



Watch the video  
about Brazil.

Download the QR  
Code on your mobile  
phone and take a  
picture of the code.

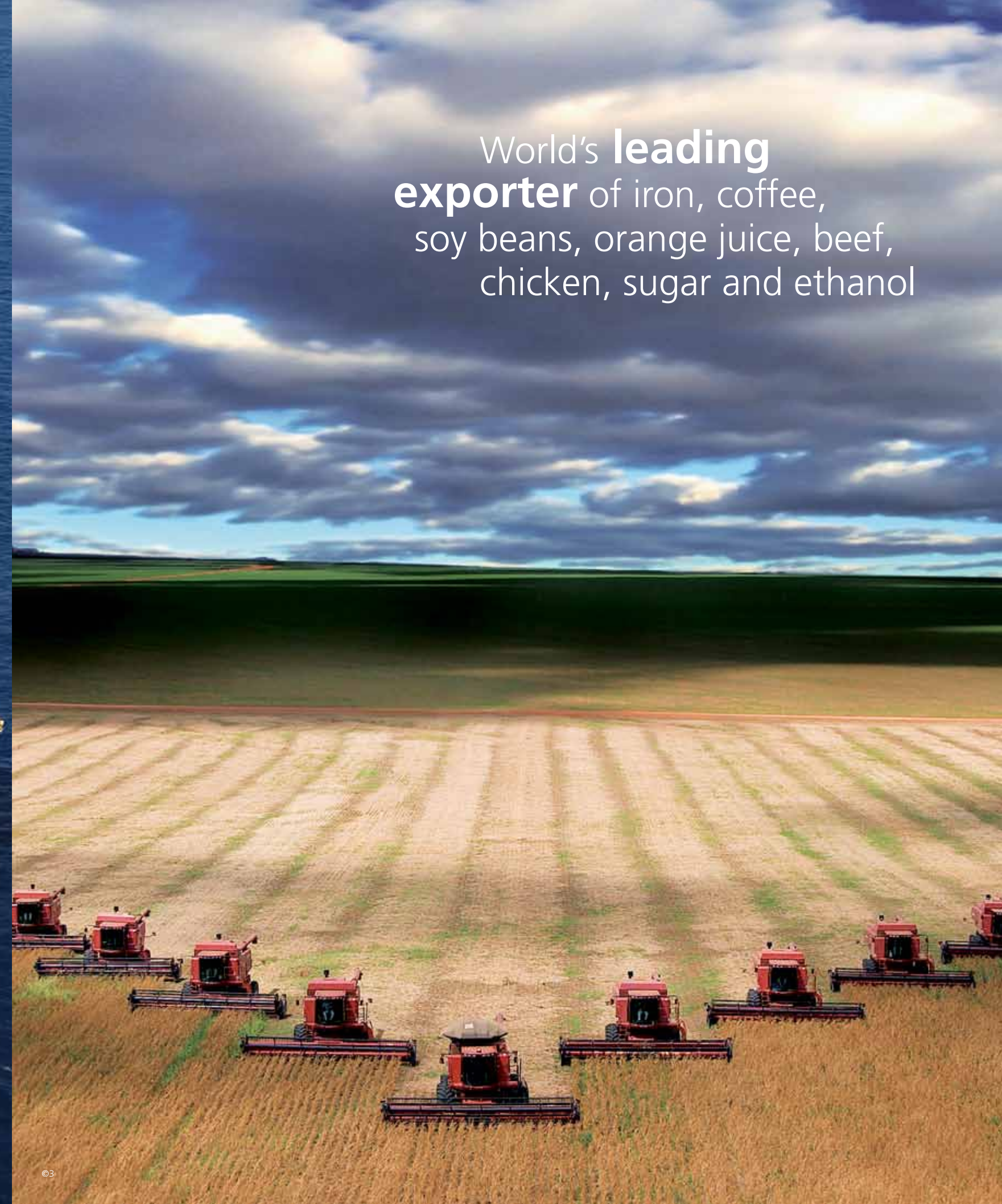
# BRAZIL



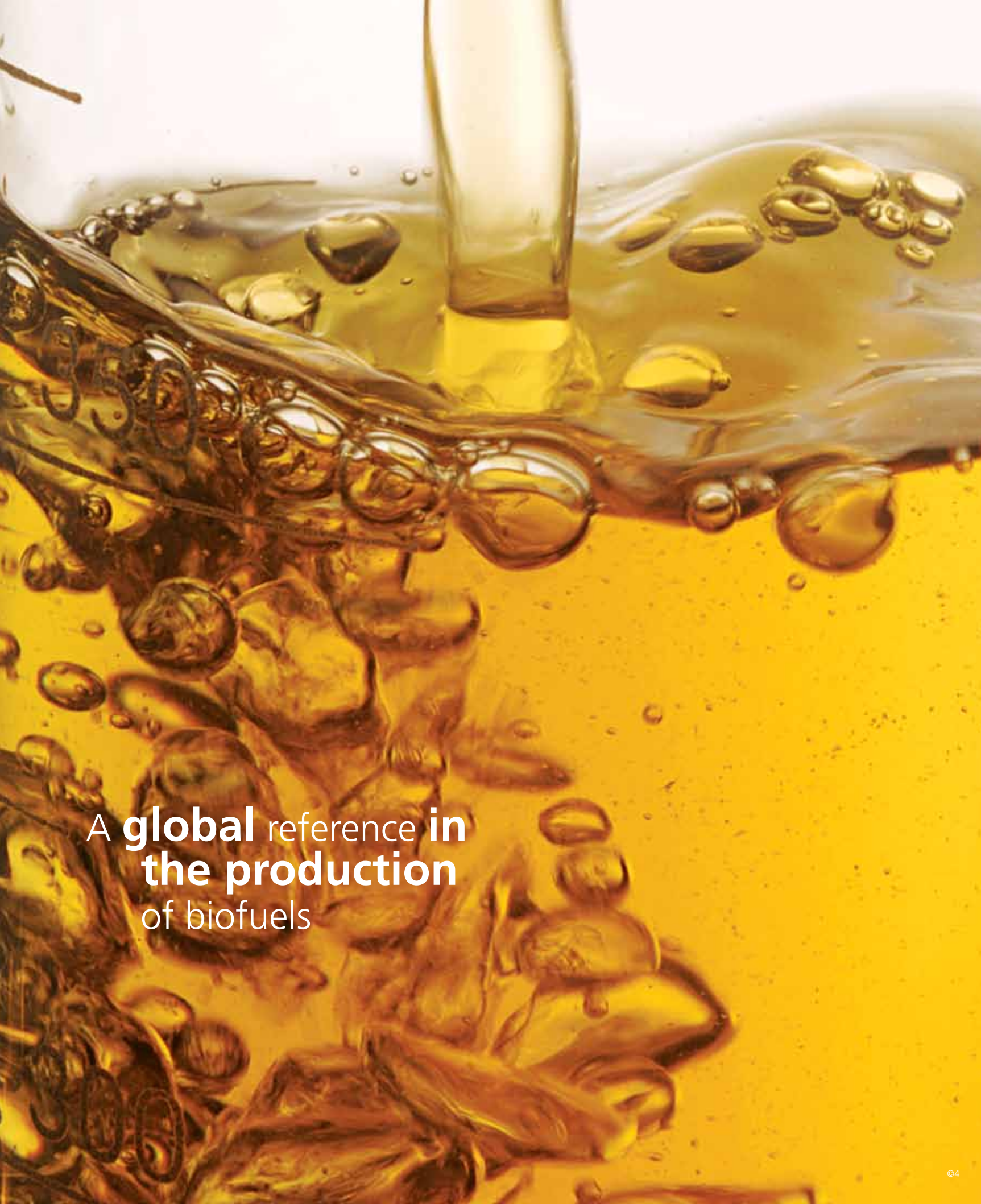
Home to one of the  
**world's** largest  
**petroleum**  
**reserves**



World's **leading**  
**exporter** of iron, coffee,  
soy beans, orange juice, beef,  
chicken, sugar and ethanol

