

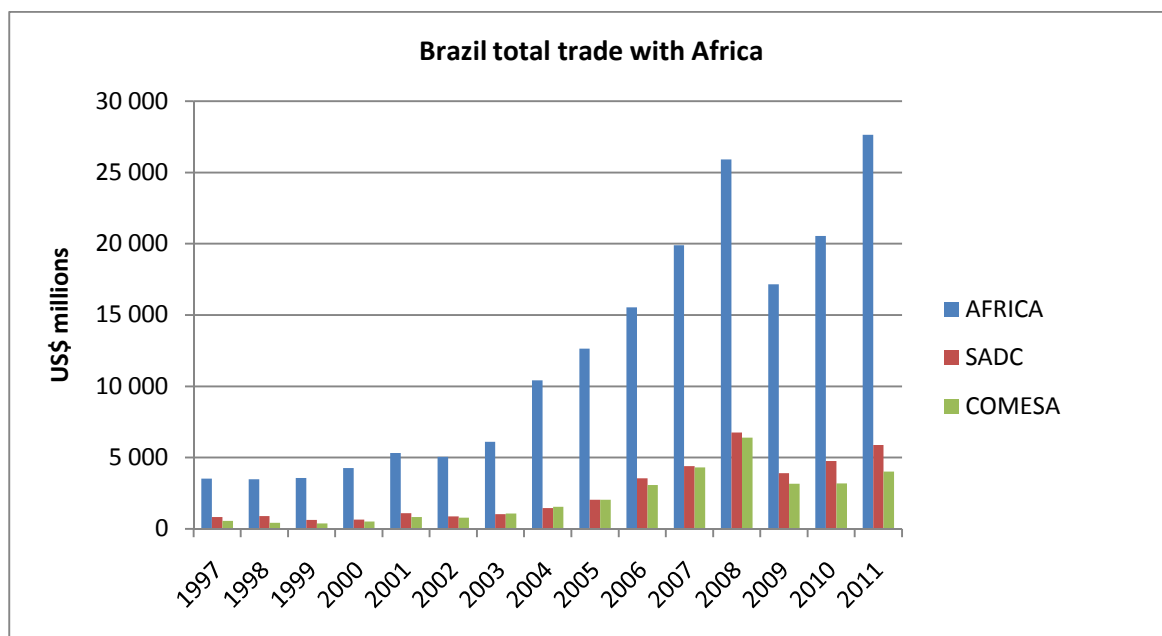
## **Background**

- Brazil has emerged as one of the world's strongest economies and is playing an important role in redefining "the global south" in the changing world architecture.
- Over the past decade, Africa has become a continent of opportunities, with positive economic trends and improved governance.
- The continent is now often portrayed as a new frontier for those seeking partners and markets. Brazil has expressed growing interest in supporting and taking part in its development.
- Brazil's engagement with Africa has seen bilateral and plurilateral agreements in areas spanning from education and health to investment cooperation agreements in energy, manufacturing and services.
- On a continent wide engagement the first Africa – South America Summit in 2006 has also highlighted Brazil's serious consideration of Africa as an important and strategic partner.
- Through important diplomatic engagements under forums such as the BRICS (Brazil, Russia, India, China, and South Africa) group of countries and the IBSA (India, Brazil, and South Africa), the promotion of south-south partnerships have been discussed.
- Recently the IBSA countries have agreed to boost trade amongst themselves to US\$10 billion in 2011, while the establishment of a development bank is being mooted under the BRICS.

