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AN OVERVIEW OF BRAZIL POST CRISIS

**DURVAL DE NORONHA GOYOS JR.
SENIOR PARTNER - NORONHA ADVOGADOS
PRESENTATION MADE FOR CONNECTICUT
TRADE MISSION - AUGUST 10, 2009.**

MAP OF BRAZIL



JUNE 30, 2009 - BRAZIL POST CRISIS

BETTER

2008

2009

BALANCE OF TRADE
(6 MONTHS)

US\$ 11 billion

US\$ 14 billion

Domestic Car Sales

270.000 per month

300.000 per month

Indebtness São Paulo

53%

46%

Average interest to consumer/month

7,46%

7,26%

Average interest to companies

4,36%

4,12%

Index Volume of Sales

142 points

154 points

IBOVESPA

53.392 points

54.775 points

Minimum Wage

R\$ 415,00

R\$ 465,00

Source: O Estado de S. Paulo - 2 August 2009

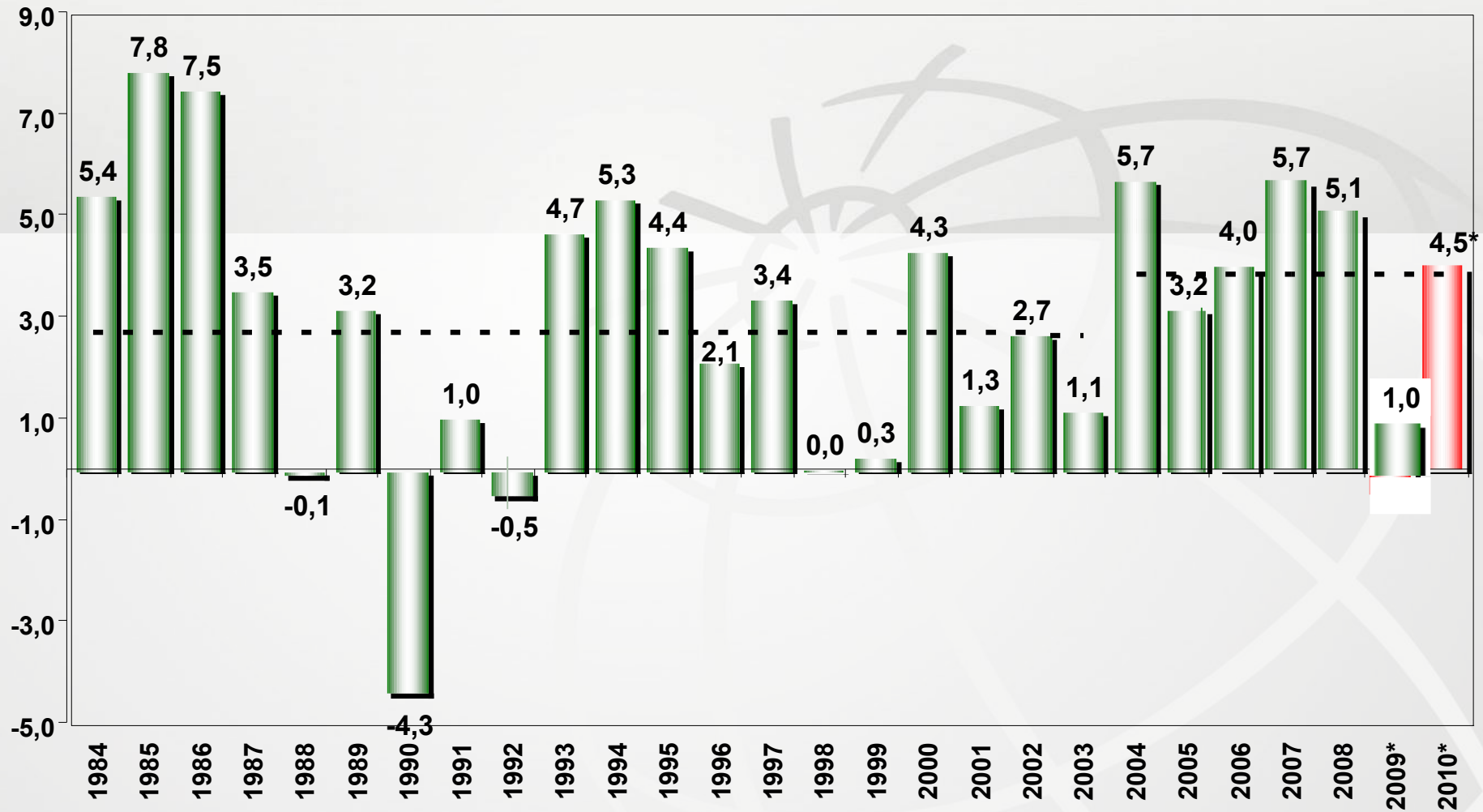
JUNE 30, 2009 - BRAZIL POST CRISIS - II

WORSE	2008	2009
Index Industrial Stokes	98,5 points	94,5 points
Use of Industrial Capacity	85,4 %	79,8%
Monthly Production of Cars	300,00	284,000
Consumer Confidence	111.7 points	111,4 points
Index Industrial Production	136.1 points	114
Unemployment Rate	7,7%	8,1%

Source: *O Estado de S. Paulo* – 2 August 2009

BRAZIL'S GPD

1884 - 2010



Source: Brazilian Institute of Geography and Statistics - IBGE

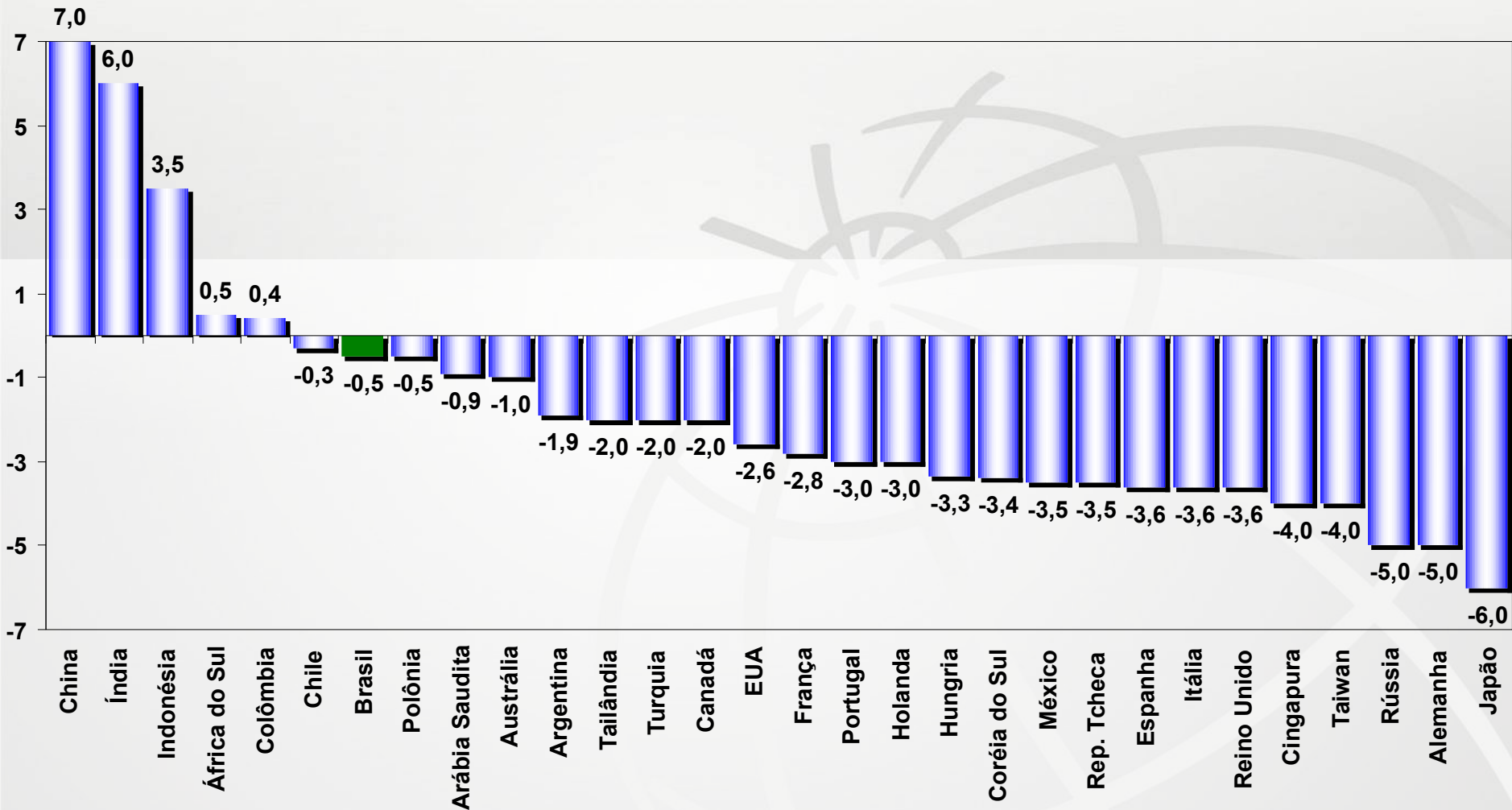
*Projection

BRAZIL'S GDP IN US\$

	2003	2004	2005	2006	2007	2008
GDP (Billion)	552	663.4	882	1,006	1,300	1,378
Population (Million)	178.9	181.5	185.5	186.7	188.9	196.0
GDP per capita (Thousand)	3,10	3,66	4,77	5,41	6,91	7,030

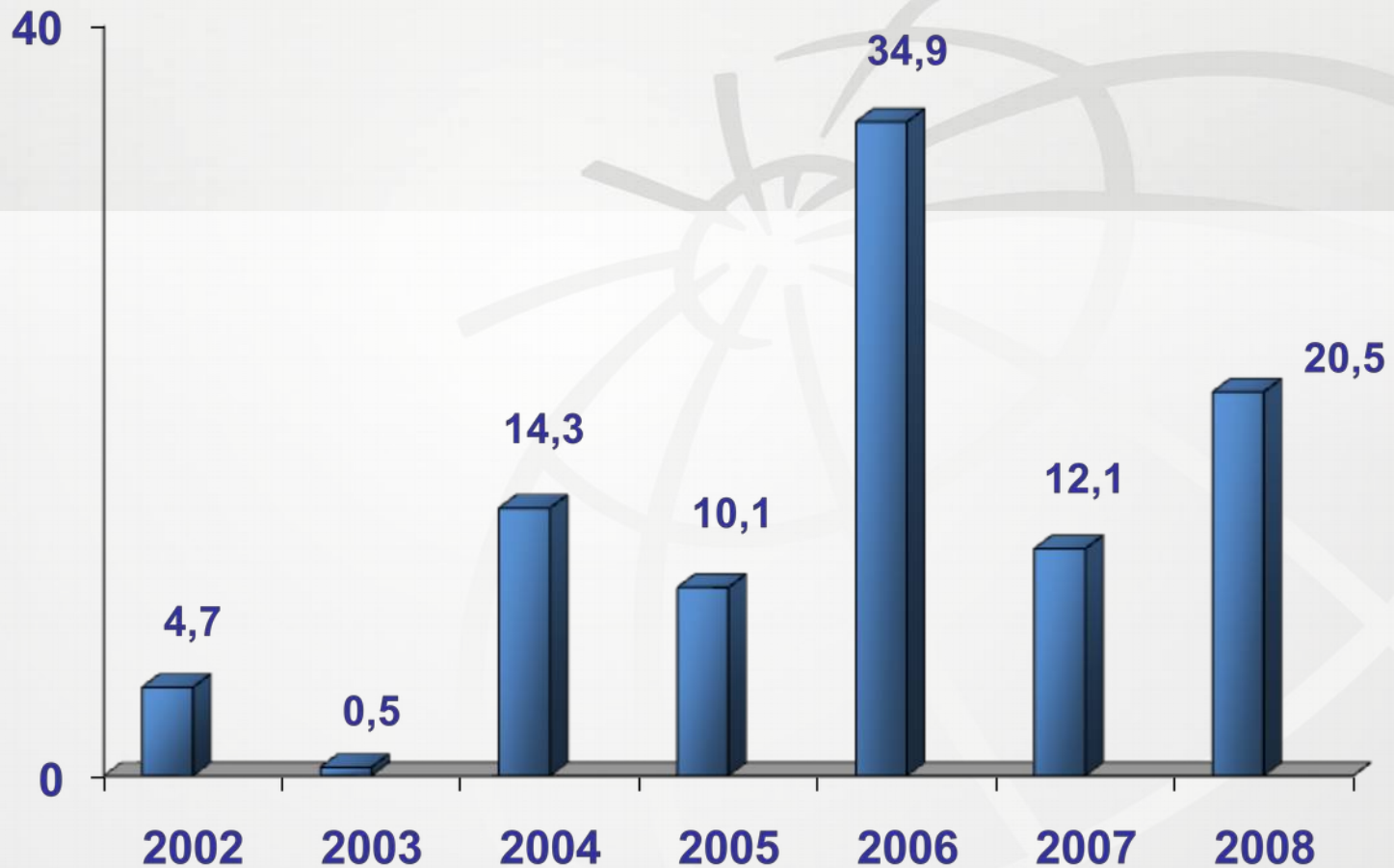
Source: Brazilian Institute of Geography and Statistics - IBGE

