



GREATER
REWARDS

DEEPER
INSIGHTS

FERI Country Dossier Economic Forecast

Brazil

October 2023



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Executive Summary

In 2020, the Covid-19 pandemic and the restrictions imposed by the government resulted in a slump of GDP by 3.3%. In 2021, the economy was still shaped by the consequences of the coronavirus outbreak, as the infection rates in Brazil have been very high for a long period of time. However, two fiscal stimuli packages, introducing cash handouts and general support for the struggling economy have allowed the Brazilian economy to continue recovering. Overall GDP recovered by 5% in 2021, although the massive hike in interest rates by the central bank due to rising inflation rates increasingly strained private consumption and investment growth. All in all, GDP growth moderated to 2.9% in 2022. In Q1 2023, however, the Brazilian economy temporarily benefited from strongly rising net exports, mainly driven by a massive slump in imports. Therefore, GDP growth will likely remain at about 3% in 2023. In 2024, however, GDP will likely be lower, as still high central bank rates weaken investment and private consumption growth.

As for consumer prices, the combination of supply bottlenecks, the war in Ukraine and the emergence of the Omicron variant has led to an increased inflation rate. 2021 saw consumer prices rise by 8.3% and in 2022, inflation even rose to 9.3%. The Brazilian central bank has started to respond to the high inflation already in March 2021, raising the Selic interest rate by 75 bps to 2.75%. Since then, the Selic rate has been raised to finally 13.75% in August 2022. Since inflation has moderated to 4.7% in August 2023, the central bank has started to lower interest rates by 50 basis points both in August and September 2023 as expected. Although inflation had an overall negative effect on the economy, it helped to push the high debt to GDP ratio lower in 2021. Regarding the labor market, the unemployment rate has started a falling trend after having risen up to 14.9% in December 2020. Due to the weak economic outlook for 2024, however, the unemployment rate will likely stop its falling trend soon.

Politically, the former far-right president Jair Bolsonaro has been heavily criticized, and lost popularity due to his skepticism towards the pandemic as well as his dismissive opinion about sovereign institutions. Following the successfully approved pension reform by the government in October 2019, which was an important step forward, the political stability in the country has been very uncertain, with continuing street protests and rising tensions between the executive authorities and the judiciary. After returning to Brazilian politics in 2022, former president Lula da Silva, who was imprisoned in 2018 for passive corruption and money laundering, won the general elections. The President's Palace and other political buildings were stormed by Bolsonaro's supporters on the 10th of January 2023, underscoring the extreme degree of polarization brought on by the elections. With Lula's return, Brazilian politics are in flux with plans to increase government spending and reduce deforestation in the Amazon. Another project is now underway, namely the realization of a joint currency, the "sur", for Brazil and Argentina.

As an emerging industrialized country, the Brazilian economy is the eighth biggest economy in the world and remains heavily oriented towards domestic demand, with trade playing a minor role. Demand is driven largely by private consumption (aided by climbing wages) and by fixed investment, with industrial investments playing an essential role.

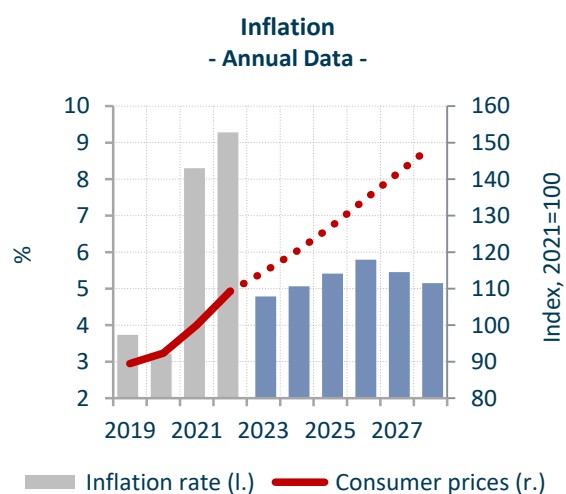
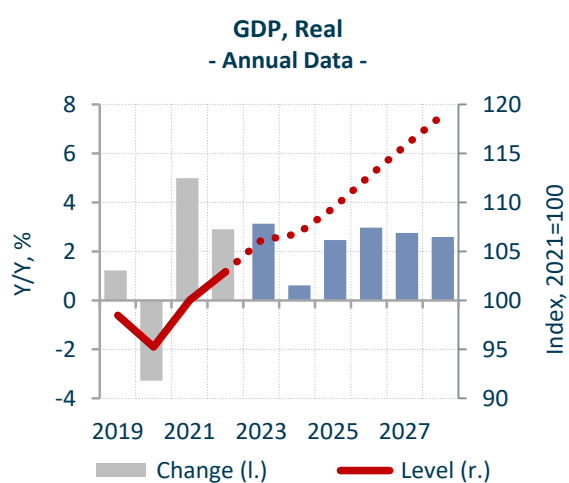
Given its orientation towards domestic demand, the economy was not as heavily affected by the global recession in 2009 as other countries were: Although GDP did decline slightly, the recession was moderate. In the wake of globally weaker demand for raw materials - Brazil's main export good, and the ongoing crisis in Argentina - one of Brazil's most important trading partners, exports have been suffering in the last few years.

Agricultural products and foodstuffs still dominate exports, while imports are largely chemicals, oil, industrial goods and advanced consumer goods. The importance of the primary sector for the economy will not change significantly during the forecast period. While the secondary sector is expected to decline in terms of generated GDP. This does not reflect an absolute decline of this sector, but rather the emergence of a robust and strong Brazilian financial sector, driven by the financial demands of the emerging Brazilian middle class.

After decades of failed policies and errors that led to several waves of severe inflation, economic policy has, along with a more efficient monetary policy, aided in gaining some more control over inflationary pressures overall. While Brazilian inflation still posts higher rates than in industrialized countries, it seems to remain at clearly more manageable levels than in the past.

