

# GAZETTE BRAZIL

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GAZETTE BRAZIL is an e-newsletter about the Brazilian Economy, investments and trade opportunities, produced by **Gilberto Heldt - Trade Promotion Section** of the **Brazilian Embassy in Sweden** - Odengatan 3, 11424 Stockholm, tel 46+8+54516300, fax 46+8+54516314. If you want to make any comment or send any information, please contact us, tel. 08-54516310, or send an e-mail to [tradesection@brasemb.se](mailto:tradesection@brasemb.se)

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## Investments

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**High-Level Meeting for Foreign Investors in Geneva** - The Government of the Federative Republic of Brazil will hold a High-Level Meeting for foreign investors on the 29th, January, in Geneva, with support from the United Nations Conference on Trade and Development (UNCTAD). This event is meant to present updated information on Brazil as a prime destination for foreign investments and will highlight the return to economic growth, fuelled by relatively low inflation, monetary stability, fiscal discipline, progress in tax and social security reforms, the establishment of new regulatory environment and the creation of a new legal framework for public-private partnerships, all of which are key factors for creating and strengthening a favorable and safe climate for private investment in the country.

The meeting will be presided by President Luiz Inácio Lula da Silva and seconded by Ministers of the economic, infrastructure and planning areas.

**Veracel to produce pulp in Bahia** - Aracruz and Swedish-Finnish group Stora Enso laid the foundation stone of their Veracel plant in Eunápolis (BA) in early October. Operations were expected to begin in the second half of 2005. The unit was to receive investment of roughly US\$1.25 billion to produce bleached eucalyptus pulp.

Stora Enso is the world's largest paper and pulp producer, with an output capacity of 15 million annual tonnes. Production from the new unit, an estimated 900,000 annual tonnes, would be geared to the international market.

**Danish laboratory invests US\$200m in Minas Gerais** - Novo Nordisk intended investing approximately US\$200m in a new insulin plant in the city of Montes Claros (MG). The unit was to be built alongside Biobrás, a Brazilian insulin maker bought by Novo Nordisk in late 2001. Sérgio Noschang, Novo Nordisk's Latin American vice president, said that this was the largest one-off pharmaceuticals sector investment ever in Brazil, and would establish the country as an insulin export base.

The Montes Claros plant would have an annual output capacity of 168 million flasks of insulin. Roughly 80% of the output would be intended for overseas markets, particularly Europe. China had been in the running for the investment, but Noschang said that specialized labor available in Montes Claros because of Biobrás had been one factor in Brazil's favor. He also said that "Brazil's new image", its falling sovereign risk, exchange-rate stability, and inflation control, had made the country more attractive and more reliable for foreign investment.

Novo Nordisk was negotiating with the Brazilian federal government for tax exemptions to import essential insulin-producing machinery and equipment not made by Brazilian manufacturers. The laboratory predicted that building work on the new plant would begin in mid-2004, and was expected to be concluded in three years. Noschang said that the new Montes Claros plant would be the group's third factory, and its first outside Europe to produce recombinant insulin.

The government of Minas Gerais saw the unit confirming the state's biotechnology hub as the largest in Latin America. Noschang presented the investment project to state governor, Aécio Neves, and Minister for Tourism, Walfrido dos Mares Guia, who was a former partner in Biobrás, set up in 1972 and sold to the Danes for US\$31m. The Minister said that it was gratifying to see a project he had helped begin over 30 years ago being carried on. He said that the decision to sell Biobrás had been warranted because of the size of the competitors, including Novo Nordisk itself, all with an output capacity vastly superior to that of the Minas Gerais laboratory. Noschang said that the estimated US\$200m investment came from the Danish laboratory's own finance.

**Akzo Nobel plans expansion** - Dutch company Akzo Nobel said it planned investing US\$50m to boost output capacity and expand exports from its Brazilian units. Akzo Nobel billed approximately US\$400m annually in Brazil in the pharmaceuticals sector (Akzo Organon), and also owned businesses in the chemicals and paints sector.

Antonio Rollo, Akzo's polymers division director in Brazil, said that the aim of the investment was to prepare the company to take advantage of high-potential opportunities in the domestic and foreign markets. He said that US\$10m would be invested in Akzo Organon with US\$40m earmarked for the chemicals sector.

