



# Grow Your Exports to Brazil & Colombia Webinar

July 13, 2021



# Great Lakes St. Lawrence Governors & Premiers

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- More than 30 years of collaboration among the region's chief executives:



- Growing the region's economy and protecting the world's greatest freshwater system
  - Chair: Wisconsin Governor Tony Evers
  - Vice Chair: Ohio Governor Mike DeWine





# Great Lakes St. Lawrence Governors & Premiers

## Award-Winning Project Portfolio

### Economy

- Promoting SME Exports
- Growing Strong Clusters
  - **Maritime Transportation**
  - **Tourism**
  - **Cruising**
- Attracting Foreign Investment

### • Environment

- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence

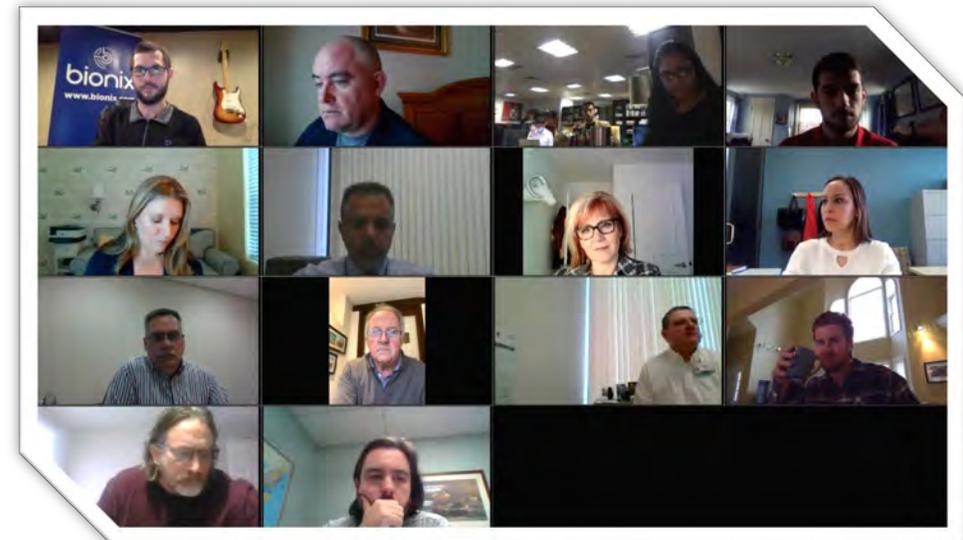


# GSGP Trade Missions

## PROVEN RESULTS



Abu Dhabi, Argentina, Australia, Brazil, Chile, Czech Republic, Colombia, Dubai, Germany, India, Indonesia, Mexico, New Zealand, Peru, Poland, Romania, South Africa, Qatar, Québec, Tanzania, Thailand, Turkey, Vietnam, UAE and the United Kingdom





## Recipient of 2020 President's "E" Award for Export Service



The President's "E" Award is the highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports.



# Understanding the Brazilian Market

July 13, 2021

Brazil Trade Office

GREAT LAKES  
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GOVERNORS  
& PREMIERS



TVZ international

guiding clients to international trading success

# Agenda

**Brazil at a Glance**

**Brazil in the Global Market**

**The 3 Drivers of the Economy Growth**

**2021 Best Prospects**

**Fastest Growing Industries**

**Effects of the Covid-19**

**GOB Efforts to Reduce Trade Barriers**

**Being Successful in Brazil**

**Who we are and how we can further help**



# Brazil at a Glance

**Population:** 211.088 mn (2020)

**Middle Class:** 50% of the total population

**GDP:** \$1.3 trillion (2020) **GDP Growth 2021:** + 5% to 5,5 % (est)

**12<sup>th</sup> largest economy – NOMINAL GDP**

**8<sup>th</sup> largest economy by PPP**

**Inflation:** 8.35% (June 2021)

**Exchange Rate:** \$ 1 = BRL 5,25 (July 2021)

**Trade Surplus:** \$ 48,1bn (2019) \$ 50,9 bn (2020)

**Int'l Reserves:** \$ 356 bn (Dec 2020) / \$36 bn (Dec 2002)



# Brazil in the Global Market

Largest economy in  
LATAM

2<sup>nd</sup> in the Western  
Hemisphere

9<sup>th</sup> Largest economy in  
the world 2019

Huge Service Sector  
(app 65% of GDP)

