

Brazil Tries to Solve Trade Imbalance Investing in Central America

Contributed by Mylena Fiori
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With its exports outrunning imports almost ten to one, Brazil is more than willing to invest in Central America and the Caribbean and will announce the launch of an investment incentive program for the region.

The new program is known as Pibac (Programa de Incentivo aos Investimentos Brasileiros na América Central e Caribe - Program of Incentive to Brazilian Investments in Central America and the Caribbean) and will be announced next week at a meeting in Guatemala, the Brazil-Central American Integration System (SICA) summit (September 12 and 13).

In 2004 Brazil exported goods worth US\$ 1.36 billion to SICA, while importing US\$ 105.6 million; and exported US\$ 1.2 billion to the Caribbean, while importing US\$ 100 million. So far this year Brazilian exports to the region are up 36%, while imports have fallen slightly.

"As there really isn't any way to balance trade with the region, Brazil can compensate with investments," explains Mário Vilalva, of the Commercial Promotion Department at Itamaraty. "That will be beneficial for both sides.

A total of 35 Brazilian business leaders will attend the summit in Guatemala, along with another 100 businessmen from the region.

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