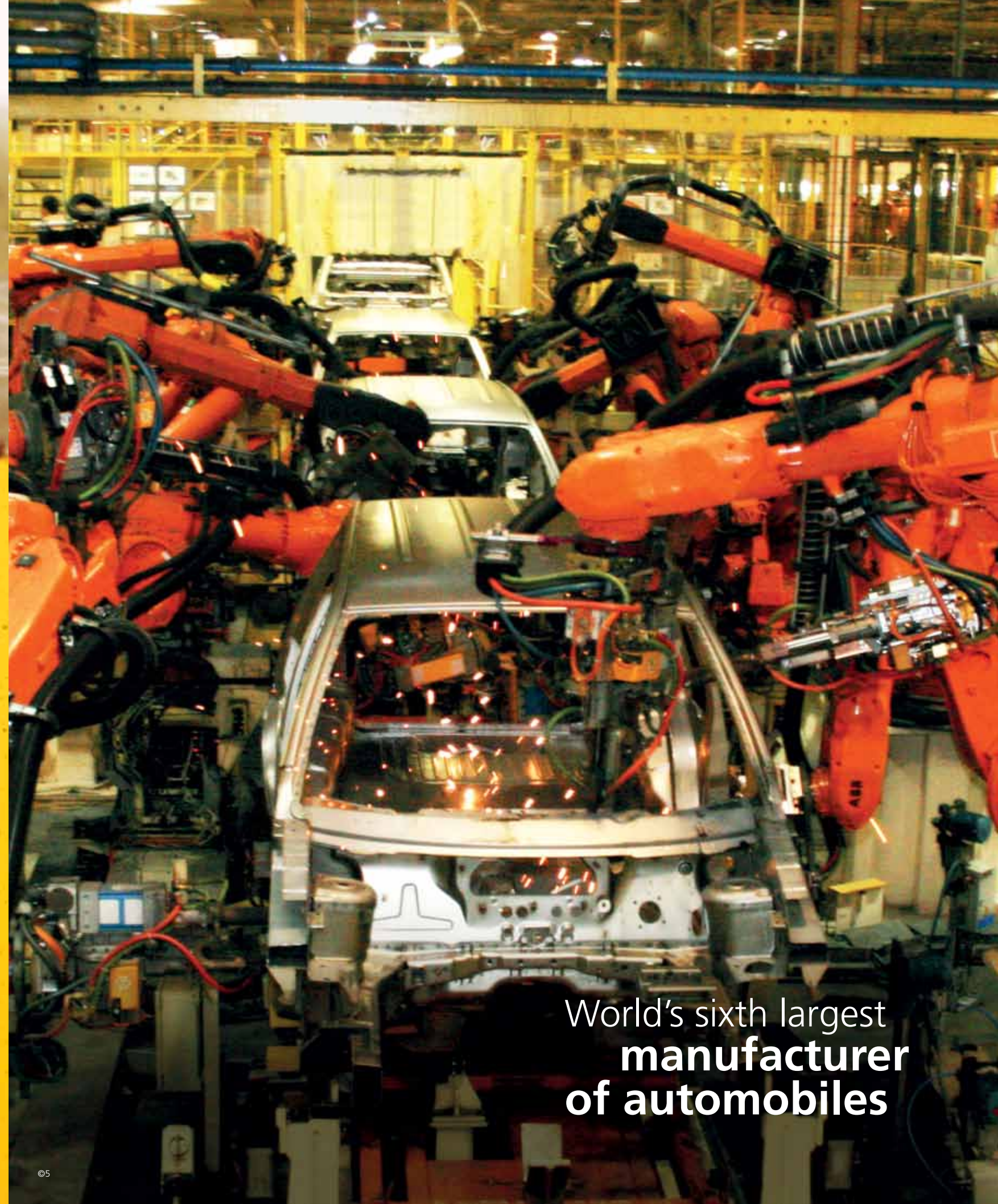






A **global** reference in  
**the production**  
of biofuels

©4



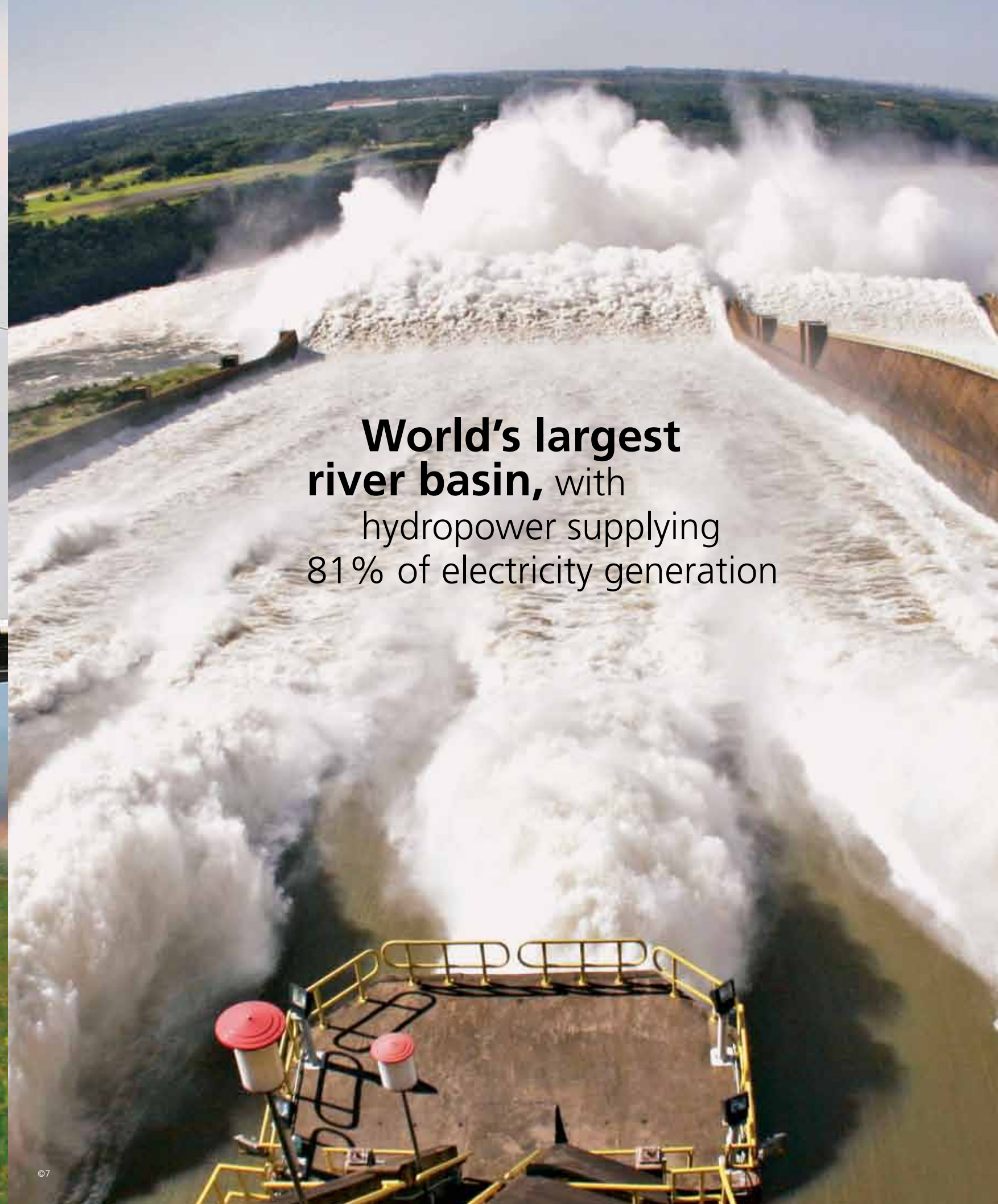
World's sixth largest  
**manufacturer**  
of automobiles

©5





World's third largest  
**manufacturer of aircraft**  
and top producer of models  
seating up to 120 passengers



**World's largest  
river basin,** with  
hydropower supplying  
81 % of electricity generation





# Brazil, macroeconomic stability and social inclusion

10	INTRODUCTION - BRAZIL: STABILITY AND GREAT OPPORTUNITIES
14	INVESTMENT - PRIORITY IN INFRASTRUCTURE AND WELL-BEING
18	ECONOMY AND SOCIAL INCLUSION - INCLUSIVE AND SUSTAINABLE GROWTH
22	ENERGY - THE COUNTRY OF ABUNDANT AND RENEWABLE ENERGY
28	SCIENCE AND TECHNOLOGY - A BENCHMARK IN KEY SECTORS
32	AGRICULTURE AND LIVESTOCK - BRAZIL THE BREADBASKET OF THE WORLD
36	THE ENVIRONMENT - PRESERVATION AND SUSTAINABILITY
40	DIVERSITY - CULTURAL AND NATURAL RESOURCES
44	DEMOCRACY - DEMOCRATIC AND INSTITUTIONAL STABILITY
46	INTERNATIONAL - PEACE, SUSTAINABLE DEVELOPMENT AND MULTILATERALISM
51	SPORTS - MEGA SPORTING EVENTS

## INTRODUCTION

# BRAZIL: STABILITY AND GREAT OPPORTUNITIES

Sustained economic growth with social inclusion, fiscal stability, solid institutions, stable democracy and a growing domestic market make the country a safe destination for investments.

The combination of institutional and macroeconomic stability, sustained growth, an expanding domestic market, innovative social policies and income distribution projects a new image of Brazil in the international scene. These changes, coupled with the existence of a modern and robust financial system and the rigorous balancing of public accounts have made the Brazilian economy one of the most resilient in the world.

Controlled inflation, balanced public accounts and a robust social inclusion program are the forces that drive a new cycle of expansion, underpinned by a comprehensive infrastructure investment plan and better quality of life and public education.

With an area of 8.5 million sq. km and a population of over 190 million, Brazil is currently the seventh largest world economy. The fundamentals of the country's economy are sound: inflation within the targets and a sustained economic growth of 4.5% on average over the past five years.

Brazil is a federative republic with a presidential system of government and checks and balances between the executive, legislative and judiciary branches. With a consolidated democratic system, the country holds free elections every two years, with the participation of over 130 million voters. Promoter of peace, of respect for human rights and

of the strengthening of multilateralism in the international scene, Brazil is a developing country living in harmony and close cooperation with its neighbors in South America.

## INDUSTRIAL AND TECHNOLOGICAL COMPLEXES

A nation of continental dimensions and the fifth largest country in the world, Brazil harbors high technology complexes that range from the modern petrochemical complex in Rio Grande do Sul to technology clusters in São Paulo and Rio de Janeiro and the automotive complex of Bahia.

In the Cerrado region, the savannah of central-western Brazil, a high technology and productivity agro-industrial complex operates in full swing. As a result of investment in research and development under the leadership of the Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária - Embrapa) Brazil's agribusiness has become one of the most competitive and productive in the world.

The innovation capacity has also ensured the country a leadership role in oil exploration in deep waters. Today, Petrobras, an energy company whose largest shareholder is the government, takes on a new challenge besides exploring oilfields in other parts of the world: to double the existing reserves by exploring undersea deposits below thick layers of

SÃO PAULO, THE LARGEST AND MOST MODERN METROPOLIS IN THE SOUTHERN HEMISPHERE.



salt deep in the seabed, the so-called “pre-salt”, which will put Brazil among the six major oil producers in the world.

### STABILITY, FINANCING AND DIVERSITY

The current scenario is one of economic stability and predictability. This has enabled Brazil to earn the investment grade status, according to the evaluation of major international risk rating agencies.

The institutional environment in Brazil ensures safety for investors, who can also count on a modern and efficient financial system.

In order to finance investment in both productive and logistical infrastructure, Brazil counts on the Brazilian Economic and Social Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES). In 2010, BNDES granted a loan of US\$ 101.4 billion to fund economic development. About 80% of the disbursements were aimed at companies in the industry and infrastructure sectors. The BNDES is open to financing development projects of any foreign company established in the country. By 2014, the country is expected to make investments worth approximately US\$ 2 trillion, about 22.4% of Gross Domestic Product (GDP) foreseen for the period.

The Brazilian manufacturing industry is diverse, ranging from production goods industries like steel and petrochemicals to consumer goods such as automobiles and textiles. Brazil manufactures from footwear to airplanes. The country is self-sufficient in oil production and the leading pro-

ducer of ethanol from sugarcane. The service sector already accounts for almost 71% of GDP, a common trait of most developed economies.

