

Brazil and Iraq Warming Up Again to Each Other

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Brazilian exports to Iraq can expect to receive a substantial impetus from the Brazilian merchandise and services fair that will be held in Amman, Jordan, from September 10-14.

That is what Juan Quirós, president of the Brazilian Export Promotion Agency (Apex-Brasil) is predicting.

He explained that the Brazilian products that are currently sold to Iraq go through as many as three intermediaries and frequently arrive there with their validity expired and sometimes with their packaging switched. The Apex initiative is a response to Iraqi demand for Brazilian products.

A seminar, "Brazil in the Reconstruction of Iraq," will be held in São Paulo on Monday, July 11. The seminar, organized in conjunction with the Brazil-Iraq Chamber of Commerce and Industry, will give Apex-Brasil a chance to show government officials and entrepreneurs what will be offered at the Amman fair.

Over 80 Brazilian companies from 18 industrial and service sectors will be present in the Jordanian capital. A list of 3,200 potential buyers has already been compiled through Iraqi industrial federations scattered throughout Asia. 60% of the Iraqi buyers are from the private sector, and 40%, the government.

The products in greatest demand are: food, construction services and materials, electro-electronic goods, medical and hospital supplies, footwear, vehicles, and equipment for the treatment of water, petroleum, and gas.

Quirós notes with satisfaction that the Amman fair is attracting other countries, such as Jordan, Syria, Lebanon, Iran, Turkey, and Kuwait.

What Brazil expects is that, after this fair, Brazilian entrepreneurs will begin to have opportunities to establish direct contacts with Iraqi enterprises.

"Brazil will reduce the distance that exists between our products and Iraqi consumers, and the companies will receive support to sign contracts lasting at least 6 months," Quirós points out.

From January to May of this year, Brazil exported US\$ 1.7 million to Iraq. Exports last year totaled US\$ 62 million. One of the Iraqi sectors open to Brazilian entrepreneurs, Quirós suggests, is construction. Sales could include ceramic products, glass, construction equipment, aluminum products, etc.

Until the Gulf War, Iraq was an important trade partner for Brazil. In 1985 bilateral trade surpassed US\$ 2.4 billion, US\$ 630 million of which were Brazilian exports.

In 1989, the chief Iraqi export item to Brazil was petroleum, while the Brazilian export portfolio contained 280 items. The most significant sectors in 1989 were automobiles and vehicle accessories, mechanical equipment, iron, steel, paper, aluminum, refined sugar, and beef.

The Gulf War and the subsequent trade embargo, however, paralyzed trade between the two countries. The embargo lasted practically until the end of the War in Iraq, in 2003.

From January to May, 2005, Brazil exported US\$ 1.686 million to Iraq. In 2004, while the provisional government was still in power, sales to Iraq earned Brazil US\$ 61.5 million, the third best result in 14 years.

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