



**Introduction by
Rt Hon Lord Hurd
of Westwell CH CBE PC
Chairman of the FIRST
Advisory Council**

I have great pleasure in introducing this official FIRST report on Brazil to mark the visit of David Cameron, Prime Minister to Brazil. We are particularly grateful to HE Roberto Jaguaribe, the Brazilian Ambassador for all his assistance as well as the support of the Brazilian and United Kingdom authorities.

The Prime Minister's visit is particularly timely and will help focus the attention of international business leaders and policy makers on the many investment and trade opportunities that exist in Brazil. Brazil is a key player on the world stage and is leading efforts to deepen Latin American integration through regional groupings such as Mercosul, the Rio Group and ALADI. Brazil is also an active and important member of both the G20 and the United Nations as well as being a driving force in the Union of South American Nations.

With vast natural resource assets and a large labour force, Brazil is South America's foremost economic power and a regional leader. Brazil has enjoyed very impressive development with GDP growth expected to increase to 3.3 per cent in 2012. In 2011 Brazil became the world's sixth largest economy in terms of GDP. Since 2003, Brazil has steadily improved its macroeconomic stability, building up significant foreign reserves and reducing its debt profile. President Dilma Rousseff has reaffirmed Brazil's strong commitment to targeting inflation as well as maintaining a floating exchange rate and fiscal restraint.

The Brazilian economy is now worth £1.6 trillion and is underpinned by substantial oil and gas reserves. With further revenues continuing to be discovered off the Brazilian coast, the country is now the ninth largest oil producer. Crude output is expected to reach 3.9 million b/pd by 2020 – much of the growth coming from the offshore Campos and Santos Basins. As new oil is discovered, the Brazilian government is expecting significant capital investment from the oil majors. These oil revenues are also likely to shape international diplomatic relations and Brazil will become increasingly instrumental in maintaining global crude oil supplies and price stability.

The country has also benefitted from measures to liberalise and open up the economy which have improved Brazil's competitive position. Brazil has a sophisticated technology sector and is a leader in space research with a satellite launch station and close involvement with the International Space Station. It is a pioneer in many fields including the production of ethanol and President Rousseff has established the innovative 'Science without Borders' programme.

The Prime Minister's Visit to Brazil comes at an important time in UK-Brazil relations. The Foreign Secretary, William Hague, visited Brazil in January 2012 for the inaugural UK-Brazil Strategic Dialogue – a forum for foreign policy and bilateral discussions, reflecting the new momentum in the relationship.

The British Government is raising its diplomatic engagement with Brazil to a new level because, as William Hague has said, “we recognise Brazil’s growing impact on the economic and political landscape of the world.”

Britain and the United Kingdom also share the honour of hosting consecutive Olympic and Paralympic Games in 2012 and 2016. The two governments have signed bilateral agreements on Olympic cooperation and are coordinating a programme focused on planning, sustainability, security, accessibility and legacy development. There is also close cooperation on cultural issues with the British Council working to develop stronger ties and

greater mutual understanding.

David Cameron’s Visit to Brazil, while providing an opportunity for private discussions, will give us all the opportunity to study the significant developments in Brazil and to weigh carefully the many opportunities to work together even more closely. The Prime Minister leads an important delegation of business leaders seeking trade and investment opportunities.

We at FIRST are delighted to have been asked to produce this special publication to mark David Cameron’s visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship, especially in the areas of trade and investment. **F**

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HE Roberto Jaguaribe, Ambassador of Brazil to the UK, HE Dilma Rousseff President of the Federative Republic of Brazil and Rupert Goodman, Chairman and Founder of FIRST