GPD: IMF'S PROJECTIONS FOR 2009



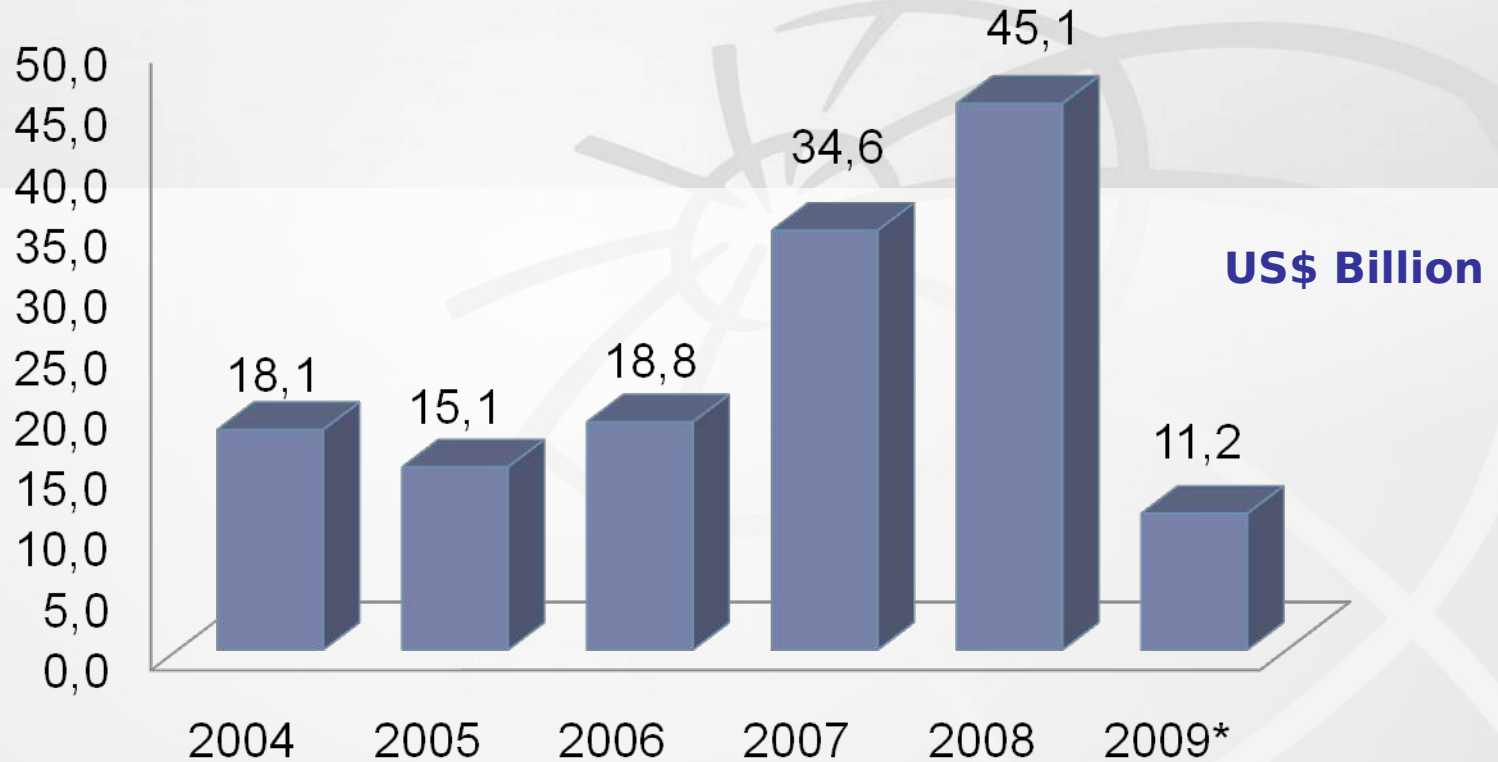
Source: IMF

FOREIGN DIRECT INVESTMENT: OUTBOUND

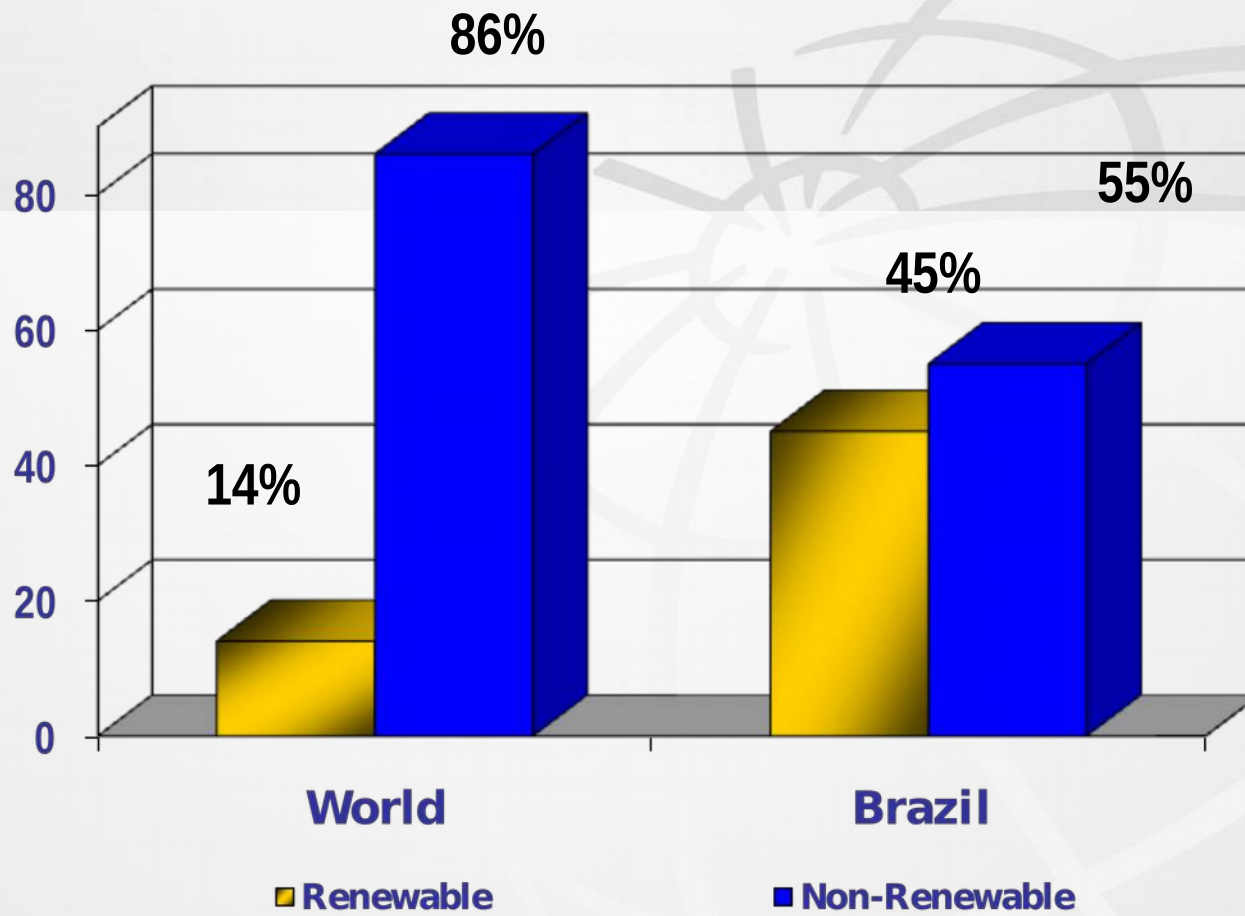


Source: Central Bank

FOREIGN DIRECT INVESTMENT: INBOUND



SOURCES OF ENERGY

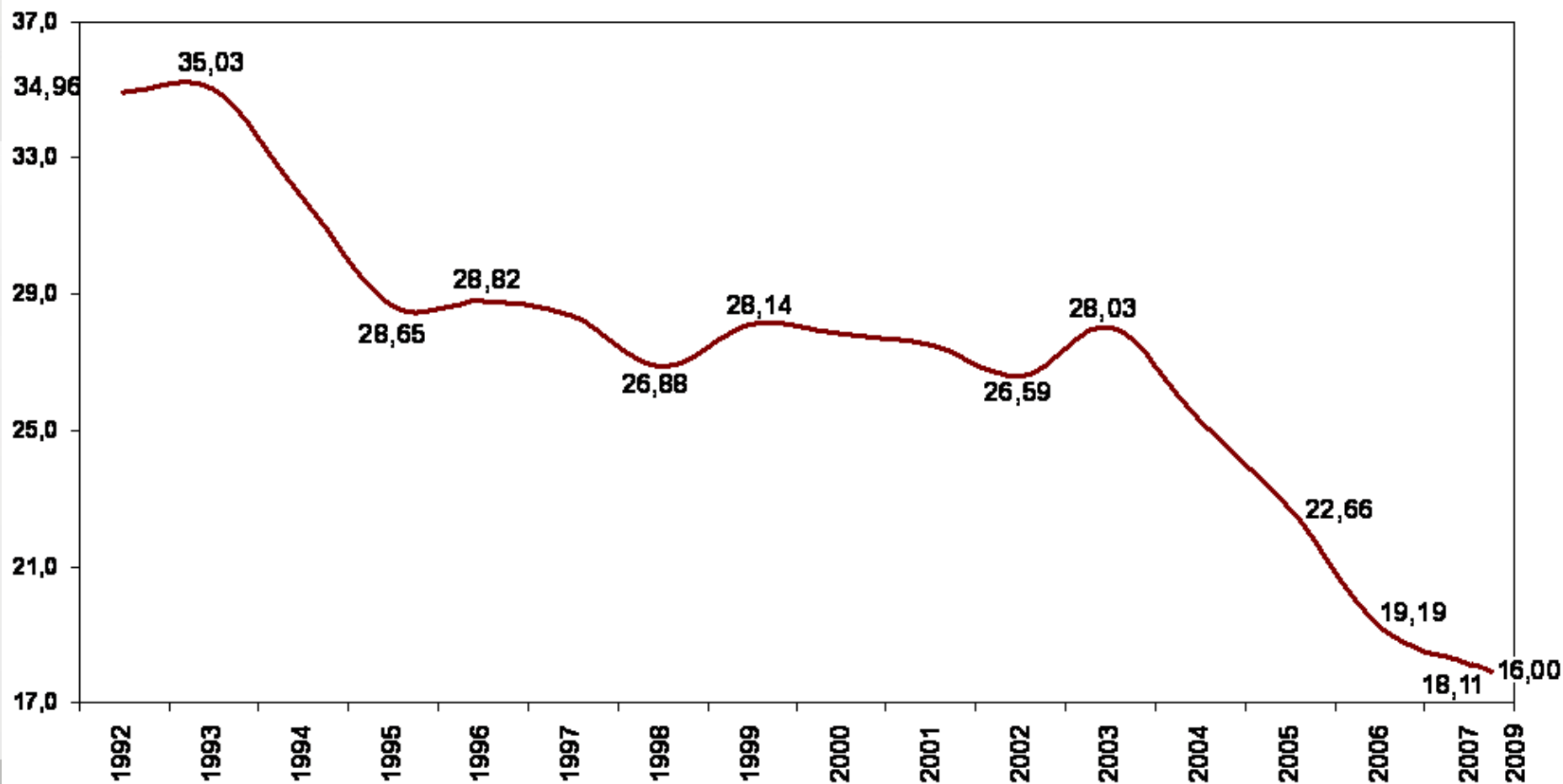


WORLD'S OIL RESERVES

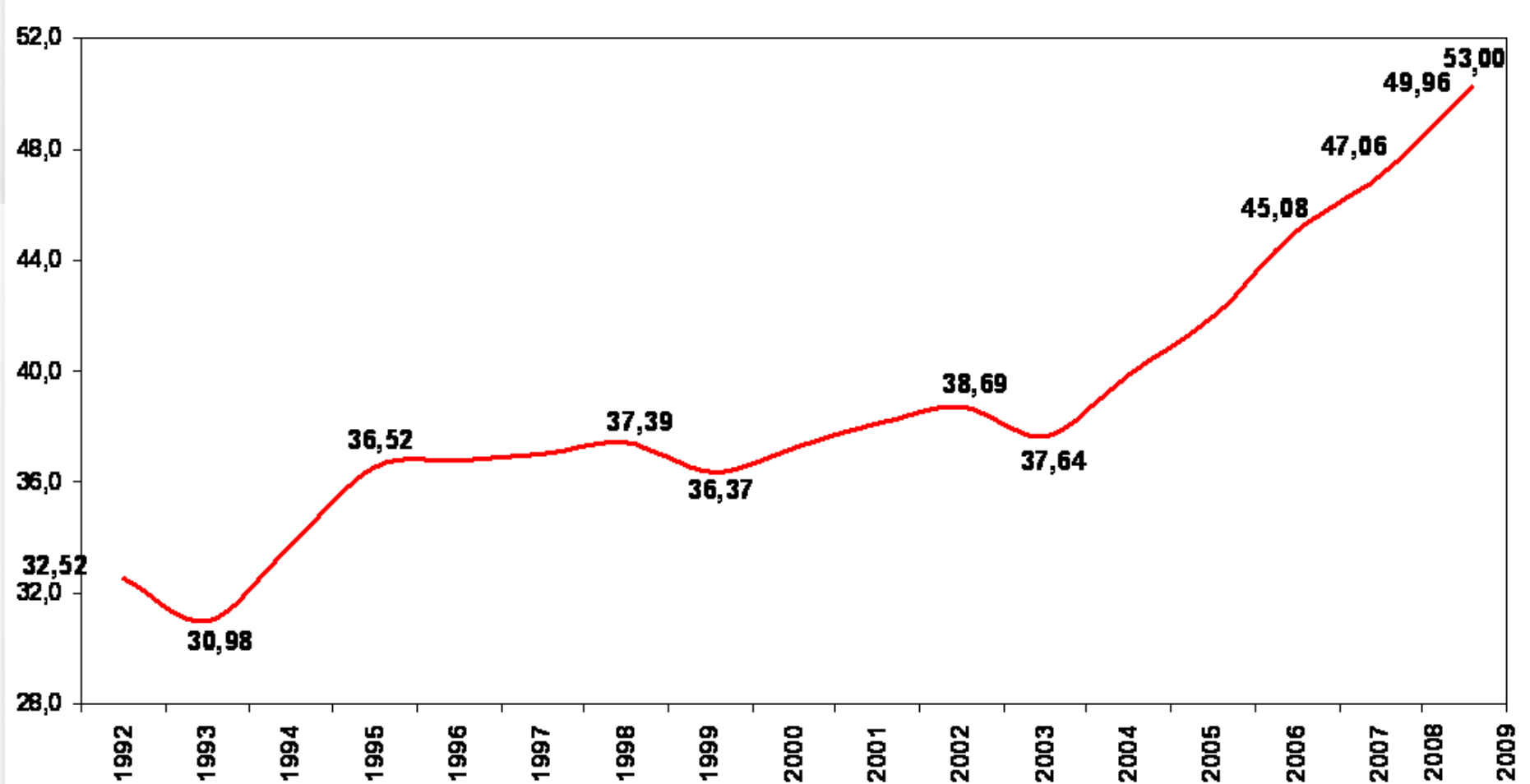
In Billion of Barrels

1	Saudi Arabia	266
2	Iran	138
3	Iraq	115
4	Kuwait	104
5	UAE	97
6	Brazil	94
7	Venezuela	87
8	Russia	79
9	Libya	41
10	Kazakhstan	39
11	Nigeria	36
12	USA	29

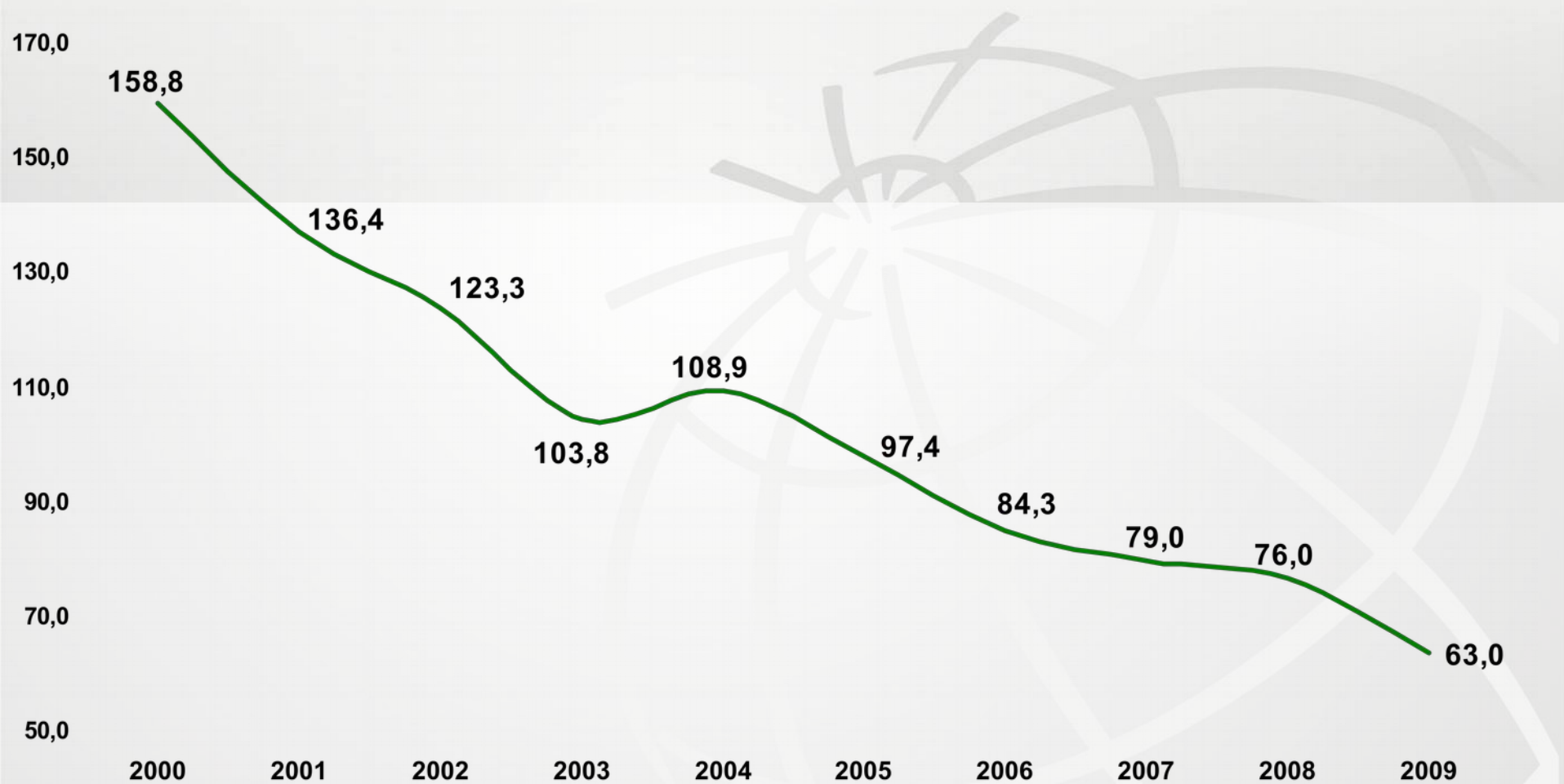
POVERTY IN % OF THE BRAZILIAN POPULATION - 1992/2009



