canada is a member of the Mercosul trade bloc, and as such, Canadian citizens are exempt from visa requirements when traveling to Brazil for tourism purposes. However, a passport valid for at least six months beyond the date of departure is required. Canadian citizens should also obtain a Brazilian visa if they are traveling to Brazil for business or other purposes. The Brazilian Consulate in Toronto can provide information on visa requirements.

Consular Information

Brazilian offices in Canada are listed in the Yellow Pages under "Brazilian Consulate." The Canadian Embassy in Brasilia is located at Rua das Palmeiras, 100, Brasilia, DF, 70000-000, Brazil. The Canadian Embassy in Rio de Janeiro is located at Rua do Ouvidor, 100, Rio de Janeiro, RJ, 20000-000, Brazil. The Canadian Embassy in São Paulo is located at Rua do Ouvidor, 100, São Paulo, SP, 01000-000, Brazil.

Transportation

Canada Airlines International (CAI) is a joint venture between Canadian Airlines International and Air Canada. CAI operates daily flights between Toronto and Rio de Janeiro, and Toronto and São Paulo. You should contact your travel agent for more information.

Customs Regulations

As a member of the Mercosul trade bloc, Brazil has a duty-free allowance for Canadian citizens. The duty-free allowance is 500 Brazilian Reals (BRL) for goods and 200 BRL for alcohol and tobacco. For more information, contact your travel agent.

III. YOUR BUSINESS VISIT TO BRAZIL

Consult the Canadian Embassy

When planning your visit to Brazil inform the Commercial Division of the Canadian Embassy in Brasilia or the Canadian Consulate General in São Paulo (see Chapter V) well in advance of your arrival. Let them know the purpose of your visit and forward several copies of product brochures. It is especially helpful if you work out c.i.f. prices on your product range. You should also list any contacts you may already have in the Brazilian business community. With this information, the trade commissioner will be pleased to arrange a tentative itinerary, make hotel reservations if necessary, and set up appointments on your behalf which can be confirmed upon your arrival.

Travel Documents

Canadians travelling to Brazil are required to have a visa valid for 90 days. In order to receive your visa, you have to fill out an application form (available at Brazilian consulates in Canada), and provide a photo (passport size), a photocopy of your roundtrip ticket, and your valid Canadian passport. The application is usually processed in less than a week after payment of a minimal fee.

Brazilian offices in Canada are listed in Chapter V.

Hotels

Hotel accommodation in Brazil ranges from deluxe to moderate. You might wish to contact your travel agent or contact the Canadian Embassy or Consulate which can advise you on this matter.

Transportation

Canadian Airlines International, Aerolinas Argentinas and Varig have direct flights to Brazil departing from Toronto and Montreal. You should contact your travel agent for more information.

In Brazil there is usually an airport tax of approximately US\$9 for international flights and US\$3 for local flights.

An extensive airline network has been developed inside the country, and all major metropolitan areas are connected by several flights a day. Advance reservations are strongly recommended.

The railway system is slow and unreliable, but the intercities bus service is good and comfortable, although not recommended because of the long distances between major cities.

Health and Personal Security

Brazil does not have any major problems regarding public health, but some precautions should always be taken. Food and beverages are generally safe, but caution and discretion should be exercised in the selection of restaurants and in eating raw fruits and vegetables. Tap water should be avoided everywhere in Brazil.

For those who are planning to go into the Amazon basin, you should contact your doctor before your trip and inquire about antimalaria medication. A good repellent is also a must and it is easy to find good local products.

In Brazil, as anywhere else, personal safety is a matter of prevention and precaution. Avoid certain areas, especially at night, and do not wear jewellery or carry valuable objects. Beware of pickpockets and groups of friendly children; some can distract your attention while others are going through your pockets. It is always advisable to carry some money as robbers can become aggressive if their prey have nothing at all. Again, use your common sense to avoid any risky situation.

Communications

All post offices offer cable facilities and the main ones have public telex booths. Major hotels are all equipped with telex machines.

The telephone system is automatic in larger cities, and telecommunications are now very easy between Brazil and North America.

Mail takes between 8 and 10 days to reach its destination. Anything larger than the size of a letter or small envelope should be sent via courier to ensure prompt delivery.

Customs Regulations

The following items are allowed entry free of duty: two cartons of cigarettes, 25 cigars, 250 g of tobacco, 2 L of liquors, a camera and all articles for personal use for a total value not

exceeding C\$120. Entry to Brazil with fruit, vegetables, flowers and milk products is prohibited.