Well developed  
Industrial Sector  
(app 18% of GDP)

One of the largest  
mining industries  
worldwide

2<sup>nd</sup> Largest exporters of  
food  
(after the US only)

1<sup>st</sup> and 2<sup>nd</sup> largest  
helicopters and  
executive aircraft fleet  
in the world

3<sup>rd</sup> Largest market for  
beauty, healthcare  
products and PCs in  
the world

5<sup>th</sup> Largest for medical  
devices, mobile  
phones, automobiles  
and TVs

6<sup>th</sup> largest workforce in  
the world

3% of global  
consumers

Among the world's top  
generators of  
renewable and  
electric energy



# The 3 Drivers of the Economy Growth

**Middle Class**

**Abundant Natural Resources**

**Investment in Infrastructure**

**WILL NOT CHANGE**

regardless what you see in the headlines of newspapers now,

or what happened yesterday

or what will happen tomorrow



# 2021 Best Prospects

- Aerospace/Aviation
- Agriculture Equip & Services
- Food, Equipment & Services
- Airports
- Apparel/Textile & Equipment
- Automotive
- Beauty & Cosmetics
- Biotechnology
- Building Products
- Chemicals & Chemical Equip.
- Civil Nuclear
- Construction Equipment & Building Products
- Construction & Engineering Services
- Defense
- Drugs and Pharmaceuticals
- Education & Training
- Electrical Power & Renewable Energy
- Environmental Technologies
- Financial Services
- Food Processing & Packaging
- Franchising
- General Industrial
- Healthcare
- Hotel & Restaurants
- IT Hardware & Software
- Medical Equip.
- Mining
- Oil & Gas
- Pharmaceutical/Nutritional Supplements
- Processed Foods
- Retail
- Safety & Security
- Scientific & Lab Instruments
- Services (Professional, Training & Consult.)
- Sporting Goods and Recreation
- Telecommunications
- Transportation
- Travel & Tourism



# Brazil's Fastest Growing industries



HealthCare



Aviation



Infrastructure



Technology



Digital &  
eCommerce



Oil & Gas



Renewable Energy



# The Brazilian Healthcare Sector

- Latin America's largest Healthcare Market
- **8th** largest in the world - **\$ 236 bn in 2019**
- Growth forecast: \$ 241bn (2020), \$ 305 bn (2024) \$ 398 (by 2029)
- One of the most promising and attractive in the world
- Spending 13% of GDP (32.5% public)

## Medical Devices

- Largest Medical Devices Market in Latin America
- 5th Largest in the world - **\$ 11.1 bn 2020** / \$11.3 bn 2019
- Estimated Market Growth: 10 -12% over the next years

Imports of medical devices increased by almost 13% in 2020, reaching 6.2 billion dollars

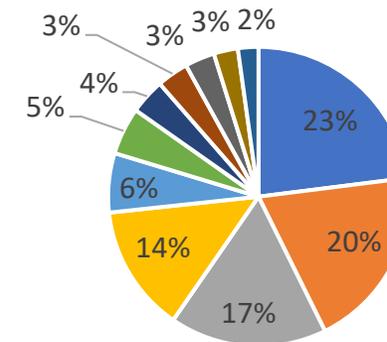
This is equivalent to app 56% of the total market.

