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# BRAZIL BUSINESS BRIEF

SEPTEMBER 2018

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NEWS FROM THE BRAZILIAN CHAMBER  
OF COMMERCE IN GREAT BRITAIN



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**SÉRGIO GULLO**

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Dear Members,

'Don't just walk down the paved path, for it will only lead to where others have gone.'

That inspiring quote comes from the Scottish scientist and inventor Alexander Graham Bell (1847-1922), and after reading the excellent articles related to innovation in this edition of the *Brazil Business Brief*, I felt it connected with the sentiment that unites them.

In this edition, as usual, we present articles on topics relevant to our businesses and to our future. Thiago Vasconcelos, a member who specialises in cybersecurity, describes the major cyber threats and how to guard against them. Solar energy is beginning to gain traction in Brazil, and we have an article from ABSOLAR, the Brazilian Photovoltaic Solar Energy Association, that

## MESSAGE FROM THE CHAIRMAN

showcases some of the impressive results of their projects. Continuing the theme of innovation, Simon Davies from EBANX looks at e-commerce in Latin America and the potential for growth in that area.

Our interview in this edition is with Mark Prisk, who has been the British prime minister's trade envoy to Brazil since 2016. He describes the UK government's intention to stimulate trade with Brazil and gives a brief overview of the commercial relationship between the two countries.

UK-Brazil relations extend far beyond the arena of trade, of course. This year, for example, has seen the Embassy of Brazil host the exhibition 'The Art of Diplomacy', an ambitious project that reunited many of the 168 Brazilian works artworks that came to these shores in 1944, during the second world war, as part of an exhibition to raise funds for the Royal Air Force Benevolent Fund. It was a gesture of wartime solidarity with Britain on the part of the Brazilian artists, who included some of the country's most prominent painters. Meanwhile, Brazilian soldiers were fighting against the Germans in Italy – the only instance of a South

American country sending troops to Europe to assist the Allied war effort. It all makes for a fascinating and little-known story, told in this edition by Hayle Gadelha, who served as the embassy's cultural attaché until earlier this year.

Finally, I am delighted to take this opportunity to announce the awardees at our Gala Dinner & Personality of the Year Awards 2018: the co-chairmen of Natura &Co, Luiz Seabra, Guilherme Leal and Pedro Passos. Our keynote speaker will be Martin Wolf, chief economic commentator at the *Financial Times*. I should also mention that for the first time the Gala Dinner will be showcasing Brazilian cuisine with a menu designed by chef Luciana Berry. The event will take place at the Intercontinental Park Lane on the evening of 8 November.

I hope you can join us at one or indeed all of our forthcoming events, but for now, enjoy this edition.

Yours sincerely,

**Sérgio Gullo**

Chairman  
Brazilian Chamber of Commerce in Great Britain.

# ARTICLES

## THE ART OF DIPLOMACY

BY HAYLE MELIM GADELHA



SIR MALCOLM ROBERTSON,  
CHAIRMAN OF THE BRITISH  
COUNCIL, SPEAKING AT THE  
OPENING CEREMONY OF THE  
1944 'EXHIBITION OF MODERN  
BRAZILIAN PAINTINGS'

@ THE NATIONAL ARCHIVES

In 1944, decades before 'soft power', 'nation branding' and 'public diplomacy' became popular terms in the field of international relations, Brazil's foreign minister Oswaldo Aranha launched ambitious and groundbreaking demonstrations of both hard and soft power in the international arena. One of the consequences of these initiatives was a significant change to the image of Brazil among the British public.

It is not widely known that in 1944, two years after declaring war against the Axis powers, Brazil became the only South American nation to send troops to the European front. The 25 thousand men who formed the Brazilian Expeditionary Force (FEB) were deployed to Italy, where they fought to break through the German lines in the north of the country.

As for Brazil's soft-power initiative in aid of the Allied war effort, few people today have heard of it. But

while the FEB was engaged in combat alongside North American and British troops in Italy, 168 artworks by 70 of the most prominent Brazilian painters – including Tarsila do Amaral, Candido Portinari, Emiliano Di Cavalcanti and Lasar Segall – crossed the Atlantic to Britain, where they comprised the country's first ever exhibition of Brazilian art.

This 1944 'Exhibition of Modern Brazilian Paintings' was also the largest and most representative collection ever to have been exhibited outside Brazil. It was a gesture of solidarity on the part of the artists, who wanted to contribute to the British war effort by donating the proceeds from the eventual sale of the artworks to the Royal Air Force Benevolent Fund. It was their view that the RAF embodied the democratic values that Brazil should stand for.