### MARKET EXPANSION WITH SOCIAL INCLUSION

One of the main reasons behind Brazil's success is the country's ability to combine sustainable economic growth with social inclusion. Millions of Brazilians have entered the domestic consumer market and strengthened the citizenship in recent years.

The number of Brazilians living in extreme poverty has been decreasing systematically. Brazil has already achieved the Millennium Development Goal to reduce by half the number of people living below US\$ 1.25 PPP a day in comparison to the 1990 levels. It has also achieved the additional goal to reduce by a fourth that number. Those results allowed the Government to announce an ambitious target in 2011: to lift out of extreme poverty 16.2 million Brazilians living below US\$ 44 a month. Launched to achieve that goal, the “Brasil sem Miséria” (Brazil without Extreme Poverty) plan has three main lines of action: cash income transfer, improved access to public services and productive inclusion.

As a result of social rise, the consumer market has grown, attracting new entrepreneurs and fostering business expansion. According to the Getúlio Vargas Foundation (Fundação Getúlio Vargas - FGV), a private learning



SÃO PAULO STOCK EXCHANGE (BOVESPA).



RIO GRANDE PORT, SOUTHERN BRAZIL.

and research institution, some 30 million Brazilians have migrated from classes D and E – people with family income up to US\$ 720 - to Class C in recent years. The C segment of consumers, the “middle class”, is now estimated at more than 105 million people, or about 55% of the country's overall population.

These advances are the result of minimum wage policies, formal employment growth, greater access to credit, and priority investments in quality education and health, coupled with actions to combat poverty in urban and rural areas.

Breaking the cycle of intergenerational poverty, ensuring the well-being of the population and providing universal access to quality goods and services are among the main pillars of Brazil's social agenda. To that end, social protection policies - in areas like food security, social assistance, health and social security - go hand in hand with the promotion of opportunities in the areas of employment and income generation education, culture, and sports.

### A COMPETITIVE ECONOMY

In addition to a growing domestic market, the country has a robust export platform. The total amount of exports rose from US\$ 58.2 billion in 2001 to US\$ 201.9 billion in 2010, allowing Brazil to increase its share of world trade. Furthermore, Brazilian companies are becoming increasingly important as they are present throughout the world and play a leadership role in various sectors of activity. The positive results of the Brazilian trade balance and the flow of produc-

tive investments have enabled the country's foreign currency reserves to exceed US\$ 330 billion in mid-2011.

Brazil also ensures a secure and diverse supply of energy, which represents one of its biggest competitive advantages. Renewable sources guarantee 45% of the national energy matrix -a world record. Electricity in Brazil is generated almost entirely by hydropower or other clean sources such as biomass and wind.

Brazilian foreign policy, in turn, has opened borders and established strong partnerships in several regions of the world, thus diversifying the nation's export agenda. Brazil has strengthened integration with its South American neighbors through initiatives such as MERCOSUR (Common Market of the South) and UNASUR (Union of South American Nations). At the same time, the country has furthered ties with traditional partners in the developed world and increased exchanges with Africa, Asia and the Middle East.

The profound transformation Brazil has experienced over the past 20 years makes the country a preferred destination for national and international investors. The volume of investments, both foreign and by Brazilian businesses should increase further in coming years, with the new phase of the Growth Acceleration Program (Programa de Aceleração do Crescimento - PAC) and the organization of the 2014 FIFA World Cup Brazil™ and the 2016 Olympic Games in Rio de Janeiro.

Brazil is consolidating its position in the global economy by actively participating in major international fora on financial, business, social, environmental and technological issues.





PAC invests in  
**infrastructure**  
and logistics

BR-101, RIO GRANDE DO SUL.

## INVESTMENT

# PRIORITY IN INFRASTRUCTURE AND WELL-BEING

The New Phase of the Growth Acceleration Program (Programa de Aceleração do Crescimento - PAC) will improve the quality of life of the population even further. The country remains a center of investment attraction.

**B**razil has attracted increasing volumes of investment in economic sectors that are paramount for the sustainable growth of the economy, such as transport, energy, sanitation and housing infrastructure. Besides expanding productive capacity, this process stimulates job creation and increases domestic consumption.

A favorable business environment coupled with a positive outlook on the domestic market and the export sector has contributed to increase productive investments. One of the factors behind the increase in investment is the expansion of credit at lower interest rates and longer payment terms. The government's goal is to increase the investment rate to approximately 21% of GDP in 2012.

On the international scene, a report by the United Nations Conference on Trade and Development (UNCTAD) points to Brazil as one of the three main foreign investment destinations for the period 2010 to 2012. In 2010, the net flow of foreign direct investment in Brazil reached a record volume of US\$ 48.4 billion, an increase of 59.1% compared with the previous year. Foreign ownership of Brazilian companies totaled US\$ 52.6 billion in net inflows, with an emphasis on the areas of agriculture and livestock, mineral extraction, and chemical, petrochemical and oil refining industries.

The FIFA World Cup™ and the Olympics improve investment prospects. The economic impacts of hosting the FIFA

World Cup™ will be significant. Between the years 2010 and 2019, the overall direct impact on the Brazilian economy will total US\$ 28.5 billion and will climb to US\$ 109.9 billion with the recirculation of these funds.

## ECONOMIC UPSWING

In early 2007, the Brazilian government launched the Growth Acceleration Program (Programa de Aceleração do Crescimento - PAC), which organized and defined investments in logistics, energy, social, and urban infrastructure projects for the next four years. Executed investments totaled US\$ 371.7 billion at the end of 2010. This amount represents 94,1% of the US\$ 394 billion envisaged for the first four years of the program implementation. At the end of 2010, 82% of the planned projects had been completed, representing more than US\$ 266.2 billion in construction works.

The PAC has resulted in direct improvements for the Brazilian population. In December 2010, 6,377 km of highways and another 909 km of railways were in place. In the oil and gas sector, 12 new fields and 12 platforms came on stream, and 3,776 km of pipelines were built. In housing and sanitation, 1,323 civil works were completed and an additional 4,016 are being implemented throughout the country.

The strategy of concentrating efforts in investments has helped the country raise employment and income levels. Ac-



According to the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística - IBGE), the average annual unemployment fell to 6.7% in 2010 - the lowest rate since 2002.

With investment and employment on the rise, the average growth of the Brazilian economy reached 4.6% annually over the period 2007-2010, a rate significantly higher than that of prior periods.

## PAC 2: BETTER QUALITY OF LIFE

In 2010 the government announced the second phase of the PAC. Besides contributing to maintaining the growth cycle, the PAC 2 aims to increase investments in projects and actions to reduce inequalities and ensure continuity of the process to improve the quality of life of Brazilians. The new phase of the program includes the completion of civil works in progress and, between 2011 and 2014, another US\$ 575 billion in investments aimed at improving the quality of life of the population.

The PAC 2 will continue to invest in social and urban infrastructure, the urbanization of slums and environmental sanitation, but will prioritize paving, drainage and slope containment. Public facilities to provide comfort, safety and access to essential services such as child care centers, health units, police stations and sports, culture and leisure areas will be built in poor neighborhoods. Other objectives include ensuring universal access to electricity and clean water in rural and urban areas, expanding irrigated agriculture and revitalizing river basins.

The planning and investment effort of the Growth Acceleration Program represents a renewed commitment of Brazil to preserve sustainable development and promote well-being for future generations.



©13

RECANTO DAS MARGARIDAS RESIDENTIAL HOUSING COMPLEX, SALVADOR/BA.



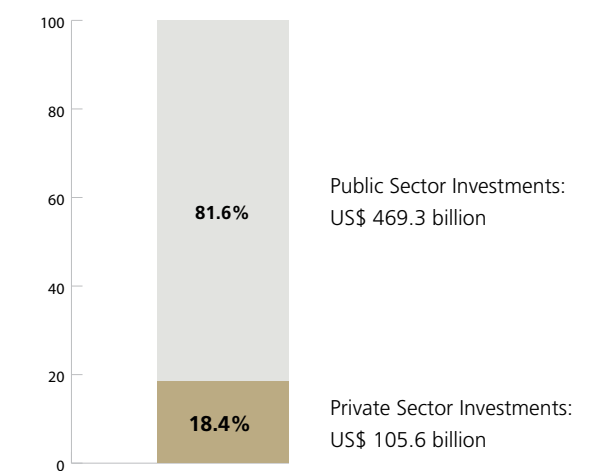
©12

THE INTEGRATION OF THE SÃO FRANCISCO RIVER BASINS WILL BRING WATER TO 12 MILLION BRAZILIANS.

INVESTMENTS  
EXECUTED BY  
PAC TOTALED  
**US\$ 372 BILLION**  
AT THE END  
OF 2010.

## GROWTH ACCELERATION PROGRAM: PAC 2 – MORE INVESTMENT IN PROJECTS THAT IMPROVE IN QUALITY OF LIFE

TOTAL ADDITIONAL INVESTMENTS: US\$ 575 BILLION







**36 million**  
 Brazilians have  
 risen to a higher  
 social class

## ECONOMY AND SOCIAL INCLUSION

# INCLUSIVE AND SUSTAINABLE GROWTH

The new cycle of economic development results in an expanded mass consumer market and less social inequality, an environment of institutional stability and increased social cohesion.

**B**razil has started a new growth cycle by expanding the mass consumer market. This drive was motivated, among other factors, by increased family income, employment generation, restoration of the purchasing power of the minimum wage, greater access to credit by the population, and a set of public policies for income transfer and valuing of citizenship.

Economic development in Brazil has been accompanied by significant gains in the social area, with a strong reduction in poverty and inequality. Between 2001 and 2009, the per capita income of the poorest increased at a rate of 6.79% per annum, while the income of the richest 10% rose by 1.49% per annum. Extreme poverty levels fell three times faster than necessary to achieve the first Millennium Development Goal. In 2007, for the first time ever the UN included Brazil in the group of countries with a high human development index.

Sustainable growth with social inclusion is also based on cash transfer programs such as Bolsa Família (Family Grant), which assists 12,9 million poor households (some 50 million people) and is part of the Brazilian network of social protection and promotion. According to the World Bank, Bolsa Família is the largest cash transfer program in

the world and its effective management – the program reaches millions of people with resources equivalent to 0.4% of GDP – has drawn the attention of several countries, including developed nations. It is also rated by the UN as one of the world's most effective poverty eradication programs. The UN World Food Program is considering adopting the model as a way to both ensure assistance to families that suffer from increasing food prices and help feed some 20 million children around the world.