MIDDLE CLASS IN % OF THE BRAZILIAN POPULATION - 1992/2009

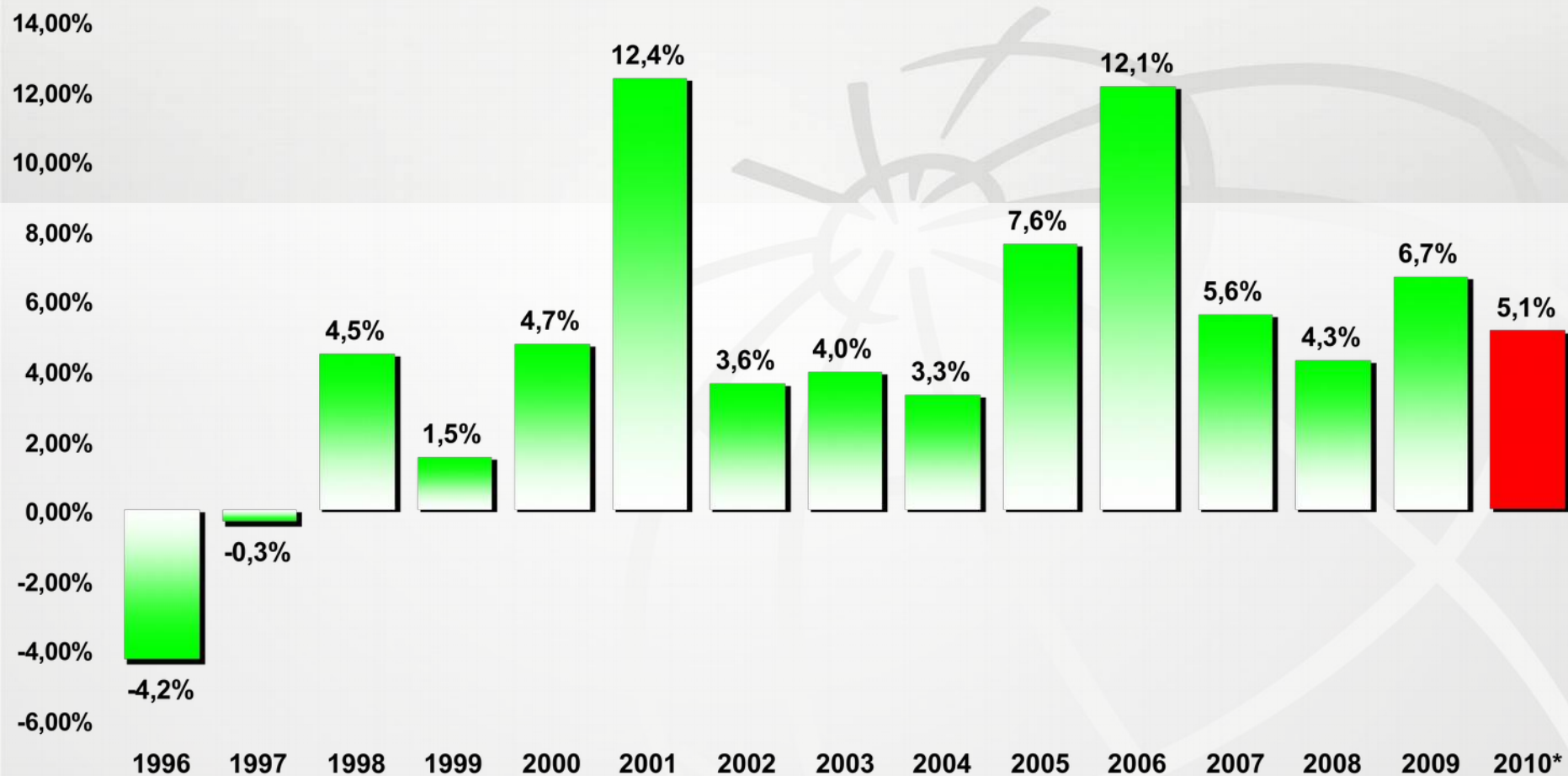


NUMBER OF MINIMUM WAGES REQUIRED TO ACQUIRE A BASIC CAR



Source: MTE and DIEESE/PROCON

REAL GROWTH OF THE MINIMUM WAGE - 1996/2010

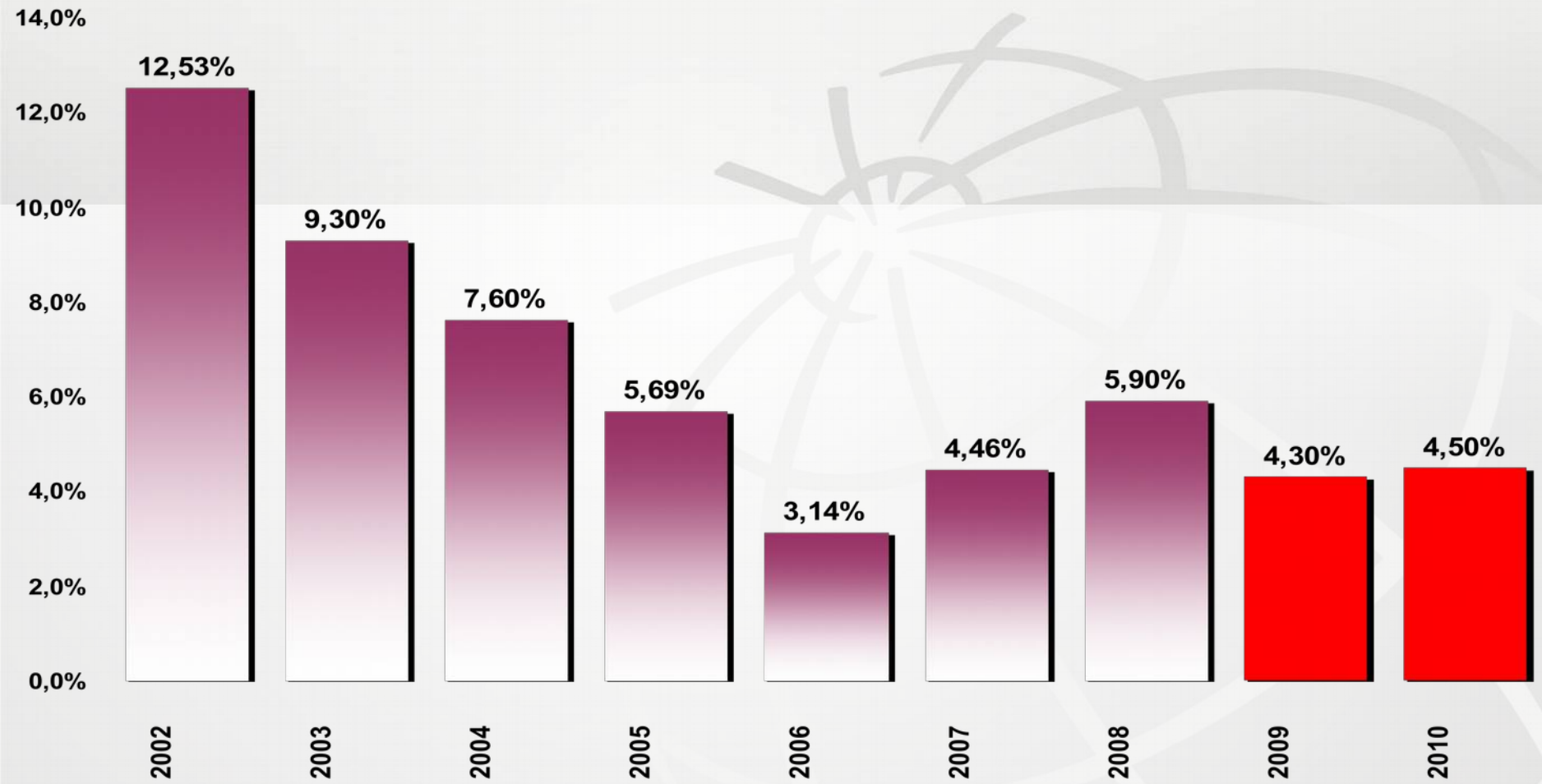


Minimum Wage today in SP: R\$ 465,00

Source: MTE - CAGED

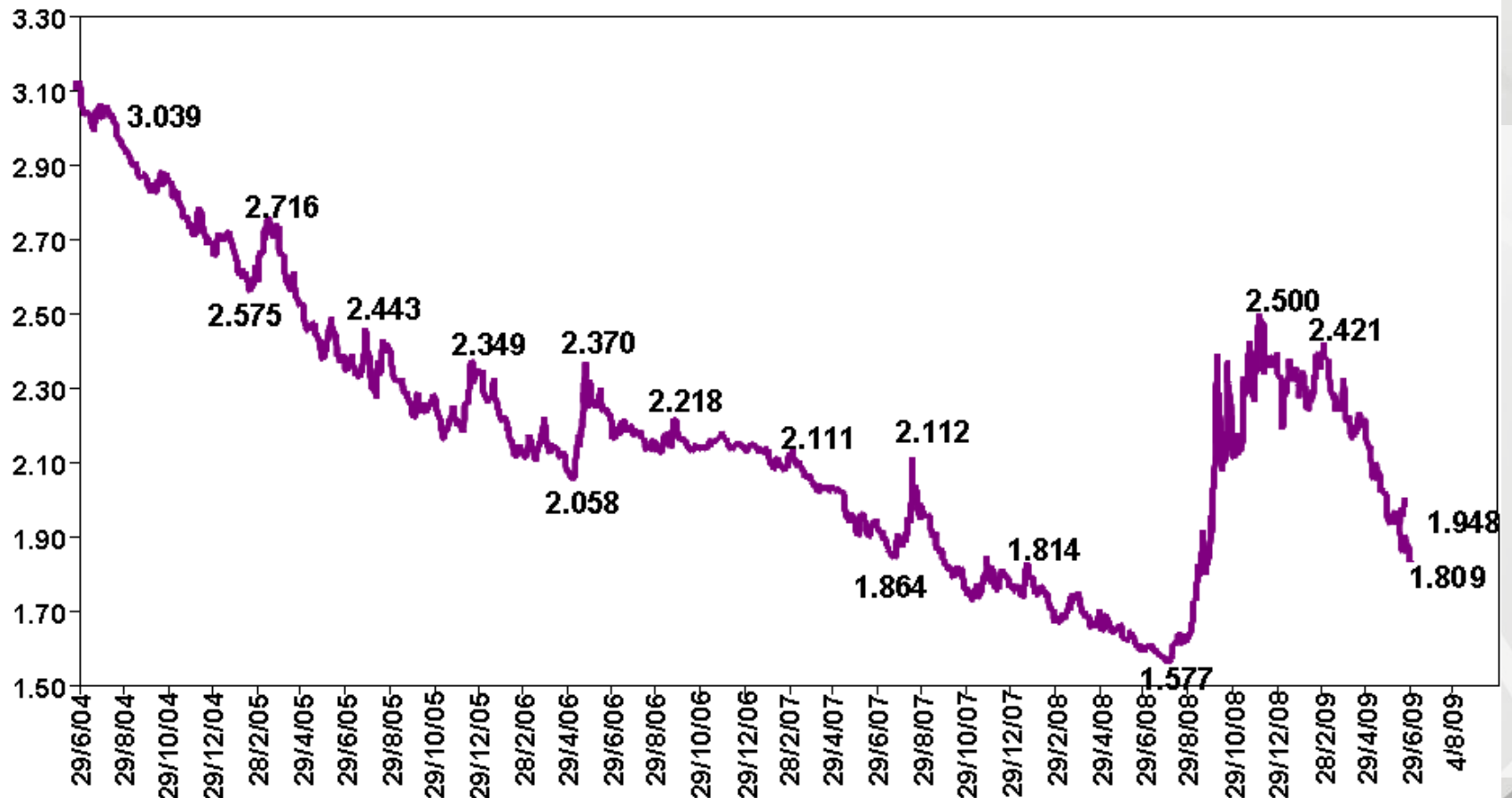
*Considering the IPCA accumulated from June to May

BRAZIL - INFLATION RATES



Source: Brazilian Institute of Geography and Statistics - IBGE

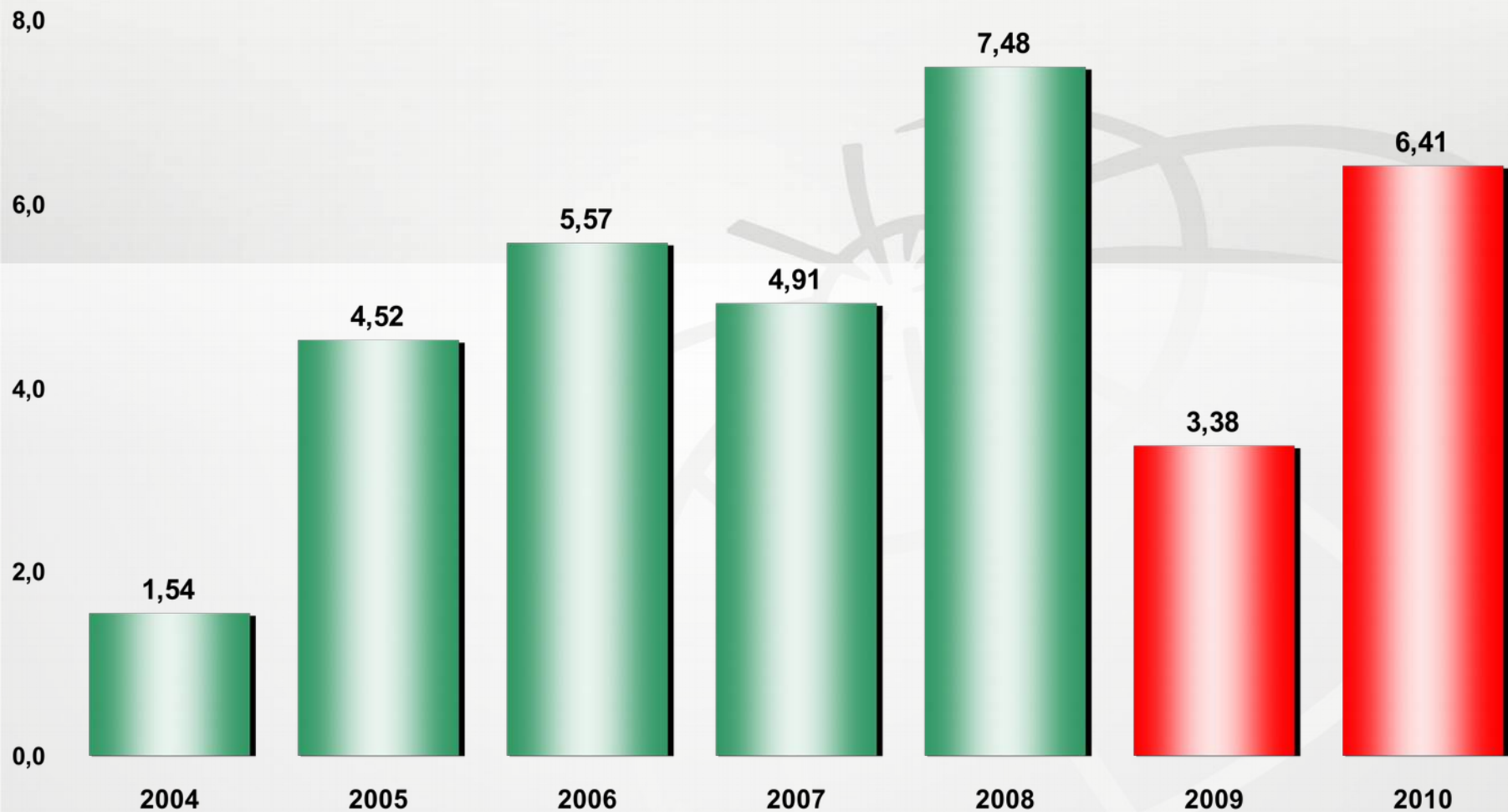
EXCHANGE RATES OF THE REAL AGAINST THE US DOLLAR



DEVELOPMENT OF EXTERNAL DEBT

Year	Gross Amount (US\$ Billion)	Net Amount (US\$ Billion)
1998	235,1	
1999	223,9	
2000	216,9	
2001	209,9	
2002	210,7	
2003	214,9	165,6
2004	201,4	148,4
2005	169,4	115,6
2006	172,6	86,76
2007	193,2	12,86
2008	200,2	(-6,6)
2009*	201,4	(-7,8)

SALARIES' GROWTH



Main Metropolitan Areas: São Paulo, Rio de Janeiro, Belo Horizonte, Salvador, Recife e Porto Alegre.

