

Brazil Economy



Brazil is a large emerging economy. Many companies move and operate there. However, some differences exist there comparing with the USA. Therefore, they should be managed properly in order to succeed in business.

There are some social differences and peculiarities. The poverty level is very high in Brazil. The great contrast between rich and poor people exists. Social issues and poverty result in high crime level. Crimes are a great problem in Brazil (Brazilian Social Issues n. d.). Those problems should be considered when providing business policy in Brazil. There are also some social peculiarities in Brazil that should be kept in mind. Family values are strong. In Brazil, families are often large and extended. Class system is very developed (Brazil - Language, Culture, Customs and Etiquette n. d.).

The Brazilian Culture

There are also some cultural differences that should be considered. “The Brazilian culture is one of the world’s most varied and diverse. This is due to its being a melting pot of nationalities, as a result of centuries of European domination as well as slavery, which brought hordes of African migrants across Brazil’s borders to live in and influence the local cultures with their ancient customs and ideas. The European settlers also brought ideas, innovations and belief systems with them, shaping the local societies significantly. All of these different influences have meant that the modern-day Brazilian culture is unique and very complex” (Brazil Culture n. d.).

Economic Differences

Brazilian economy is expanding. Fiscal and monetary policy turned to be successful. Social policy brought some positive changes to economy. Poverty

level is falling. Efficiency and the competitiveness of Brazilian firms are expected to grow. Moreover, Brazil uses more renewable energy resources now (Brazilian Economy is Expanding Again but Long-Term Challenges Remain, Says OECD 2013). Brazilian customers have their peculiarities, too, and foreign firms should consider this fact. Brazilians usually have their personal styles; they do not pay much attention to seasonal trends. The style is different in different regions; and the peculiarities often depend on climate and the styles displayed in popular Brazilian soap operas (Peculiarities and Consumer Profile n. d.).

Legal peculiarities and differences exist in Brazil. They can be both positive and negative for foreign businesses. There are many positive points. The cost of labor is quite low, and it is positive for production in Brazil. Brazil offers different tax breaks, and some products imported to the Amazon region are tax free. There are no restrictions concerning import and export; any goods can be traded. However, some legal issues exist, too. Corruption level is high. Counterfeiting is a great problem that affects the whole economy of Brazil. Brazil has anti-dumping laws and tariffs. This country has problems with piracy and intellectual property (Doing Business in Brazil: Political and Legal Environment n. d.). Tax issues exist, too. "When opening a company in Brazil, it is estimated that entrepreneurs spend at least 67% of their profits with taxation matters. Many of these costs go on throughout the year as Brazil has got more than 275000 norms regarding the payment of taxes" (Novais 2012).

Some political issues should be kept in mind by those who are doing business in Brazil. Political situation is difficult. Election year is starting. Government services are still on low level. Investments can lead to some problems, too (Lovely 2014).

Works Cited

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