Akzo owns 18 plants in Brazil and roughly 15% of revenues comes from exports. The company's net sales worldwide came to US\$14 billion.

**Böhler-Uddeholm buys Villares Metals** - Sidenor, the Spanish owner of steel maker Aços Villares, said it had agreed to sell control of its subsidiary Villares Metals to the Böhler-Uddeholm AG group of Austria. It said Böhler-Uddeholm would gain control through an issue of new stock in Villares Metals, a leading Brazilian manufacturer of high-alloy steels.

Villares Metals has a factory in Sumaré (SP) with capacity to produce around 85,000 tons a year of tool steels, valve steels, stainless steels and other high-alloy steels. Böhler-Uddeholm, based in Vienna, Austria, produces and distributes steels similar to those made by Villares Metals and is one of the world's largest manufacturers of tool steels.

Javier Plaza Martinez, director of investor relations at Aços Villares, said the deal would allow the company to concentrate its Brazilian operations on cylinders and steels for mechanical manufacturing. "South America and Brazil are important markets for us, especially the automobile and autoparts industries," Böhler-Uddeholm said.

**Suvinil builds new factory and invests in marketing** - Basf, the German group that controls Brazilian paint manufacturer Suvinil, announced plans to make its biggest investment for five years in the brand during 2004. It said it would spend R\$40 million on marketing and on the construction of a new factory. With 39% of the market, which had total sales of US\$672 million in 2002, the company said it planned to increase its share during 2004.

"We have been the market leader for more than 25 years and we aim to reach a share of more than 40%," said Rui Goerck, vice-president for paints and varnishes for Basf South America. He said marketing funds would be spent on advertising on TV, in newspapers and in other media, and on modernization of point-of-sale materials. With sales of US\$262 million, equal to a third of the sales of Basf South America, the Brazilian subsidiary aimed to double its paint exports, currently equal to about 5% of total production, through 2006.

Suvinil said it would open a new factory in March 2004 at São Bernardo do Campo (SP) in a R\$10 million investment. The new plant would increase its presence on export markets and meet a potential increase in demand on the domestic market. Work on the factory began in February 2003. The company said once it entered production, Suvinil would close its factory in Rio de Janeiro and concentrate paint production at the more modern São Bernardo do Campo site, achieving 10% cost reductions. The unit in Pernambuco would remain in operation.

Suvinil said the new factory would increase its capacity from 265 million to 320 million liters a year. Production would increase from 160 million to 215 million liters; capacity at the Pernambuco factory was 50 million liters a year.

**Voith Paper invests in new technology** - The German group Voith Paper is investing US\$ 10 million to bring to Brazil new roll covering technology, used for paper machines. The new factory has been installed in the industrial complex the company owns in São Paulo, with the goal of expanding the operations of its service division which accounted for US\$ 15 million of the US\$ 190 million revenues Voith Paper's Brazilian subsidiary recorded last business year (October 2002 to September 2003). In the previous business year, the company sold US\$165 million and the service division totaled US\$13.5 million.

"With the new technology, I expect the segment should reach US\$20 million in 2005," said César Penteado, director of the company's service division in South America. The introduction of the roll covering technology should also permit exporting the product, said Penteado. Moreover, the company will have four service operations in South America, three of them in Brazil - in the states of Paraná, Bahia and São Paulo - and one in Argentina.

The German group has a total of 26 units worldwide. Ray Hall, global vice-president, said that services have gained share in the composition of the company's revenues. Of the almost US\$1.5 billion global sales Voith Paper records yearly, services already account for nearly US\$400 million - a share of 26%. Hall estimated that "in five years, the division should account for 40% of revenues." The executive said that the global services market accounts for US\$2 billion to US\$3 billion per year, including mechanical services and products for pulp and paper machines.

**Pfizer invests US\$57 million** - The president of Pfizer's Brazilian subsidiary, César Preti, announced the company is investing US\$57 million in the country, in addition to resuming the construction of one more plant. The new unit, initially planned for 1999, involves investments of roughly US\$80 million.

The American group Pfizer began to grow faster in 2000, when it acquired Warner-Lambert. Growth was consolidated in 2003, with the purchase of Pharmacia. The two deals allowed the company to reach annual sales of almost US\$50 billion worldwide.

