

Brazil's Lula: Time for Executives to Stop Whining

Contributed by Newsroom
Thursday, 16 December 2004

Brazilian President, Luiz Inácio da Silva, encouraged foreign investors to invest more money in Brazil. In an address inaugurating the first expansion phase of the Moto Honda company in Manaus, state of Amazonas, December 14, Lula said that entrepreneurs shouldn't be afraid of the Brazilian market.

The President informed that tax exemption in the Duty Free Zone of Manaus will be extended until 2023, and he confirmed passage of the law exempting entrepreneurs of the region from payment of the taxes of the Social Integration Program (Pis) and the Social Security Financial Contribution (Confins).

The President recalled that, through November 30, 1.8 million jobs with signed working papers were created.

"This country hasn't any right to have executives complaining all their lives. We have to stop viewing others with envy and realize that we have capability, creativeness, and competence to be as important as any other country in the world. Suffice us to believe in ourselves and do what we have to do in this country," he underscored.

Alternative Markets

Recently, during a press conference with Brazilian radio stations, Lula defended the search for alternative markets for Brazilian products, apart from the United States and European Union, and mentioned the Middle East and Africa as good examples of regions with which the country has significantly increased trade.

"Although our export to Europe and the United States is large, and is growing, space is shrinking and it becomes harder for Brazil to sell products to these markets. It is therefore essential to seek new markets," stated Lula.

"We want to continue having the USA and the EU as our main partners, but we want alternatives for the Brazilian products," he added.

Considering this, the Brazilian president recalled the trips he took to the Middle East and Africa and the increase in trade between Brazil and these two regions.

"After we visited South Africa there have already been dozens of meetings between businessmen in that country. There have also been dozens of meetings between Brazilian and Middle Eastern businessmen, and our export is rising in an exceptional manner," declared Lula.

In fact, Brazilian export to the Middle East has totalled US\$ 2.5 billion between January and August this year, 58% more than in the same period last year. To Africa, Brazilian shipping has generated US\$ 2.6 billion in the first eight months of 2004, a 52% increase with regard to the same months in 2003.

Export to South Africa has generated US\$ 622 million, with 38% growth. To the 22 countries in the League of Arab States, the total exported was US\$ 2.6 billion, an increase of 67%.

Since the beginning of his term in office, at the beginning of last year, the Brazilian president has been in Africa three times, and visited five Arab countries (Lebanon, Syria, the United Arab Emirates, Egypt, and Libya) in December 2003.

Imports

And greater Brazilian export is not all president Lula is interested in. He is also interested in import. "When we go to a meeting with other governments, I say: 'We must also buy.'

"This is because we need a trade balance surplus, but what is correct in the foreign trade balance is that there be equilibrium. We must sell. But we must also buy, so as to make the economies of other countries survive. And this maxim, that we have established in the government is what has been guaranteeing this fantastic Brazilian participation on the foreign market," stated the president.

Brazilian import from the regions mentioned by president Lula has also increased. Between January and August, Brazil has purchased the equivalent to US\$ 1.2 billion from the Middle East, 28% more than in the same period last year. From Africa, import has totalled US\$ 3.9 billion, or 88% more than in the first eight months of 2003.

From South Africa, Brazil purchased US\$ 170 million, a 31% growth. With regard to the 22 countries of the League of Arab States, Brazilian import totalled US\$ 2.4 billion, presenting a 45% increase.

Latin America

But it is not only with the Arabs and the Africans that the Brazilian government wants to intensify relations. Latin America is a special focus. It is not from now that the Brazilian president has been defending physical integration of South America.

"Of all the South American countries, the only ones with which Brazil does not have frontiers are Chile and Ecuador. When talking about integration, it is essential to point out the need for highways, bridges, a telecommunications system, and electric energy. And Brazil, as the largest economy in the region, must leap, must provide incentives, must provide a policy for this," he said.

In August, for example, the President visited the state of Acre, in the north of the country, where he inaugurated a bridge connecting the Brazilian city of Brasiléia to the Bolivian city of Cobija, a construction that cost around US\$ 2.5 million (in current figures) to the Brazilian government. President Lula also wants to use funds in the Brazilian Development Bank (BNDES), the official bank for investment in the country, to invest in Latin-American countries.

"Therefore, that phase in which South American countries, Latin American countries, talked to their rich partners as if they were beggars, with their heads low, asking for favours, has finished. No, we have rights, and we only want to demand our rights. It is for this reason that I went to so many countries, to the Middle East, Africa, India, China, to the whole of South America, and to some other countries in Latin America, in the United States, and in Europe. We want to build a new international geography," stated president Lula.

ABr/Anba