Executive Summary

Summary Economic Forecast				
	2022	2023	2024	2025
GDP Per Cap., Nominal (1000 US\$ (PPP))	17.802	18.910	19.330	20.139
GDP, Real (% Change)	2.9	3.1	0.6	2.5
Consumer Prices (% Change)	9.3	4.8	5.1	5.4
Unemployment Rate (%)	9.5	8.0	7.9	7.7
Current Account Balance (% of GDP)	-2.8	-1.8	-1.6	-0.8
Industrial Production (% Change)	-0.7	1.2	1.9	2.8
Public Balance (% of GDP)	-4.6	-8.8	-8.1	-6.5
Gross Public Debt (% of GDP)	85.9	88.9	92.7	94.0
Central Bank Rate (%)	12.6	13.2	9.9	7.7
Government Bond Yield, 10 Y. (%)	12.3	11.9	10.5	10.4
BRL / €	5.44	5.49	5.91	6.33
BRL / US\$	5.17	5.00	5.02	5.09



Country Profile



Profile Data*

Constitution		Life Expectancy, Years	72.8
Official Name	Federative Republic of Brazil	Life Expectancy, Male (Years)	69.6
Capital	Brasília	Life Expectancy, Female (Years)	76.009
Form of State	Federal Republic	Labor Market & Income	
Currency		Labor Force	108 380 011
Currency	Real (BRL)	Labor Force (% of Population)	50.3
Population & Demography		Female Labor Force (% of Total Labor Force)	43.6
Population (Mn.)	215.3	Foreign Labor Force (% of Total Labor Force)	0.5
Annual Population Growth (%)	0.5	Employment in the Public Sector (% of Employment)	17.1
Net Migration	20 376	Part-time Employment (% of Employment)	14.2
Area (sq. km)	8 515 770	Long-term Unemployment (% of Labor Force)	2.6
Population Density (People/sq. km)	25.6	Youth Unemployment (% of Youth Labor Force under the Age of 25)	28.3
Urban Population (% of Total)	87.6	Youth Exclusion (Share of Youth Population [15-24] not in Education, Employment or Training)	23.4
Population over 65 (% of Population)	9.9	Total Hourly Compensation in Manufacturing (USD)	2.75
Fertility Rate (Births per Woman)	1.6	Percentage of Household Incomes going to Highest (Richest) 10% of Households	39.4
Birth Rate (per 1,000 People)	12.9		
Death Rate (per 1,000 People)	8.3		

*) Sources: FERI Databases; World Bank Data; IMD

Country Profile

Socioeconomic Data*

Energy & Environment

Total Final Energy Consumption per Capita (MTOE)	1.1
Energy Consumed (MTOE) for each 1,000 USD of GDP	151.1
Total Indigenous Energy Production (%)	105.1
Electric Power Consumption (kWh per Capita)	2 611
Electric Power Transmission and Distribution Losses (% of Output)	15.8
Share of Renewables (%)	44.2
CO2 Emissions from Fuel Combustion (m3 per 1 Mio USD of GDP)	266.2
Mean Population Exposure to PM2.5 (Micrograms per m3)	12.1

Prices & Taxes

Cost-of-living index (New York =100); Price of Basket of Goods and Services in Main City	59.7
Monthly 3-Room Apartment Rent in Major Cities (USD)	1 235
Collected Personal Income Taxes on Profits, Income and Capital Gains (% of GDP)	2.9
Collected Corporate Income Taxes on Profits, Income and Capital Gains (% of GDP)	3.6

Business

Number of Start-up Procedures to Register a Business	11.0
Cost of Business Start-up Procedures (% of GNI per Capita)	4.2
Days Required to Start a Business	16.6
Ease of Doing Business Index (1 = Most Business-friendly Regulations)	124
Hours Required to Prepare and Pay Taxes	1501
Days Required to Enforce a Contract	801
Years to Resolve Insolvency	4.0

*) Source: World Bank Data, IMD

Health

Total Health Expenditure per Capita (USD)	719
Hospital Beds (per 1,000 People)	2.1
Inhabitants per Physician	418.0
Under 5 Mortality Rate per 1,000 Live Births	14.7
Healthy Life Expectancy (Years)	63.3

Infrastructure & Communication

Arable Land (% of Land Area)	7.0
Kilometer Roads per Square km Land Area	0.20
Investment in Telecommunications (% of GDP)	0.32
Internet Users per 1,000 Inhabitants	760
Internet Average Bandwidth Speed (MBit/s)	78.1

International Trade

Exports to top 5 Countries (% of Exports)	52.5
Top 5 Products (% of Exports)	58.4
High-tech Exports (% of Manufactured Goods)	9.0
Exports of Commercial Services (% of GDP)	2.0
Weighted Mean Import Tariff (%)	8.4
Container Port Traffic (TEU: 20 Foot Equivalent Units)	11 801 530

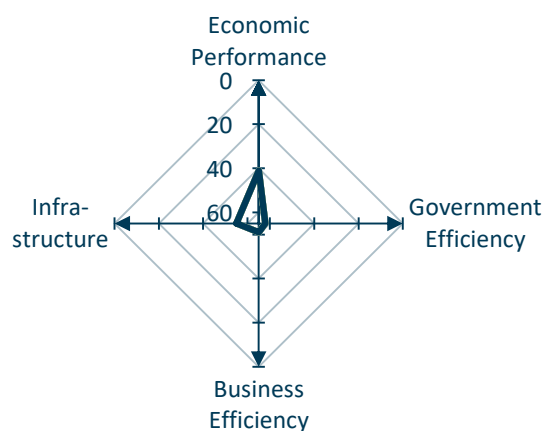
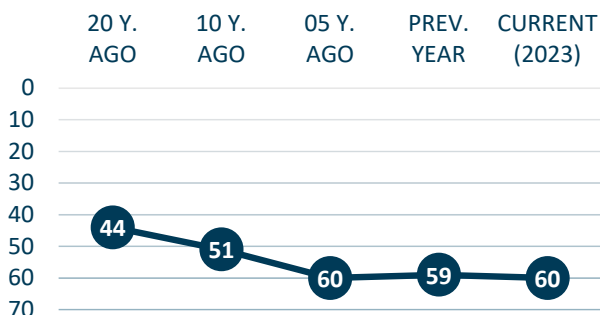
Education & Innovation

Total Public Expenditure on Education per Capita (USD)	453
Secondary School Enrollment (% of Age Group)	91.6
University Degree (% of Population)	23.0
PISA Assessment (Points)	400.0
Patent Applications per 100,000 Inhabitants	3.2
Full Time Researchers in R&D per 1,000 Inhabitants	1.0

Country Profile

Competitiveness Ranking (IMD)

Overall Ranking

Economic Performance ↑ 41*(Relative) Strengths*

Direct investment flows inward (% of GDP)	↑	
Direct investment flows inward (\$bn)	↑	
Employment - growth		

(Relative) Weaknesses

GDP (PPP) per capita		
Trade to GDP ratio		
Exports of commercial services (%)		

Strongest Improvement

Direct investment flows abroad (% of GDP)	↑	
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Strongest Worsening

Gross fixed capital formation - real growth	↓	
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Government Efficiency 62*(Relative) Strengths*

Exchange rate stability	↑	
Ageing of population		
Immigration laws		

(Relative) Weaknesses

Labor regulations		
Creation of firms		
Cost of capital		

Strongest Improvement

Exchange rate stability	↑	
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Strongest Worsening

Unemployment legislation	↓	
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Business Efficiency ↓ 61*(Relative) Strengths*

Labor force		
Banking sector assets	↑	
Initial Public Offerings		

(Relative) Weaknesses

Auditing and accounting practices	↓	
International experience		
Corporate debt		

Strongest Improvement

Banking sector assets	↑	
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Strongest Worsening