"Under normal conditions, I believe that the study for implementing the new operation will be ready in 2005, and a decision (to go ahead) will be made a few months later. We need another unit for manufacturing the drugs formerly made by Warner-Lambert and the ones manufactured by Pfizer", said Preti.

Of the US\$57 million to be invested in Brazil, US\$45 million was destined for modernizing factories in Guarulhos (SP), opened in 1960, and Jandira (SP), incorporated with the purchase of Pharmacia. The remaining US\$12 million was to be used to finance 44 clinical trials in Brazil, including ones related to development of a female version of Viagra that should be launched between 2005 and 2006.

Pfizer's subsidiary in Brazil achieved revenues of R\$930 million between January and October 2003, representing an 11% increase in relation to the same period of 2002. A 10% increase in revenues and exports was expected for 2004. "We sell to 29 countries in the Americas, Africa and Asia", said Preti.

**Japanese Cenibra plans US\$1 billion for pulp mill, forestry** - The Japanese-owned pulp company Cenibra will invest US\$1 billion in Minas Gerais, according to State Economic Development Secretary Wilson Brumer. The investment, confirmed by Cenibra president Fernando Fonseca, was destined to build another plant in the region of Belo Oriente, 150 km northeast of state capital Belo Horizonte, where the company already owns one factory, and to double the area of eucalyptus forests exploited by the company.

Fonseca said Cenibra planned boosting pulp output to 1.8 million annual tonnes, and that it would therefore be necessary to double production of eucalyptus, the principal raw material. He said that the present 120,000 planted hectares of forest must increase to approximately 230,000 hectares. The project was scheduled for implementation through 2011, but could be brought forward to 2007. Jobs in the rural area where Cenibra operates would likely rise from 6,000 to 12,000. He said that the new plant alone, when ready in two years' time, would create 600 direct jobs.

Another project under discussion with the Minas Gerais state government was the improvement of roads in the region of the plant, to enhance outbound transport flows. Under discussion was a partnership whereby Cenibra would invest 20% and finance the remainder of the expenses. Secretary Brumer confirmed that the state government had been authorized by the federal government to take a US\$120m loan from the Inter-American Development Bank (IDB), most of which would be spent bringing electricity to the northeast Minas countryside and to paving access roads to 220 towns.

Cenibra (Celulose Nipo-Brasileira S.A.) came to Brazil in 1973, the result of a partnership between Companhia Vale do Rio Doce and JBP (Japan Brazil Paper and Pulp Resources Development Co., Ltd.). The goal was to build a major forestry company in the region of the Rio Doce Valley in eastern Minas Gerais.

Cenibra in July 2001 invested US\$670m to purchase a 51.48% share held by Vale, so taking a full 100% share control in Cenibra. JBP is composed of leading Japanese pulp and paper companies plus a group headed by Oji Paper Co. Ltd., Itochu Corporation and by Japan Bank for International Cooperation.

Cenibra's annual output is 800,000 tonnes, over 90% of which is exported, mainly to Japan, Europe, the United States, Latin America and Asia.

## Economics/Politics

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**EU commissioner says agreement with Mercosur could be completed this year** Brasília, 1/20/2004 (Agência Brasil - ABr) - The commissioner for Foreign Relations for the European Union, Christopher Patten, who is visiting Brazil, says that it is possible that a European Union - Mercosur trade agreement could be wrapped up by the end of this year. Patten added that some difficult trade questions remain to be worked out.

As for Brazil, minister of Foreign Relations, Celso Amorim, declared that he is optimistic about the EU-Mercosur agreement. "We want to complete it this year. It is more than a commercial agreement. It is strategic and political," he said. (AB)

**Ministers are in Russia to discuss revising quotas on meat sales** Brasília, January 19, 2004 (Agência Brasil - ABr) - For the purpose of expanding trade and discussing quotas imposed by Russia on Brazilian meat products, the Ministers of Agriculture, Livestock, and Supply, Roberto Rodrigues, and of Development, Industry, and Foreign Trade, Luiz Fernando Furlan, begin, today, a series of meetings in Moscow with various Russian officials.

