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COUNTRY REPORT **Bullish on Brazil**

Brazil's economy is booming and has a bright outlook. A special report on the key benefits and challenges of doing business in Brazil.

BY JOACHIM BAMRUD

Foreign investors are bullish on Brazil. Despite challenges ranging from uncertainty over the U.S. economic slowdown's impact to a cumbersome tax system, leading executives at companies like Chevron, Microsoft, Cargill, VeriFone and Skanska all express strong optimism about the outlook for Brazil, Latin America's largest economy.

"All macro trends are positive," says Sergio Rial, president of the Brazil operations of Cargill, the second-largest privately-held corporation in the United States. "Domestic market growth should continue to fuel GDP in the coming years."

Hernan Rincon, who heads up the Latin America division for U.S.-based software giant Microsoft, agrees. "We're very optimistic about Brazil," he says. Behind the optimism is a combination of factors, business leaders say. First, Brazil has a growing market, with the economy growing more than 4.0 percent in the last four years, Rial says.

Second, the economy is diversified when compared to other Latin American economies, Rial points out. Then there's the size of the Brazilian market. In addition to having the largest economy and population in Latin America, Brazil can boast of having the world's ninth-largest economy (ahead of India), according to a *Latin Business Chronicle* analysis of IMF data for 2008.

With a population of 189 million, Brazil is the world's fifth-largest country in population, according to the Population Reference Bureau. "Brazil is ...more like a continent than just a country," says Heman Molina, the general manager in Brazil for U.S.-based payment technology VeriFone. "Our diversity of people and culture generates markets for almost all kinds of products; or different product strategies in different areas."

And since Brazil is still an emerging market, companies like VeriFone are seeing stronger demand than from saturated markets in the United States or Europe, he points out. For VeriFone another big plus is that Brazilians are quick to adopt new technologies.

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