Business Calls and Entertainment

Three to four business calls and a business lunch can be comfortably achieved during the working day. It is convenient to have a day of unscheduled time at the end of a stay since new business leads may arise during discussions. Business entertainment generally means lunch, cocktails or dinner. Appointments should be made in advance through your local representative or the embassy and, as in Canada, should be confirmed and respected.

Travel Documents

In Brazil, as anywhere else, personal safety is a matter of prevention and precaution. You should avoid crowded areas at night, and do not wear jewelry or carry valuables. Always carry your passport and other documents in a secure place. Avoid your attention while others are doing things for you. It is best to avoid crowded areas at night. Always use common sense to avoid any risk of injury. Avoid your common sense to avoid any risk of injury.

Communications

All post offices offer cable facilities and the main ones offer public pay phones. Major hotels are all equipped with telephones. The telephone system is standard in Brazil and telecommunications are now very easy between Brazil and North America.

Transportation

Mail takes between 8 and 10 days to reach its destination. Airmail rates are the same as for other international destinations. The following rates are shown in the fee schedule of the Customs Regulations for personal use for a total value not

Customs Regulations

The following rates are shown in the fee schedule of the Customs Regulations for personal use for a total value not

IV. FEDERAL EXPORT ASSISTANCE

Market Advisory Services

As a service to Canadian business, the federal government has trade officers in 67 countries around the world. These representatives provide assistance to Canadian exporters and aid foreign buyers in locating Canadian sources of supply. In addition to providing the link between buyer and seller, the trade officer advises Canadian exporters on all phases of marketing, including identification of export opportunities, assessment of market competition, introduction to foreign business people and government officials, screening and recommending of agents, guidance on terms of payment, and assistance with tariff or access problems. Trade officers also play an active role in looking for market opportunities and encouraging promotional efforts.

An additional source of information is the South America Trade Development Division of External Affairs and International Trade Canada in Ottawa. It represents the central link in Canada for the trade officers abroad. In the case of Brazil, the trade officers in Brasilia and São Paulo are in constant contact with their counterparts in the Latin America Branch in Ottawa (Address: South America Trade Development Branch, External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa, Ontario K1A 0G2, Telephone: (613) 996-5546, Telex: 053-3745.) This office can provide the following type of general information:

- market information, including economic forecasts for individual countries and information on the market for particular products;
- market access information on tariff rates, regulations, licensing, non-tariff barriers, product standards, required documents, etc.; and
- publications, including editions of this publication, *Guides for Canadian Exporters*, and country briefs on small markets.

The geographic trade divisions are also responsible for assisting and advising exporters on marketing their products and services and on informing business people about export services provided by the Canadian government, and export opportunities as they arise.

International Trade Centres

As well, International Trade Centres are located across Canada to provide a full range of trade services for Canadian exporters. They are staffed by experienced trade commissioners under the direction of a senior trade commissioner from External Affairs and International Trade Canada.

Services such as export counselling and the provision of market opportunity information are combined with the ability to assist in the development of individual marketing plans. The centres also act as focal points for export awareness programs such as seminars and workshops. In addition, each centre will be linked with the WIN Exports (World Information Network for Exports) system operated by External Affairs and International Trade Canada.

The centres are co-located in regional offices of Industry, Science and Technology Canada (except for the Northwest Territories and the Yukon) and are often the first point of contact for potential exporters. Future centres are to be located in Calgary, Regina, London and Quebec City (see Chapter V).

Export Development Corporation (EDC)

The Export Development Corporation (EDC) is a Canadian Crown Corporation whose purpose is to facilitate and develop Canada's export trade.

The EDC provides insurance, guarantees and export financing which, combined with financial advice and the organization of financial packages, facilitate the sale of Canadian goods and services abroad.

The Corporation offers the following services:

a) Export Insurance and Related Guarantees

- global comprehensive insurance
- global political insurance
- selective political insurance
- specific transaction insurance
- specific transaction guarantees
- loan pre-disbursement insurance
- foreign investment insurance
- performance security insurance
- performance security guarantees
- consortium insurance
- surety bond insurance
- bid security guarantees

b) Export Financing and Related Guarantees

- loans
- multiple disbursement agreements
- line of credit allocations
- note purchases
- forfeiting
- loan guarantees

The EDC head office is in Ottawa (Address: P.O. Box 655, 151 O'Connor Street, Ottawa, Ontario K1P 5T9, Telephone: (613) 598-2500, Telex: 053-4136). Regional offices are located in Montreal, Toronto, London, Calgary, Winnipeg, Vancouver and Halifax. General enquiries regarding other EDC services may be channelled through the regional offices. Export services are handled only by the Ottawa office. Enquiries about export financing for a specific geographical area should be addressed to the manager of the appropriate department in the Export Financing Group of the EDC in Ottawa.