Furlan will be received by Vice-Premier Boris Alioshin; Minister of Policies to Combat Monopoly and Support Entrepreneurial Activity, Ilia Yujanov; Chief Minister of Administration, Igor Shuvalov; and Minister of Economic Development and Trade, German Gref. "We shall reaffirm President Lula's guideline to place priority on the relationship with Russia," the Brazilian Minister recalled, citing petrochemicals, heavy industry, aerospace, genetics, and managerial systems as some of the areas which present opportunities for investments and joint ventures. "Over a period of 15 years, we hope that the volume of bilateral investments attains US\$ 40-50 billion," Furlan said. (DAS)

## Trade/Business News

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**Trade balance ends 2003 on historic high** Brazil recorded a record trade surplus of US\$24.83 billion in 2003, an increase of 89% over 2002, according to figures from the Ministry of Development, Industry and Commerce. The surplus was an all-time record, beating the US\$19.2 billion surplus of 1988. In 2002, the surplus was US\$13.13 billion.

Exports in 2003 were US\$73.08 billion, another absolute record, 21.1% more than in 2002. Imports reached US\$48.25 billion, an increase of 2.2%.

**Brazilian exports hit new record** On 17 December 2003 Brazil hit an all-time annual record of US\$70 billion in exports, **Industrial production expected to increase by 4.5% in 2004** A report by the National Confederation of Industry (CNI), "The Brazilian Economy: Performance and Perspectives", predicted an increase of 4.5% in industrial production during 2004, much higher than the 0.8% estimated for 2003. "The reactivation of domestic demand, stimulated by greater availability of credit and by lower interest rates, will allow for more robust growth in 2004," said Armando Monteiro Neto, president of the CNI.

The increase in industrial production would also boost Brazil's GDP, expected to grow by 3.5% in 2004, the report said. This would be reflected in the labor market, where the unemployment rate might fall by 1.5 percentage points to close to 11%, taking account of informal as well as formal employment.

The CNI also made positive predictions for inflation, which it said should fall to 6% in 2004. As a result, according to the CNI report, there would be room for a relaxing of monetary policy, with further reductions in interest rates. From the second half of 2004, the Central Bank's basic interest rate would reach 8% a year, the CNI predicted.

The CNI also predicted an increase in exports to about US\$75 billion in 2004. It expected imports to increase by about 15%, from around US\$49 billion in 2003 to US\$56 billion in 2004. As a result, Brazil's trade surplus would be reduced from US\$24 billion in 2003 to US\$19 billion in 2004.

Looking back on 2003, Monteiro Neto said that in macroeconomic terms there had been "a reversal of uncertainty and a recovery of confidence" and that the year would end "better than it began". For 2004, the priority for the business community was a return to investment, putting at the top of the agenda, among other requirements, a reduction in bank lending rates and in the tax burden, implementation of a regulatory framework for private investments (especially in infrastructure), a new tax reform (more focused on the productive sector) and tax exemption for investment.

**Brazil will export organic foods to Japan** Brasília, January 16, 2004 (Agência Brasil - ABr) - Japan is interested in organic foods produced in Brazil. The lack of space to cultivate products sufficient to meet Japanese demand led the Jetro - the Japanese government organ in charge of foreign business - to undertake a search for countries with capacity to produce and commercialize food grown without agrotoxins and genetic modifications.

The president of the Brazilian Export Promotion Agency (Apex), Juan Quirós, sees organics as a good business opportunity for Brazil. Exporting to Japan will represent a growth in Brazil's participation in a market with a US\$ 30 billion annual turnover.

Germany and the United States are the largest importers of organic food from Brazil, especially tropical fruit, such as açai, acerola, bananas, cashews, passion fruit, and melons. (DAS)

**Brazil prepares to export more beef by marketing food safety** Brasília, 1/6/2004 (Agência Brasil - ABr) - Investments in marketing and food safety is the way to go if Brazil is fill the void in international beef markets following the mad-cow scare in the US. That was the conclusion reached at a meeting of cattlemen, beef exporters and representatives of the Ministry of Agriculture which took place yesterday. The goal is to move into the US, Korean and Japanese markets.

However, some Brazilian analysts warn that the result of the problem in the US may be a consumer rejection of beef and a mass movement to white meats, such as pork and poultry.

As a result of yesterday's meeting three work groups were set up to study sanitation and trade agreements, marketing strategies based on the fact that Brazil is free of mad cow disease and its beef is risk-free to consumers, and further improvements in animal sanitation measures, including tracking, to prevent the occurrence of mad-cow disease in Brazil.