Corporate boards	↓	
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Infrastructure 55*(Relative) Strengths*

Dependency ratio		
Electricity costs for industrial clients		
Population under 15 years		

(Relative) Weaknesses

University education		
Primary and secondary education		
Management education		

Strongest Improvement

Energy infrastructure	↑	
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Strongest Worsening

Population - growth	↓	
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Ranks: 1-6 7-21 22-42 43-57 58-64

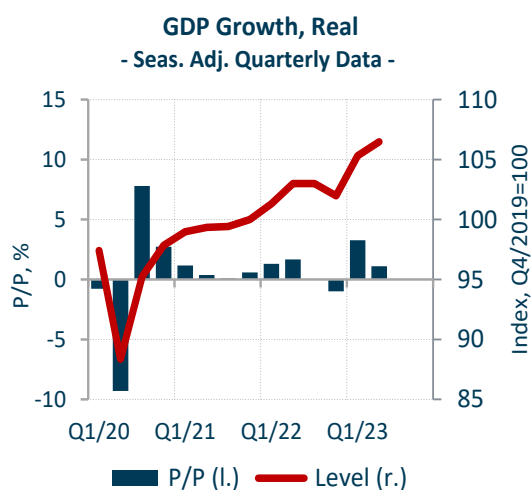
Shown are current ranks unless otherwise stated. The ranking is from 1 to 64. The arrows indicate an improvement (up arrow) or worsening (down arrow) of at least 5 ranks compared to the previous year.

Source: The IMD World Competitiveness Center, Switzerland (www.imd.org/wcc)

Economic Forecast

Demand

Mainly due to strong private consumption, GDP growth will be moderate in 2023. In 2024, GDP growth is expected to worsen due to weaker private consumption. The overall economic growth rate in 2024 will be stronger than the historical average.



GDP Growth, Real - Annual Data in % -		
	Brazil	Emerging Countries
Previous 10 years (2012-2021)	0.4	4.2
2022	2.9	3.9
2023	3.1	4.2
2024	0.6	3.3
Next 10 years (2025-2034)	2.4	3.6

Similar to 2022, GDP growth in Brazil will be moderate in 2023. This year, private consumption and net exports will be the main supportive drivers of the economic development. In 2024, GDP growth is expected to worsen. Again, weaker growth contributions from private consumption and net exports will be the driving forces of lower GDP growth. All in all, GDP growth in 2024 will be positive and much weaker than economic growth in the Emerging Countries.

Brazil's GDP growth has been positive in the 10 years up to 2021. It has been weaker than the economic growth rate in the Emerging Countries. The same relationship will hold in the next 10 years. While the Emerging Countries will grow 3.6 percent per year, Brazil's economy is expected to grow by 2.4 percent per year in the next decade. Brazil's growth rate in the next 10 years will be stronger than historical economic growth up to 2021.

Demand

Growth of GDP Components - Annual Data in % -					
	2012-2021	2022	2023	2024	2025-2034
GDP Growth	0.4	2.9	3.1	0.6	2.4
Private Consumption	0.8	4.3	3.0	0.3	2.4
Government Consumption	0.3	1.5	2.3	2.3	1.5
Fixed Investment	-0.6	0.9	-2.6	0.1	2.4
Exports	1.8	5.5	6.9	-0.8	3.9
Imports	-0.4	0.8	0.8	3.8	3.7

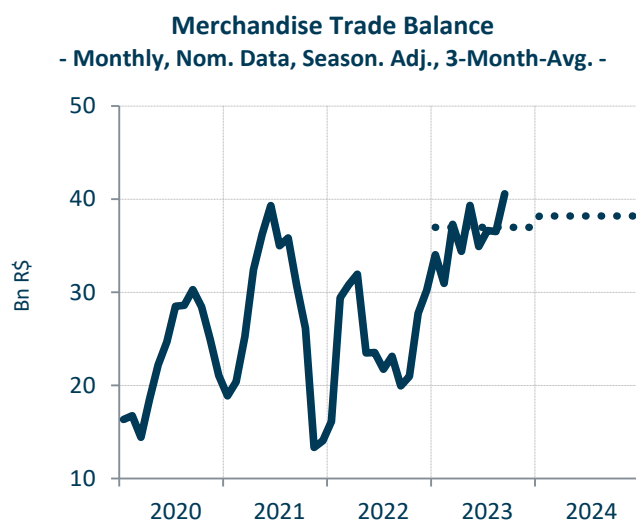
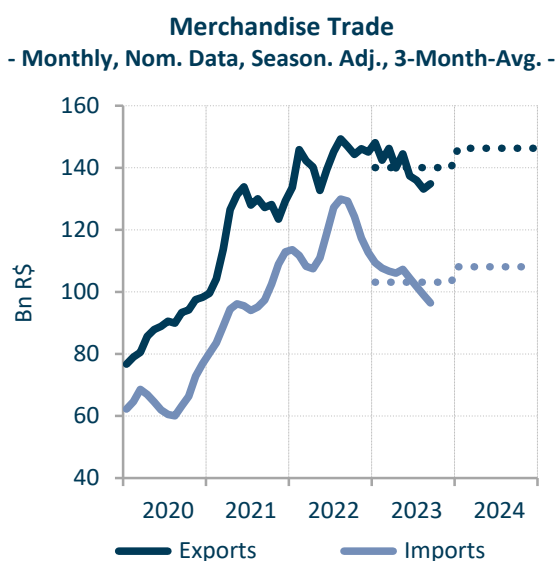
Contribution to GDP Growth (Y/Y) by Components - In Percentage Points -					
	2012-2021	2022	2023	2024	2025-2034
GDP Growth	0.4	2.9	3.1	0.6	2.4
Private Consumption	0.5	2.7	1.9	0.2	1.5
Government Consumption	0.0	0.3	0.4	0.4	0.3
Fixed Investment	-0.1	0.2	-0.5	0.0	0.4
Net Exports	0.3	0.6	0.8	-0.5	0.1
Chg. in Inv.	-0.3	-0.8	0.5	0.5	0.1

In 2023, GDP growth will be strongly positive. Economic growth is mainly driven by strong private consumption and net exports. GDP growth in 2024 will worsen compared to the previous year due to weaker growth contributions especially from private consumption and net exports. In the long-term perspective economic growth in Brazil will be higher than in the decade up to 2021. Stronger private consumption growth will be the main driver of higher GDP growth in the next 10 years up to 2034.

Trade

The level of merchandise exports has been higher than that of imports in recent months. This trend is expected to apply for 2023 as a whole. Net exports, which include not only merchandise goods, but also services, are expected to be positive in 2023.

The current account balance that includes also net income from abroad and net current transfers, is expected to be negative in 2023. The current account deficit implies that Brazil is a net borrower from the rest of the world.