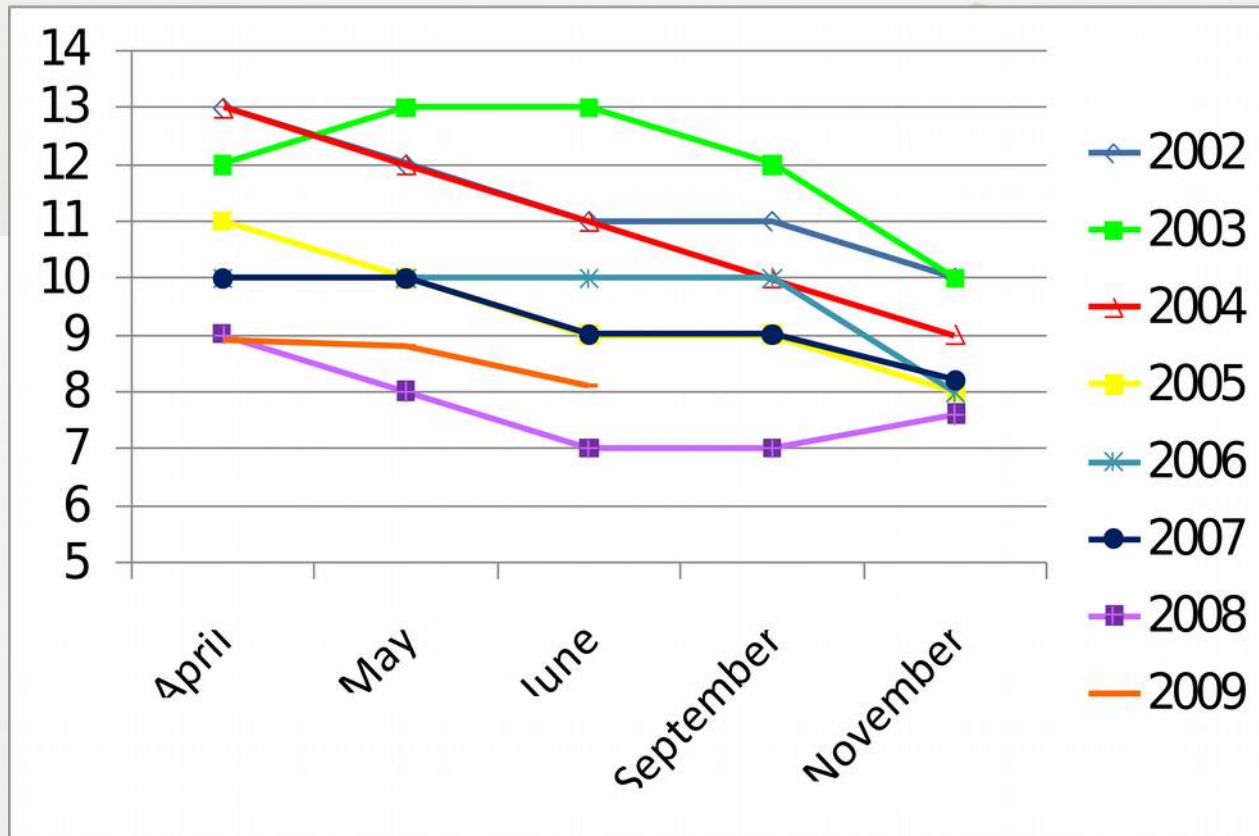
Source: IBGE

BNDS AND MULTILATERAL AGENCIES

	BNDS	IDB	World Bank
US\$ Billion	31/12/2008	31/12/2008	30/06/2008
Total Assets	118,6	72,5	233,6
Net Assets	10,8	19,4	41,5
Net Profit	2,3	(22,0)	1,5
Disbursement	49,8	7,1	10,5
Return	2,20%	-0,03%	0,70%