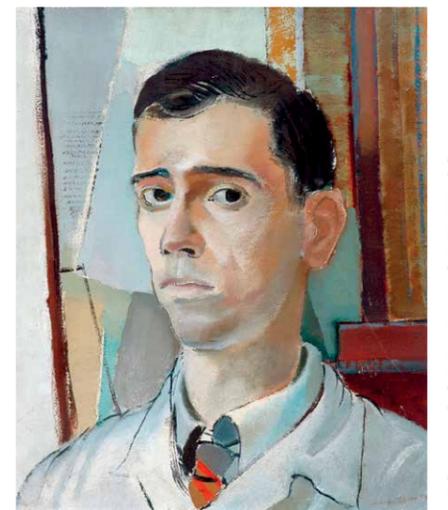
From a Brazilian diplomatic perspective the initiative was a way of conveying a new narrative of a modernising nation that was aspiring to play a major role on the international stage. A couple of years earlier Aranha had prepared a paper for President Vargas ahead of his secret meeting with President Roosevelt in Natal in northeast

Brazil, in which the foreign minister listed eleven priorities of Brazilian foreign policy in wartime. The very first of them was to achieve a more prominent position on the international stage.

At a time when German bombs and rockets were falling on London, many British officials saw the Brazilian artists' gift as an inconvenient burden, especially because there was virtually no previous knowledge of Brazilian art in the UK. The head of the South America department at the Foreign Office, Victor Perowne, even commented that the paintings were 'all likely to be horrible' and that the exhibition, though of some political value, was not going to be artistically significant.

Initially the proposed exhibition was declined by all the major museums in London, including the Royal Academy, but the British Council was steadfast in its efforts to find venues not only in London but also elsewhere in Britain, including Norwich, Edinburgh, Glasgow, Bath, Bristol and Reading.

When writing a preface for the exhibition catalogue, the eccentric art critic Sacheverell Sitwell displayed his prejudices by lamenting that in Brazil 'foreign blood has not been, so far, of first rate quality. What Brazil needs is



ROBERTO BURLE MARX  
PORTRAIT OF A YOUNG MAN, N.D.  
OIL ON CANVAS, 38 X 46 CM  
KIRKLEES MUSEUMS AND GALLERIES

# ARTICLES

ARTICLES • KING'S BRAZIL INSTITUTE COLUMN



EMILIANO DI CAVALCANTI  
WOMEN FROM BAHIA, N.D.  
OIL ON CANVAS, 54 X 65 CM  
BRIGHTON AND HOVE MUSEUMS AND ART GALLERIES

not more exiles from Central Europe but the presence of a true “chef d'école” from Paris, or even London’. But in a starkly contrasting view, Ruben Navarra, a Brazilian critic who also contributed an introduction to the catalogue, emphasised the artists’ pictorial virtues and their intimacy with the French School.

This clash of perspectives spoke volumes about the divergent expectations of Brazilians, on the one hand, who wanted the exhibition to project an image of an industrialising modern nation on the rise, and the British, on the other, who expected exuberant, exotic art from the tropics. In spite of a lack of curatorship for the show, which presented artworks of various styles and levels of technique in quite a random way, the public proved to be rather more receptive to its artistic quality than the British political and artistic establishments had been.

Visitor numbers were certainly impressive. More than 100 thousand British people visited the exhibition and had their first experience of Brazilian art. Among them were quite influential figures such as the wife of King George VI, Elizabeth, who of course later became known as the

VISITOR NUMBERS WERE CERTAINLY IMPRESSIVE. MORE THAN 100 THOUSAND BRITISH PEOPLE VISITED THE EXHIBITION AND HAD THEIR FIRST EXPERIENCE OF BRAZILIAN ART. AMONG THEM WERE QUITE INFLUENTIAL FIGURES SUCH AS THE WIFE OF KING GEORGE VI, ELIZABETH, WHO OF COURSE LATER BECAME KNOWN AS THE QUEEN MOTHER WHEN HER DAUGHTER ACCEDED TO THE THRONE

Queen Mother when her daughter acceded to the throne. More than 40 reviews or articles about the exhibition were published in the British press. About half of the works were sold in aid of the RAF Benevolent Fund, and another 25 made their way into UK public collections.

Decades later, the paintings that remained in Britain were tracked down, restored to their original condition and reunited – alongside

rediscovered documents, letters and press cuttings – in order to form part of another exhibition, in 2018, whose aims were to pay tribute to the diplomats and artists who organised the original show, to showcase Brazilian modernism, and to celebrate the power of cultural diplomacy.