Foreign Trade Forecast - Annual Data -					
	2012-2021	2022	2023	2024	2025-2034
Merchandise Exports (Bn R\$)	774	1 721	1 681	1 756	2 546
Merchandise Imports (Bn R\$)	647	1 408	1 237	1 297	2 015
Merch. Trade Bal.* (Bn R\$)	126.8	313.6	443.6	458.4	531.2
Exports, real (G+S*), % Y/Y	1.8	5.5	6.9	-0.8	3.9
Imports, real (G+S*), % Y/Y	-0.4	0.8	0.8	3.8	3.7
CAB* (Bn. US\$)	-60.8	-53.6	-39.8	-36.6	-18.1
CAB* (% of GDP)	-2.9	-2.8	-1.8	-1.6	-0.5

* (G+S) = Goods + Services

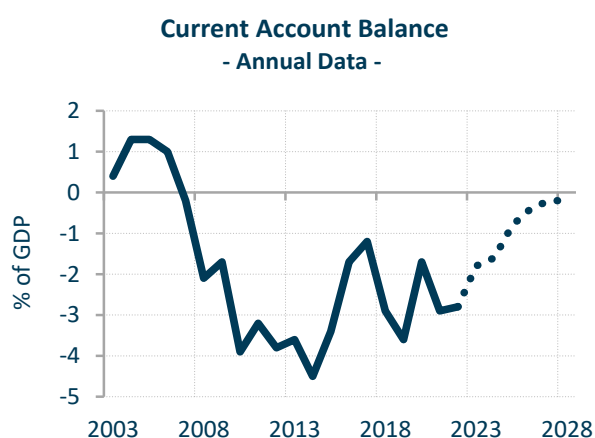
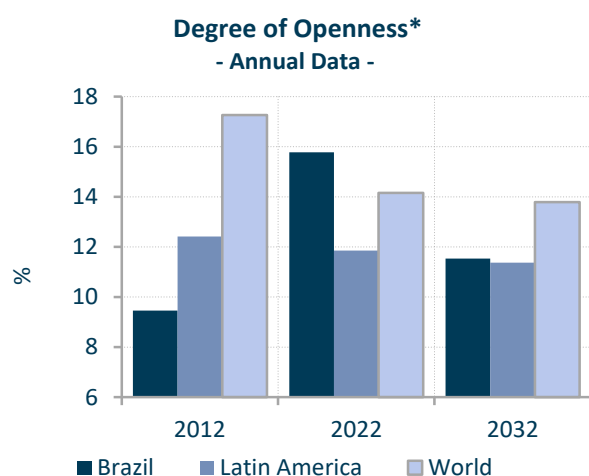
Merch. Trade Bal. = Merchandise Trade Balance

CAB = Current Account Balance

Trade

Main Trading Partners - Share in Total Trade in % -			
Exports	2022	Imports	2022
China	26.8	China	22.3
USA	11.4	USA	19.0
Argentina	4.6	Argentina	4.8
Netherlands	3.6	Germany	4.7
Spain	2.9	India	3.3

Items of Trade - Share in Total Trade of Goods in % -			
Exports	2022	Imports	2022
Metal Ores	27.6	Chemicals	28.4
Food	19.5	Other Mach.	9.7
Basic Metals	19.2	Computers	8.2
Paper	8.2	Oil & Gas	6.7
Chemicals	6.0	Automotives	6.7

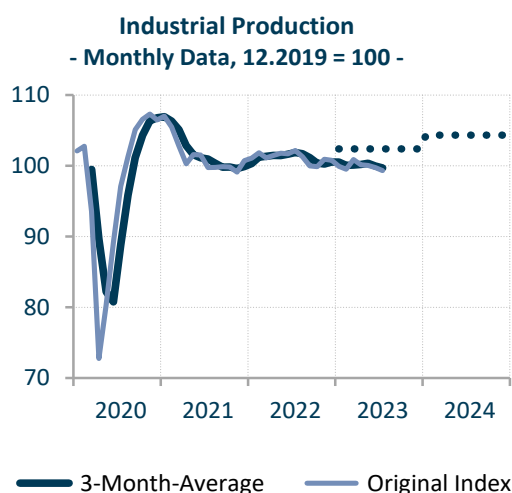


* Degree of Openness = $0.5 \times (\text{Exports} + \text{Imports}) / \text{nominal GDP}$
 The degree of openness measures the extent to which the country depends on trade with other countries. A level of 100% means that the trade volume equals the level of economic output.

Supply

The primary sector, comprising mining & quarrying, agriculture, forestry and fishing, usually is of minor importance today. In Brazil, the sector is still large. Its importance is expected to rise slightly in the next decade. The industrial or secondary sector is of moderate importance in Brazil. It is expected to become less significant up to 2033. Finally, the tertiary sector in Brazil, comprising the service industry, is relatively very large. We forecast that it will continue to gain in importance over the next 10 years.

All in all, the primary sector will likely show the highest growth rate and thus expand the most in the next decade.



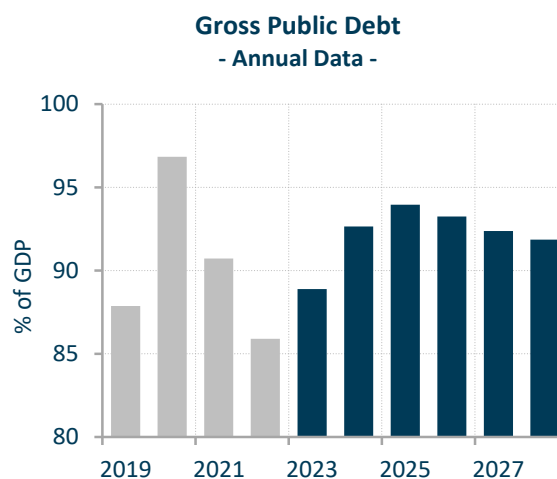
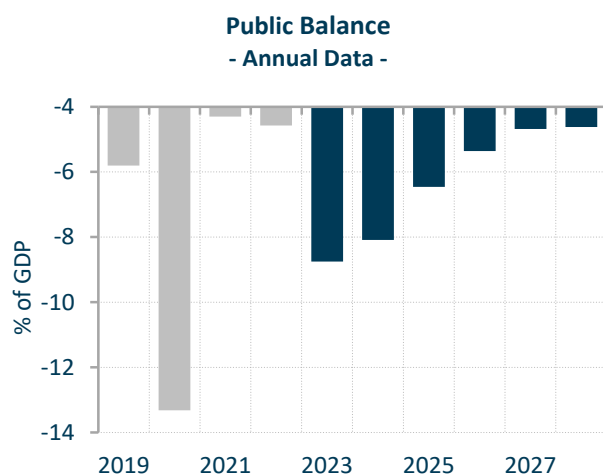
- Production has been weakening in the last three months. However, we expect industrial production to be higher in 2023 compared to the previous year.