Source: BNDS

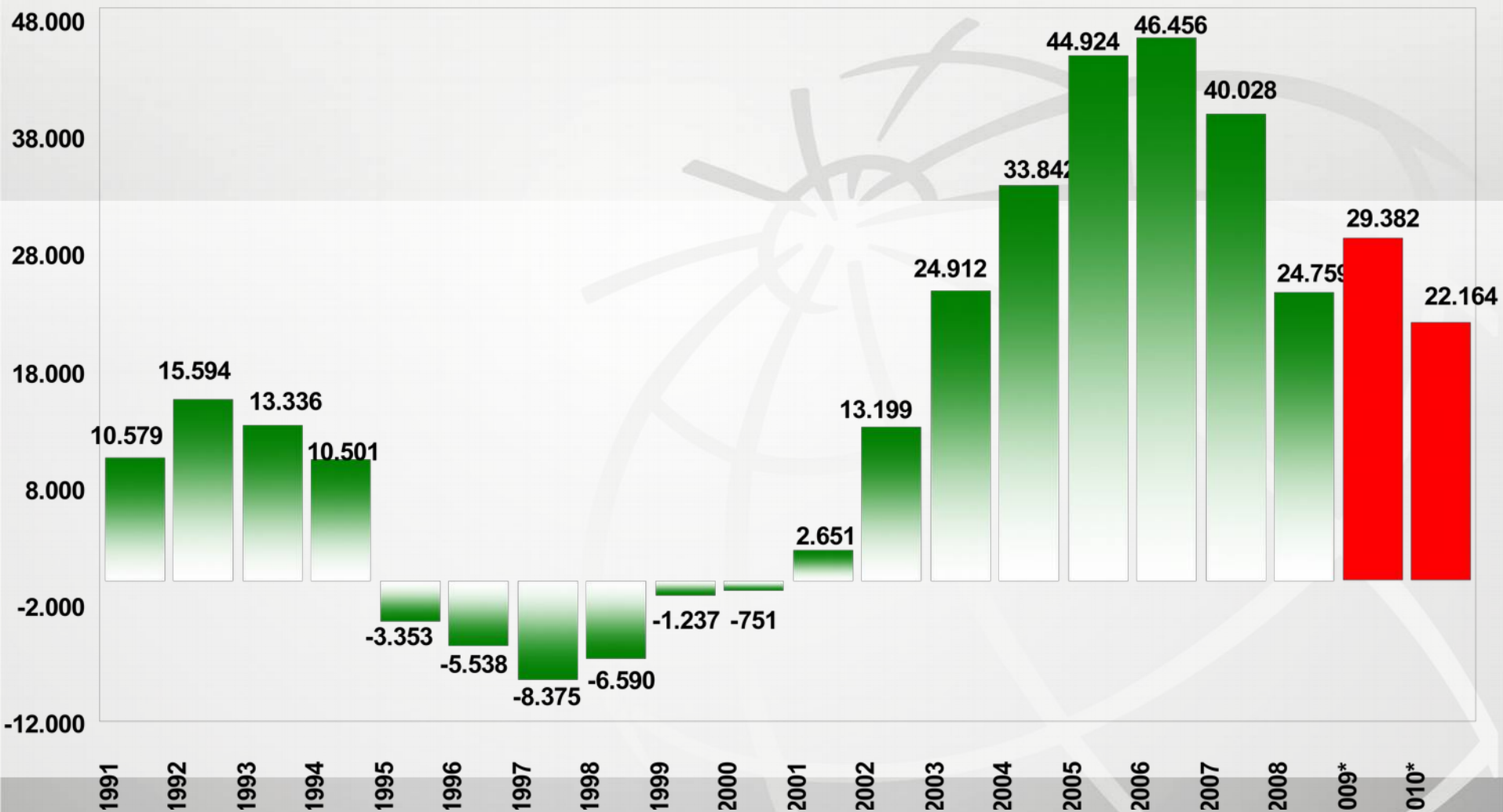
UNEMPLOYMENT RATE IN BRAZIL



Source: Brazilian Institute of Geography and Statistics - IBGE



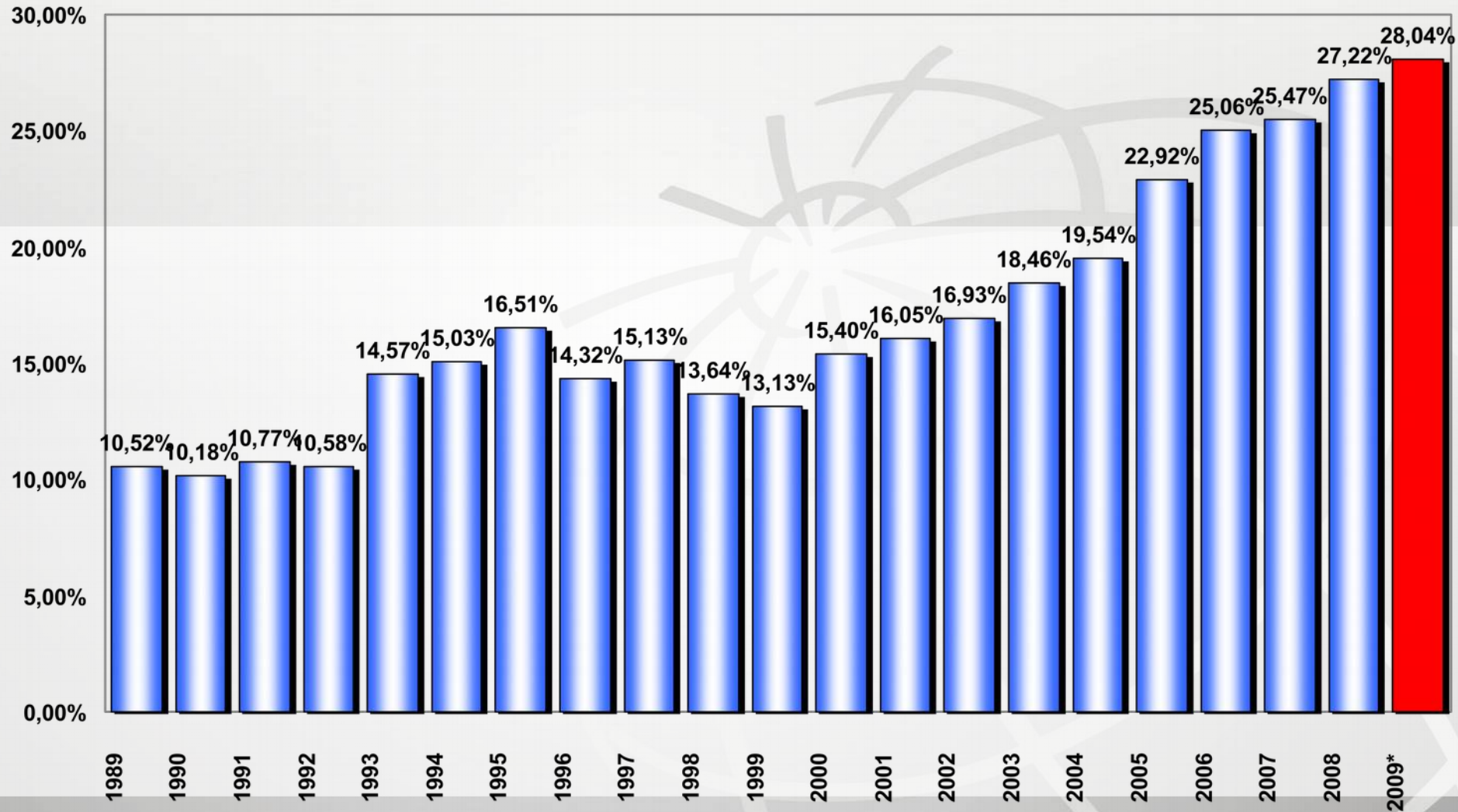
BRAZIL'S TRADE BALANCE - 1991/2010



Source: Central Bank

*Estimate

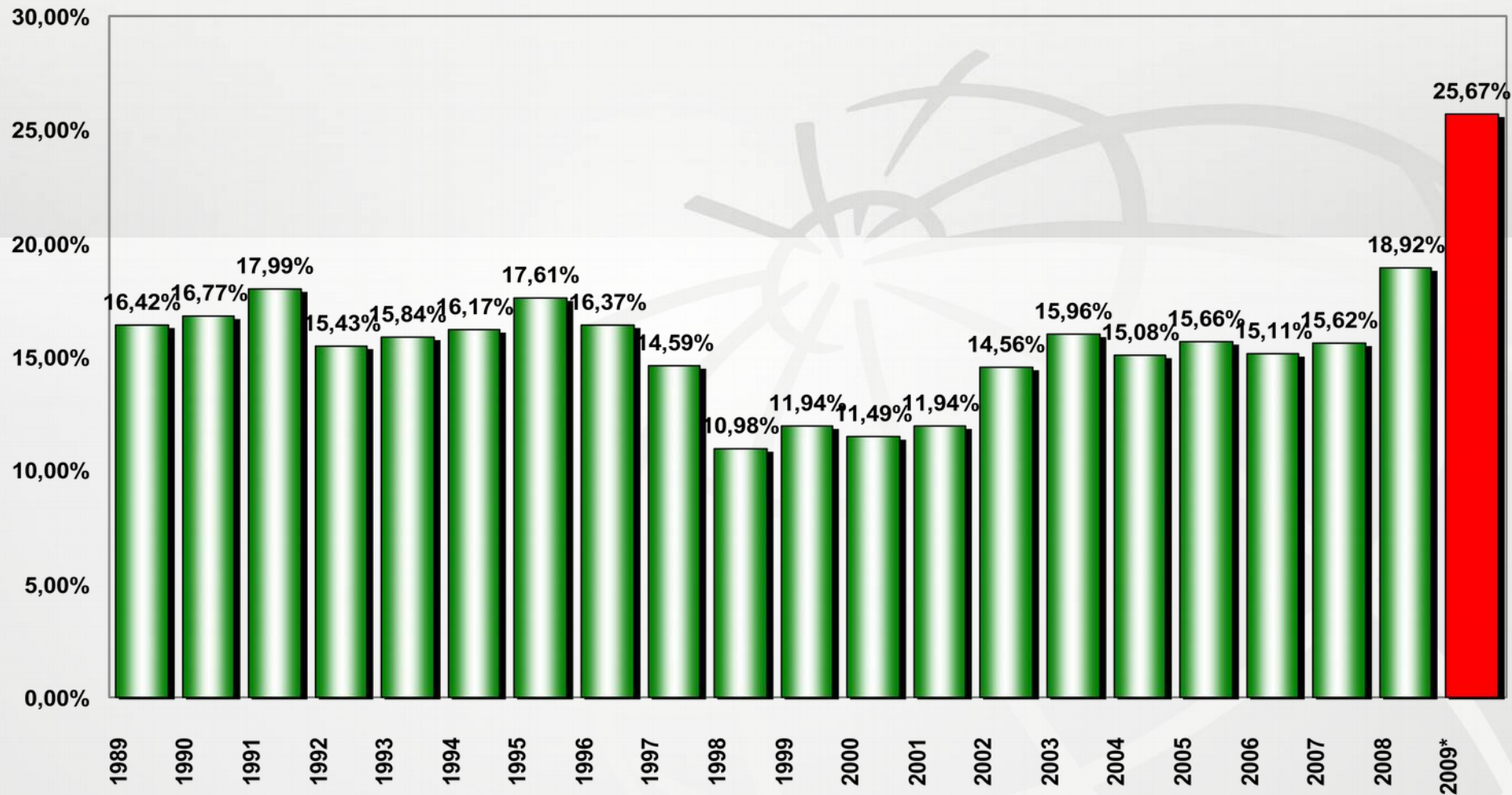
BRAZIL'S IMPORTS FROM ASIA - 1989/2009



Source: Central Bank

* Estimate

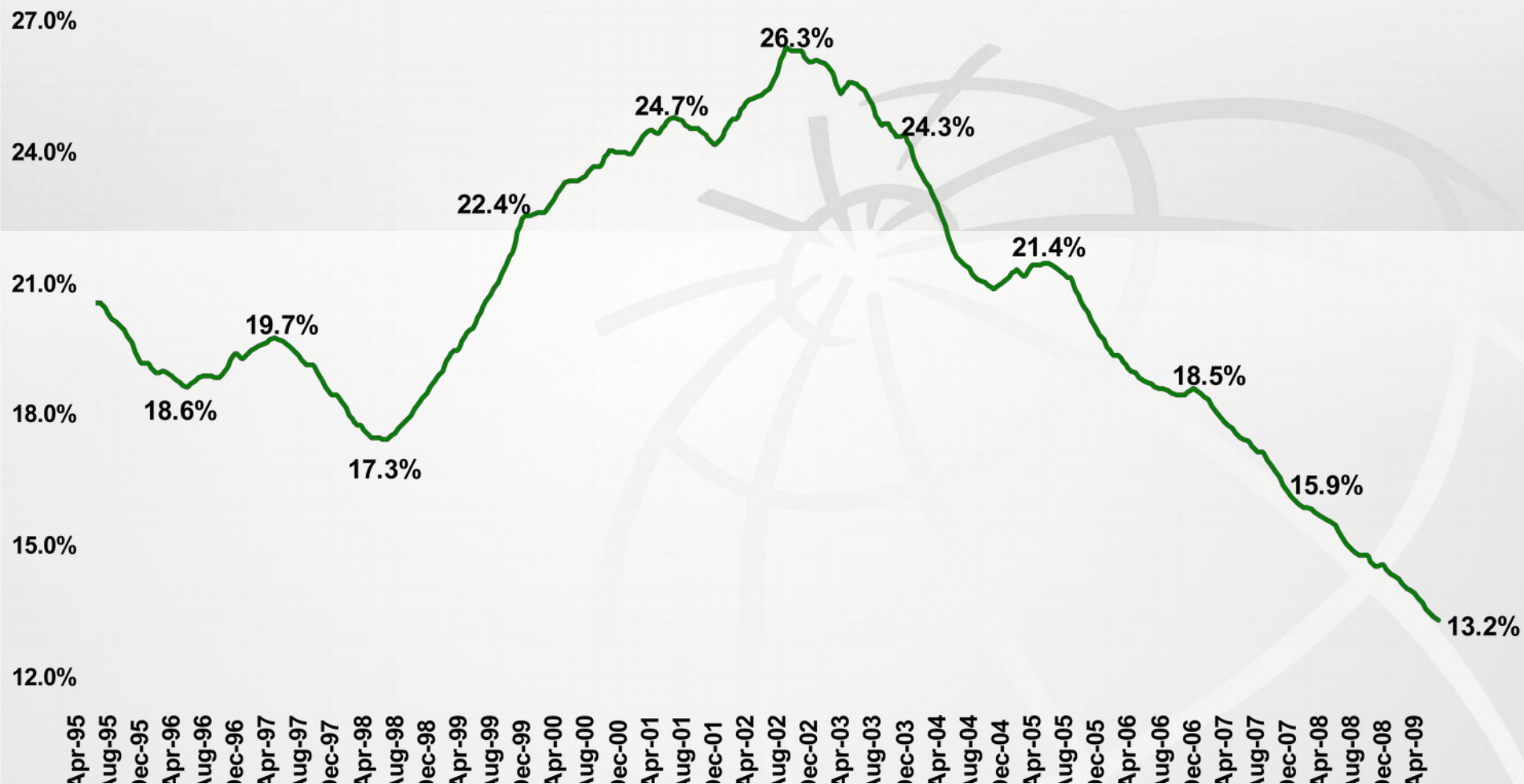
BRAZIL'S EXPORTS TO ASIA - 1989/2009



Source: Central Bank

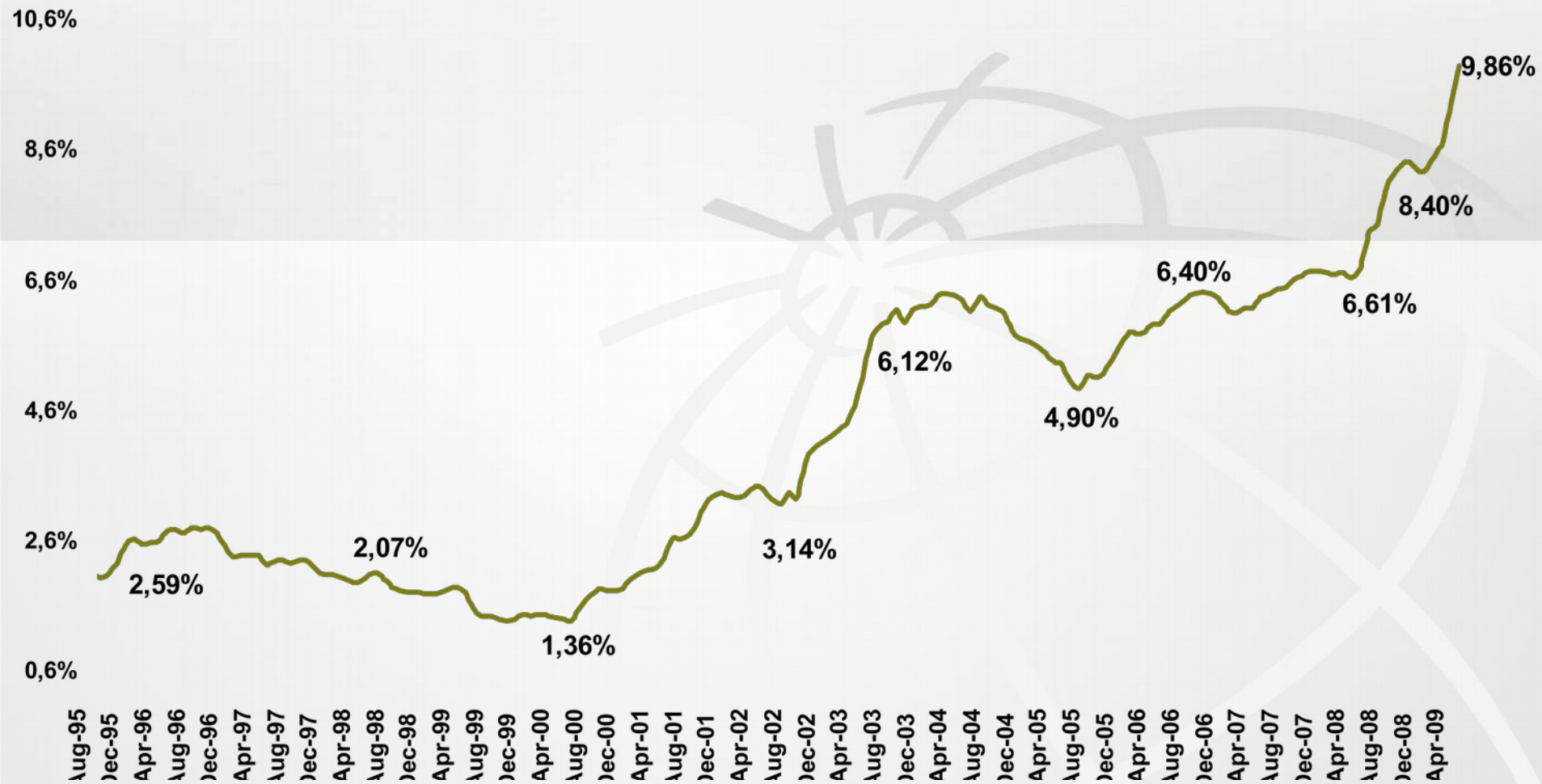
* Data accumulated until May

BRAZIL'S EXPORTS TO THE USA - 1995/2009



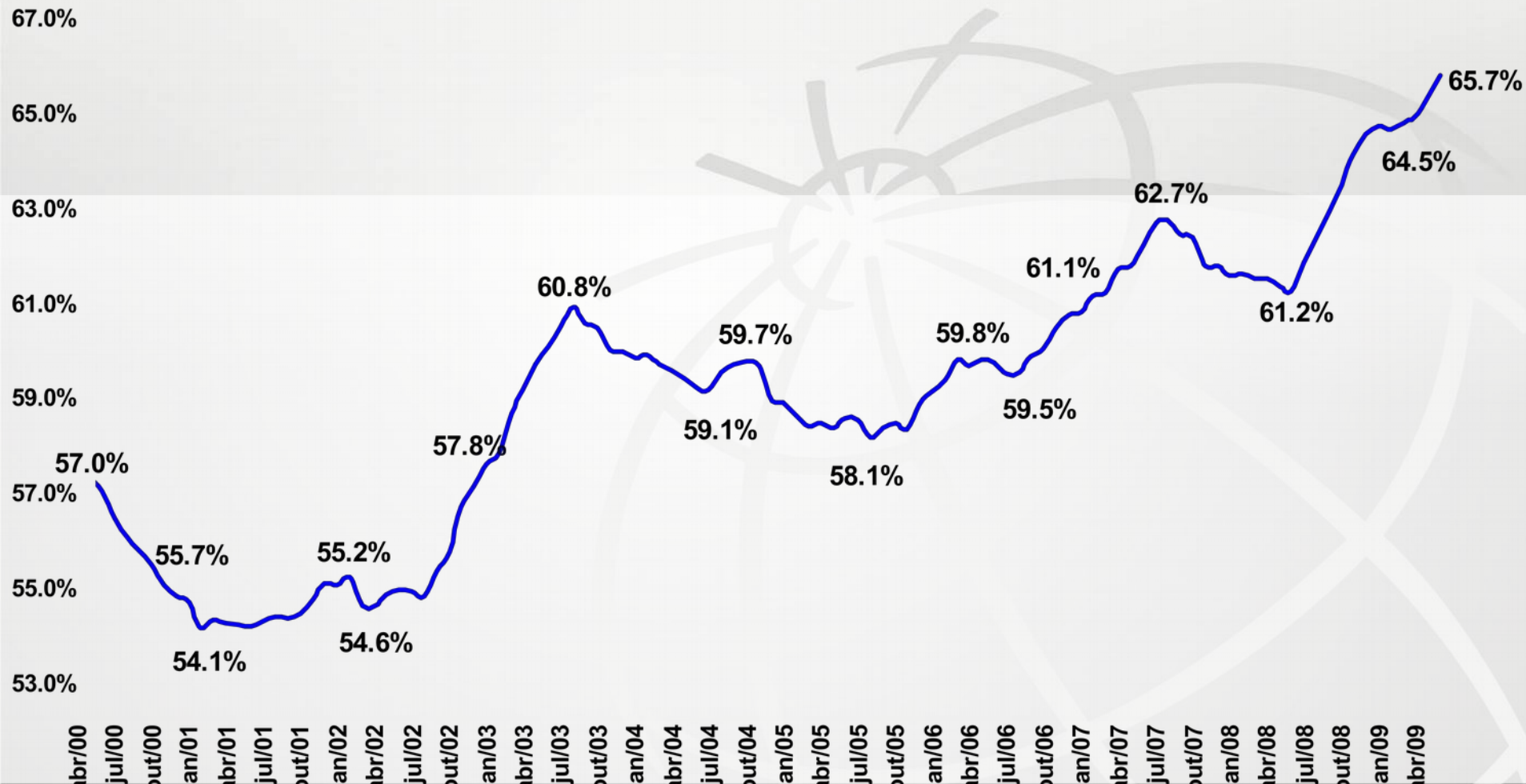
Source: Central Bank and SECEX

BRAZIL'S EXPORTS TO CHINA - 1995/2009



Source: Central Bank and SECEX