Entitled ‘The Art of Diplomacy: Brazilian Modernism Painted for War’, this exhibition was the result of four years of research for my ongoing PhD at the Brazil Institute at King’s College London, and was hosted by the Brazilian embassy in London from April to June with support of the Brazilian foreign ministry, private companies and individuals. Once again, the impact was significant. There were more than three thousand visitors to the exhibition at the embassy, including the Duke of York, Brazil’s culture minister, and several MPs. It was widely reviewed in the British media, including by the *Financial Times*, the *Times*, the *Guardian* and BBC Radio 3. Its social media campaign generated around three million impressions through Twitter and Facebook. And a stunning catalogue was produced, this time containing informed opinions by some of the UK’s foremost experts

on Brazilian art.

The exhibitions of 1944 and 2018 both utilised cultural diplomacy to influence perceptions of Brazil and establish long-lasting relationships with British people, especially key figures within the spheres of government and culture. According to the creator of the term ‘nation branding’, Simon Anholt, when a country establishes a powerful national image it ‘makes it relatively cheap and easy to attract immigrants, tourists, investors, talent and positive media coverage, and to export products, services, ideas, culture’.

Oswaldo Aranha, in 1944, and Ambassador Eduardo dos Santos, in 2018, grasped the necessity of re-positioning Brazil’s image so as to achieve diplomatic gains during times of international systemic change. As Rachel Campbell-Johnston wrote in the *Times* in her review of this year’s exhibition, ‘this alliance [between Brazil and the UK] still stands. And, as Britain prepares for Brexit, the moment to mark it returns. Our country is looking to forge stronger trade links with South America. This show arrives as a reassurance that such links have borne the test of time. It plays once again a diplomatic role.’ ●



LASAR SEGALL  
LUCY WITH FLOWER, C. 1939-42  
OIL ON CANVAS, 47 X 56 CM  
SCOTTISH NATIONAL GALLERY OF MODERN ART  
PHOTO: LASAR SEGALL MUSEUM, IBRAM, MINC

ARTICLES • KING'S BRAZIL INSTITUTE COLUMN

# ARTICLES

## PHOTOVOLTAIC SOLAR ENERGY: RENEWABLE ENERGY FOR THE 21ST CENTURY

BY RONALDO KOLOSZUK & DR RODRIGO LOPES SAUAIA

In the last three years, a period in which Brazil has experienced one of its worst ever economic crises, few sectors have grown as robustly as that of photovoltaic solar energy (PV). Indeed, the PV sector has had an average annual growth rate of more than 100% since 2013, and the Brazilian Photovoltaic Solar Energy Association (ABSOLAR) is proud of having played a significant role in that expansion.

In 2017 alone the Brazilian PV sector was directly or indirectly responsible for the creation of more than 25 thousand new jobs. Most of these were skilled positions and they were distributed across all regions of the country.

In January 2018 the PV sector reached a milestone as its operational power plants across the country together generated 1 gigawatt (GW) of energy, thereby placing Brazil among world's top 30 producers of solar energy. And by the end of this year, according to ABSOLAR projections, Brazil is set to surpass 2 GW of solar energy production.

In Brazil there are currently more than 32 thousand small and medium PV distributed generation systems on the rooftops, facades and garages of



urban homes, businesses, factories, public buildings and rural properties, encompassing more than 305 megawatts (MW) of total installed capacity and representing more than R\$ 2.2 billion (US\$ 580 million) in cumulative private investments in the national economy since 2013.

The growth of PV distributed generation is the result of a combination of factors, including a reduction of more than 75% in the price of PV electricity in the last ten years and a significant increase in

the price of electricity in Brazil in recent years. Nowadays it typically takes only four to seven years for the savings from a PV system to surpass the cost of the initial investment, which is why the technology is becoming increasingly attractive to end consumers.

ABSOLAR has contributed decisively to this success story, with the following initiatives particularly noteworthy:

- Cooperation with the Ministry of National Integration to create new lines of credit for individuals

and businesses, with a total of R\$ 3.2 billion (US\$ 840 million) made available to Brazilians in the north, northeast and central-west regions of the country for the production of renewable and sustainable electricity at homes, businesses and rural properties.