17% of those imports came from the US, ranking it as the second largest source of imported Medical Devices into Brazil

### 2019 Numbers

- 6,500+ hospitals, 70% private
- 495,000 hospital beds
- 96,000 healthcare supplementary services
- 432,000 physicians
- 144,000 dentists
- 70,000 drugstores

Origin of BR Imports of medical devices



# Opportunities

- Telehealth Solutions **\$ 8 bn 2020-2025** (pre Covid estimate)
  - Internet of Things, Big Data and Artificial Intelligence
  - Healthcare consultation, diagnostics and treatment
  - Informatization and integration of health facilities
- Conecte SUS – Federal Program Launched in 2019
  - Supports public and private health facilities informatization and integration (National Health Data Network)
  - Goal: 26 States + Federal District (5,570 municipalities) to be connected by 2023
- Private investments in technology
  - Hospitals obtaining international certificates
  - Analytical and Laboratory Equipment
  - Cardiovascular Equipment
  - Health IT solutions
  - IVD Analyzers, Equipment and Reagents
  - Materials and Devices for Dentistry
  - Portable diagnostic devices for smaller clinic centers
  - PPEs
  - Prosthesis and Implants -OPDE
  - Radiological and Diagnostic Imaging
  - Robotic Surgery Systems / Minimally Invasive Surgery
  - Supportive home health care Products



# The Brazilian Infrastructure Sector

## PROJECTS PIPELINE



# Effects of the Covid-19

<p style="text-align: center;"><b>REMAIN STABLE</b></p> <ul style="list-style-type: none"><li>• Greater population</li><li>• Increased life expectancy</li><li>• More chronic diseases</li></ul>	<p style="text-align: center;"><b>ACCELERATION OF CURRENT TRENDS</b></p> <ul style="list-style-type: none"><li>• Focus on data interoperability</li><li>• Adoption of telehealth and digital tools</li><li>• Alternative care facilities</li><li>• Increased integrated care</li><li>• Focus on behavioral health</li></ul>
<p style="text-align: center;"><b>NEW TRENDS AND CHANGES IN PARADIGM</b></p> <ul style="list-style-type: none"><li>• Reduction in the importance of local presence</li><li>• Support from specialists being coordinated nationally via technology</li></ul>	<p style="text-align: center;"><b>LONG TERM UNCERTAINTY</b></p> <ul style="list-style-type: none"><li>• Level of gov intervention</li><li>• Difficulty to precise dates for the programming of the:<ul style="list-style-type: none"><li>- Return to face-to-face work</li><li>- Immunity programs</li><li>- Resumption of elective procedures</li><li>- Face-to-face treatments</li></ul></li></ul>

Source: Bain & Company Brasil



# GOB Efforts to Reduce Barriers

## Ex Tarrif Regime (ex-Tarifário)

Temporary Tax reduction on products  
without a national substitutive production  
shortage and or a high demand

- GOB exempted 628 items from import tax to fight COVID-19
- List of Eligible goods includes but is not limited to:
  - Medicines for: pain relief, sedation, intubation and artificial respiration, including anesthetics, tranquilizers, painkillers and antibiotics
  - Supplies and testing equipment for virus detection and vaccine.
  - Monitors for clinical beds and Intensive Care Units (ICUs)
  - Equipment for breath gas analyses
  - ICU monitoring central servers
- ANVISA relaxes rules to avoid shortage of essential goods to combat the COVI

Source: <http://camex.gov.br/tarifa-externa-comum-tec/listacovid>



# GOB Efforts to Reduce Barriers

- Publication of **Bidding Notices in English**
- Bidding Period: Expanded from 30 to 100 days
- Oct 19, 2020 – US and Brazil **Trade and Economic Cooperation Agreement** to reduce barriers of trade and facilitate investment, focusing on good regulatory and anti-corruption practices.
  - Goal:** It is expected to lower the cost of bilateral trade by 15%.
    - Gold standard agreement
    - First step towards a future free trade agreement
- Oct 1, 2020 - **US and SP Memorandum of understanding** focuses on partnerships in the areas of education, security, health, trade and investments.
  - Goal:** To double the trade between SP and the US in the next five years.
    - SP: Major industrial and business hub
    - 45 Million inhabitants equivalent to 21.9% of the Brazilian population
    - Responsible for 33.9% of Brazil's GDP ( \$ 613 mn)