According to the minister of Agriculture, Roberto Rodrigues, this is a moment when the government has to be part of the solution, not a problem. He announced an additional R\$60 million for animal sanitation measures, besides the R\$68 million already budgeted, and said foreign demand for Brazilian beef could be up as much as 15% this year.

Antonio Camardelli, the president of the Brazilian beef exporter association was more cautious and refused to be precise about an export increase. "We have good cattle, our strong selling point is that our beef is 'green beef' [this is a reference to the fact that most Brazilian cattle is raised in the pasture], but it is too early to say how much more we can sell abroad," he declared.

According to Antenor Nogueira, president of the country's cattle association (CNA), the first step to increasing exports is to overcome American sanitation barriers on Brazilian beef. "Markets in China and Japan use the same standards that the Americans use," he points out.

Brazil's big problem with foreign markets is not mad cow disease, but foot and mouth disease, which the country has finally eliminated. "Recent visits by American inspectors should result in international recognition of that fact and the opening of the US market by 2005," says Nogueira.

Brazil exported 1.2 million tons of beef in 2003, worth US\$1.5 billion. Most of the exported beef went to Europe, in natura. (AB)

**Brazil begins negotiations with Asian countries on sale of meats** - Brasília, 1/22/2004 (Agência Brasil - ABr) - This Monday Brazil will begin negotiations with Japan, South Korea and Taiwan regarding the opening of markets there for Brazilian meats. A trade mission led by the secretary of Animal and Plant Defense at the Ministry of Agriculture, Maçao Tadano, with representatives of the beef, pork and poultry industry, will explain the animal sanitation situation in Brazil. The three countries have become potential buyers of Brazilian meats following the discovery of mad cow disease in the US. (AB)

**Besides meats, Brazil still wants to export mangoes to Japan** - Brasília, 1/22/2004 (Agência Brasil - ABr) - The main objective of the trade mission that will go to Asia next week is to open markets in Japan, South Korea and Taiwan for Brazilian meats. But the mission will take advantage of the opportunity to renew talks with Japan on mangoes. Brazil has been negotiating mango exports with Japan for over twenty years. (AB)

**International crisis may open new markets for Brazilian poultry** - Brasília, January 21, 2004 (Agência Brasil - ABr) - Cases of avian influenza, the so-called "chicken flu," in Asia may be good for business in Brazil. For the president of the Brazilian Association of Chicken Exporters (Abef), Júlio Cardoso, it is still too soon to say whether Brazilian exports will increase, but the prospects are good. "Without a doubt, with the problems that are occurring in other countries, import markets will eventually begin to turn to Brazil," he says.

Last year Brazil moved into second place among the world's largest exporters of chicken, in terms of volume. In terms of earnings, it surpassed the United States and became the world's largest exporter. Japan is one of the main buyers of Brazilian chicken.

Cardoso explains that Brazil has the capacity to increase its production, in case world demand for chicken expands. (DAS)

**Brazil expands areas that are free of foot and mouth disease** Brasília, 1/16/2004 (Agência Brasil - ABr) - Today minister of Agriculture, Roberto Rodrigues, is expected to formally announce that more areas of Brazil are free of foot and mouth disease. The new disease-free areas are in parts of the states of Pará and Amazonas, and all of the state of Acre.

With the announcement, Brazil will have 165 million head of cattle free of foot and mouth disease (up from 152 million), and the area in the country that is disease-free will rise from 4.25 million square kilometers to 5.08 million square kilometers, or approximately 61% of the country. (AB)

**Brazil is world's fourth largest producer of transgenics** Brasília, January 15, 2004 (Agência Brasil - ABr) - Brazil is already the world's fourth largest producer of genetically modified organisms (GMOs), with around 3 million hectares of transgenic soybeans under cultivation. The United States continues to lead the ranking, with 42.8 million hectares under cultivation, followed by Argentina (13.9 million hectares), Canada (4.4 million hectares), and Brazil and China (2.8 million hectares apiece).

According to the "Global Status of Commercialized Transgenic Products, 2003," a report prepared annually by the ISAAA (International Service for the Acquisition of Agro-Biotech Applications) compiling the most recent information on transgenic crops throughout the world, the total area in which GMOs are planted grew 15% in 2003, from 58.7 million to 67.7 million hectares.