Program for Export Market Development (PEMD)

PEMD, the Program for Export Market Development, is a trade promotion program of External Affairs and International Trade Canada. PEMD offers assistance to Canadian businesses to participate in or undertake various types of export promotion activities. PEMD covers projects initiated by both industry and government and is designed to assist companies regardless of size.

Program Objective. The program's main objective is to stimulate economic growth in Canada by increasing export sales. PEMD accomplishes this by sharing with Canadian businesses the costs, and therefore the risk, of export marketing activities that a business would not, or could not, normally undertake on its own. PEMD encourages Canadian businesses that have not previously been involved in exporting to become exporters. PEMD also encourages existing Canadian exporters to enter new geographic and product markets.

Kind of Assistance Available. PEMD focuses on certain types of trade promotion and export marketing activities. Specifically, the program aims to facilitate export sales through visits, trade missions and trade fairs, bidding on specific foreign projects, and establishing permanent sales offices in existing export markets. PEMD offers assistance

for both government-initiated and industry-initiated activities. PEMD assistance is dependent upon availability of funds.

All PEMD activities must be commercially oriented; that is, they must focus on generating sales. For those activities that are initiated by industry, as opposed to government, the assistance provided is repayable if export sales result.

PEMD offers applicants the flexibility to enter into concentrated agreements with the government to undertake marketing programs made up of a combination of activities eligible under the regular program for a period of up to two years. It is aimed at medium-sized manufacturers with some experience in exporting.

More information on PEMD is available from Info Export, or the International Trade Centres co-located in the regional offices of Industry, Science and Technology Canada (see Chapter V).

Publicity

CanadExport, a bi-weekly newsletter published in English and French editions, promotes Canadian exports abroad. It features a variety of articles and reports on export opportunities, trade successes, government services to industry, international market conditions and tenders, industrial development and joint industry-government trade-promotion activities. Articles also appear regularly on fairs and missions organized abroad by External Affairs and International Trade Canada under its fairs and missions programs, as well as major fairs worldwide, and on multilaterally funded capital projects overseas that offer export opportunities for Canadian suppliers of goods and services.

CanadExport is available free of charge to Canadian manufacturers from External Affairs and International Trade Canada (BTC), Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario K1A 0G2. Call Info Export toll free: 1-800-267-8376.

Industrial Co-operation with Developing Countries

The Canadian International Development Agency (CIDA) established the Industrial Co-operation Program in 1978 to increase the effectiveness of the agency's social and economic development programs in the Third World.

This program, together with other existing bilateral programs, assists Canadian companies in penetrating new markets in developing countries and supports them in seeking opportunities for investment, joint ventures and transfers of technology in these markets.

The Industrial Co-operation Program uses financial incentives to support Canadian private-sector initiatives in long-term business co-operation arrangements and in project-definition studies in developing countries. Support is also provided for making contacts and identifying opportunities through seminars, investment missions and viable business co-operation arrangements.

Most of these arrangements are defined as co-production or production-sharing agreements; assembly operations; licensing agreements; and various forms of equity participation.

Detailed information and application forms for the Industrial Co-operation Program are available from:

The Industrial Co-operation Division
Canadian International Development Agency
Hull, Quebec
K1A 0G4
Tel: (819) 997-7901
Telex: 053-4140

V. USEFUL ADDRESSES

In Brazil

Brasilia

Canadian Embassy

Av. das Nações, Lote 16

Setor de Embaixadas Sul

(Mailing address: Caixa Postal 07-0961

70.410 Brasilia D.F., Brazil)

Cable: Canada Brasilia

Tel: (011-55-61) 223-7515

Telex: (Destination code 38) 611296 (0611296 ECAN BR)

Territory: States of Goiás, Tocantins, Minas Gerais, Sergipe, Alagoas, Pernambuco, Bahia, Espírito Santo, Paraíba, Rio Grande do Norte, Ceará, Piauí, Maranhão, Pará, Amazonas, Rondonia, Roraima, Federal District and relations with federal government.