# Being Successful in Brazil

Doing business in Brazil requires an intimate knowledge of the local environment, including “Custo Brasil”;

Business is best done for SMEs through a local agent or distributor;

This is valid whether your company is a bank, a realtor, an engineering firm or any type of industry or service provider;

Brazilian business culture is intensely hierarchical;

Success in Brazil’s business culture relies heavily upon the development of strong personal relationships

**The GOOD News: WE CAN HELP!**



# Who we are and how we can further help

- Market research
- Identification of market opportunities, business leads and strategic partners
- Pre-qualified, one-on-one business meeting arrangements
- Market assessment and export counseling
- Competitive analysis and price information
- Tariff check and import analysis
- Market updates / country-specific news
- Completed project follow-up
- Development of marketing and promotional materials
- Translation Services (technical and / or certified translation)
- Support and referrals for regulatory, legal, accounting, real estate and other trade and marketing related services,
- Organization and management of trade missions, buyers' visits, trade shows and exhibitions





# Thank you!

Contact us to connect  
with a world of opportunities!

We look forward to welcoming you on the  
**GSGP Trade Mission to Brazil and Colombia in 2021**

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# COLOMBIA



# Country Overview

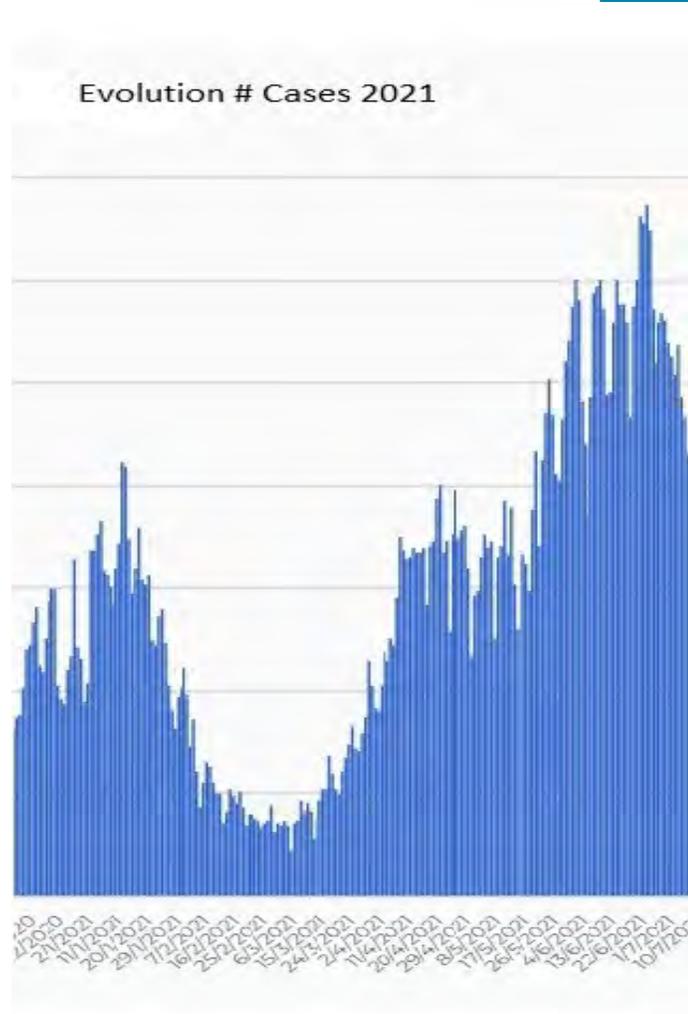
- 4th largest economy in South America.
- Foreign direct investment (FDI) into Colombia in 2019 increased by almost 26% valued at USD 14.5 billion.
- 5 commercial hubs: Bogotá, Medellín, Cali, Barranquilla, Cartagena.
- #5 coal producer in the world; Crude petroleum & coal briquettes #1 export products.
- 2nd largest coffee producer in Latam.
- Trade Promotion Agreement (TPA) with USA entered into force in May 2012.