For the first time Brazil and the Philippines were included in the official ISAAA report, raising the number of countries in which the main transgenic products (soybeans, corn, canola, and cotton) were cultivated last year to 18: the United States, Argentina, Canada, Brazil, China, South Africa, the Philippines, India, Australia, Uruguay, Indonesia, Bulgaria, Romania, Germany, Spain, Mexico, Honduras, and Colombia.

Soybeans were the principal transgenic product planted in 2003, with 41.4 million hectares under cultivation, followed by corn (15.5 million), cotton (7.2 million), and canola (3.6 million). Crops that are resistant to herbicides occupy 73% of the total area (49.7 million hectares), those resistant to insects, 18% (12.2 million), and those that are resistant to both, 8% (5.8 million).

According to the report, in the next five years the total area expected to be cultivated with GMOs should reach 100 million hectares, distributed among 25 countries. The preliminary report is available in its entirety on the site [www.isaaa.org](http://www.isaaa.org). (DAS)

**Petrobras announces domestic production increase of 12.5% in 2003** Rio, - Petrobras reports that in 2003 its total production of petroleum and natural gas rose 12.5%, compared to 2002, going from 1,810,200 barrels/day to 2,036,500 barrels/day.

In December total production was up 18.3% over December 2002, going from 1,691,100 barrels/day to 2,001,100 barrels/day.

According to the note, production in Brazilian fields in December, 2003, was equivalent to what it was in November. "Production was interrupted in December in the Jubarte field to inspect the ship Seillean. On the 20th, well VD-10 in the Voador field, in the Campos basin, began production, with a potential of two thousand barrels/day," the note explains.

There was a sharp rise (slightly over 322%) in Petrobras production abroad, mainly due to the incorporation of Perez Companc, now called Petrobras Energia. Total production abroad rose from an average of 58,171 barrels/day to 245,879 barrels/day. (AB)

#### **Brazilian-Swedish Trade Balance 2002: Swedish imports from Brazil**

Chapter/products	Tons	US\$
85 - Electrical appliances, stereo and television	1534	51.668.000,00
09 - Coffe	36626	35.302.000,00

84 - Machines and instruments	7628	35.235.000,00
87 - Motor vehicles and parts	7042	31.816.000,00
23 - Animal food - soya	74322	14.540.000,00
02 - Meat - frozen and refrigerated	2763	11.023.000,00
44 - Wood	75137	9.217.000,00
72 - Iron and steel	5971	7.932.000,00
64 - Shoes and parts	222	5.361.000,00
24 - Tobacco	1363	4.965.000,00
		<b>Total 270 millions</b>

#### Swedish exports to Brazil

Chapter/products	Tons	US\$
84 - Machines and instruments	11560	176.785.000,00
85 - Electrical appliances, stereo and television	2699	126.590.000,00
87 - Motor vehicles and parts	8372	50.395.000,00
90 - Optical equipment, foto and cirurgical equipment	179	26.146.000,00
30 - Pharmaceutical products	159	25.117.000,00
72 - Iron and steel	11173	18.575.000,00
39 - Plastics, rubber, produts of	5009	11.367.000,00
73 - Iron and steel, products	2088	9.347.000,00
82 - Hand tools and cutlery	284	7.409.000,00
29 - Chemical Products	5792	6.269.000,00
		<b>Total 512 millions</b>

Source: Sveriges Statistiska Centralbyrå (released March 2003)

## Tourism

**Airpass** - Visitors who are intending to travel on from their point of entry to explore the rest of Brazil should consider investing in a Brazilian Airpass before arriving in the country.

The Airpass can only be sold outside of Brazil and to non-residents with a return air ticket. It can be purchased for the flights of [Varig](#), [Tam](#) or [Vasp](#), each pass only being valid for the flights of the issuing carrier. The price of the Airpass varies, but considering the size of Brazil and the cost of internal Brazilian air travel – a return flight from Rio de Janeiro to Manaus can cost over US\$ 450 and Rio to Foz de Iguacu, 255 – it offers excellent value for money.

Currently the cost of the basic Airpass is \$399 for up to five internal flights. The pass is valid for 21 days from the first internal flight. There is also a South American Airpass which allows the holder to travel economically throughout Brazil, Argentina, Chile, Uruguay and Paraguay. The cost of the South American Airpass is based on the number of miles flown. Prices start from just \$225.



#### Carnaval

A general explosion of joy. The most important popular festival, it mixes emotions, creativity, plasticity, colors, sounds and many costumes.