## **Trade patterns overview**

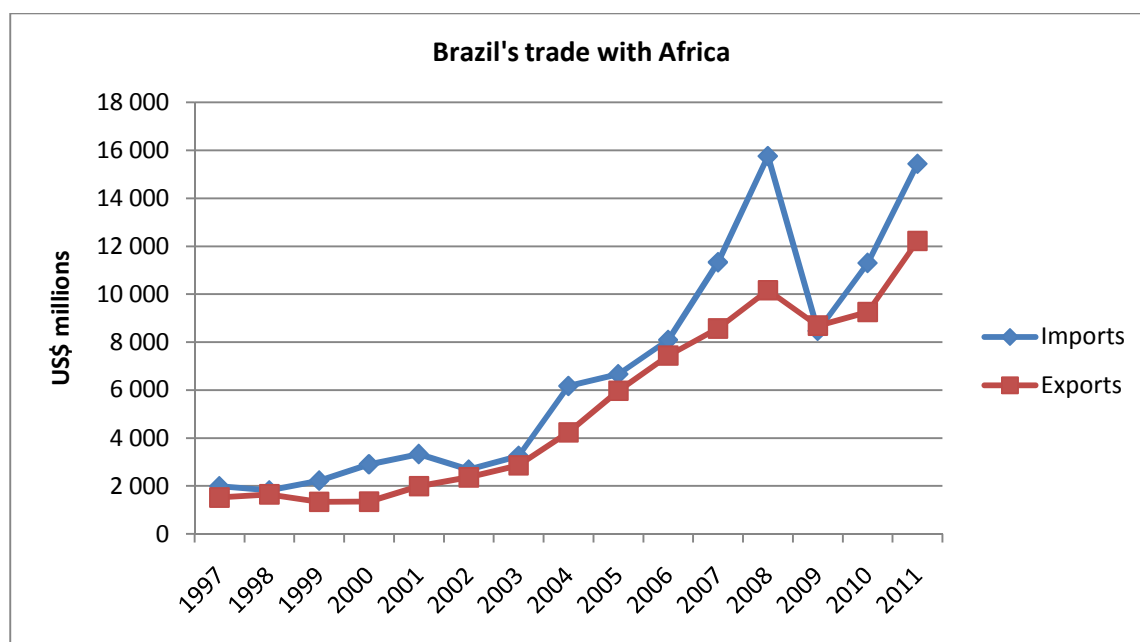
- Brazil–Africa trade has increased substantially in the past 10 years. But many challenges remain, associated with limited communications, logistical difficulties, bureaucracy, and lack of transparency (World Bank, 2011).

- Trade between Brazil and Africa has increased significantly since 2002, with exports to and imports from Africa recording a compound growth of 20% and 21% respectively for the period between 2002 and 2011.
- Latest 2011 trade data reveals that over US\$ 27 billion worth of goods were traded between Brazil and Africa. Imports from Africa accounted for about US\$15 billion while exports were a lesser approximate US\$ 12 billion;



Source: World Trade Atlas and Author’s calculations

- The 2008 global crises significantly affected Brazil’s trade with Africa, where imports from Africa were affected the most by a decline of almost 50% in value terms from a high of US\$16 billion in 2008 to just over US\$8 billion in 2009. Since then trade has recovered with imports rising to about US\$15 billion in 2011.
- Exports were not significantly affected over this period. This was a result of the stimulus given to Brazilian exports under the “Program Integration with Africa or Programa Integração com a África” which in 2008 provided incentives for Brazilian companies to export to Africa.



Source: World Trade Atlas and Author's calculations

- Looking at trading partners, we note that Brazil's trade is concentrated with a few countries for both exports and imports. For exports – Egypt (21%); South Africa (14%); and Algeria (12%) account for 47% of total exports share. On the other hand, Nigeria (54%); Algeria (20%); and Morocco (8%) account for 80% of total imports share (See Table 1 below).
- Between 1997 and 2011, the bulk of the top 10 exporters were growing at a faster growth rate in comparison to both the World (12%) and Continental (16%) averages, with the exception of South Africa, Nigeria and Morocco, and indication that other players are actively trading with Brazil;
- The same applies for top importers of Brazilian products where Algeria (11%), South Africa (7%) and Tunisia (11%) were amongst the African countries in top 10 that had a growth rate less than the Continental average of 16%.

