
Samsung Tells Brazil Has a Lot of Clean-Up to Do to Draw More Foreign Investment

Contributed by Spensy Pimentel
Wednesday, 25 May 2005

In the last two years, Brazil has gathered three pillars necessary for a sustained economic growth: a strong fiscal structure, controlled inflation, and balanced external accounts.

The evaluation was made by Brazilian Minister of Finance, Antonio Palocci, at the seminar "Brazil-Korea: Trading and Investments Opportunities," promoted by the Ministry of Foreign Relations of Brazil, and by the Brazilian Export Promotion Agency (Apex).

The outcome, according to Palocci, is that Brazilian economy has been acquiring "muscle mass to support possible external crisis."

The Minister recalled that, contrary to what was previously speculated, higher interest rates in the US in recent months did not cause Brazil's country risk premium to go up; it is indeed dropping.

Among Brazil's remaining challenges for consolidating a good environment for investments, Palocci cited the needs to create effective social protection, to reduce the cost of investments, to develop new credit and debt renegotiation tools, reduce the costs of conflict-solving, and improve business environment.

Yun Jong-Yong, the Vice President of Samsung, one of the largest South Korean corporations, said that, in order to attract more investments, Brazil needs to end fiscal battle among states, equal fiscal incentives to those practiced in other countries, reduce bureaucracy, and ensure stable rules for investors.

Agência Brasil