#### Rio offers a great thematic festival

People dance with joy and freedom as the contagious carioca spirit affects all who come from different places to visit Rio de Janeiro at carnival time. So, put on a smile, move your feet, loosen up your arms, turn on that twinkle in your eyes and get into it.

#### The biggest popular event in the world.

A unique record of the melting pot that is Brazilian culture. The moment comes when all participants are the protagonists of their own play, costume, plot, samba. This is carnival year after year.

#### CARNAVAL SUNDAYS

CALENDAR UP TO 2010

2004 – FEBRUARY 22

2005 – FEBRUARY 06

2006 – FEBRUARY 26

2007 – FEBRUARY 18  
 2008 – FEBRUARY 03  
 2009 – FEBRUARY 22  
 2010 – FEBRUARY 14



To say that Carnival in **Pernambuco** is different in time, space and form of expression, is not unfounded. In time, because it goes beyond the official days of Carnival, stretching from December to February (in Olinda into the first days of March), with balls, rehearsals and anything that might be an excuse to "fall into step" with the frevo (a frenetic local dance rhythm). In space, because it takes place in the streets and squares, the clubs and headquarters of carnival groups, in houses and and just about anywhere that can accommodate the euphoria of Pernambuco. In form of expression because it represents a rich and varied folklore: caboclinhos (indigenous groups), maracatus (African pageants), bears, carnival groups, frevo clubs, papangus (masked clowns), bumbas-meu-boi (a folk presentation with a bull as the central character) and a large number of other attractions.

**Amazonas government wants more flights to Manaus** Brasília, January 23, 2004 (Agência Brasil - ABr) - President Luiz Inácio Lula da Silva authorized the head of the Presidential Civilian Advisory Staff, José Dirceu, to analyze, together with the governor of the state of Amazonas, Eduardo Braga, a plan to increase the number of flights to Manaus. The goal is to stimulate tourism in the region. This information was released, yesterday (22), by Governor Braga, who met with the President in the Planalto Palace. According to him, the expectation is to create airline routes from Europe and the United States with stops in Manaus, not just in the Northeast of Brazil.

"We want to raise the participation of tourism in Amazonas's Gross Domestic Product (GDP) above the current level of 3%," the governor said. According to Braga, with a little bit of investment, tourism could grow rapidly in the state and generate jobs and income. The goal, he disclosed, is to increase the figure from 3% to 15% in three years. (DAS)

**Brazil will inaugurate in Portugal first Tourism Office in Europe** Brasília, January 19, 2004 (Agência Brasil - ABr) - The Brazilian government will mount a campaign for European tourists beginning this week. The first of six Brazilian Tourism Offices to be installed in European cities will be inaugurated in Portugal on Wednesday (21). The Lisbon office will be in charge of coordinating all the rest, which will function in Paris, Madrid, Rome, Berlin, and London. These offices will serve as units for the promotion, marketing, and commercial support of products, services, and locations related to tourism in Brazil.

The federal government will also create similar offices in the US cities of New York, Los Angeles, and Washington. This is one of the government's measures to achieve the goal set by President Luiz Inácio Lula da Silva em 2003, to expand the annual influx of tourists in Brazil to 9 million, bringing around US\$ 8 billion in foreign currency.

The Portuguese office was chosen to coordinate the efforts in Europe in view of the historical ties between the two countries, according to the press office at the Ministry of Tourism.

The number of Portuguese tourists who visit Brazil grows every year. In 2002, 168 thousand Portuguese visited the country, 60% more than in 1998. (DAS)

## [Useful links](#)

### **In English:**

Brazilian Ministry of Foreign Relations [www.mre.gov.br](http://www.mre.gov.br)

Investe Brasil - Investment Promotion Agency [www.investebrasil.org.br](http://www.investebrasil.org.br)

Brazilian Ministry of Finance [www.fazenda.gov.br](http://www.fazenda.gov.br)

Brazilian Central Bank [www.bcb.gov.br](http://www.bcb.gov.br)

Brazilian Institute for Statistics [www.ibge.gov.br](http://www.ibge.gov.br)

Brazilian Embassy in London [www.brazil.org.uk](http://www.brazil.org.uk)

Brazilian Tourist Bureau [www.embratur.gov.br](http://www.embratur.gov.br)