São Paulo

Canadian Consulate General

Edifício Top Center

Avenida Paulista 854-5 Andar*

01310 São Paulo, SP, Brazil

(Mailing address: Caixa Postal 22002

01499 São Paulo, SP, Brazil)

Cable: DOMCAN SPALO

Tel: (011-55-11) 287-2122, 287-2234, 287-2601, 287-2176,
287-2982

Telex: (Destination code 38) (011) 23230 CCAN BR

Territory: States of São Paulo, Rio de Janeiro, Paraná, Santa Catarina, Rio Grande do Sul, Mato Grosso, and Mato Grosso do Sul

In Canada

BRAZILIAN OFFICES

Embassy of Brazil

9-255 Albert Street

Ottawa, Ontario

Tel: (613) 237-1090

Telex: 05-34222

Consulate General of Brazil
The Royal Center
1055 Georgia Street West, Suite 1700
Vancouver, B.C. V6E 3P3
Tel: (604) 687-4589
Telex: 04-508631 CONSBRAS VCR

Consulate General of Brazil
77 Bloor Street West, Suite 1109
Toronto, Ontario M5S 1M2
Tel: (416) 922-2503
Telex: 06-2306-23730 CONSBRAS TOR

Consulate General of Brazil
2000 Mansfield Street, Suite 1700
Montreal, P.Q. H3A 3A5
Tel: (514) 499-0968
Telex: 05-2447- CONSBRAS MTL

CANADIAN OFFICES

Manager, Info Export (BTCE)
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Tel: (800) 267-8376
(613) 993-6435
Telex: 053-3745
Fax: (613) 996-9288

South America Trade Development Division
Latin America and Caribbean Branch
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Tel: (613) 996-5546
Telex: 053-3745

Canadian International Development Agency
(CIDA Headquarters)
200 Promenade du Portage
Hull, Quebec
K1A 0G4
Tel: (613) 997-5456
Telex: 053-4140

International Trade Centres

If you have never marketed abroad, please contact the International Trade Centre in your province. As noted earlier, International Trade Centres are co-located with the offices of Industry, Science and Technology Canada, except for the Northwest Territories and the Yukon.

Alberta

International Trade Centre
Room 540
Canada Place
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Telex: 037-2762
Fax: (403) 495-4507

International Trade Centre
Suite 1100
510-5th Avenue S.W.
Calgary, Alberta
T2P 3J2
Tel: (403) 292-4575

British Columbia

International Trade Centre
P.O. Box 11610, Suite 900
650 West Georgia Street
Vancouver,
British Columbia
V6B 5H8
Tel: (604) 666-1444
Telex: 045-1191
Fax: (604) 666-8330

Manitoba

International Trade Centre
330 Portage Avenue
Room 608
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Telex: 075-7624
Fax: (204) 983-2187

New Brunswick

International Trade Centre
Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel: (506) 857-6452
Telex: 014-2200
Fax: (506) 857-6429
Toll Free: 1-800-332-3801

Newfoundland and Labrador

International Trade Centre
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Telex: 016-4749
Fax: (709) 772-5093

Nova Scotia

International Trade Centre
1496 Lower Water Street
P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Telex: 019-22525
Fax: (902) 426-2624

Ontario

International Trade Centre
Dominion Public Building
4th Floor
1 Front Street West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5203
Telex: 065-24378
Fax: (416) 973-8714

Prince Edward Island

International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel: (902) 566-7400/7443
Telex: 014-44129
Fax: (902) 566-7450

Quebec

International Trade Centre
Stock Exchange Tower
Suite 3800
800 Victoria Place
P.O. Box 247
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Telex: 055-60768
Fax: (514) 283-3302

Saskatchewan

International Trade Centre
6th Floor
105 - 21st Street East
Saskatoon,
Saskatchewan
S7K 0B3
Tel: (306) 975-5315/5318
Telex: 074-2742
Fax: (306) 975-5334

Industry, Science and Technology Canada (ISTC)

If you have never marketed abroad, please contact the ISTC office in your province.