Exports					Imports				
Country	1997	2011	%share (2011)	CAGR (1997-2011)	Country	1997	2011	%share (2011)	CAGR (1997-2011)
World	52,994.34	256,039.57		12%	World	59,747.43	226,243.41		10%
AFRICA	1,517.63	12,221.61	5%	16%	AFRICA	1,993.15	15,435.63	7%	16%
COMESA	424.22	4,376.22	36%	18%	SADC	405.15	1,506.46	12%	10%
SADC	462.40	3,074.42	25%	14%	COMESA	100.36	937.40	8%	17%
Egypt	269.75	2,624.04	21%	18%	Nigeria	519.89	8,386.36	54%	22%
South Africa	331.68	1,680.65	14%	12%	Algeria	766.07	3,136.78	20%	11%
Algeria	36.39	1,493.76	12%	30%	Morocco	50.17	1,195.81	8%	25%
Nigeria	249.18	1,192.09	10%	12%	South Africa	351.41	911.92	6%	7%
Angola	81.80	1,073.71	9%	20%	Equatorial Guinea	0.00	588.14	4%	--
Morocco	184.48	811.21	7%	11%	Angola	36.80	438.08	3%	19%
Ghana	51.59	419.29	3%	16%	Egypt	45.80	344.72	2%	16%
Tunisia	48.33	376.47	3%	16%	Congo, Dem. Rep.	1.44	107.14	1%	36%
Congo	0.91	286.98	2%	51%	Tunisia	24.89	104.41	1%	11%
Kenya	13.28	251.41	2%	23%	Cote d Ivoire	14.73	92.89	1%	14%

Source: World Trade Atlas and Author's calculations

A look at product composition reveals a concentration of trade in relatively few product groups. Brazil exports mainly agricultural and manufactured products while imports from Africa are mainly primary resource based products in nature.

- Main exports of Brazil to Africa include HS1701 – Sugar (36%) and HS0207 - Meat (6%) which combined account for 42% of total exports share. Other exports include HS2601 – Ores; HS8701 Vehicles; and HS1001 – Cereals.

The main import from Africa is HS27 – Mineral fuels which account for 83% of total imports.

The other notable import is HS31 – Fertilisers which accounts for only 7%.

Exports						Imports					
HS	Description	1997	2011	%share (2011)	CAGR (1997-2011)	HS	Description	1997	2011	%share (2011)	CAGR (1997-2011)
	<b>-AFRICA-</b>	<b>1,517.63</b>	<b>12,221.61</b>		<b>16%</b>		<b>-AFRICA-</b>	<b>1,993.15</b>	<b>15,435.63</b>		<b>16%</b>
1701	Cane Or Beet Sugar And Chemically Pure Sucrose, In	578.46	4,406.05	36%	16%	2709	Petroleum Oils And Oils From Bituminous Minerals,	560.62	9,292.21	60%	22%
0207	Meat And Edible Offal Of Poultry (Chickens, Ducks,	16.51	756.00	6%	31%	2710	Petroleum Oils& Oils From Bituminous Mins (Other T	732.36	2,817.82	18%	10%
2601	Iron Ores And Concentrates, Including Roasted Iron	89.79	568.97	5%	14%	2711	Petroleum Gases And Other Gaseous Hydrocarbons	69.63	721.12	5%	18%
1005	Corn (Maize)	9.35	536.71	4%	34%	3105	Mineral Or Chemical Fertilizers With Two Of The Th	1.80	607.06	4%	52%
1001	Wheat And Meslin	0.00	492.95	4%	--	3103	Mineral Or Chemical Fertilizers, Phosphatic	24.88	227.90	1%	17%
0202	Meat Of Bovine Animals, Frozen	2.44	492.24	4%	46%	3102	Mineral Or Chemical Fertilizers, Nitrogenous	5.38	211.28	1%	30%
1507	Soybean Oil And Its Fractions, Whether Or Not Refi	14.62	426.96	3%	27%	2510	Natural Calcium Phosphates, Natural Aluminum Calci	17.78	127.14	1%	15%
1006	Rice	0.06	385.14	3%	88%	2701	Coal; Briquettes, Ovoids And Similar Solid Fuels M	73.23	121.43	1%	4%
8701	Tractors (Other Than Works Trucks Of Heading 8709)	18.69	199.28	2%	18%	2809	Diphosphorus Pentoxide; Phosphoric Acid And Polyp	54.56	109.46	1%	5%
8802	Aircraft, Powered (For Example, Helicopters, Airpl	0.00	154.54	1%	--	7110	Platimun, Unwrought Or In Semimanufactured Forms,	22.44	108.82	1%	12%

Source: World Trade Atlas and Author's calculations

**Sources:** World Bank 2011. *BRIDGING THE ATLANTIC: South-South Partnering for Growth Brazil and Sub-Saharan Africa*. The World Bank, Washington. Available: <http://go.worldbank.org/6ZZHOQK4M0>