GDP Composition, Real - Share of GDP; Annual Data in % -				Growth by Sectors - Annual Growth in % -	
	2013	2023	2033	2012-2021	2025-2034
Primary Sector	5.0	5.8	6.4	2.5	3.5
Secondary Sector	14.2	11.3	10.5	-1.5	1.5
Tertiary Sector	80.9	82.9	83.1	0.3	2.4
Business Rel. Svs.	15.9	17.6	18.1	0.8	2.7
Personal Rel. Svs.	15.9	15.2	14.1	0.1	1.7
Trade	12.6	11.8	11.5	0.2	2.2
Other Services	36.5	38.2	39.5	0.8	2.9

Public Sector

In 2022, the level of public debt in percent of GDP was large. In the next three years, the debt ratio will be even higher. Brazil will have a high public deficit and strong nominal GDP growth.

Brazil will have a moderate public expenditure quota in 2023. A moderate public expenditure quota means that the government interferes moderately in the economy.

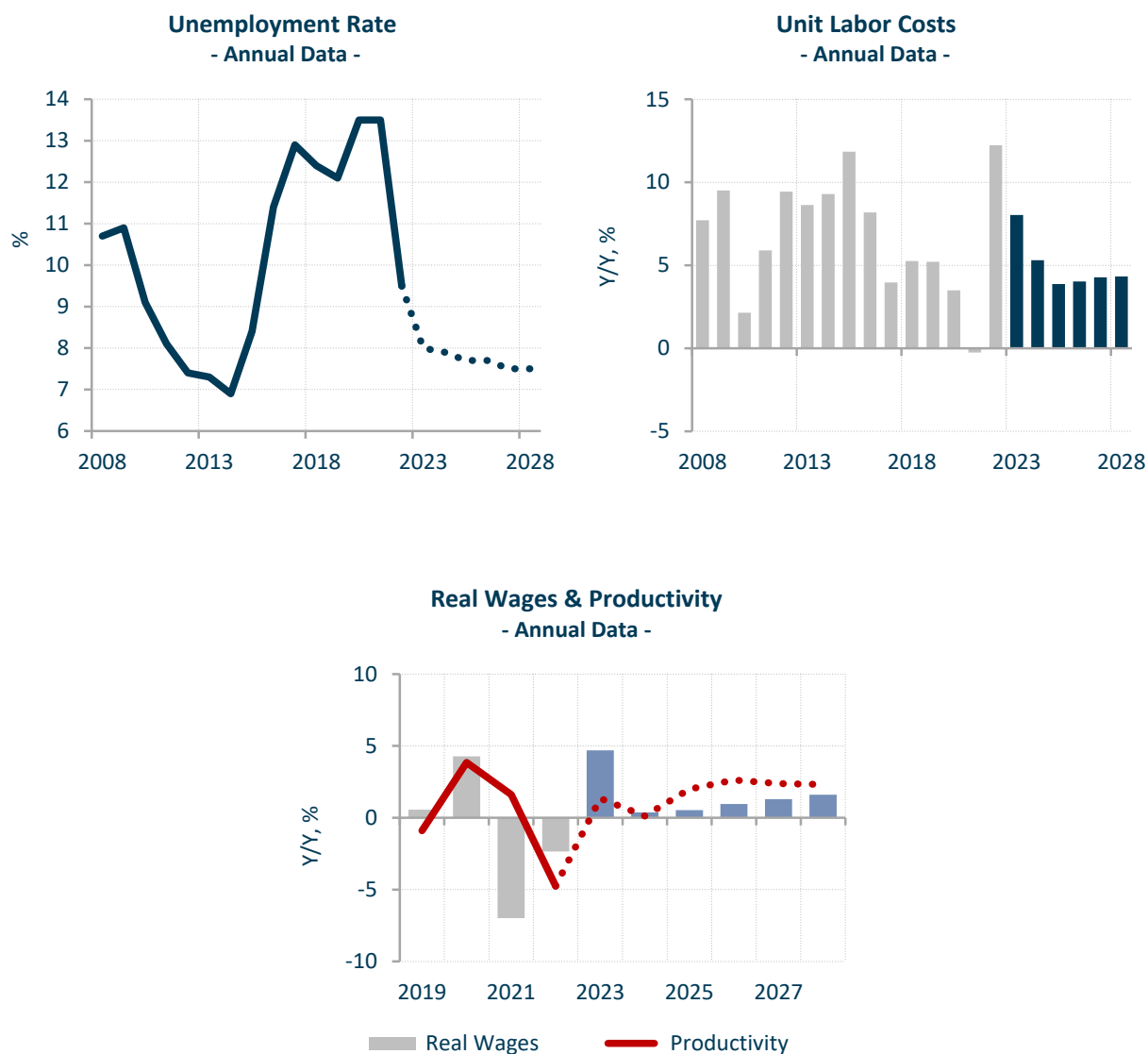


Public Finance Forecast - Annual Data -			
	2013	2023	2033
Public Expenditure / GDP (%)	38.6	44.6	41.0
Interest Expend. / Receipts (%)	13.1	10.5	10.3
Receipts (% Y/Y)	8.7	1.0	8.5
Expenditures (% Y/Y)	10.8	12.4	8.3
Primary Balance (% of GDP)	-3.0	-5.0	-0.5

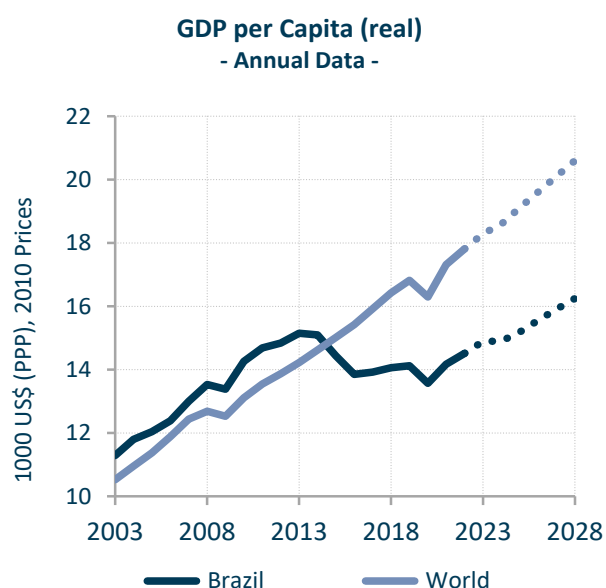
Labor Market & Income

In 2022, the unemployment rate in Brazil was smaller than in the previous year. In 2023 and the following years, the rate will tend lower because of positive employment growth.

