

What are the challenges?

Overview

Brazil has an enormous potential for UK companies, but it will take time, money and effort. Challenges include:

- complex tax system with high taxes
- long journeys between cities and states, where cultures can vary significantly
- a lot of importance is put on personal contact, you may need to visit several times before securing a deal
- ranked 72nd out of 177 in the Transparency International's corruption perception index (CPI) in 2013. See: www.transparency.org/country#BRA
- organised crime is a significant problem in some parts of Brazil

Bribery and corruption

There can be problems with bribery and corruption in Brazil. If you believe what you see in the media, it pervades all sections of society – from the residents of shanty towns paying for protection, to business people wanting to get their goods into the country more quickly, to politicians who appear keen to make money from jumping allegiances at the drop of a hat.

In 2013, Transparency International's Corruption Perceptions Index (CPI) rated Brazil in 72nd place out of 177 countries – but above fellow BRIC markets China, India and Russia. The Brazilian Government appears to be making some moves in the right direction, but many view these as insufficient to engender real change. However, most international companies operating in Brazil and most of the large Brazilian companies and organisations now frown on any illegal practices.

The majority of business deals are corruption free and, while you should be aware of the possibility of illegal practices, you should not indulge in the hope of getting business quickly.

Source - UKTI

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Contact IMA
International Market Advisor
IMA House
41A Spring Gardens
Buxton
Derbyshire
SK17 6BJ
United Kingdom
Email: info@ima.uk.com
General enquiries switchboard: +44 (0) 1298 79562
Website: www.DoingBusinessGuide.co.uk