

Brazil-Arab Trade Exceeding Expectations

Contributed by Isaura Daniel
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Brazilian exports to the Arab countries grew 18% in the first months of this year when compared to the same period last year. This increase exceeded the Arab Brazilian Chamber of Commerce (CCAB) forecasts from the beginning of 2005, when it was believed that this year there would be an expansion of 12% to 13%.

Domestic companies had revenues of US\$ 1.33 billion with sales to the region, US\$ 203 million more than in the first four months of 2004.

In the accumulated result for the last 12 months, exports reached US\$ 4.2 billion, an increase of 32.9% over the result for the same period one year before.

"We are going to exceed the target," stated the president of the CCAB, Antonio Sarkis Jr.

According to the CCAB president, the performance in the first four months of the year is already an effect of the movement generated by the organization of the Summit of South American - Arab Countries, which took place on May 10 and 11 in Brazilian capital Brasília, and also of the business delegation from five Arab countries that visited Brazil in February.

The month that presented the greatest growth was April, when the Arab businessmen had already received invitations to participate in the meetings to take place in the sidelines of the summit.

In April, Brazil had revenues of US\$ 373 million with trade with the 22 countries in the League of Arab States, or 53% more than in the same month in 2004.

"The Arabs were already looking at Brazil a little more," stated Sarkis.

According to him, despite an increase in the shipping of most products having been registered, it was the shipping of traditional products that pulled this performance.

Of the US\$ 203 million increase between January and April, US\$ 190 million corresponded to meats, sugars and ores. Sugar sales revenues rose by US\$ 76 million, those of chicken, US\$ 60 million, iron ore, US\$ 34 million and cattle beef, US\$ 20 million.

"This means that Brazil is becoming stronger as the main supplier of these products," stated Sarkis.

The countries that presented the greatest growth as buyers of the product between January and April, in percentages, were Somalia, 400%; Libya, 123%; Djibouti, 122%; Yemen, 88,5% and Jordan, 59.6%.

Sales to Lebanon rose 47.8%, to Saudi Arabia, 41.1%, to Sudan, 39.7%, to Algeria, 38%, to Kuwait, 33.7%, to Oman, 33% and to Bahrain, 30.4%. The Comoros purchased 19.9% more, Morocco, 16.3%, Qatar, 12.8%, Egypt, 2.4%.

The only countries to which sales dropped were Tunisia, Syria, Mauritania, Iraq and the United Arab Emirates. Sales to Palestine are not registered by the Ministry of Development, Industry and Foreign Trade as they reach the country through neighboring nations.

"The increase in sales of Brazilian products is not local, it is taking place in all the Arab countries," stated Sarkis.

Some of the nations that presented great percentile increases are not, however, buyers of significant volumes, as is the case with Djibouti, which imported just US\$ 665,000 between January and April.

The increase in exports to Saudi Arabia, for example, was responsible for an increase of US\$ 84 million in the Brazilian trade balance.

The Saudis are great buyers of Brazilian chicken, one of the products that had the greatest weight in the Brazilian trade balance in the first four months of the year.

The CCAB president stated that the tendency is for Brazilian shipping to rise even more from now on, as the second half is normally responsible for the largest volume of exports.

On the other hand, Brazilian imports of Arab products rose 9.9% in the first four months of the year.

Brazil spent US\$ 1.1 billion in purchases from the region, or US\$ 104 million more than in the period from January to April 2004.

A large part of the increase is due to crude oil purchases that took place in April.

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