PARTICIPATION OF COMMODITIES IN BRAZIL'S EXPORTS



Source: MDIC

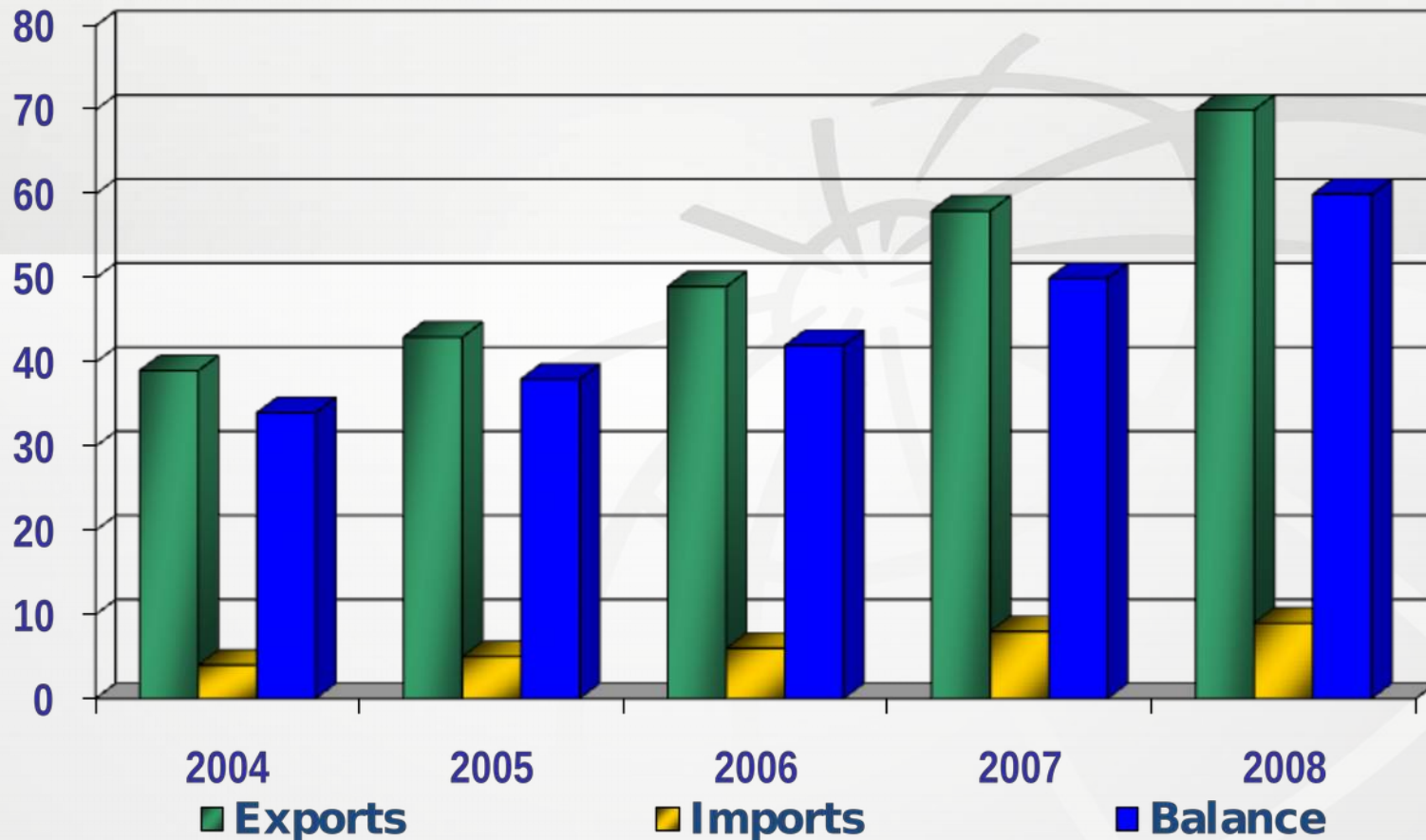
BRAZILIAN TRADE IN AGRICULTURAL PRODUCTS

Products	Position between main exporters	% of Total Global Exports
Orange juice	1º	81%
Poultry	1º	35%
Sugar	1º	33%
Coffee	1º	30%
Tobacco	1º	27%
Bovine Meat	1º	24%
Ethanol	1º	13%
Soy	2º	32%
Soy Oil	2º	28%
Pork	3º	11%
Cotton	3º	5%

Source: International Relations and Trade Institute - Icone Brasil

BRAZILIAN TRADE IN AGRICULTURAL PRODUCTS

US\$ Billion



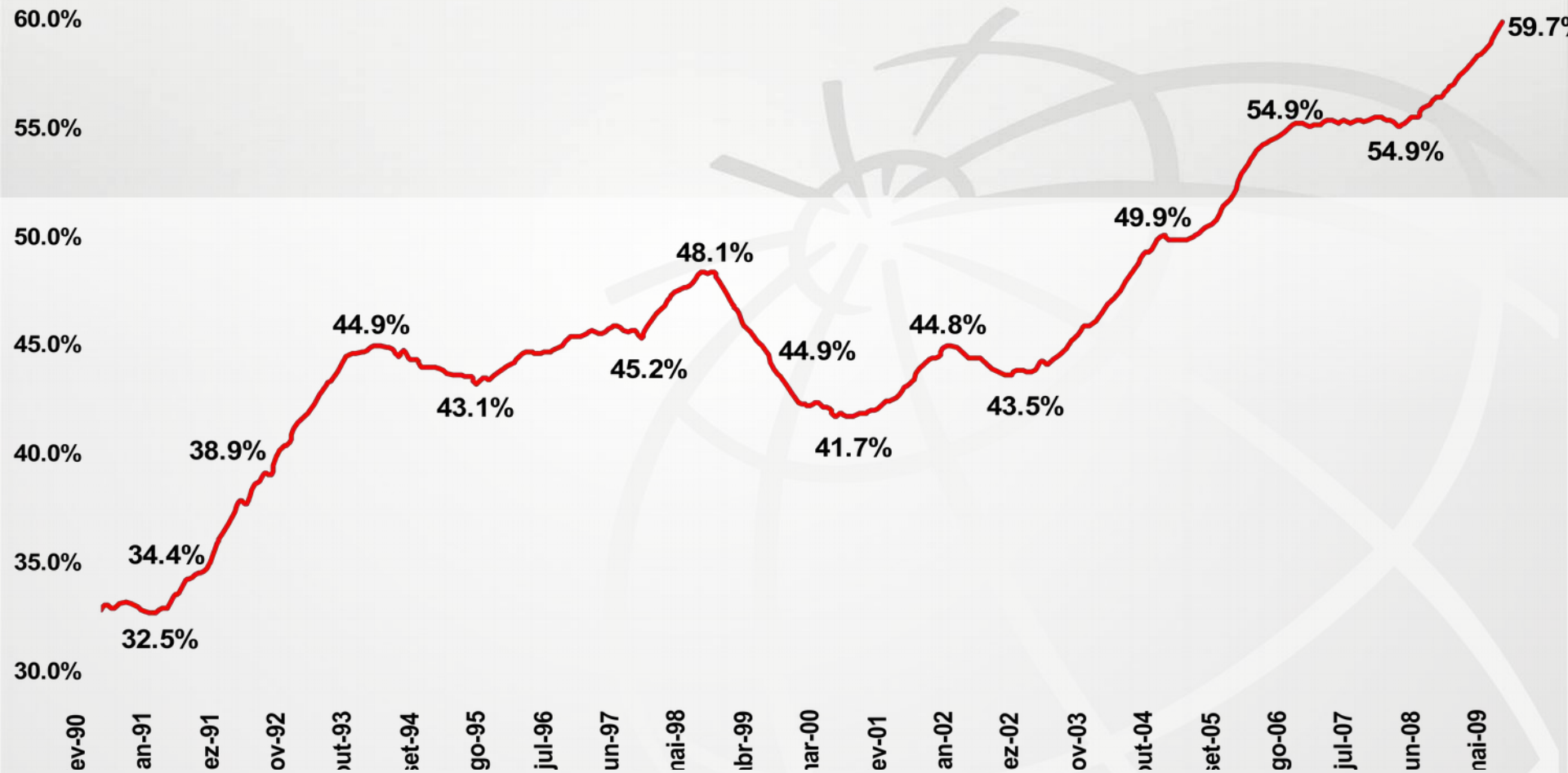
Source: Brazilian Confederation of Agriculture and Livestock – CAN

BRAZILIAN TRADE IN AGRICULTURAL PRODUCTS - II

Destinations	Agribusiness Exports (US\$ million)		Var. % 07/06 (b/a)	Total Exp. (c)	Increased Value %		
	2006 (a)	2007 (b)			Basic	Semi	Manufactured
1.EU	16.153	21.232	31,44	40.357	57,43	14,53	28,04
2. USA	7.370	6.840	-7,19	25.065	19,55	19,70	60,75
3. China	3.802	4.691	23,38	10.749	67,69	29,23	3,09
4. Russia	3.156	3.402	7,80	3.741	64,37	30,72	4,92
5. Argentina	1.571	1.917	21,97	14.417	11,19	6,31	82,50
6. Japan	1.491	1.768	18,57	4.321	58,42	14,65	26,93

Source: Brazilian Confederation of Agriculture and Livestock – CAN

BRAZIL'S EXPORTS - PARTICIPATION OF EMERGING COUNTRIES



GENERAL ASPECTS OF BRAZIL FOREIGN POLICY

FOREIGN POLICY – GENERAL ASPECTS

Brazil's prevailing foreign policy doctrine recognizes the vulnerability of the country in a number of areas:

- ✓ Economic;
- ✓ Technological;
- ✓ Political;
- ✓ Commercial and
- ✓ Military.