# Covid-19 Updates



 	<b>Colombia</b>
<b>CONFIRMED CASES</b>	4.37 million
<b>FULLY VACCINATED</b>	7.44 million
<b>% OF POPULATION FULLY VACCINATED</b>	14.8%
<b>INTERNATIONAL TRAVEL</b>	Yes/no PCR*



\*Need to register on Check – Mig 24 hours prior to flight  
[migracioncolombia.gov.co](http://migracioncolombia.gov.co)

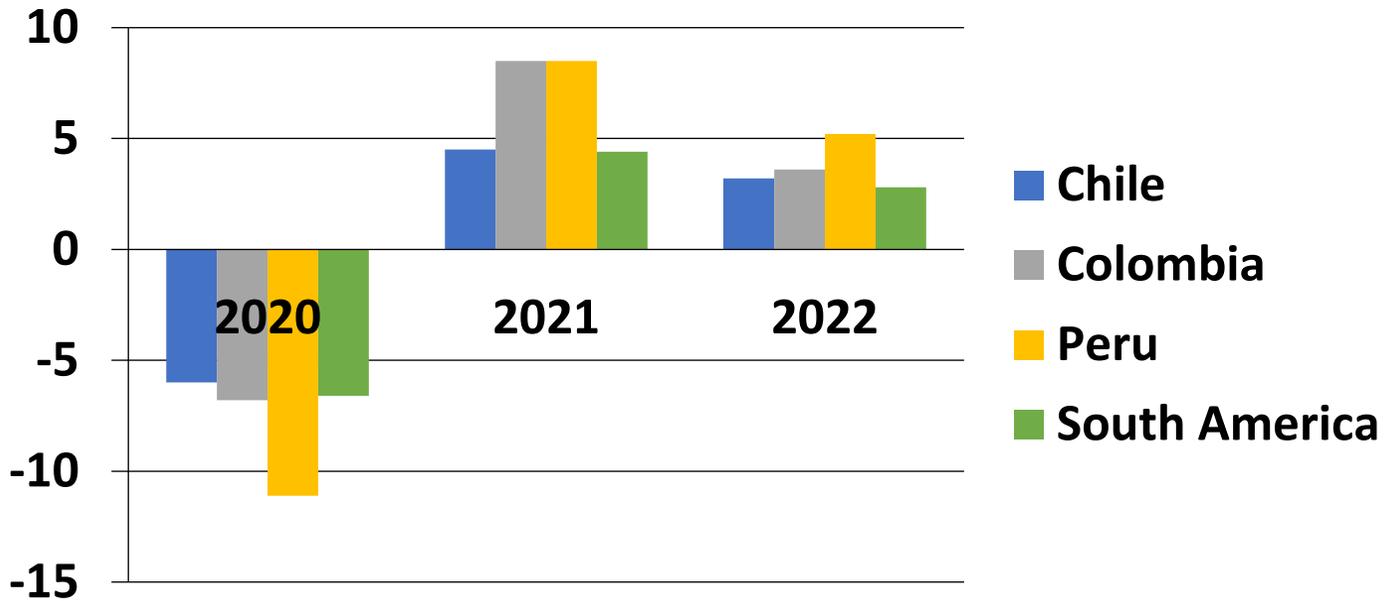
# Country Indicators

<b>DIGITAL COMPETITVENESS (2020)</b>	61 (4)
<b>WORLD COMPETITIVENESS (2019)</b>	57 (3)
<b>GDP 2020 (BILLION USD)</b>	271.46
<b>GDP PER CAPITA (2020) (PPP)</b>	14,323
<b>POPULATION 2020 (MILLION)</b>	50.88