Business Centre

Industry, Science and
Technology Canada (ISTC)
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 995-5771

Alberta

Industry, Science and
Technology Canada
Cornerpoint Building
Suite 505
10179-105th Street
Edmonton, Alberta
T5J 3S3
Tel: (403) 495-4782
Telex: 037-2762
Fax: (403) 495-4507

British Columbia

Industry, Science and
Technology Canada
Box 11610, Suite 900
650 West Georgia Street
Vancouver,
British Columbia
V6B 5H8
Tel: (604) 666-0434
Telex: 045-1191
Fax: (604) 666-8330

Manitoba

Industry, Science and
Technology Canada
330 Portage Avenue
Room 608
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Winnipeg, Manitoba
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Tel: (204) 983-4090
Telex: 075-7624
Fax: (204) 983-2187

New Brunswick

Industry, Science and
Technology Canada
Assumption Place
770 Main Street
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Moncton, New Brunswick
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Telex: 014-2200
Fax: (506) 857-6429
Toll Free: 1-800-332-3801

Newfoundland and Labrador

Industry, Science and
Technology Canada
Parsons Building
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-4866
Telex: 016-4749
Fax: (709) 772-5093

Northwest Territories

Industry, Science and
Technology Canada
Precambrian Building
P.O. Bag 6100
Yellowknife,
Northwest Territories
X1A 2R3
Tel: (403) 920-8578
Fax: (403) 873-6228
AES: (403) 920-2618

Nova Scotia

Industry, Science and
Technology Canada
1496 Lower Water Street
P.O. Box 940, Station M
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Tel: (902) 426-2018
Telex: 019-22525
Fax: (902) 426-2624

Ontario

Industry, Science and
Technology Canada
Dominion Public Building
4th Floor,
1 Front Street West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5000
Telex: 065-24378
Fax: (416) 973-8714

Prince Edward Island

Industry, Science and
Technology Canada
Confederation Court Mall
134 Kent Street
Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel: (902) 566-7400
Telex: 014-44129
Fax: (902) 566-7450

Quebec

Industry, Science and
Technology Canada
Stock Exchange Tower
Suite 3800
800 Victoria Place
P.O. Box 247
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Telex: 055-60768
Fax: (514) 283-3315

Saskatchewan

Industry, Science and
Technology Canada
6th Floor
105-21st Street East
Saskatoon, Saskatchewan
S7K 0B3
Tel: (306) 975-4400
Telex: 074-2742
Fax: (306) 975-5484

Yukon

Industry, Science and
Technology Canada
108 Lambert Street
Suite 301
Whitehorse, Yukon
Y1A 1Z2
Tel: (403) 668-4655
Fax: (403) 668-5003

Export Development Corporation

Head Office

151 O'Connor Street
Ottawa, Ontario
Mailing Address:
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Cable: EXCREDCORP
Telex: 053-4136
Fax: (613) 237-2690

British Columbia and Yukon Region

General Manager
British Columbia and
Yukon Region
Export Development
Corporation
Suite 1030
One Bentall Centre
505 Burrard Street
Vancouver
British Columbia
V7X 1M5
Tel: (604) 688-8658
Fax: (604) 688-3710

Prairie and Northern Region

General Manager
Prairie and Northern
Region
Export Development
Corporation
Bow Valley Square III
Suite 2140
255 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G6
Tel: (403) 294-0928
Fax: (403) 294-1133

Manitoba/Saskatchewan District Office

District Manager
Manitoba and
Saskatchewan
Export Development
Corporation
330 Portage Avenue
Suite 707
Winnipeg, Manitoba
R3C 0C4
Tel: (204) 942-0226
Fax: (204) 983-2187
Toll Free: 1-800-665-7871

Ontario Region

General Manager
Ontario Region
Export Development
Corporation
Suite 810
National Bank Building
P.O. Box 810
150 York Street
Toronto, Ontario
M5H 3S5
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Fax: (416) 862-1267

Ottawa District Office

151 O'Connor Street
Ottawa, Ontario
Mailing Address:
Export Development
Corporation
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Ottawa, Ontario K1P 5T9
Tel: (613) 598-2992
Cable: EXCREDCORP
Telex: 053-4136
Fax: (613) 237-2690

London District Office

District Manager
South Western Ontario
Export Development
Corporation
451 Talbot Street
Suite 303
London, Ontario
N6A 5C9
Tel: (519) 645-5828
Fax: (519) 645-4483

Quebec Region

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Quebec Region
Export Development
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Suite 2724
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Tour de la Bourse
Postal Station
Montreal, Quebec
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Tel: (514) 878-1881
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Atlantic Region

General Manager
Atlantic Region
Export Development
Corporation
Toronto-Dominion Bank
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1791 Barrington Street
Halifax, Nova Scotia
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Tel: (902) 429-0426
Fax: (902) 423-0881

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Commerce extérieur Canada