## PURCHASING POWER

Growth with income distribution coupled with the recovery of the minimum wage and employment generation have helped to increase the purchasing power of Brazilians. 15.4 million new formal jobs were created from 2003 to 2010. The average real minimum wage at 2010 prices boasted a 57.3% increase between 2003 and 2010.

Greater access to credit, one of Brazil's growth engines, and the increased number of bank accounts are part of this new reality. The total supply of credit in the economy increased from 24.6% of GDP in 2003 to 46.4% in 2010.

With the rise of the middle class, the number of current accounts in the country has more than doubled since 2000,





©15

RECOVERY OF THE MINIMUM WAGE AND MORE EMPLOYMENT HAVE INCREASED THE PURCHASING POWER OF BRAZILIANS.

surpassing 133 million according to the Brazilian Federation of Banks (Federação Brasileira de Bancos - Febraban).

Access to formal employment with a formal contract, in turn, provides greater access to banks and payment methods. In 2010, Brazil reached the record of more than 150 million credit cards in circulation. The sector's revenues, including debit, credit and retail store cards amounted to US\$ 324 billion in 2010.

Brazilians are buying more food and durable goods like cars, houses and appliances, which have become more affordable due to the increase in income and credit. Household consumption totaled US\$ 1.4 trillion in 2010, having accounted for over half of GDP that year.

### SOCIAL INCLUSION

The decrease in poverty and inequality and the rise of the middle class are anchored in the implementation of social protection and promotion policies, coupled with the opportunities that sustained economic growth has brought to the lives and homes of Brazilians, therefore attesting to

the commitment of Brazil's development model: to promote economic advancement with social inclusion.

In 2011, Brazil launched a comprehensive national poverty alleviation plan named "Brasil sem Miséria" to lift 16.2 million Brazilians out of extreme poverty through cash transfer initiatives, increased access to education, health, welfare, sanitation and electricity, and productive inclusion. This flagship program of the Brazilian government will create new programs and expand existing initiatives in partnership with states, municipalities, public and private companies and civil society organizations to extend the opportunities generated by Brazil's strong economic growth to its neediest citizens.

The goal of "Brasil sem Miséria" is to raise the national average income and overall quality of life for the Brazilian population by focusing on the demographic that lives below the extreme poverty line. The plan will identify these families and support them in an integrated and personalized way through an array of social programs, according to their individual needs. To achieve its goal, the government

is utilizing the extreme poverty maps produced by the Brazilian Institute of Geography and Statistics (IBGE) based on data collected through the 2010 census.

"Brasil sem Miséria" attaches priority to the expansion of a broad range of public services to the extremely poor, including documentation, electricity, literacy, medical, dental and ophthalmic treatment, day care and sanitation. Citizens who are not already beneficiaries of Brazil's existing cash transfer programs, such as Bolsa Família, are being registered for these programs. In addition, the program emphasizes productive inclusion at both the national and regional levels, increasing the skills and capabilities of citizens to play a functional role in the national economy.

Brazil also boasts important achievements which go beyond the decline in poverty and inequality: reduced child mortality and malnutrition, universal access to primary education, increased number of technical schools, and free and universal treatment for HIV-positive individuals.

THE CURRENT DEVELOPMENT  
CYCLE OF THE BRAZILIAN  
ECONOMY IS BEING CONDUCTED  
WITH **SOCIAL JUSTICE**. THE  
GOVERNMENT CREATED THE  
WORLD'S LARGEST CASH  
TRANSFER PROGRAM.

BRAZIL BOASTS IMPORTANT ACHIEVEMENTS: REDUCTION IN CHILD MORTALITY AND MALNUTRITION.



©16



**US\$ 649 billion**  
will be required to ensure expansion  
of the **energy infrastructure** and meet  
the needs of the growing consumer market  
in the next ten years



FOZ DO CHAPECÓ  
HYDROELECTRIC DAM,  
SOUTHERN BRAZIL.

## ENERGY

# A COUNTRY OF ABUNDANT AND RENEWABLE ENERGY

With one of the world's cleanest and most renewable matrices, Brazil has a secure and diversified energy supply, now with a new horizon opened by the exploration of underwater oil fields located below thick layers of salt deep in the seabed.

**E**nergy security is a major prerequisite for ensuring sustainable economic development. Brazil has invested in the diversification of its energy matrix, which is recognized as the cleanest and most renewable in the world. Currently, 45% of the Brazilian energy matrix refers to renewable sources, a percentage much higher than the world average of 13%.

As it advances in offshore oil and gas exploration in deep waters, the country increases investment in the construction of hydroelectric plants and bioenergy production, particularly ethanol from sugarcane, biodiesel and the use of biomass for energy generation.

Much of Brazil's energy is clean. In the past 30 years, the country prevented 800 million tons of CO<sub>2</sub> from being released into the atmosphere, due to the use of ethanol as a gasoline substitute or a mixture of both. In Brazil, over 86% of the electricity generated comes from renewable sources, especially hydropower. The opportunities are many. Although hydropower plants account for approximately 81% of electricity generation in the country, only 31% of the hydropower potential has been tapped to date.

In Brazil, investments in energy are secured by a clear statutory framework, long-term concessions, economic stability and care for the environment. These factors, com-

bined with the great untapped energy potential, make Brazil an attractive option for investors.

## EXCELLENCE IN ELECTRICITY

Brazil is a world reference in the construction of hydropower plants and in the use of renewable sources for electricity generation. To sustain the growth of Brazilian economy, supply is increased by 7 thousand MW each year. According to forecasts, an additional 70 thousand MW will be required to meet market needs by 2020.

## CLEAN SOURCES

The installed capacity of electric power generation in Brazil was 114.2 GW in mid-2011, with 81.2 GW from hydropower, 30 GW from thermal power, 2 GW from nuclear energy and 1 GW from wind energy.

Source: Ministry of Mines and Energy





©18

HIGH TECHNOLOGY IN OIL EXPLORATION IN DEEP WATERS.

The Ministry of Mines and Energy's Ten Year Energy Expansion Plan predicts a 5.1% annual increase in electricity demand in the decade 2009-2019, an increase of about 71,000 MW in the country's installed capacity. As a result, in 2019 the electricity generation park should have approximately 178,000 MW of installed power, 79% of which from renewable sources.

### OIL AND GAS

Brazil is at the forefront of technological production and exploitation of oil and natural gas in deep waters. The year 2008 was marked by the discovery of large reserves in sedimentary basins, about 6,000 feet below sea surface. Known as "pre-salt", the area provides investment opportunities for oil companies interested in one of the largest deposits of light oil and gas in the world.

Preliminary tests run by Petrobras in the pre-salt area have enabled predicting recoverable volumes of between 22 billion and 33.5 billion barrels of oil equivalent (BOE), which would multiply by three the Brazilian reserves of oil and gas. Petrobras' strategic plan calls for investments of US\$ 224 billion in the period 2010-2014, with US\$ 118.8 billion earmarked for exploration and production.

The goal of Petrobras, the world's largest operator in deep waters, is to increase the total daily production of oil and gas in Brazil and abroad from 2.6 million barrels to 3.9 million barrels per day by 2014. The idea is to reach 2020 with a daily production of 5.4 million barrels. Under the plan, the investment focus will be on exploration and production, with a 14% increase over the amount previously invested in the segment and an emphasis on projects in the pre-salt area.

PETROBRAS IS AN INTEGRATED ENERGY COMPANY WITH MORE THAN ONE MILLION SHAREHOLDERS, WHICH OPERATES IN THE SEGMENTS OF OIL, NATURAL GAS AND BIOFUELS.

**PETROBRAS IS PRESENT IN 28 COUNTRIES** AND RANKS FOURTH AMONG THE WORLD'S TOP OIL COMPANIES, ACCORDING TO THE 2010 PLATTS RANKING.

### MORE BARRELS

The goal of Petrobras, the world's largest operator in deep waters, is to increase the total daily production of oil and gas in Brazil and abroad from the current 2.6 million barrels to 3.9 million barrels per day by 2014. The idea is to reach 2020 with a daily production of 5.4 million barrels.

Source: Petrobras

BRAZIL IS A REFERENCE IN BIOFUELS.



©19





©20

**BIOTECHNOLOGY RESEARCH OF BRAZILIAN SUGARCANE ENSURES HIGH PRODUCTIVITY.**

## BIOFUELS

Brazil is the largest exporter of ethanol, a biofuel produced in the country since 1974 from sugarcane in a sustainable and efficient way. Ethanol does not affect food production or compromise environmental reserves, as the Brazilian ethanol production today occupies less than 1.4% of the country's agricultural area. Most of the sugarcane produced in Brazil is grown in the southeastern region of the country, 2,500 km away from the Amazon. In addition, the agro-ecological zoning determined by the Brazilian government prohibits sugarcane from being grown in the Amazon and other protected biomes. The energy and environmental balance of sugarcane fuel makes it the world's most efficient and sustainable source for ethanol production on a large scale.

The Brazilian production of ethanol totaled 27.6 billion liters in 2010 - an increase of 7% over the previous year, and according to estimates by the Ministry of Mines and Energy could reach 64 billion liters in 2019. The increase in ethanol production in Brazil is explained by a high degree of technological and production development that has led the country to become the second largest producer in the world, without subsidies of any sort.

Besides the export potential, there is great demand for biofuels in the domestic market. Brazil is a pioneer in the development of the flex fuel technology, which was launched in 2003 and allows cars to run on both gasoline and ethanol in any proportion. Currently, multinational car assembly corporations produce nearly 100 different models of flex-fuel cars in Brazil, thus ensuring the country the larg-

est fleet of flex-fuel cars in the world. The licensing of light vehicles in 2010 grew by 10% compared to 2009, reaching the historical milestone of 3.3 million units. Flex-fuel cars accounted for 86.4% of this total. Between 2003 and 2010, 12.5 million flex-fuel vehicles were sold, with an estimated participation of 39% in the total light vehicle fleet.

