COVID-19 Pandemic Impacts on Brazilian Foreign Trade
SUMMARY

1. BRAZILIAN EXPORT MANUFACTURING FIGURES
2. IMPACTS OF THE COVID-19 PANDEMIC ON TRADE AND COMPANIES
3. CNI’s ACTIONS PRIORITIES ON THE INTERNATIONAL FRONT
### ECONOMIC IMPACT RESULTING FROM THE EXPORT OF EACH R$1 BILLION

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment (BRL Millions)</th>
<th>Wage (BRL Millions)</th>
<th>Production (BRL Billion)</th>
<th>Taxes (BRL Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>28,136</td>
<td>272,6</td>
<td>2,3</td>
<td>135,9</td>
</tr>
<tr>
<td>Mining</td>
<td>21,556</td>
<td>526,2</td>
<td>3,4</td>
<td>212,9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>36,004</td>
<td>708,1</td>
<td>4,4</td>
<td>366,1</td>
</tr>
</tbody>
</table>

Source: Brazilian Institute of Geography and Statistics (IBGE) and Brazilian Foreign Trade Secretariat (Secex).
There was a **16% drop in manufacturing industry exports in 2020**, compared to the same period in 2019 (January-May).

### Brazilian Manufacturing industry trade balance in billions of dollars (USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>130.6</td>
<td>161.3</td>
<td>-30.7</td>
</tr>
<tr>
<td>2011</td>
<td>140.7</td>
<td>163.9</td>
<td>-23.2</td>
</tr>
<tr>
<td>2012</td>
<td>135.9</td>
<td>136.4</td>
<td>0.5</td>
</tr>
<tr>
<td>2013</td>
<td>124.5</td>
<td>124.3</td>
<td>0.2</td>
</tr>
<tr>
<td>2014</td>
<td>122.8</td>
<td>150.9</td>
<td>-28.1</td>
</tr>
<tr>
<td>2015</td>
<td>136.6</td>
<td>197.0</td>
<td>-60.4</td>
</tr>
<tr>
<td>2016</td>
<td>150.0</td>
<td>205.9</td>
<td>-55.9</td>
</tr>
<tr>
<td>2017</td>
<td>147.9</td>
<td>194.9</td>
<td>-47.1</td>
</tr>
<tr>
<td>2018</td>
<td>151.4</td>
<td>196.9</td>
<td>-45.4</td>
</tr>
<tr>
<td>2019</td>
<td>159.4</td>
<td></td>
<td>-31.7</td>
</tr>
</tbody>
</table>

**Industry participation in the Brazilian trade balance**

- 2010: 58% Exports, 91% Participation
- 2011: 59% Exports, 90% Participation
- 2012: 62% Exports, 90% Participation
- 2013: 64% Exports, 90% Participation
- 2014: 61% Exports, 88% Participation
- 2015: 62% Exports, 86% Participation
- 2016: 61% Exports, 87% Participation
- 2017: 59% Exports, 87% Participation
- 2018: 63% Exports, 88% Participation
- 2019: 63% Exports, 88% Participation

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10. **MANUFACTURING INDUSTRY TRADE BALANCE**
1. IMPACTS OF THE COVID-19 PANDEMIC ON TRADE

WORLD TRADE

WTO ESTIMATE

GOODS
FALL BETWEEN
13% e 32%

BRAZILIAN EXPORTS

CNI ESTIMATE BASED ON THE -1.1% WORLD GDP SCENARIO (MARCH 2020)

11% FALL
From USD 225 bi To USD 200 bi

IPEA ESTIMATE BASED ON DIFFERENT GROWTH SCENARIOS – IMF AND WTO (APRIL 2020)

10% To USD 203 bi
From USD 225 bi 20% To USD 180 bi FALL

TRADE MEASURES

UNILATERAL MEASURES IDENTIFIED

92 COUNTRIES
183 RESTRICTIVE
122 LIBERALIZING

MAIN MARKETS

Updated until June 18, 2020.

MAIN SECTORS

- MEDICAL AND HOSPITAL
- DRUGS AND MEDICINES
- SANITATORS AND ANTISEPTICS
2. INTERNATIONAL AFFAIRS UNIT ACTIONS IN RESPONSE OF THE COVID-19 PANDEMIC

- Monitoring and analysis of government measures
- Consultations with companies and business associations
- Participation in international initiatives
- Formulation of policy proposals
3. IMPACTS OF COVID-19: SURVEY

1st ROUND

- Period: February and March
- Total of exporting companies: 221

- 178 companies (80%) were negatively affected in February and March

EXPORTS

- Markets to which companies indicated that exports have been reduced
  - Percentage (%) of total companies whose exports were affected by the pandemic

2nd ROUND

- Period: April and May
- Total of exporting companies: 152

- 86 companies (57%) were negatively affected in April and May

- Pandemic effect on exports activity so far
  - Percentage (%) of total exporting companies

- Period: February and March
  - Total of exporting companies: 221
  - 1st ROUND: 34%
  - 2nd ROUND: 23%

- Period: April and May
  - Total of exporting companies: 152
  - 1st ROUND: 21%
  - 2nd ROUND: 21%
3. IMPACTS OF COVID-19: SURVEY

**1st ROUND**
Period: February and March
Total of import companies: **156**

- 103 companies (66%) were negatively affected in February and March.