# GDP Growth

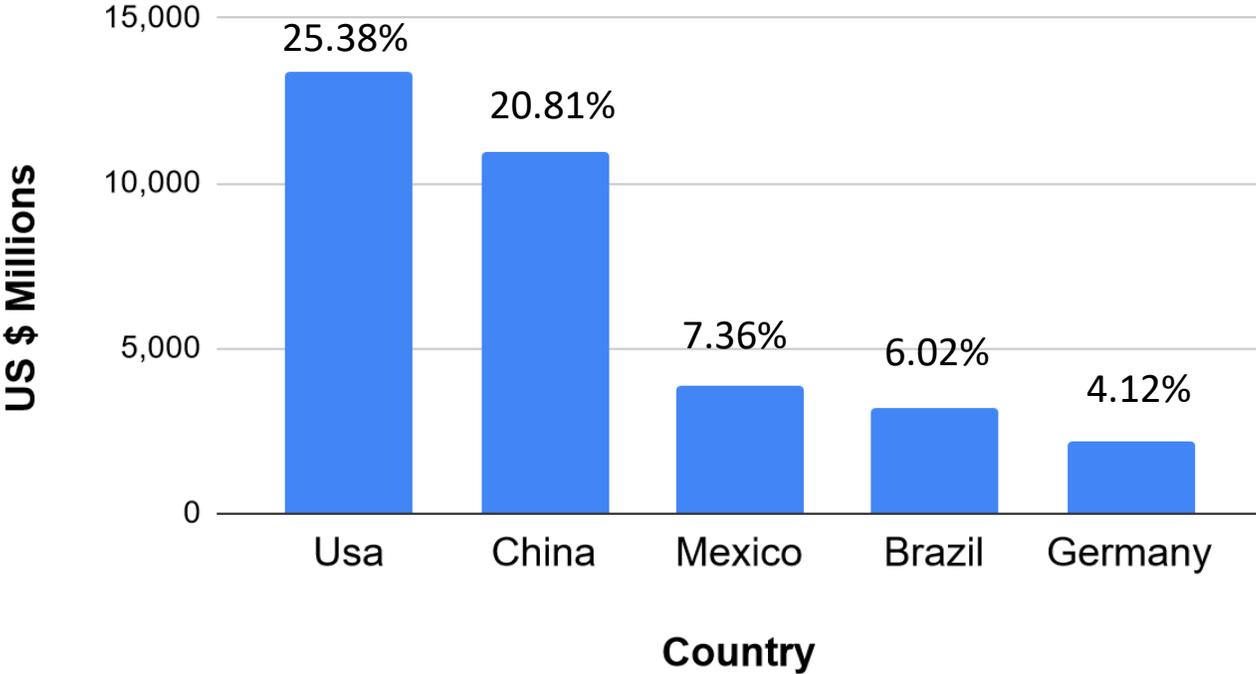
## GDP GROWTH 2020-2022



# Top 5 Colombia's trading Partners



Top 5 Colombia's Trading Partners



# US Exports to Colombia



	Year	US\$ Million
US Exports to Colombia	2016	13,047
	2017	13,374
	2018	15,115
	2019	14,750
	2020	11,914



# US Imports from Colombia



	Year	US\$ Million
US Imports from Colombia	2016	8,796
	2017	10,550
	2018	11,380
	2019	10,394
	2020	10,107



# Top 5 Colombia's Imports from USA

FY2020

Products	Value (US\$ M)	Share (%)
Oil & Gas	3,374	31.3
Agricultural Products	2,114	19.6
Primary Metal Mfg	1,441	13.3
Petroleum & Coal Products	996	9.2
Food Production	590	5.5



# Top 5 Colombia's Exports to USA

FY2020

Products	Value (US\$ M)	Share (%)
Chemicals	2,659	22.3
Petroleum & Coal Products	1,828	15.3
Agricultural Products	1,356	11.4
Food Production	1,298	10.9
Computer And Electronic Products	1,236	10.4





