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The Agri-food and Tourism Sectors in Brazil – General Overview

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EEN BRAZIL

- The Enterprise Europe Network Brazil targets Brazilian companies (specially SMEs, start ups and scale ups) in their internationalization processes, focusing in the EU market through business and technological opportunities, innovation joint calls, trade events and counselling
- Brazil has been part of the Network since 2013, firstly with the participation of the Brazilian Institute of Information in Science and Technology – IBICT; the National Confederation of Industries - CNI, and the Ministry of Industry, International Trade and Commerce – MDIC
- From 2019 on, IBICT has been the coordinator of EEN Brazil, with the mentoring of EEN Barcelona (Acció)

Who we are in Brazil



BRAZIL'S ECONOMIC LANDSCAPE

Brazil is the largest economy in Latin America and one of the world's top emerging markets. Here's a general overview of Brazil's economic landscape:

- **GDP and Growth:** Brazil has a diverse economy with sectors such as agriculture, manufacturing, services, and mining. However, it has experienced periods of economic volatility. In recent years, Brazil has faced challenges like political instability, fiscal imbalances, and external shocks. The COVID-19 pandemic also had a significant impact on the economy. However, the country has shown signs of recovery, and economic growth is expected to rebound in the coming years.
- **Key Sectors:** Brazil has a strong agricultural sector, being a major producer and exporter of commodities like soybeans, sugar, coffee, beef, and poultry. Manufacturing is another important sector, with automobile production, textiles, chemicals, and electronics being prominent. The services sector is the largest contributor to GDP, encompassing finance, telecommunications, retail, and tourism. The country also has significant mineral resources, including iron ore and oil.
- **Inflation and Monetary Policy:** Brazil has dealt with inflationary pressures over the years. The Central Bank of Brazil, Banco Central do Brasil, implements monetary policy to manage inflation and stabilize the economy. Inflation targeting is the primary framework used, and interest rates are adjusted accordingly to control inflationary pressures.

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- **Foreign Trade:** Brazil has a strong presence in global trade. It is one of the world's largest exporters of agricultural commodities and has a diversified export base, including manufactured goods, automobiles, aircraft, and iron ore. Key trading partners include China, the United States, Argentina, and the European Union. Brazil has also been actively engaged in regional trade agreements, such as Mercosur (a customs union with Argentina, Paraguay, and Uruguay) and the expected EU-Mercosur trade deal.
- **Infrastructure:** Brazil has made efforts to improve its infrastructure, including transportation networks, ports, and energy systems. However, infrastructure gaps remain, and further investments are needed to enhance competitiveness and facilitate economic growth.
- **Foreign Direct Investment (FDI):** Brazil has been an attractive destination for foreign direct investment due to its large consumer market, natural resources, and productive capacity. FDI inflows have contributed to economic development, job creation, and technology transfer.
- **Economic Reforms:** The Brazilian government has pursued economic reforms to address structural challenges and enhance business environment. These reforms include pension system reform, labor market flexibility, privatization efforts, and simplification of bureaucracy. These reforms aim to boost productivity, attract investment, and foster sustainable economic growth.

The Brazilian Agri-Food Sector

The Brazilian agri-food sector plays a crucial role in the country's economy. It is known for its agricultural production, which encompasses a wide range of commodities and has made Brazil one of the largest agricultural exporters in the world. Here's an overview of the sector:

- **Agricultural Production:** Brazil has favorable natural conditions, including a vast land area, fertile soils, and diverse climates, which contribute to its agricultural productivity. The country produces a wide variety of crops, including soybeans, corn, sugarcane, coffee, oranges, cotton, and tropical fruits. Brazil is the largest producer and exporter of soybeans, coffee, sugar, and orange juice globally.
- **Crop Production:** Brazil has diverse agroclimatic conditions that allow for the cultivation of various crops. Soybeans are the country's largest crop, followed by corn, sugarcane, coffee, and cotton. The expansion of soybean cultivation has been significant, mainly driven by increasing global demand for soy products.
- **Livestock Production:** Brazil is a major producer and exporter of livestock products. It has a large cattle herd, making it one of the largest beef producers in the world. The poultry industry is also significant, with Brazil being a top exporter of chicken meat. Other livestock sectors, such as pork and dairy, have also experienced growth in recent years.
- **Agribusiness:** The agri-food sector in Brazil is characterized by a strong agribusiness industry. Many companies are involved in various stages of the value chain, including input suppliers, agricultural machinery manufacturers, food processors, and exporters. These companies have invested in modern technology and innovation to improve productivity and efficiency.