Real wages grew weaker than productivity between 2017 and 2022. In the next five years, real wages will grow weaker than productivity again. Insofar, the competitiveness of the companies in Brazil will benefit.



Labor Market & Income



- Brazil's real GDP per capita is fairly lower than the world average. The gap is expected to widen in the next five years.

Gini Coefficient - Annual Data in % -	
	Current Value
Gini Coefficient*	53

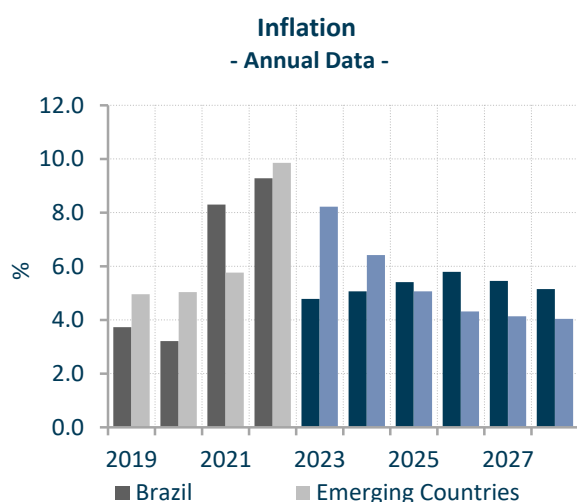
- The Gini coefficient in Brazil shows a high inequality of income distribution in the country.

***Gini Coefficient:**

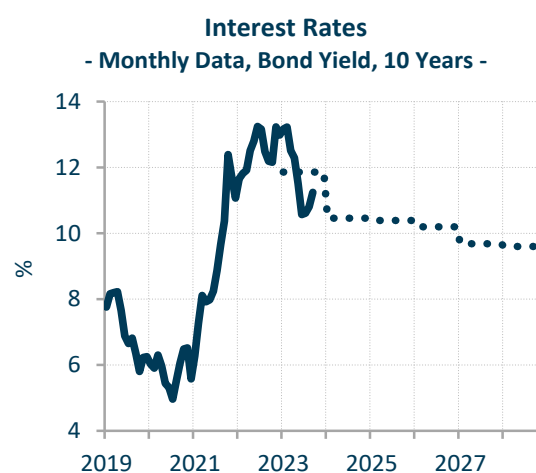
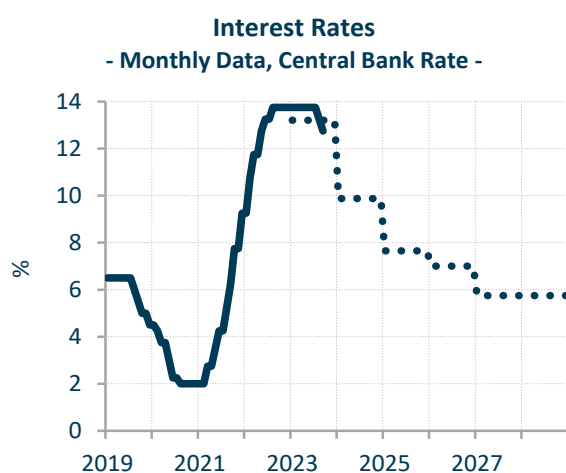
The Gini coefficient is a measure of statistical dispersion reflecting the income distribution of the residents within a country. A Gini coefficient of 0% means perfect income equality in a country, where all residents have the same income, whereas a Gini coefficient of 100% expresses maximal income inequality, where only one resident has all the income.

Prices, Interest Rates & Exchange Rates

Inflation has been very high in Brazil in 2022. In 2023, the inflation rate is expected to decrease temporarily. While the inflation rate in Brazil will fall by 4.2 percentage points from 2022 to 2024, the inflation rate in the Emerging Countries is expected to decrease by 3.4 percentage points.



Prices - Annual Growth in % -		
	Consumer Prices	Producer Prices
2022	9.3	14.1
2023	4.8	-8.6
2024	5.1	-3.1
2025	5.4	5.8
2026	5.8	4.8



Exchange Rate Forecast - Annual Data -				
	2021	2022	2023	2024
Local Currency / US\$	5.4	5.2	5.0	weaker
Local Currency / Euro	6.4	5.4	5.5	weaker
Trade Weighted Exchange Rate (real) Appreciation Y/Y	-3.3	12.1	6.2	weaker

Forecast Tables

Demand: GDP and Components										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Gross Domestic Product (GDP)										
GDP, Nominal	7610	8899	9915	10823	11572	12628	13893	15207	16573	22606
Y/Y % Change	3.0	16.9	11.4	9.2	6.9	9.1	10.0	9.5	9.0	7.9
GDP, Real (2021=100)	95.2	100.0	102.9	106.1	106.8	109.4	112.7	115.8	118.8	130.1
Y/Y % Change	-3.3	5.0	2.9	3.1	0.6	2.5	3.0	2.8	2.6	2.2
GDP, Nominal (Bn US\$ (PPP))	3169	3479	3833	4092	4207	4406	4677	4950	5226	6254
Y/Y % Change	-2.0	9.8	10.2	6.8	2.8	4.7	6.1	5.9	5.6	4.2
GDP Per Cap., Nominal (1000 US\$ (PPP))	14.9	16.2	17.8	18.9	19.3	20.1	21.3	22.4	23.5	27.7
Y/Y % Change	-2.7	9.2	9.7	6.2	2.2	4.2	5.6	5.3	5.1	3.8
GDP Per Cap., Real (1000 US\$ (PPP))	13.6	14.2	14.5	14.9	14.9	15.2	15.6	15.9	16.2	17.5
Y/Y % Change	-3.9	4.4	2.4	2.6	0.0	1.9	2.4	2.3	2.1	1.9
Components of GDP										
Consumption										
Private Consumption, Real	2555	2649	2763	2846	2856	2934	3003	3076	3151	3464
Y/Y % Change	-4.6	3.7	4.3	3.0	0.3	2.7	2.4	2.4	2.5	2.4
Government Consumption, Real	749	775	787	805	824	836	849	862	875	928
Y/Y % Change	-3.7	3.5	1.5	2.3	2.3	1.5	1.5	1.5	1.5	1.5
Investment										
Fixed Investment, Real	690	804	811	790	791	811	829	851	875	961
Y/Y % Change	-1.7	16.5	0.9	-2.6	0.1	2.4	2.3	2.7	2.8	2.3
Construction, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Construction, Resid., Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Other, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Change in Stocks	-46	-57	-92	-72	-51	-51	-25	-13	-6	0
Trade										
Net Exports (Goods & Services), Real	67	44	70	105	81	82	93	105	113	131
Exports (Goods & Services), Real	500	530	559	598	593	613	642	672	703	813
Y/Y % Change	-2.3	5.9	5.5	6.9	-0.8	3.4	4.7	4.8	4.5	3.5
Imports (Goods & Services), Real	433	485	489	493	512	531	548	568	590	682
Y/Y % Change	-9.5	12.0	0.8	0.8	3.8	3.8	3.2	3.6	3.9	3.8