GENERAL ASPECTS OF BRAZIL FOREIGN POLICY - II

FOREIGN POLICY – GENERAL ASPECTS

Brazil's present foreign policy doctrine recommends alliances with other major developing countries such as:

- ✓ China,
- ✓ India,
- ✓ Russia and
- ✓ South Africa

In order to minimize such vulnerabilities.

MAP OF SOUTH AMERICA



. São José do Rio Preto

SOUTH AMERICAN PRESIDENTS

Argentina



Cristina Kirchner

Uruguay



Tabaré Vázquez

Paraguay



Fernando Lugo

Chile



Michelle Bachelet
Venezuela

Bolivia



Evo Morales

Ecuador



Rafael Correa

Peru



Alan García

Colombia



Álvaro Uribe

Venezuela



Hugo Chávez

Brazil



Lula

SOUTH AMERICAN ECONOMIES IN 2009/2010 FORECASTS FOR GDP

Country	2009	2010
Argentina	-3.5%	0.5%
Brazil	1.0%	4.5%
Chile	-1.2%	2.7%
Colombia	-1.2%	2.5%
Venezuela	-4.1%	-2.7%
Peru	3.5%	4.5%
Ecuador	-2.0%	1.0%
Uruguay	1.3%	2.0%
Bolivia	2.2%	2.9%
Paraguay	0.5%	1.5%

FOREIGN POLICY – BRAZIL

Main Regional Initiatives

MERCOSUL

TRADE BLOCK

UNASUL

POLITICAL BLOCK

ALBA

VENEZUELAN INICIATIVE

CONFLICTS AND DISPUTES BETWEEN BRAZIL AND USA

TRADE BILATERAL

- ✓ Ethanol
- ✓ Sugar
- ✓ Orange Juice
- ✓ Steel
- ✓ Shoes
- ✓ Agricultural Subsidies

MULTILATERAL (WTO)

- ✓ Cotton
- ✓ Agricultural Subsidies
- ✓ Gasoline
- ✓ Dumping and offset act of 2000
- ✓ Steel

Brazil as plaintiff (10 cases)

- ✓ US Patents Code
- ✓ Silicon Metal
- ✓ Orange Juice

CONFLICTS AND DISPUTES BETWEEN BRAZIL AND USA - II

USA as plaintiff
(3 cases)

- ✓ Car industry incentives
- ✓ Patent protection
- ✓ Minimum import prices

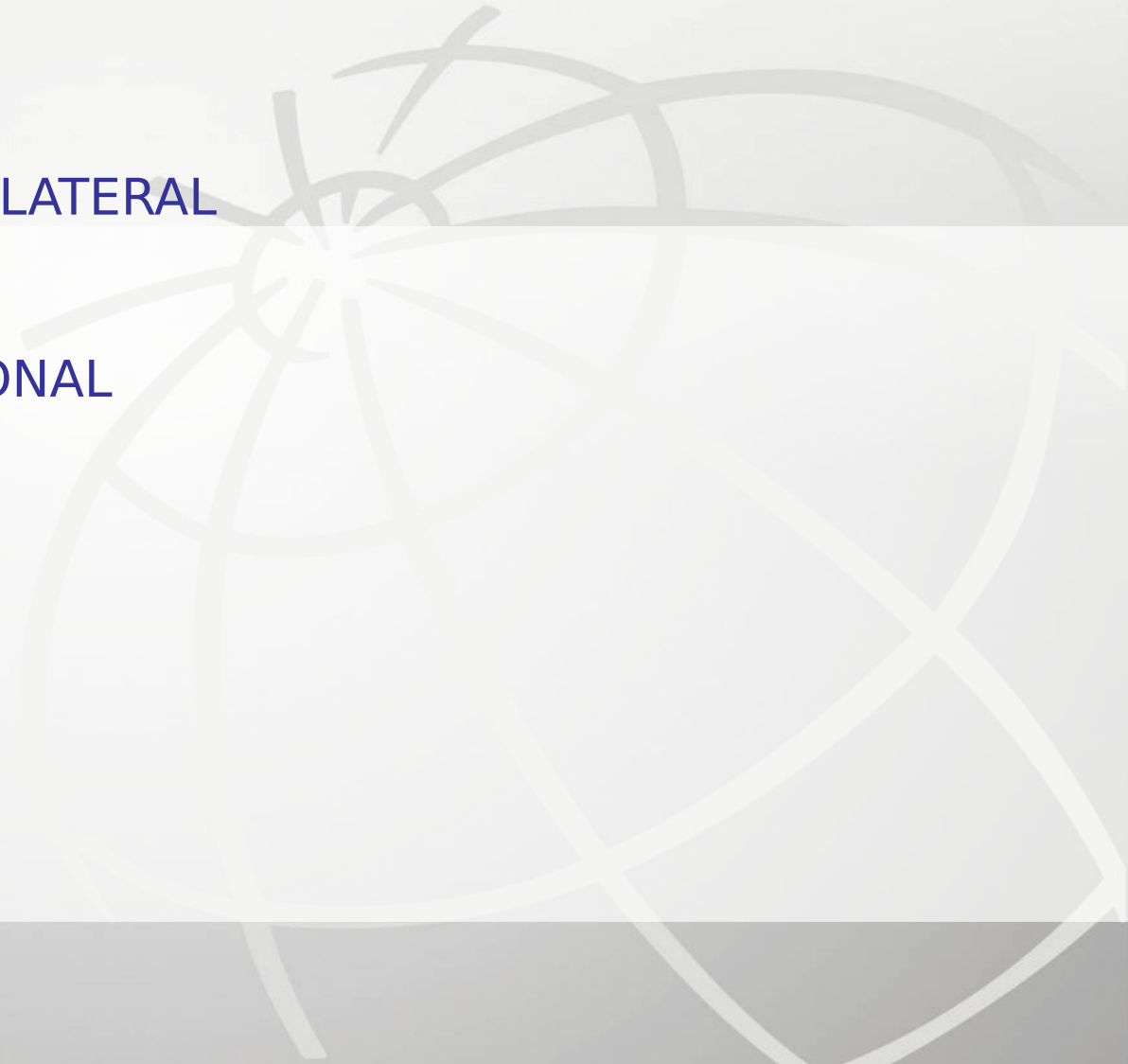
REGIONAL

- ✓ FTAA

POLITICAL DIFFERENCES

✓ MULTILATERAL

✓ REGIONAL



CO-OPERATION BETWEEN BRAZIL AND USA

✓ **JUDICIAL ASSISTANCE**

Mutual legal assistance in minimal months 2001

✓ **NARCOTIC DRUGS**

Control of illicit drugs 1983

✓ **REGIONAL HAITI**

NORONHA ADVOGADOS

Located in one of the main financial centers of the city, the São Paulo office is the head office of Noronha Advogados and the oldest, having been opened in June 1978. It concentrates the highest number of professionals and is the centre for the firm's administrative and financial departments.

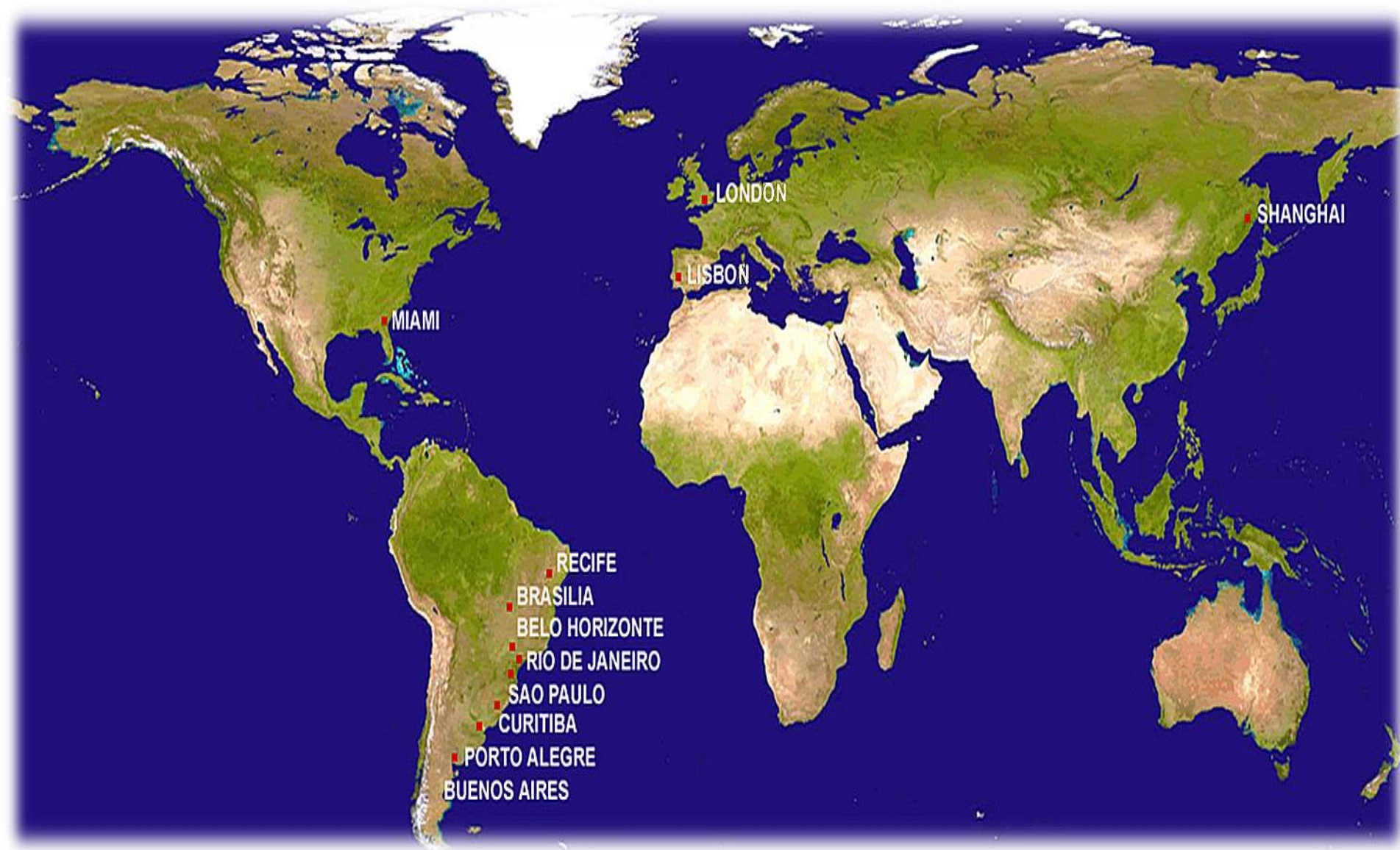


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THANK YOU !

DURVAL DE NORONHA GOYOS JR.

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