Besides its renewable origin, ethanol generates 90% less emission of greenhouse gases as compared to gasoline. With the development of new technologies, ethanol from sugarcane is expected to record negative emissions. The benefits start at the very root of the cycle: ethanol from sugarcane generates approximately nine times more renewable energy than the fossil energy used in its production, while ethanol produced from corn yields only 1.4 units of renewable energy for every fossil energy unit used in its production process. The average yield of ethanol from sug-

arcane per hectare is 7,000 liters, in contrast to the average 5,500 liters for beet and 3,800 liters for corn.

Brazil is also the third largest consumer of biodiesel in the world. The 2004 National Program for Biodiesel Production and Use (Programa Nacional de Produção e Uso de Biodiesel – PNPB) mandates the gradual mixture of alternative fuel with diesel. The dynamic nature of this market in Brazil has enabled increasing the initial mixture of 2%, effective since January 2008, to as much as 5% in 2010, which required the production of 2.4 billion liters that year. Thus, the goal of a 5% addition of biodiesel in fossil diesel in 2013 was achieved three years earlier than foreseen. A special program for the sustainable production of palm oil was launched in May 2010. The palm oil program includes an agro-ecological zoning initiative and offers an interesting alternative for deforested areas in the Amazon region.

## BRAZIL IS THE WORLD'S SECOND LARGEST PRODUCER OF ETHANOL.



©21



The **science and technology** agenda encourages research in areas that are strategic for **economic development** such as energy, aviation, and agribusiness, as well as IT and biotechnology



## SCIENCE AND TECHNOLOGY

### A BENCHMARK IN KEY SECTORS

The science and technology agenda encourages research in areas that are strategic for economic development in the country such as energy, aviation, and agribusiness, as well as IT and biotechnology.

**A**s a result of increased investment in the training of scientists and researchers, Brazil is preparing to explore new knowledge frontiers. Brazil's share in world scientific output rose from 1.62% in 2002 to 2.69% in 2009, enabling the country to rank 13th among the nations with the highest production volumes. Brazil is a global benchmark in deep water oil exploration, aerospace industry, agribusiness, telecommunications, and software design. It is also a world reference in the development of renewable energy sources such as ethanol and biodiesel.

Support for research over the years has resulted in centers of excellence in human health, with research institutions of international standing like Fiocruz, in Rio de Janeiro, and the Butantã Institute, in São Paulo. Today, this tradition lives on through research into the use of human stem cells carried out at the University of São Paulo.

Public investment in research and development in Brazil has grown in recent years. It is estimated that 1.25% of GDP was invested in R&D in 2010. The country counts today on more than 80,000 researchers and scholars working in universities and private companies. The Brazilian government has also increased the grant of scholarships to researchers.

## AEROSPACE EXCELLENCE

Recognized for its technological capacity and creativity, the Brazilian aerospace industry is the largest in the Southern Hemisphere and competes in several segments of global market. Embraer, an aircraft manufacturer, for example, is a leading producer of regional commercial jets up to 120

**BRAZIL RANKS 13TH AMONG THE COUNTRIES WITH THE LARGEST SCIENTIFIC OUTPUT IN THE WORLD.**

## NEW RECORD

For three consecutive years, Embraer notched a record high in aircraft delivery, with 246 jets delivered in 2010. The figure represents an increase of 45.6% compared to 2007.

Source: Embraer





©23

**THE BRAZILIAN MARKET FOR SOFTWARE AND IT SERVICES STANDS 12TH IN THE WORLD RANKING.**

seats, in addition to manufacturing parts and accessories. With over 17,000 employees, the company's order portfolio totaled US\$ 16.6 billion in March 2011, when 246 aircrafts were delivered.

The Brazilian aerospace industry produces military equipment, executive jets and satellites, besides crop monitoring equipment. The Brazilian space program generates satellite images that are critical to the preservation of the Amazon.

### SOFTWARE AND SERVICES

In the area of information technology, entrepreneurs count on facilitated credit lines such as the Program for the Development of the National Industry of Software and Information Technology Services (Prosoft in the Portuguese acronym). Increasingly requested to provide support to multinational companies, the sector offers opportunities in services and software development.

The Brazilian market for software services and information technology holds the 12<sup>th</sup> position in the world ranking. The sector generated US\$ 30 billion in 2010. To expand markets and gain ground in the provision of services abroad, the information technology sector has undergone a process of mergers and acquisitions, attracting foreign clients and investors.

**THE BRAZILIAN AEROSPACE INDUSTRY IS THE LARGEST IN THE SOUTHERN HEMISPHERE. A LEADER IN THE REGIONAL AIRCRAFT MARKET, BRAZIL PRODUCES MILITARY EQUIPMENT, EXECUTIVE JETS AND SATELLITES.**

### EDUCATION

Education is one of the pillars to overcome poverty, promote citizenship and social inclusion, and ensure the skills required for meeting 21<sup>st</sup> century demands. Increased levels of access and permanence in school as well as of quality standards are one of the biggest challenges facing Brazilian society. The country seeks significant advances in quality standards in public schools through structuring public policies such as the Education Development Plan (Plano de Desenvolvimento da Educação - PDE).

Aware of the need to prioritize the interior of the country and the outskirts of large urban centers, the Brazilian government has given a new impetus to technical education. In 2009 there were 280 federal technical schools in the country. In 2010, the number jumped to 342. In 2011, the Brazilian government launched the National Program for Access to Technical Education and Employment (Pronatec), which will offer a learning opportunity to 8 million high school students and workers until 2014.

Pronatec aims to expand and democratize the offer of technical courses and mid-level professionals. One of the initiatives of the program is the Fellowship Training, which aims to amplify the provision of professional education to high school students from public schools and workers. In addition, the Fund for High School Students (Fies) will be extended to technical education and may benefit companies wishing to raise funds to invest in technical courses. Such Fund will provide a specific credit line to facilitate the

access of students and employed workers to technical and vocational education devoted to graduating students from high school, companies and workers.

The number of federal universities increased from 45 in 2003 to 59 in 2010, representing a leap from 109,200 to 222,400 places offered. The goal is to reach 243,500 places in 2012. The expansion and improvement of federal universities also prioritizes the interior of the country, where 126 new campuses and units have been established since 2003.

In 2010, 12,000 doctors and 41,000 masters graduated from Brazilian universities. The goal is to reach the annual figure of 25,000 doctors and 60,000 masters in the next 10 years. In order to improve the qualification of Brazilian post-graduates, 75 thousand new scholarships abroad will be granted until 2014.

Increasing the number of places, creating night courses and reducing school dropout rates are among the government's initiatives to promote education in the country.

Brazil will grant 75 thousand new international scholarships for Brazilian students until 2014.

### THE FEDERAL GOVERNMENT BOOSTS VOCATIONAL EDUCATION IN THE COUNTRY.



©24



## AGRICULTURE AND LIVESTOCK

# BRAZIL, THE BREADBASKET OF THE WORLD

Modern, efficient and competitive, Brazilian agribusiness is a thriving, safe and profitable activity. Besides securing domestic food supplies, it ensures Brazil a position among the largest exporters of food in the world.

In addition to a diverse climate, regular rainfall, abundant solar energy and 12% of all available freshwater on the planet, Brazil has a lot of arable land. With 388 million hectares of fertile, highly productive agricultural land of which 90 million remain unexplored, the country has potential to multiply by three its current grain production without resorting to deforestation. Moreover, as a result of increased livestock productivity, 30% of the 220 million hectares of grassland could be used for agricultural production.

These factors ensure Brazil a natural vocation for agriculture and livestock and related businesses in its supply chains. Agribusiness in Brazil accounts for 26% of Gross Domestic Product (GDP) and 37.9% of exports. Between 2000 and 2010, the growth rate of agribusiness GDP stood at 2.8% a year.

Brazil has a strong agricultural production based on small family farms. These are projects that rely on credit lines of the National Program to Strengthen Family Agriculture (Programa Nacional de Fortalecimento da Agricultura Familiar - PRONAF), which covers about 96% of the country's 5,565 municipalities. The program is targeted at approximately 4.3 million production units, which are responsible for 70 % of the food that reaches the dinner table of Brazilians. In Brazil, family agriculture and related productive chains account for 10% of national GDP and ensure the social inclusion of millions of Brazilians.

With a population of over 190 million, Brazil has one of the largest consumer markets in the world. Today, 65% of the domestic food production is consumed domestically and 35% is exported to more than 211 markets. In recent years, few countries have shown a growth in international agribusiness trade as impressive as Brazil's. Exports by the sector increased from US\$ 30.6 billion in 2003 to US\$ 76.4 billion in 2010.

IN 2010 BRAZIL SOLD OVER  
**1,500 DIFFERENT PRODUCTS**  
TO FOREIGN MARKETS. BESIDES  
EXPORTING TO THE EUROPEAN UNION,  
CHINA, THE UNITED STATES, RUSSIA,  
JAPAN AND MERCOSUR COUNTRIES,  
BRAZIL HAS EXTENDED THE SALES OF  
AGRIBUSINESS COMMODITIES TO THE  
MIDDLE EAST, AFRICA AND OTHER  
ASIAN COUNTRIES.

Excluding forests and other protected biomes, Brazil has **388 million hectares** of highly productive arable land, of which **90 million** remain unexplored



### A RECORD YEAR

During the 2009/2010 agricultural cycle, Brazil produced 149.2 million tons of grain, 3.7% more than in the 2007/2008 harvest - which had already set a record. In the current cycle (2010/2011), Brazil is expected to boast a new record harvest, reaching 161.5 million tons. Gross sales from agribusiness have also reached the unprecedented level of US\$ 462 billion.

Source: IBGE

Constant investment in research and development helps to highlight the country's production and export of various commodities. Brazil is the top producer and exporter of coffee, sugar and orange juice. It also leads the ranking of foreign sales of beef, chicken, soy (oil, grains and chaff), and tobacco.

Brazilian production of soybean reached the record high of 68.6 million tons in 2009/2010, a result 20% higher than that of the previous. In 2011 it is estimated to reach 75 million tons. More than 27% of the Brazilian soy is grown in the state of Mato Grosso, which produced 18.8 million tons in the 2009/2010 harvest, followed by Paraná and Rio Grande do Sul.

### RESEARCH AND DEVELOPMENT

The good performance of agriculture also involves both scientific-technological development for the modernization of rural activity and expansion of the agricultural machinery and implements industry. The productivity index increased by 105% in the last 20 years. The grain harvest, for example, grew 169.2% between the 1990/1991 and 2010/2011 harvests, occupying an area only 29.6% larger.

