

## Brazil Sells US\$ 75 Bi to Poor Countries and Only US\$ 62 Bi to the US and the Rich

Contributed by Erich Decat  
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The importance of emerging countries to the Brazilian balance of trade has already surpassed that of developed countries such as the United States. The assessment was presented by the director at the Department of International Negotiation at the Brazilian Ministry of Foreign Relations, Evandro Didonet, during a conference on Brazilian foreign trade policies, held at the Federal Accounting Tribunal (TCU).

Data supplied by the ministry show that exports to developing countries have increased from US\$ 26 billion in 2002 to US\$ 75.3 billion in 2006. The amount is the equivalent of 54.74% of the country's total sales, and during that same period, sales to developed countries rose from US\$ 34.4 billion to US\$ 62.2 billion.

"Emerging countries are increasingly relevant to the economy. Our gains in the international trade field will be even greater if we keep up our policy of betting on the strengthening of ties with Southern emerging countries," said Didonet, to whom the fact does not occur only in Brazil: "Nowadays, sales to emerging countries already account for 46% of foreign trade in Southern countries."

Brazil and the Mercosur, he stated, have no intention of shutting themselves down to other markets. According to the director, the main item in the agenda of the ministry for the coming months is to negotiate a trade agreement with the European Union (EU).

Another item is the advancement in trade relations with the Arab countries, which are only overcome by the EU in imports of agricultural products. "We also have negotiations underway with Israel and with the Southern African Customs Union (comprised of Botswana, Lesotho, Namibia, South Africa and Swaziland) for a free trade agreement," he said.

The minister also claimed that the Mercosur has no trade agreements with developed countries due to its large production of inputs: "The Mercosur is an agricultural superpower. When Mexico, Chile, or South Korea sign agreements with the United States or the European Union, they do not face the fear that is created by Brazilian agriculture."

He also spoke on the pressure exerted by developed countries on the bloc: "The agreements inked with the United States have restrictive norms, such as a mechanism to resolve controversies between the buyer and the State."

By means of this mechanism, he explained, a foreign investor can take the government of a country that he invests his money in to an international court: "Brazil and the Mercosur could not accept a clause that provides for privileged treatment to foreign investors."

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