



# HOW TO **EXPORT TO BRAZIL**

Market Opportunities & Strategies  
for American Exporters

Based on the U.S. Commercial Service's  
2023 Brazil Country Commercial Guide

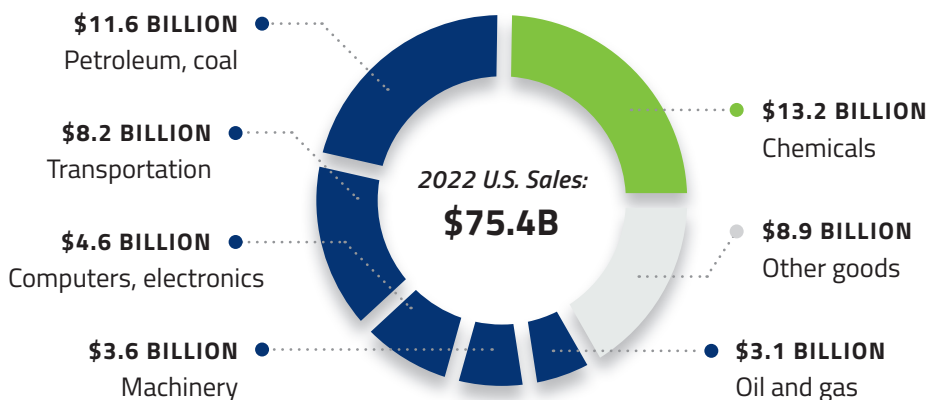
**EXIM**  
EXPORT-IMPORT BANK  
OF THE UNITED STATES



# WHY EXPORT TO BRAZIL?

Brazil possesses the third largest economy and the second largest population in the Western Hemisphere. The United States remains its second largest trading partner in terms of imports due to a robust commercial relationship and a shared commitment to mutual prosperity. In 2022, Brazil was the ninth largest export market for U.S. products and services, representing \$75.4 billion in exports, up 21.8% from 2021.

With the largest consumer market and GDP in South America, Brazil continues to be an excellent market for experienced U.S. exporters.



## Current Trade Climate

Progress in the bilateral commercial relationship between Brazil and the United States has been gradual but continuous over the last decade, thanks to multiple channels for dialogue between cabinet officials and the private sector.

In October 2020, the commercial relationship took an important step forward when both governments signed a new protocol updating the 2011 Agreement on Trade and Economic Cooperation, adding state-of-the-art provisions on Customs Administration and Trade Facilitation, Good Regulatory Practices, & Anticorruption. The update legally binds both governments to the commitments outlined in the three chapters.



## Quick Facts About Brazil

### COUNTRY SIZE:

3,286,000 square miles

### POPULATION:

215 million people

### LANGUAGE(S):

Portuguese

### CAPITAL CITY:

Brasília

### LARGEST CITY:

São Paulo

### NOMINAL GDP:

\$1.92 trillion  
10th highest worldwide

### TOTAL IMPORTS:

Goods: \$252.7 billion  
USA only: \$75.4 billion  
Services: \$80.5 billion

### CURRENCY:

Brazilian Real (BRL)

All quick fact statistics are 2023 approximations. Monetary figures throughout this guide reflect USD.



# INDUSTRY OPPORTUNITIES

U.S. exporters across a wide array of industries continue to achieve local export success thanks to Brazil's diversified domestic market and demand for international products, including a favorable view of technology and brands coming from the United States.



## Oil & Gas

Brazil is Latin America's top oil producer, and the country owns the largest recoverable ultra-deep oil reserves in the world. According to the ANP (the Brazilian National Agency for Petroleum, Natural Gas and Biofuels) from 2023 to 2027, Brazil is expecting investment of approximately \$4.3 billion in exploration activities. Pre-salt projects have the most investment from Petrobras, with significant opportunities for U.S. suppliers of offshore equipment and services. The U.S. oil and gas industry enjoys an excellent reputation in Brazil due to its advanced and innovative technology and expertise.



## Renewable Energy

Brazil's renewable energy sector accounts for 83% of the Brazilian electricity matrix, while the global average is around 25%. Its matrix is one of the cleanest in the world and Brazil is committed to continuing its support for renewable energy projects. In 2023, solar power, when including distributed generation, became the second largest source of electricity in Brazil, surpassing wind power. And by 2028, Brazil is expected to have over 44 GW of installed wind power capacity.



## Commercial Aviation

There are significant opportunities for U.S. companies to do business and/or become a supplier to the Brazilian aviation sector. There are major subsectors and segments in the industry that U.S. suppliers should focus on, which include but are not limited to OEMs (original equipment manufacturers), aircraft repair & maintenance. Companies with know-how and technology are welcome to establish partnerships with Brazilian companies and participate in future public tenders and reverse auctions opened by the Brazilian government.





## Digital Security

Brazil has an extensive and well-developed security market with many opportunities for U.S. companies. Opportunities for security suppliers will continue to emerge as the government focuses on infrastructure development. The market for electronic security equipment alone accounts for \$2B and is expected to increase. Cybersecurity is a priority for most companies. Brazil had more than 23 billion attempted cyberattacks during 2023, more than any other country in Latin America.