Brazilian Association of Fair Promoters [www.ubrafe.com.br](http://www.ubrafe.com.br)

Brazilian Association of Meat Exporters - [www.abiec.com.br/ingles/index.htm](http://www.abiec.com.br/ingles/index.htm)

Brazilian Association of Vegetable Oil Industries - [www.abiove.com.br/english.html](http://www.abiove.com.br/english.html)

Brazilian Electrical and Electronics Industry Association - [www.abinee.org.br/ing](http://www.abinee.org.br/ing)

The Brazilian Association of Citrus Exporters - [www.abecitrus.com.br/indiceus.html](http://www.abecitrus.com.br/indiceus.html)

Minas Gerais Industry Federation – [www.fiemg.com.br](http://www.fiemg.com.br)

Rio Grande do Sul Industry Federation – [www.fiergs.org.br](http://www.fiergs.org.br)

Brazilian Footwear Producers Association – [www.abicalcados.com.br](http://www.abicalcados.com.br)

Brazilian Chemical Industry Association [www.abiquim.org.br](http://www.abiquim.org.br)

Brazilian Machinery Manufacturers Association [www.abimaq.org.br](http://www.abimaq.org.br)

Brazilian Coffee Industries Association [www.abic.com.br](http://www.abic.com.br)

Brazilian Association of the Flower Mills [www.abitrigo.com.br](http://www.abitrigo.com.br)

Brazilian Association of the Food Industries [www.abia.org.br](http://www.abia.org.br)

Brazilian Association of the Textiles and Clothing Industries [www.abit.org.br](http://www.abit.org.br)

Brazilian Association of the Plastic Industries [www.abiplast.org.br](http://www.abiplast.org.br)

Brazilian Association for Mechanically Processed Timber [www.abimci.com.br](http://www.abimci.com.br)

Brazilian Association for the Ceramics [www.abceram.org.br](http://www.abceram.org.br)

Brazilian Association for the Furniture Industries [www.abimovel.org.br](http://www.abimovel.org.br)

#### **News in English**

Brazilian economic newspaper - [www.gazetamercantil.com](http://www.gazetamercantil.com)

Independent news - [www.infobrazil.com](http://www.infobrazil.com)



**BrazilTradeNet your gateway to business with Brazil- [www.braziltradenet.com](http://www.braziltradenet.com)**

**BrazilTradeNet** offers a wide range of business opportunities, useful addresses, news, links and other information, aimed at the needs of Brazilian exporters and Non-Brazilian importers and investors. Some information, such as the Information about Brazil and the economic indicators on Brazil and Mercosur, is available both to registered and to unregistered users. Other information, such as the business opportunities and the Brazilian Company Register, are available only to registered users. By filling out the registration form, your company will be automatically included in the Non-Brazilian Company Register and will be able to contact potential business partners in Brazil. Registration and use of BrazilTradeNet are free of charge.

**Investment Promotion and Technology Transfer System - SIPRI** - The main goals of the Ministry of Foreign Relations' Investment Promotion and Technology Transfer System (SIPRI) are to attract foreign direct investment to Brazil and to establish partnerships between Non-Brazilian companies and Brazilian companies which ensure the transfer of new technologies to Brazil. Abroad, the SIPRI operates through 52 Brazilian Trade Bureaus (SECOM) in Brazilian Embassies and Consulates. Within Brazil, a group of institutions known as Focal Points works in conjunction with the Ministry for External Relations in the dissemination of a) investment opportunities, generated in Brazil, and b) interest in investing in Brazil, generated abroad. Today there are 29 Focal Points in 22 States of the Federation and 17 Focal Points in process of negotiation.

**How to use SIPRI** - The first step to take is to register your company on the BrazilTradeNet - [www.braziltradenet.com](http://www.braziltradenet.com) . Once registered, the company's interested in investing in Brazil will fill out a form confirming this interest. The information will automatically reach the Brazilian Trade Bureau Office (SECOM) closest to the company, and a technician of the SECOM will contact the company in order to collect additional information on the investment opportunity. He will also be in charge of sending the information collected to Brazilian companies interested in receiving foreign direct investments. The Brazilian company will follow the same procedures, but their information will reach the Focal Point nearest to its headquarters. SECOMs and Focal Points identify and transmit information about investment opportunities, mainly (but not exclusively) to small and medium companies.