**IMPORTS**

- Pandemic effect on imports activity so far
  Percentage (%) of total importing companies

- Markets to which companies indicated that imports have been reduced
  Percentage (%) of total companies whose imports were affected by the pandemic

**2nd ROUND**
Period: April and May
Total of import companies: **151**

- 92 companies (70%) were negatively affected in April and May.

- 58% of Chinese companies, 36% of American companies, 15% of German companies, 10% of Indian companies, and 9% of French companies indicated that imports have been reduced.
3. IMPACT OF COVID-19: SURVEY

1st ROUND

Period: February and March
Total of investing companies: 22

17
77%
of the companies consulted were negatively affected in February and March

INVESTMENTS

Pandemic effect on investment and production activity abroad
Percentage (%) of total investing companies

Period: April and May
Total of investing companies: 33

23
70%
of the companies consulted were negatively affected in April and May

Markets from which companies indicated that investments have been reduced
Percentage (%) of total companies whose investments were affected by the pandemic

35%
29%
18%
12%
12%
35%
30%
13%
13%
13%
4. PROBLEMS FACED BY COMPANIES IN CARGO TRANSPORT AND MEASURES TAKEN DURING THE PANDEMIC CRISIS

LOGISTICS

Maritime

- Reduction in the frequency of ships
- Increase in the value of international sea freight
- Stop-over cancellations
- Excessive time to release cargo at port terminals
- Lack of empty containers for shipments destined abroad

Air

- Increase in the value of air freight
- Reduction in the frequency of international flights
- Reduction in the frequency of domestic flights
- Suspension of international air routes
- Suspension of domestic air routes
5. EXCHANGE BETWEEN BUSINESS AND POLITICS REGARDING THE CRISIS MEASURES

FOREIGN TRADE PROPOSALS

- Taxation in Foreign Trade (partially implemented)
- Export Finance (fully implemented)
- Trade Facilitation (partially implemented)
- Foreign Trade Logistics (not implemented)

8 CNI’s Proposals on Trade

- 2 Measures partially implemented
- 4 Measures not implemented
- 2 Measures fully implemented
6. GOVERNMENT RESPONSE TO THE CRISIS – FOREIGN TRADE MEASURES

ANALYSIS OF FOREIGN TRADE MEASURES IN BRAZIL AND ABROAD

TOPICS FROM THE INTERNATIONAL AGENDA OF THE INDUSTRY

DATE | LEGISLATION | SUMMARY | HIGHLIGHTS
--- | --- | --- | ---
78 | 40 | BRAZIL | ADOPTED BY INTERNATIONAL ORGANIZATIONS

Updated 06/19/2020.
**Highlights of Foreign Trade Measures Adopted by the Government**

**Trade Facilitation**
- **Foreign Trade Chamber (CAMEX) Resolution 17/2020:** Facilitates and simplifies tax licensing, control or inspection activities of imports of products to combat COVID-19.

**Trade Agreements**
- **Foreign Trade Chamber (CAMEX) Resolutions 17, 22, 28, 31, 32, 33:** Reduction to 0% of tariffs for 259 NCMs to combat COVID-19.

**Services**
- **Normative Instruction 1,936:** Authorization to present the Certificate of Origin of goods to combat COVID-19 within 60 days, counted from the registration of the Import Declaration.

**Fair Trade**
- **Foreign Trade Secretariat (SECEX) Ordinance 18/2020:** Temporary suspension of non-automatic import licensing for health products under anti-dumping duty.

**Governance**
- **Resolution 1 and 2:** Creation of a Working Group with 18 public bodies for the Coordination of Structural and Strategic Actions for the Recovery, Growth and Development of the Country, in response to the impacts of the coronavirus.

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**Number of Measures Adopted by Topic**

- **Trade Facilitation:** 24
- **Trade Agreements:** 13
- **Border Control:** 9
- **Governance:** 7
- **Taxation:** 5
- **Barriers:** 4
- **Others:** 4
- **Logistics:** 4
- **Fair Trade:** 2
- **Services:** 2
- **Financing:** 2
- **Investments:** 1
- **Exchange Rate:** 1
8. CNI PARTICIPATION IN INTERNATIONAL INITIATIVES

### CNI PARTICIPATION IN INTERNATIONAL INITIATIVES

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>MAIN ISSUES</th>
<th>ACTIONS OR INITIATIVES</th>
<th>CNI ACTIONS</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td></td>
<td></td>
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<tr>
<td>REGIONAL</td>
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</tbody>
</table>

**Classification:**
- G: GOVERNMENT
- E: BUSINESS

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**10 INSTITUTIONS**

- G20
- B20
- World Economic Forum
- ICC
- IOE
- OECD Better Policies for Better Lives
- Americas Business Dialogue
- Global Business Coalition
- World Trade Organization
- Business-OECD
9. PRIORITY TRADE AREAS FOR THE RECOVERY

- Trade Agreements
- Barriers in Third Markets
- Trade Facilitation
- Trade Defence
- Governance
- Foreign Trade Logistics
- Taxation in Foreign Trade
- Export Finance and Guarantee
- Brazilian Investments Abroad
- Strategic Markets
- Internationalization Services