Forecast Tables

Retail Sales										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Retail Sector										
Retail Sales, Value (2021=100)	87.4	100.0	114.2	123.1	129.3	139.7	150.3	161.5	173.2	223.9
Y/Y % Change	5.5	14.5	14.2	7.8	5.0	8.0	7.6	7.5	7.3	6.5
Retail Sales, Volume (2021=100)	98.1	100.0	101.0	102.2	102.6	105.5	107.9	110.3	112.9	123.3
Y/Y % Change	0.8	1.9	1.0	1.2	0.4	2.8	2.3	2.3	2.3	2.3
Retail Sales, Price (2021=100)	89.0	100.0	113.1	120.5	126.0	132.4	139.3	146.3	153.4	181.5
Y/Y % Change	4.6	12.3	13.1	6.5	4.6	5.1	5.2	5.1	4.8	4.2

Trade										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Balance of Payments										
Current Account Balance	-133.6	-254.9	-280.7	-198.6	-183.4	-100.2	-55	-25.4	-25.9	-146.6
% of GDP	-1.7	-2.9	-2.8	-1.8	-1.6	-0.8	-0.4	-0.2	-0.2	-0.6
Current Account Balance (Bn US\$)	-28.2	-46.4	-53.6	-39.8	-36.6	-19.8	-10.7	-4.9	-4.9	-25.8
Trade Balance (Current Account), Nominal	166.8	196.1	228.1	419.2	433.3	517.4	562.1	595.8	598.5	495.6
Exports (Current Account)	1086	1532	1758	1683	1756	1923	2096	2248	2375	2856
Y/Y % Change	21.9	41.1	14.8	-4.3	4.3	9.6	9.0	7.2	5.7	4.7
Imports (Current Account)	919.1	1336	1530	1264	1322	1406	1534	1652	1776	2360
Y/Y % Change	17.0	45.3	14.5	-17.4	4.6	6.3	9.1	7.7	7.5	7.5
Invisibles Balance	-312.2	-446.2	-505.1	-618.4	-617.1	-617.9	-617.2	-621.2	-624.5	-642.5
Foreign Trade (Merchandise)										
Trade Balance, Nominal	271.4	327.8	313.6	443.6	458.4	517.4	562.1	595.8	598.5	495.6
Exports, Free On Board (FOB)	1083	1512	1721	1681	1756	1923	2096	2248	2375	2856
Y/Y % Change	24.1	39.6	13.8	-2.4	4.4	9.6	9.0	7.2	5.7	4.7
Imports, fob	811.7	1184	1408	1237	1297	1406	1534	1652	1776	2360
Y/Y % Change	10.7	45.9	18.9	-12.1	4.8	8.4	9.1	7.7	7.5	7.5
Foreign Reserves										
Foreign Res., Excl. Gold (Bn US\$)	351.5	354.6	317.1	350	389.9	450	522	604.5	692	1046
Y/Y % Change	-0.6	0.9	-10.6	10.4	11.4	15.4	16.0	15.8	14.5	9.0

Forecast Tables

Supply										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Production										
GDP, Real	4016	4216	4338	4474	4501	4612	4749	4880	5007	5484
Y/Y % Change	-3.3	5.0	2.9	3.1	0.6	2.5	3.0	2.8	2.6	2.2
Net Production (2021=100)	95.6	100.0	99.7	98.8	100.2	102.7	104.4	106.1	107.8	113.8
Y/Y % Change	-4.8	4.6	-0.3	-0.9	1.5	2.5	1.7	1.6	1.6	1.3
Capacity Utilization (%)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Origin of GDP, Gross Value Added by Sector										
Total GVA - Whole Economy	3405	3571	3689	3805	3828	3923	4041	4153	4262	4679
Y/Y % Change	-3.0	4.9	3.3	3.1	0.6	2.5	3.0	2.8	2.6	2.3
Primary Sector										
Agricult., Forestry & Fishing	216	217	213	222	226	233	243	252	261	299
Y/Y % Change	4.2	0.3	-1.7	4.2	1.7	3.5	4.0	3.8	3.7	3.3
Mining & Quarrying	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Secondary Sector										
Manufacturing	416	434	433	429	435	446	454	461	468	494
Y/Y % Change	-4.7	4.5	-0.3	-0.9	1.5	2.5	1.7	1.6	1.6	1.3
Electricity, Gas & Water	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Tertiary Sector										
Wholesale & Retail Trade	413	434	437	449	451	461	474	486	497	539
Y/Y % Change	-1.5	5.0	0.8	2.9	0.4	2.2	2.7	2.5	2.3	2.0
Hotels & Restaurants	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Transport & Storage	128	144	156	161	161	165	170	174	178	193
Y/Y % Change	-12.7	12.9	8.4	2.9	0.4	2.2	2.7	2.5	2.4	2.0
Financial Intermediation	244	244	245	255	260	269	281	292	303	347
Y/Y % Change	3.3	0.0	0.4	4.3	1.8	3.6	4.2	3.9	3.8	3.4
Real Est., Rent. & Bus. Act.	536	584	649	671	677	696	718	740	761	843
Y/Y % Change	-9.3	9.1	11.1	3.4	0.9	2.7	3.3	3.0	2.9	2.5
Public Administration	544	556	565	578	578	588	601	613	624	664
Y/Y % Change	-4.5	2.3	1.5	2.4	-0.1	1.7	2.2	2.0	1.9	1.5
Education	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Health & Social Services	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Other Social & Personal Services	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Households	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-

Forecast Tables

Public Sector										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Government Finance										
Public Balance	-1013	-383	-454	-947	-937	-816	-745	-712	-766	-990
as % of GDP	-13.3	-4.3	-4.6	-8.8	-8.1	-6.5	-5.4	-4.7	-4.6	-4.4
Expenditures	3577	3664	4295	4827	5041	5286	5650	6077	6652	9237
Y/Y % Change	14.1	2.4	17.2	12.4	4.4	4.9	6.9	7.6	9.5	8.3
Revenues	2563	3281	3842	3880	4105	4470	4905	5365	5886	8247
Y/Y % Change	-5.2	28.0	17.1	1.0	5.8	8.9	9.7	9.4	9.7	8.6
Gross Public Debt	7369	8073	8518	9620	10722	11865	12955	14048	15224	20937
as % of GDP	96.8	90.7	85.9	88.9	92.7	94.0	93.3	92.4	91.9	92.6
Public Expenditure Quota	47.00	41.17	43.32	44.60	43.57	41.86	40.67	39.96	40.14	40.86
Y/Y % Change	0.0	-12.4	5.2	3.0	-2.3	-3.9	-2.8	-1.7	0.4	0.4