## ICT *(Information & Communication Tech)*

Brazil ranks 12th in the world IT market and represents 36.5% of the Latin American market it was valued at \$45.2 b in 2022. Brazil's 5G spectrum auction was held in October 2021. By 2025, Brazil will be among the five largest markets in the world for smartphones, with approximately 200 million connections. According to the International Data Corporation, a market intelligence company for the ICT sector, 5G will increase technologies like AI, big data and analytics, cloud, security, AR/VR, robotics, and IoT by generating over \$25.5 billion in Brazil by 2025.



## Pharmaceuticals

Brazil ranks among the top six markets globally for drugs and pharmaceuticals. Foreign companies can participate in bids as long they have local representation, with some exceptions. Productive Development Partnership (PDPs) allow foreign companies to partner with local laboratories to supply the public system for a period of up to five years. E-commerce is also a growing channel.



# SALES STRATEGIES

There is undoubtedly potential for success for those willing to do business within this geographically diverse, resource-rich, and economically dynamic country. U.S. companies wanting to sell here should endeavor to follow these guidelines:

## 01

### Business Culture

When compared to the U.S., the negotiating pace tends to be slower and is heavily based on personal contact. Conversations may occur simultaneously with frequent interruptions, a sign of interest in the subject rather than of disrespect. Be aware that business dress is often formal and conservative despite the apparent informality.

## 02

### Product Positioning

Generally, U.S. goods are trusted for their high quality; however, relying on quality as the primary competitive advantage may be risky. In some sectors, competing with an increasing number of Chinese imports can be difficult because of their low prices. As such, emphasizing product quality, customer service, after-sale service, financing arrangements, and warranty terms are key competitive advantages for U.S. companies.

## 03

### Entry Decisions

A number of strategies exist for U.S. exporters, including all of the typical import channels of agents, authorized distributors, and representatives. Due to the size of the country, it is important for companies to consider key cities and regions for exports as they initially build sales channels and a customer base in Brazil.

## 04

### Payment Terms

Imports in Brazil are primarily handled using traditional letters of credit or collections through established banks with correspondent banking agreements overseas. To a lesser extent, U.S. exporters may choose to operate on an open account or cash in advance basis. U.S. companies should work with EXIM to ensure payment.



### eCommerce

Brazil continues to experience rapid e-commerce growth of 14.3% and should exceed \$200B by 2026.

Brazilian shoppers have embraced the convenience of e-commerce. 67% of shoppers reported that they search for products on Instagram, 51% on YouTube, 37% on Facebook and 13% on TikTok. 41% reported buying products recommended by digital influencers in 2022.

#### Top 4 E-commerce Companies in Brazil:

1. Mercado Livre
2. Americanas
3. OLX
4. Magazine Luiza

# IMPORTANT MARKET DIFFERENCES

The World Bank's Doing Business 2020 report ranks Brazil 124 out of 190 countries in terms of ease of doing business, despite numerous positive economic reforms. Companies seeking to enter the Brazilian market should identify local partners to navigate Brazil's complex legal and regulatory system.

In general, businesses exporting to Brazil must be aware of several differences, including:

## Unique Regulations

To sell in Brazil, companies need to navigate a complex web of federal, state, and local regulations affecting their products. Exporters in highly regulated industries, such as medical devices or health and safety products, will have a particularly challenging time. Companies must also be prepared to meet different standards and technical requirements from those used in the United States to sell their products in Brazil. This means that even if a company has already tested its products and successfully met technical requirements in the United States, it may still be necessary to re-certify those products to meet the technical requirements in Brazil.

## Taxes & Tariffs

Without a free trade agreement, Brazil imposes high taxes and tariffs on imported goods and services coming from the U.S. and other markets. Brazil applies federal and state taxes and charges to imports that can effectively double the cost of imported products in Brazil. New U.S. exporters should seek special guidance to understand how the tax system affects specific industries and products.

## Government Contracts

While the Government of Brazil is the largest buyer of goods and services in Brazil, navigating the government procurement process can be challenging if firms are not equipped with the proper contacts and information. To make their procurement market more open to international bidders, Brazil passed a new government procurement law in April 2021. Federal, state, and municipal projects will have two years to switch to the new system, which more closely follows global procurement practices for these contracts, including eliminating some of the regulations that favored local companies.





# LEARN MORE

The information presented in this brochure is sourced from the U.S. Commercial Service's Country Commercial Guides (CCGs), which includes in-depth reports on market conditions, opportunities, regulations and business customs for more than 140 countries. Prepared by U.S. Embassy staff worldwide and updated annually, the CCGs are the premier trusted source of market intelligence.



*Talk to an Expert:*

## Get Trade Assistance

Ready to get started? Contact an international trade specialist at the U.S. Commercial Service for export assistance.



*Next Steps:*

## Learn the Basics of Exporting

This ebook will give you all the information on creating a plan, financing, handling orders, shipping, legal concerns, and more.



*Next Steps:*

## Access Financing Support

Download the Trade Finance Guide to learn about accessing capital, types of sales terms, how EXIM can help, and more.



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.