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 - **Sustainability and Environmental Challenges:** While the Brazilian agri-food sector is highly productive, it also faces challenges related to sustainability and environmental conservation. Deforestation, particularly in the Amazon rainforest, has been a concern due to its impact on biodiversity, climate change, and indigenous communities. Efforts are being made to promote sustainable agricultural practices, protect natural resources, and ensure compliance with environmental regulations.
 - **Government Policies and Support:** The Brazilian government has implemented various policies to support the agri-food sector, including credit programs, infrastructure development, and market access facilitation. The Ministry of Agriculture, Livestock, and Food Supply (MAPA) is responsible for formulating and implementing agricultural policies.
 - **Global Market Competitiveness:** Brazil's agri-food sector is highly competitive in the global market. The country has established itself as a reliable supplier of agricultural commodities, catering to both domestic and international demand. Its competitive advantage lies in its vast arable land, favorable climate, and advanced agricultural practices.



Brazil is one of the largest agricultural commodities producers and exporters in the world

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* **21.1%** of the BR GDP

* **40%** contribution to global food
production until 2050

* **266%** increase main crops production in
40 years

The Brazilian Tourism Sector

- **The Brazilian tourism sector has significant potential due to the country's rich natural beauty, diverse cultural heritage, and vibrant cities. Here's an overview of the Brazilian tourism sector:**
 - **Natural Attractions:** Brazil is renowned for its breathtaking natural landscapes. The Amazon rainforest, the Pantanal wetlands, the Iguazu Falls, the Atlantic Forest, and the stunning beaches along its extensive coastline are major draws for international and domestic tourists alike.
 - **Cultural and Historical Heritage:** Brazil has a diverse cultural heritage stemming from its indigenous populations, African influences, and European colonization. The country is home to numerous UNESCO World Heritage sites, including the historic center of Salvador, Ouro Preto, Brasília, and the Sanctuary of Bom Jesus do Congonhas. Cultural events like Carnival and local traditions further enrich the tourism experience.
 - **Urban Tourism:** Brazil's vibrant cities are also major attractions. Rio de Janeiro, with its iconic landmarks like the Christ the Redeemer statue and Copacabana Beach, attracts millions of tourists each year. São Paulo, the largest city, offers a bustling metropolis with a thriving cultural scene, gastronomy, and business opportunities. Other cities like Salvador, Recife, and Florianópolis also offer unique urban experiences.
 - **Ecotourism and Adventure Tourism:** Brazil's vast natural resources provide ample opportunities for ecotourism and adventure tourism. Visitors can engage in activities such as hiking, wildlife spotting, birdwatching, river rafting, and surfing in various regions across the country. The Amazon rainforest and the Pantanal wetlands are particularly popular for nature-based tourism.

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 - **Sports Tourism:** Brazil has a strong sports culture, and events like football matches, Formula One races, and beach volleyball tournaments attract sports enthusiasts from around the world. The country has hosted major sporting events like the FIFA World Cup in 2014 and the Olympic Games in Rio de Janeiro in 2016, showcasing its ability to accommodate large-scale international events.
 - **Tourism Infrastructure:** Brazil has been investing in improving its tourism infrastructure, including transportation networks, accommodations, and tourist facilities. Major cities have international airports, and there are well-developed road and air connections between different regions. The hotel industry offers a range of options, from luxury resorts to budget accommodations.
 - **Challenges and Opportunities:** The Brazilian tourism sector faces challenges such as security concerns in certain areas, limited infrastructure in remote regions, and visa requirements for some nationalities. However, these challenges also present opportunities for investment and growth. The government has been working to streamline visa processes, enhance security measures, and promote sustainable tourism practices.
 - **Domestic and International Tourism:** Domestic tourism plays a significant role in Brazil, with Brazilians traveling within their own country for leisure and business purposes. International tourism is also important, with visitors coming from various countries, including Argentina, the United States, Chile, and European nations. The weakening of the Brazilian currency in recent years has made the country more affordable for international travelers.



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International tourist arrivals reached 6.4 million in 2019, falling by 66.2% to 2.1 million in 2020. International receipts were USD 6.1 billion in 2019, before declining 49.4% in 2020. The top source market in 2020 remained Argentina, with 888 000 tourists (41.4% of international tourists), despite a decline of 54.6%. The other top markets for Brazil were the United States (8%), Chile (6.1%), Paraguay (5.7%) and Uruguay (5.3%).

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Brazil recently began to measure domestic tourism. In 2020, Brazil recorded 9.6 million domestic overnight tourists, and an additional 3.7 million same-day visitors. This fell slightly in 2021, with domestic tourists falling 4.0% to 9.3 million and same-day visitors falling to 3.0 million.



Tourism Recovery Plan in Brazil

Brazil launched the Tourism Recovery Plan to rebuild visitor confidence to resume the industry's activities.

To achieve its purpose, Brazil adopted four major measures to protect the sector:

- **The Emergency Employment and Income Maintenance Program provided an allowance to preserve employment.**
- **Security for consumers through new legislation that covered both companies and tourists.**
- **Credit lines for the tourism sector.**
- **The establishment of biosafety protocols.**

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