Agricultural research enabled adapting crops to different types of climate and soil in the main production regions of Brazil. The main agent of innovation in the area is the Brazilian Agricultural Research Company (Embrapa), linked to the Ministry of Agriculture, livestock and Supply. Recognized as one of the main organizations behind the increase in the Brazilian production of grains, Embrapa leads the National Agricultural Research System. This network includes, besides the company's research and development units, state centers, universities and private institutions. Virtual laboratories abroad (LABEX), such as those established in the United States, in Europe (France, Germany, the Netherlands and the UK) and in Asia (China and South Korea), are integral parts of the Embrapa system. The company also transfers agricultural production technology to Latin America, Africa and the Caribbean. Embrapa has offices in Ghana and Panama, and is present, through technical cooperation projects, in Angola, Benin, Burkina Faso, Chad, El Salvador, Haiti, Mali, Mozambique and Senegal.

The huge potential of Brazilian agribusiness, allied to the quality of technical-scientific research, opens up interesting possibilities for private investment in research and development in the country.

Brazil has a significant market share in some of the leading agricultural commodities traded internationally. Half the global exports of raw poultry come from the country. Brazil also has a large share in world exports of sugar (37%), tobacco (29%), green coffee (26%), soy grain (25%), soy oil (24%), raw beef (21%) and soy chaff (20%).

WITH THE **LARGEST**  
**COMMERCIAL CATTLE HERD**  
**IN THE WORLD**, BRAZIL IS ALSO  
THE WORLD'S THIRD LARGEST  
PRODUCER OF POULTRY MEAT.

CATTLE BREEDING IN CENTRAL-WESTERN BRAZIL.



CHICKEN RAISING IN SOUTHEASTERN BRAZIL.





## THE ENVIRONMENT

# PRESERVATION AND SUSTAINABILITY

The fight against deforestation in the Amazon rainforest coupled with the planting of trees and a series of eco-efficiency measures help Brazil reduce each year the release of CO<sub>2</sub> into the atmosphere.

**D**eforestation is a topic of concern for Brazil and for the planet. To promote the sustainable development of forests, the country has adopted effective measures to protect the environment, having succeeded in significantly reducing the rate of Amazon deforestation. Early in the new millennium, deforestation reached high levels, totaling 27 thousand square kilometers in 2004. Inspection actions, repression of illegal acts and the creation of new protected areas (conservation units and indigenous lands) anchored in the Plan for Prevention and Control of Deforestation in the Amazon have enabled reducing this rate to 6.4 thousand square kilometers in 2010, a decrease of 76% over 2004.

Between 2004 and 2008 there was a 75% increase in the area protected by federal conservation units in the Amazon. Today, more than a third of the region's territory falls into a protection regime in the form of conservation units, indigenous lands and "quilombola" (settlers of African origin) lands. A total of 122 federal conservation units have been established since 2000.

In addition, the Brazilian government sent to Congress in September 2009, a bill prohibiting sugarcane cultivation in any area of native vegetation in the Amazon, the Pantanal and the Upper Paraguay River Basin. These areas, together with the conservation units and indigenous lands, represent 81.5% of the national territory.

Besides establishing conservation areas and encouraging reforestation, the Brazilian government has incorporated new initiatives, deforestation monitoring and control tools into environmental protection measures involving several Brazilian public institutions, with the aim to curb deforestation in the Amazon. The "Arco de Fogo" (Fire Arch) operation combats illegal logging, whereas the "Arco Verde" (Green Arch) operation promotes sustainable development and land ownership regularization. The "Bolsa Verde" (Green Grant), part of the "Brasil sem Miséria" initiative, will benefit low-income families that help environmental conservation. Also created was the System of Deforestation Detection in Real Time (DETER in the Portuguese acronym), which uses satellite images to monitor deforestation. Developed as an alert system to support surveillance and control, DETER maps both clear cut areas and those in the process of deforestation due to forest degradation, with data stratified by municipality, state and conservation unit. DETER is a tool for quick data survey, which has been carried out every 15 days since May 2004. This technology is being transferred to developing countries with extensive tropical forests.

The Brazilian government is committed not only to the sustained development of the Amazon, but also of other important biomes in Brazil, such as the Cerrado (savannas), the Caatinga (shrublands), the Pantanal (wetlands), the Atlantic rainforest and the Pampa (prairies).

AMAZON FOREST  
FLOODED DURING  
THE RAINY SEASON.



## CO<sub>2</sub> REDUCTION AND BIODIVERSITY CONSERVATION

The Brazilian government stepped up inspection and repression measures to curb forest destruction. Preserving the Amazon rainforest brings countless benefits not only for Brazil but for all humanity. Among these are the conservation of biodiversity, and a decrease in carbon dioxide emissions - which, in three consecutive years (2005, 2006 and 2007) were reduced by about 1.4 billion tons.

The National Policy on Climate Change provides for voluntary national commitments to reduce CO<sub>2</sub> emissions by 36.1% to 38.9% compared with the business-as-usual scenario by 2020. In the case of the Amazon, Brazil has pledged to reduce deforestation by 80% by 2020, based on the average deforestation between 1996 and 2005.

From 1996 to 2005, an average of 1.96 million hectares of Amazon rainforest was deforested. Under the Plan's targets, this number is expected to be reduced to 380,000 hectares in 2020, and to continue falling until the complete elimination of illegal logging. Furthermore, the plan aims to increase the tree planting area from 5.5 million hectares to 11 million hectares in 2017 - with 2 million hectares of native species -, increase waste recycling by 20% by 2015 and raise the share of biofuels in the transportation sector by 11% per annum.

Brazil is the country with the highest biodiversity in the world, housing about 20% of all species on the planet. The variety of biomes reflects the richness of the Brazilian flora and fauna. The Amazon rainforest accounts for 26% of the world's remaining tropical forests. Brazil is also committed to the international negotiations within the framework of the UN Convention on Biological Diversity. During the Nagoya Conference (COP-10) in October 2010, Brazil contributed to the successful negotiation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.

**PRESERVING THE AMAZON FOREST BRINGS COUNTLESS BENEFITS FOR BRAZIL AND HUMANITY SUCH AS THE REDUCTION IN CO<sub>2</sub> EMISSIONS, AND THE CONSERVATION OF BIODIVERSITY.**

**THE FEDERAL GOVERNMENT HAS STEPPED UP INSPECTION AND REPRESSIVE ACTIONS AGAINST DEFORESTATION.**

**WITH THE LARGEST BIODIVERSITY IN THE WORLD, BRAZIL HARBORS ABOUT 20% OF ALL SPECIES, IN ADDITION TO HOLDING SOME 12% OF THE WORLD'S FRESHWATER.**

### PROTECTED AREA

The 146.4 million hectares of geographical extension of the Brazilian conservation units correspond to an area equivalent to the combined areas of France, Germany and Spain or the combined areas of the American States of Texas, California and Montana.

### AMAZON NOW

Data on Amazon deforestation are public and can be accessed on the internet at: [www.obt.inpe.br/deter](http://www.obt.inpe.br/deter)

### A GREEN COUNTRY

Brazil has the greatest biological diversity in the world:

- **33,883** plant species
- **658** mammal species
- **877** amphibian species
- **1,825** bird species
- **721** reptile species
- **3,277** freshwater fish species

Source: Fourth National Report on Biological Diversity

**NATIONAL PARK OF IGUAÇU, SOUTHERN BRAZIL.**







NATIONAL CONGRESS  
BUILDING, BRASÍLIA.

## DIVERSITY

# CULTURAL AND NATURAL RESOURCES

Brazil is a country of multiple origins. The mix of people coming from all corners of the world has generated an atmosphere of diversity and of racial, cultural and religious tolerance.

**B**razil fascinates for the mixture of indigenous, European, African and Asian roots, with their many facets reflected in the national culture. Food, music, crafts, architecture and popular feasts mix values that go beyond the country's borders. Brazil has 18 cultural and natural properties listed by UNESCO World Heritage Site, in addition to one of the wonders of the contemporary world, the statue of Christ the Redeemer in Rio de Janeiro.

Brazil is the country of racial, cultural, religious and social tolerance. Various ethnic groups coexist in the Brazilian territory without hostility, finding in the country an environment for the exchange of experiences and respect for differences. This peaceful coexistence results in popular cultural manifestations that are both versatile and original. Diversity also sets the tone for Brazil's rich architectural heritage, which ranges from colonial baroque to the modernism of the Federal Capital, Brasília.

Immigration was of extreme importance for the formation of national culture. Brazilians have incorporated characteristics of the four corners of the world in the five centuries since the arrival of the Portuguese in Brazil, in the year 1500. In addition to the contributions of native Indians, Africans and Portuguese settlers, the significant arrival of immigrants from all parts of Europe, the Middle East and Asia has influenced the formation of national identity.

Despite the country's large territorial extension, the same language is spoken in all Brazilian regions. Portuguese is the fifth most spoken language in the world and the third among Western languages after English and Spanish.

The full exercise of the rights of social groups is secured by the Brazilian Constitution, which stipulates that the State must protect the cultures of indigenous people,

BEAUTY MARKS THE RICH  
NATIONAL ARCHITECTURAL  
HERITAGE, WHICH RANGES  
FROM BAROQUE CITIES TO THE  
MODERNIST CAPITAL, **BRASÍLIA**,  
TO MONUMENTS LIKE CHRIST  
THE REDEEMER - ONE OF THE  
SEVEN WONDERS OF THE  
CONTEMPORARY WORLD.





©32

INDIGENOUS CEREMONY IN THE NATIONAL PARK OF XINGU, NORTHERN BRAZIL.

afro-descendants and other groups that make up the national population, in addition to committing to national development, poverty eradication, reduction of social and regional inequalities and the promotion of the well-being of all. Brazil's indigenous population is estimated at about 750,000 people that belong to approximately 220 groups, whose linguistic diversity exceeds 180 languages identified. Protecting and promoting the rights of these peoples is the very foundation of Brazil's indigenous policy.