Forecast Tables

Labor Market and Income										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Labor Market										
Wages, Real (2021=100)	107.5	100.0	97.7	102.2	102.6	103.2	104.1	105.5	107.2	114.6
Y/Y % Change	4.3	-7.0	-2.3	4.7	0.4	0.5	1.0	1.3	1.6	1.7
Earnings (2021=100)	99.0	100.0	107.0	117.0	123.0	131.0	140.0	149.0	159.0	203.0
Y/Y % Change	7.0	1.0	7.0	9.0	5.0	6.0	7.0	7.0	7.0	6.0
Productivity (1000 US\$)	11.1	11.3	10.7	10.9	10.9	11.1	11.4	11.7	11.9	13.0
Y/Y % Change	3.8	1.6	-4.8	1.3	0.1	2.0	2.6	2.4	2.3	2.1
Unit Labor Cost (2021=100)	100.3	100.0	112.2	121.2	127.7	132.6	138.0	143.9	150.1	175.2
Y/Y % Change	3.5	-0.3	12.2	8.0	5.3	3.9	4.0	4.3	4.3	3.9
Employment (Mn)	87.6	90.5	97.8	99.6	100.0	100.5	100.8	101.2	101.5	101.9
Y/Y Abs. Change	-6.45	2.91	7.28	1.72	0.49	0.47	0.34	0.38	0.27	0.14
Unemployment (Mn)	13.6	14.1	10.3	8.6	8.6	8.4	8.4	8.2	8.2	8.4
Y/Y Abs. Change	0.73	0.49	-3.82	-1.64	-0.07	-0.19	-0.03	-0.12	-0.04	0.01
Unemployment Rate (%)	13.5	13.5	9.5	8.0	7.9	7.7	7.7	7.5	7.5	7.6
Private Households										
NNP, Nominal at Factor Costs	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Compensation of Employees	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Gross Profits & Rental Income	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Pers. Disposable Income, Nominal	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Consumption, Nominal	4805	5430	6254	6742	7107	7686	8312	8965	9647	12610
Y/Y % Change	-0.2	13.0	15.2	7.8	5.4	8.1	8.1	7.9	7.6	6.8
Pers. Disposable Income, Real (2021=100)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Consumption, Real (2021=100)	96	100	104	107	108	111	113	116	119	131
Y/Y % Change	-4.6	3.7	4.3	3.0	0.3	2.7	2.4	2.4	2.5	2.4
Personal Savings Ratio (%)	-	-	-	-	-	-	-	-	-	-
Population (Mn)	213.2	214.3	215.3	216.4	217.6	218.8	219.9	221.0	222.0	225.6
Y/Y Abs. Change	1.4	1.1	1.0	1.1	1.2	1.2	1.1	1.1	1.0	0.8
GDP Per Cap., Real (PPP, 2021=100)	95.8	100.0	102.4	105.1	105.1	107.2	109.8	112.3	114.6	123.6
Y/Y % Change	-3.9	4.4	2.4	2.6	0.0	1.9	2.4	2.3	2.1	1.9

Forecast Tables

Prices, Interest and Exchange Rates										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2032
Prices										
Consumer Prices (2021=100)	92.3	100.0	109.3	114.5	120.3	126.8	134.2	141.5	148.8	177.6
Y/Y % Change	3.2	8.3	9.3	4.8	5.1	5.4	5.8	5.5	5.1	4.4
Consumer Prices, Core (2021=100)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Producer Prices (2021=100)	76.1	100.0	114.1	104.3	101.0	106.9	112.0	117.6	123.5	150.7
Y/Y % Change	11.2	31.5	14.1	-8.6	-3.1	5.8	4.8	4.9	5.0	5.1
Export Prices (2021=100)	73.8	100.0	108.9	97.0	96.6	102.1	106.4	111.1	115.8	134.6
Y/Y % Change	21.9	35.5	8.9	-10.9	-0.4	5.7	4.3	4.4	4.2	3.9
Import Prices (2021=100)	84.4	100.0	117.2	105.1	105.7	109.5	112.7	117.3	121.8	142.0
Y/Y % Change	21.2	18.4	17.2	-10.3	0.5	3.6	2.9	4.1	3.9	4.0
Monetary Policy and Monetary Supply										
Central Bank Rate (%)	2.8	4.8	12.6	13.2	9.9	7.7	7.0	5.8	5.8	5.8
Money Supply M1	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Money Supply M2	3998	4298	5103	5659	6051	6571	7282	8034	8829	12180
Y/Y % Change	29.0	7.5	18.7	10.9	6.9	8.6	10.8	10.3	9.9	8.5
Money Supply M3	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Money Markets										
Call Money Rate (%)	2.8	4.4	12.4	13.2	9.9	7.6	6.9	5.7	5.7	5.7
Interbank Rate, 1 Month (%)	-	-	-	-	-	-	-	-	-	-
Interbank Rate, 3 Months (%)	-	-	-	-	-	-	-	-	-	-
Interbank Rate, 6 Months (%)	-	-	-	-	-	-	-	-	-	-
Bond Markets										
Government Bond Yield, 1 Y. (%)	3.2	7.1	13.3	12.0	9.0	8.3	8.0	7.1	6.7	6.5
Government Bond Yield, 3 Y. (%)	5.2	8.7	12.3	11.2	9.4	9.2	9.1	8.4	8.2	8.0
Government Bond Yield, 5 Y. (%)	6.1	8.8	12.2	11.6	10.1	9.9	9.7	9.1	9.0	8.7
Government Bond Yield, Avg. Mat. (%)	7.2	9.7	12.3	11.9	10.5	10.4	10.2	9.7	9.6	9.3
Exchange Rates (Avg.)										
BRL / €	5.89	6.38	5.44	5.49	5.91	6.33	6.91	7.25	7.49	8.15
Y/Y % Change	33.4	8.3	-14.7	0.8	7.7	7.2	9.1	5.0	3.3	2.3
BRL / US\$	5.15	5.39	5.17	5.00	5.02	5.09	5.14	5.23	5.32	5.69
Y/Y % Change	30.7	4.7	-4.2	-3.2	0.3	1.4	1.1	1.8	1.6	1.9
Trade-Weighted Exch. Rate, Nom.	100.0	94.6	107.5	120.0	123.8	123.8	120.2	117.3	114.8	107.6
Y/Y % Change	-19.8	-5.4	13.6	11.6	3.2	0.0	-2.9	-2.4	-2.1	-1.7
Trade-Weighted Exch. Rate, Real	100.0	96.7	108.4	115.1	114.5	115.5	115.1	115.0	115.1	116.6
Y/Y % Change	-20.6	-3.3	12.1	6.2	-0.5	0.9	-0.4	0.0	0.1	0.3

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