# COLOMBIA



# OPPORTUNITIES



# Food & Beverage sector



- Growing domestic demand for high-quality confectionery products, especially sugar-free and fat-free alternatives
- Opportunities in unrefined soybean oil, sunflower oil, and others to cover industrial demand
- Potential for cheese imports from the U.S. as Colombia is not a big producer
- Colombia is a growing market for value-added, processed, and packaged food and it is influenced by a “healthy eating” trend
- There is a growing interest for U.S. whiskey and bourbon

# Product Categories



The Top 10 product categories that represent major export opportunities for U.S. food products are:

■ Consumer-oriented	■ Pork and pork products
■ Mixes and doughs	■ Yogurt (up to quota)
■ Healthy food products	■ Buttermilk (up to quota)
■ Infant foods	■ Turkey meat
■ Uncooked pasta	■ Prepared tomato groups

*\*These products enter Colombia with 0 duties*



# ICT Sector



- Demand for IT investments and services that boost efficiency and increase flexibility in sectors such as financial services.

- Government launched a program aiming to provide internet access to 10,000 rural communities.



# Healthcare sector



- Medical devices market relies overwhelmingly on imports: high-tech items.
- Orthopedic & prosthetic devices.
- Electro-diagnostic apparatus.
- Medical, surgical, dental instruments.

# Energy sector

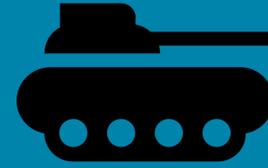


- Government is developing new power generation projects to accommodate growing demand through 2031.

- Implementation of new regulatory measures for renewable energy projects.

- Government is preparing to implement a battery energy storage system (50 mw) in the Caribbean region (reliability and service quality issues).

# Defense and Aviation



- Rescue equipment and life support systems.

- Interest from Government to purchase fighter jets; including F-16.

- Upgrading armored, lightly armored, and tactical vehicles.



# Recommendations



- Critical to assign agent, representative, or distributor

- Provide support to your local counterparts i.e., marketing, training

- Personal relationships key to entry, and reputation goes far.

- Be competitive: have clear value-added proposition, quality, price, service.

- Be proactive in following-up.



# Recommendations



■ Ensure after-sales services.

■ Be committed and experience it first-hand.

■ Localize your products/services: business culture and Spanish.

■ Do your due diligence and legal support with contracts.

■ Negotiate with decision makers.



# THANK YOU FOR YOUR TIME!



## *GSGP'S SOUTH AMERICA TRADE OFFICE*



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Spanish Speaking SA countries



# GSGP Trade Mission to Brazil & Colombia 2021

## Multi-Sector Virtual/In-Person Trade Mission

**In-person: November 8-12, 2021**

**Virtual Options: Brazil--October 18-29, 2021**

**Colombia--November 8-12, 2021**

Each mission participant will receive a customized schedule of B2B meetings to meet with prospective customers and business partners.

### **Mission Costs:**

In-Person Participation Fee: US \$1,500 per company (additional company participant \$500)

Virtual Participation Fee: \$1,000

Brief Market Research & Customized Appointment Setting Fee\*: Brazil US \$2,650 Colombia US \$2,650

\* Grant funding is available in many States to offset from 50-75% of mission costs.

**Registration Deadline: August 13, 2021**

<http://www.gsgp.org/projects/international-trade/trade-missions/>



# South Korea & Japan Trade Mission

February 21-25, 2022

- Multi-Sector Trade Mission to South Korea and Japan Mission Participation Fee US \$1,500 per company  
(each additional participant \$500)
- South Korea US \$2,970 (\$0 in MI, OH & PA)
- Japan US \$4,000 USD (\$0 in MI)

**Mission registration deadline: December 15, 2021**

- Grant funding is available in many States to offset travel costs and mission fees.
- <http://www.gsgp.org/projects/international-trade/trade-missions/>





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ST. LAWRENCE  
**GOVERNORS  
& PREMIERS**

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UNITED FOR GROWTH

# Questions?

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