Several affirmative actions promote equality and the protection of the rights of individuals and groups affected by discrimination and other forms of intolerance, with an emphasis on the Afro-Brazilian population. In 2010, about 350,000 university scholarships were awarded to black and indigenous students. Furthermore, access to both land and economic and social development by remaining "quilombola" communities has become not only a reality but also a government priority.

THE COEXISTENCE OF  
A LARGE NUMBER OF ETHNIC  
GROUPS HAS RESULTED IN A  
RICH AND DIVERSE CULTURE.

To raise the levels of social justice, Brazil has adopted a set of initiatives aimed to expand and consolidate citizenship rights. The country's endeavor to reduce social inequality has been recognized internationally by the UN and the World Bank. For the first time since 1975, Brazil joined the group of countries considered as of high human development. This shows the success of the country's social inclusion policies.

Besides enjoying a rich and diversified culture, as a country of continental proportions Brazil offers 8,000 kilometers of sun and beautiful beaches, in addition to natural beauties with countless attractions for eco-tourism and entertainment. Brazil has the potential to attract tourists from all segments and walks of life. The hospitality of the people coupled with beautiful landscapes allows the country to compete in the international tourism market.

But Brazil's biggest asset is its people, made up of various cultures living in harmony. We are more than 190 million people and the fifth most populous nation on the planet.

BRAZIL HAS MORE THAN 8,000  
KILOMETERS OF SUN, **BEAUTIFUL**  
**BEACHES** AND A NATURAL  
WEALTH THAT OFFERS COUNTLESS  
ATTRACTIONS FOR ECOTOURISM  
AND ENTERTAINMENT.

LAGOINHA BEACH IN THE STATE OF CEARÁ, NORTHEASTERN BRAZIL.



©33



JUSTIÇA  
ELEITORAL

## DEMOCRACY

# DEMOCRATIC AND INSTITUTIONAL STABILITY

With more than five centuries of history, the country combines a high degree of institutional, political and economic maturity with an immense potential for growth.

**B**razil has a consolidated democracy, based on sound institutions, with a stable political environment that guarantees individual rights. With more than five centuries of history, the country combines a high degree of institutional, political and economic maturity with an immense potential for growth and investment.

Redemocratization occurred in 1985 after a period of 21 years under military rule and was consolidated in 1988 with the promulgation of a democratic and citizen-oriented Constitution that guarantees social rights and is a landmark in the process of reducing inequalities. Since then, the country has experienced full democracy with a republican control system that has led to the impeachment of a president. Over the past 20 years, democratic stability has prevailed and the country has gone through six regular presidential elections. In the 2010 elections, the country elected a woman president for the first time in its history.

Without institutional fractures, democracy runs its course. In the country's political history there are several instances of direct participation by society. In 1993 a referendum was held for the people to choose the form of government - presidentialism or parliamentarism, republic or monarchy. By a large majority, Brazilians voted to maintain the presidential republic. Thereafter, presidents of different ideological and partisan hues have been elected who fulfilled their terms of office and gave emphasis to inflation control, educational improvement, effective macroeconomic management, improvement of the business environment and reduction of social inequalities. Starting in 1997 Brazil went on to admit presidential reelection, but limited to one consecutive term, thus ensuring alternation in power.

Government accounts are in good order. Inflation is under control, public debt has been substantially reduced and credit to consumers and businesses have increased significantly. There has been a virtuous circle in the last decade, with an improvement in income distribution and a reduction in social exclusion and poverty that boosted economic competitiveness as well as employment, income and wealth generation. Since 2007 Brazil has gone from debtor to nominal creditor in the international market.

A set of institutional reforms has been implemented in the past 20 years. The Fiscal Responsibility law enacted in 2000 provided the basis for the improvement of public management. The establishment of the credit guarantee system has increased the volume of loans to businesses and citizens. In turn, the activities of regulatory agencies ensure that public services provided by private companies actually meet the needs of the population.

The Government has advanced also in strengthening public security. As a result, investments in the sector have risen to new heights, bringing a new perspective to the fight against crime, well exemplified by the creation of the National Security Force. Action has therefore been taken to integrate, restructure and modernize public security and civil defense institutions in states and municipalities, by consolidating the National Policy on Public Safety. One example of that is the Brazilian government's support for the Pacification Police Units (Unidades de Polícia Pacificadora - UPP) created by the state government of Rio de Janeiro in 2008 to reestablish law enforcement in districts formerly controlled by drug gangs. Violence prevention and the advocacy of a culture of peace are pillars of the federal action.

Electronic vote:  
technology at  
the service  
of democracy





THIRD BRIC  
SUMMIT – CHINA,  
APRIL/2011.

## INTERNATIONAL

# PEACE, SUSTAINABLE DEVELOPMENT AND MULTILATERALISM

The defense of Brazil's interests is based on the understanding that the fruits of globalization need to be well distributed in order to achieve economic development with social justice.

**B**razilian foreign policy has a long tradition in the defense of peace, the pursuit of sustainable development, and the strengthening of multilateralism.

South American integration is a strategic goal of Brazilian diplomacy, which believes that strengthening relations among countries in the region contributes to socio-economic development and peace. The main pillars of this process are MERCOSUR - the customs union formed by Argentina, Brazil, Paraguay and Uruguay - and the Union of South American Nations (UNASUR), an organization that aims to build a joint space for cultural, social, economic and political articulation among the peoples of South America.

Through active, solidarity-based and innovative diplomacy Brazil has advocated the reform of the international system and its institutions so as to reflect current geopolitical realities and to enhance their effectiveness and legitimacy.

Brazilian diplomacy has been striving in negotiations at the World Trade Organization (WTO), with a view to combating protectionist measures by the richest, particularly in agriculture, and generating real profits for the poorest countries. The creation of the Trade G20, led by Brazil, has allowed developing countries to be at the center of international decisions.

As a result of the global financial crisis, which worsened in the second half of 2008, the Brazilian theory that global issues should be discussed by a larger number of countries has prevailed. The Finance G20 has become the center of the debate on reforms and measures to overcome the crisis, with the effective participation of Brazil and other developing countries.

Brazil is engaged as well in discussions on climate change. In 2009, during the Copenhagen UNFCCC Conference, Brazil voluntarily pledged to cut greenhouse gas emissions by 36.1% to 38.9% compared with the business-as-usual scenario by 2020. The country is an example in the use of clean energy sources and has one of the most renewable energy matrices in the world.

In 2012 Brazil will host the United Nations Conference on Sustainable Development (Rio + 20). The Conference will focus on two themes: (a) a green economy in the context of sustainable development and poverty eradication; and (b) the institutional framework for sustainable development based in its three pillars (economic, social and environmental).

Brazil is also a world reference in policies to promote human rights and is among the first countries to accede to international conventions and treaties on the subject.





©35

MEETING BETWEEN THE PRESIDENTS OF BRAZIL AND CHINA DURING A CEREMONY IN THE GREAT HALL OF THE PEOPLE - BEIJING, APRIL/2011.

BRAZIL IS THE MOST ACTIVE  
COUNTRY IN THE FIGHT AGAINST  
CLIMATE CHANGE, ACCORDING TO  
THE CLIMATE CHANGE PERFORMANCE  
INDEX (CCPI), 2011.

### PARTNERSHIPS

Brazil has focused on dialogue and cooperation so as to contribute to a more balanced and socially just global order, a position consistent with its domestic efforts to fight poverty and hunger. It is a cooperation based on solidarity, non-conditionality and shared responsibilities. Horizontal partnerships with developing countries are well exemplified by the "Latin American and Caribbean without Hunger" initiative and by the international activities of Embrapa in knowledge and technology transfer.

Brazilian diplomacy strives for the economic and social development of the planet. The step change experienced by the country in recent years both domestically and internationally is crystal clear. Brazil's new place in the world was a consequence of both the big change promoted by Brazilian society and the resumption of growth made possible by an overarching process of income distribution and employment expansion. Brazil is now a key player in all major issues of the international agenda.

SINCE 2003 BRAZIL HAS OPENED  
MORE THAN 40 NEW EMBASSIES  
OR REPRESENTATIONS AND 20  
NEW CONSULATES TO ASSIST THE  
MILLIONS OF BRAZILIANS SPREAD  
AROUND THE WORLD.

PRESS CONFERENCE WITH THE PRESIDENTS OF THE UNITED STATES AND BRAZIL.



©36



## SPORTS

## MEGA SPORTING EVENTS

The 2014 FIFA World Cup Brazil™ will bring direct economic benefits worth US\$ 28.5 billion between 2010 and 2019, and indirect benefits totaling US\$ 81.4 billion. The Rio 2016 Olympic project will ensure an economic turnover of US\$ 51.1 billion.

**B**razil will host the two largest sporting events in the world in the course of only two years. The 2014 FIFA World Cup Brazil™ will take place in 12 Brazilian cities, including Rio de Janeiro, which will also host the 2016 Olympic and Paralympic Games. The city was chosen, among other factors, for the success achieved in organizing the Pan American and Para-Pan American Games in 2007.

In the case of the FIFA World Cup™, the federal government is working in partnership with the state and municipal governments of the cities involved in the two mega sporting events to ensure the necessary investments. A new institutional arrangement, the Responsibility Matrix, has been established to ensure that the works are carried out in proper time.

Nine thematic chambers are discussing the issues that are most relevant to the event: infrastructure; stadiums; transparency; security; trade and technology; environment and sustainability; tourism development; health; culture, education and social action. These chambers include federal agencies that make up the FIFA World Cup™ Steering Committee, which is coordinated by the Ministry of Sports. The Committee is charged with defining, approving and supervising event-related actions envisaged in the Strategic Plan of Action of the Brazilian government and local entities.

The FIFA World Cup™ will bring US\$ 28.5 billion in direct economic benefits between 2010 and 2019, including investments in infrastructure, incremental spending by tourists and an increase in household consumption. Added to this is an estimated US\$ 81.4 billion in indirect benefits. The accrued benefit of US\$ 109.9 billion in those four years is equivalent to an annual average increase of 0.4% in the country's GDP. After the FIFA World Cup™, Brazil will have world-class arenas, broader coverage and better quality urban transport, besides more and better infrastructure at airports and hotels. It will also generate 700 thousand new jobs in Brazil.

In the case of the 2016 Olympic and Paralympic Games in Rio de Janeiro, it is possible to estimate their positive impacts on the country up to 2027. The planned investment of US\$ 14.4 billion will generate a turnover of US\$ 51.1 billion in the Brazilian economy by 2027.

The results show that the productivity of investments will grow with the Olympics in the long term. Fifty five economic sectors that are likely to benefit from the mega event have been identified. Among them, those of greater impact are civil construction (10.5%); real estate and rental services (6.3%); services rendered to companies (5.7%); oil and gas (5.1%); information services (5%); and transport, storage and mail (4.8%).

JOÃO HAVELANGE STADIUM  
(ENGENHÃO) - RIO DE JANEIRO-RJ.





©38



©39



©40



©41

The positive effects of the Olympics will not be limited to the state of Rio de Janeiro. More than half of the payroll (50.9%) and jobs (53.1%) generated by the event, as well as a significant share of GDP (41.6%) and production (47%) generated by the Olympics will benefit people from out of the state.

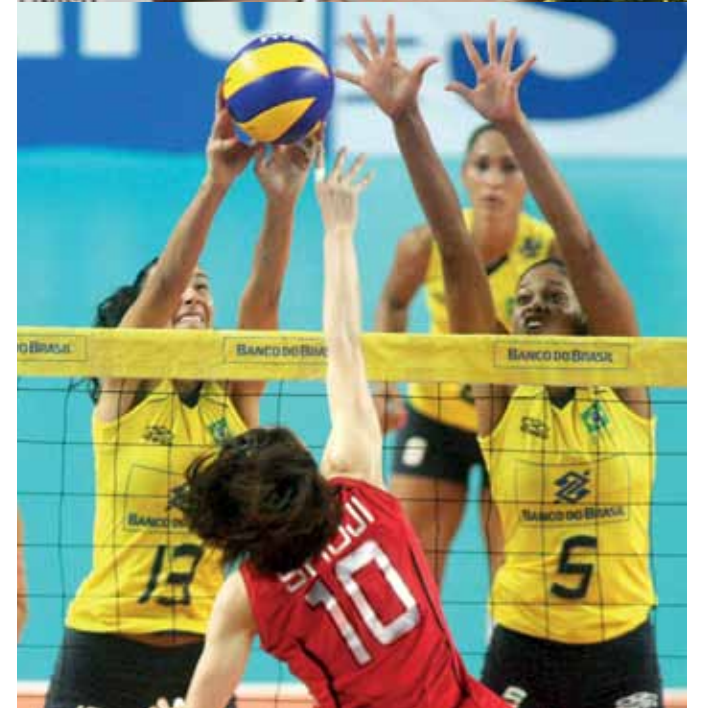
THE EFFORTS THAT THE PUBLIC SECTOR AND THE ENTIRE BRAZILIAN SOCIETY ARE PUTTING INTO ORGANIZING THE FIFA WORLD CUP™ AND THE OLYMPIC AND PARALYMPIC GAMES WILL ENABLE THE COUNTRY TO HAVE MORE THAN JUST HISTORICAL MEMORIES OF THESE MEGA SPORTING EVENTS.



©42



©43



©44



# Brazil in Figures

## BASIC DATA

**Official name:**  
Federative Republic of Brazil

**Capital:**  
Brasília  
*Officially inaugurated in 1960, Brasília is located near the geographic center of the Country.*

**Official language:**  
Portuguese  
Portuguese is the third most commonly spoken Western language

**Area:**  
8,514,876.6 sq. km  
(Source: IBGE)  
*Brazil is the world's fifth largest country in territorial extension.*

**Number of bordering countries:**  
  
Only China and Russia have more neighbors than Brazil.

**Population:**  
190.7 million  
(Source: IBGE- 2010 Census)  
*Brazil is the fifth most populous country in the world.*

**Population density:**  
22.4 inhabitants/ sq. km (Source: IBGE- 2010 Census)

**Urban population:**  
84.7%  
(Source: UNDP - 2008)

**Age distribution:**  
<14 years, 24.1%; 15-59 years, 65.1%; >60 years, 10.8%  
(Source: IBGE - 2010 Census)

**Life expectancy:**  
73.7 years (overall population); 70 years (men) and 77.5 years (women)  
(Source: IBGE - 2011 - estimate)

**Ethnic groups:**  
Whites: 47.3%; Mestizos: 43.1%; Blacks: 7.6%; Asians: 2.1%; and Indigenous: 0.3%  
(Source: IBGE - 2010 Census)  
*Brazil has the largest population of African descent outside of Africa.*

**Religions:**  
Catholics: 70%; Evangelicals: 17%; Spiritists: 2%; no religion: 8%; others: 3%  
(Source: 2010 estimate)

## ECONOMY

GDP			
	Year	US\$ (billion)	Annual variation
	2010	2,089.8	7.5%
	2009	1,598.4	-0.6%
	2008	1,650.7	5.2%
	2007	1,366.5	6.1%
	2006	1,088.8	4.0%
	2005	882.7	3.2%
	2004	663.7	5.7%
	2003	553.6	1.1%
	2002	504.4	2.7%
	2001	553.7	1.3%

(Source: Central Bank of Brazil)

**Per capita GDP:**  
US\$ 10,960  
(Source: Central Bank of Brazil and IBGE - 2010)

**Economically active population:**  
101.1 million  
(Source: IBGE - PNAD - 2009)

**Currency:**  
Real (symbol: R\$)

**Inflation (Consumer Price Index –CPI)**

2010	5.91%
2009	4.31%
2008	5.90%
2007	4.46%
2006	3.14%
2005	5.69%
2004	7.60%
2003	9.30%
2002	12.53%
2001	7.67%

(Source: IBGE – historical series)

**Exports**

2010:	US\$ 201.9 billion
2009:	US\$ 152.2 billion
2008:	US\$ 197.9 billion
2007:	US\$ 160.6 billion
2006:	US\$ 137.5 billion
2005:	US\$ 118.5 billion

(Source: Ministry of Development, Industry and Commerce - MDIC)

**Imports**

2010:	US\$ 181.6 billion
2009:	US\$ 127.6 billion
2008:	US\$ 173.2 billion
2007:	US\$ 120.6 billion
2006:	US\$ 91.3 billion
2005:	US\$ 73.8 billion

(Source: MDIC)

**Trade Surplus**

2010:	US\$ 20.3 billion
2009:	US\$ 24.6 billion
2008:	US\$ 24.7 billion
2007:	US\$ 40.0 billion
2006:	US\$ 46.4 billion
2005:	US\$ 44.9 billion

(Source: MDIC)

**Foreign Direct Investment**

2010:	US\$ 48.4 billion
2009:	US\$ 25.9 billion
2008:	US\$ 45.1 billion
2007:	US\$ 34.6 billion
2006:	US\$ 22.2 billion

(Source: Central Bank of Brazil)

## POLITICAL SYSTEM

**Executive Branch:**

The power of the Executive Branch is vested in the President of the Republic, who is elected by direct popular vote for a 4-year term, with the right to one re-election. If no candidate obtains the absolute majority of valid votes, a runoff is held with only the top two candidates. The President is responsible for appointing the Cabinet.

**Legislative Branch:**

The legislative power is vested in the National Congress, which comprises the Federal Senate (81 parliamentarians elected by majority vote for an 8-year term) and the Chamber of Deputies (513 parliamentarians elected by proportional vote for a 4-year term).

**Judicial Branch:**

The Judicial Branch consists of the Supreme Court (Constitutional Court); the Superior Court of Justice; Federal Regional Courts and Federal Judges; labor Courts and Judges; Electoral Courts and Judges, Military Courts and Judges; and Courts and Judges of the States and of the Federal District and Territories.

**Administrative Division:**

26 states (Acre, Alagoas, Amapá, Amazonas, Bahia, Ceará, Espírito Santo, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Paraíba, Paraná, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, Rondônia, Roraima, Santa Catarina, São Paulo, Sergipe, and Tocantins) and the Federal District.

**Federative Republic of Brazil**  
**Presidency of the Republic**  
**Secretariat for Social Communication (Public Affairs Office)**  
**Brasília DF, Brazil**  
**Phone: ++ 55 61 3411- 4881**  
**secominternacional@planalto.gov.br**  
**July 2011**

## PHOTO CREDITS

**1.** SHUTTER STOCK **2.** MICHEL REY/PETROBRAS **3.** MAPA/PUBLICITY **4.** ROGÉRIO REIS/PETROBRAS **5.** FORD/PUBLICITY **6.** EMBRAER/PUBLICITY **7.** CAIO CORONEL/ITAIPU BINACIONAL **8.** CAIO PIMENTA/SPTURIS **9.** BOVESPA/PUBLICITY **10.** SECOM/PUBLICITY **11.** SECOM/PUBLICITY **12.** SECOM/ PUBLICITY **13.** RODRIGO NUNES/MINISTÉRIO DAS CIDADES **14.** SECOM/PUBLICITY **15.** TELMO XIMENES/CNB PUBLICITY **16.** SECOM/PUBLICITY **17.** SECOM/PUBLICITY **18.** PETROBRAS/PUBLICITY **19.** SECOM/PUBLICITY **20.** TADEU FESSEL/UNICA **21.** TADEU FESSEL/UNICA **22.** EMBRAER/PUBLICITY **23.** PETROBRAS/PUBLICITY **24.** SECOM/PUBLICITY **25.** SECOM/PUBLICITY **26.** MAPA/PUBLICITY **27.** MAPA/PUBLICITY **28.** SUFRAMA/PUBLICITY **29.** OPÇÃO BRASIL **30.** EMBRATUR/PUBLICITY **31.** SÉRGIO JÚNIOR/EMBRATUR **32.** MÁRIO VILELA/FUNAI **33.** EMBRATUR/PUBLICITY **34.** TSE/ PUBLICITY **35.** ROBERTO STUCKERT FILHO/PR **36.** ROBERTO STUCKERT FILHO/PR **37.** ROBERTO STUCKERT FILHO/PR **38.** BRUNO CARVALHO/ME **39.** ME/PUBLICITY **40.** ME/PUBLICITY **41.** SÍLVIO ÁVILA/CBV **42.** ME/PUBLICITY **43.** ME/PUBLICITY **44.** ME/PUBLICITY **45.** ALEXANDRE ARRUDA/CBV



BRAZILIAN GOVERNMENT



[brazil.gov.br](http://brazil.gov.br)