- Coordination with the Brazilian state governments so as to make the electricity produced by distributed generation exempt from taxes, through ICMS Agreement n° 16/2015. ABSOLAR has already persuaded all the states to join the agreement, with the last three (Amazonas, Paraná and Santa Catarina) currently finalising the implementation of this strategic tax exemption for the Brazilian PV sector.
- Developing and launching the Goiás Solar Programme in direct partnership with the Goiás state government – a benchmark initiative that has already tripled the number of PV companies operating in the state and greatly boosted investment and job opportunities in the region.
- Participation, together with FIESP and Furnas and other partners, in the development of

the technical studies that have supported the publication of Ordinance n° 643/2017 by the Ministry of Cities, which authorises the use of PV systems in low-income households participating in the *Minha Casa Minha Vida* programme.

- Recommending to the Ministry of Mines and Energy the development of a national PV programme that would incorporate yearly electricity auctions contracting at least 2 GW of PV power plants; a national goal of 1 million PV systems in houses, businesses, factories, public buildings and rural properties; and a PV competitiveness programme for the national value chain that would reduce the prices of locally produced PV goods for end consumers.

The Brazilian PV sector recognises that many of these achievements would not have been possible if it were not for the work of a group of volunteer entrepreneurs who had the initiative and courage to establish ABSOLAR and guide it responsibly, actively and sustainably through the

initial stages of its operations.

There is huge potential for the PV sector to continue growing in Brazil. Recent projections from the Energy Research Company (EPE) show that PV could account for more than 10% of the Brazilian electricity matrix by 2030, up from 0.6% at the end of 2017.

ABSOLAR will have a decisive role to play during the coming years and decades, which are bound to be marked by significant technological, economic, political, social and environmental transformations. The world is heading for a future filled with innovations such as electric vehicles, energy storage, and of course the increasing presence of PV in both urban and rural areas. In order to face the challenges that lie ahead, ABSOLAR is set to begin a new internal structuring cycle that which will ensure the voice of the Brazilian PV sector is heard increasingly at the national, state and municipal levels, contributing to the development of new policies and programmes for the sector while also offering valuable services and benefits to our members. ●

# ARTICLES

## BRAZIL: A GIANT OPPORTUNITY FOR ONLINE COMMERCE IN LATIN AMERICA

BY SIMON DAVIES



**B**razil is not only one of the biggest countries in demographic terms, with a population of almost 210 million, but also ranks among the world's ten largest economies, as reported by the [International Monetary Fund \(IMF\)](#). It is the giant among Latin American economies and has a young, tech-savvy and growing population who are seeking to improve their access to

global products and services. It is a massive market for online commerce.

Brazil's growth as an online commerce market has been impressive and remarkably stable, especially given traditional consumer market volatility. Retail e-commerce sales alone in the country totalled \$16.5 billion in 2016, as reported by [Statista](#), making Brazil the leader in e-commerce sales in Latin America and one of the ten [largest e-commerce markets in the world](#)

alongside giants such as China, the United States and the United Kingdom.

More than 55 million Brazilians made online purchases in 2017, a 15 percent increase compared to 2016, and this year the figure is expected to be more than 60 million, or almost 30 percent of the entire population. Bearing in mind that Brazil is still catching up with e-commerce penetration rates, it is easy to appreciate the enormous

opportunities for online merchants.

Brazil's growing tech market is also hugely attractive to investors around the world. At the beginning of this year the Chinese drive-sharing giant Didi confirmed it had acquired the Brazilian company 99, the first Brazilian 'unicorn', for nearly \$1 billion. More recently, South African internet and media group Naspers led a \$124 million funding for Brazilian mobile conglomerate Movile. In March the Russian investment company DST Global invested \$150 million in the fintech Nubank. And the list goes on, making clear that the time to expand into Brazil is now.

### WHAT IS LEADING THE GROWTH IN ONLINE COMMERCE?

Brazilian e-commerce is growing rapidly due to several factors. There is the sheer size of the country, combined with its communications infrastructure. Out of all the countries in the world it has the [fourth highest number](#) of active internet users, and it has a young population who are fully engaged with social media and for whom buying online is becoming second nature.

Growth has also been driven by Brazil's educated and affluent middle

classes, who look for opportunities to improve their lives by purchasing goods and services, whether arranging trips to Europe using Airbnb or paying for language lessons with online providers such as Open English or Duolingo.

With their purchasing power increasing year on year, this growing demographic makes up a large part of the Brazilian economy, and they have been frustrated by the difficulties of selecting and paying for online goods and services in a market where choice was previously limited to local e-commerce offers and payment solutions. These middle-class Brazilians are technologically advanced and impatient to spend their money on the best products or services available.

If you add mobile penetration rates to this equation the landscape is even brighter. Around 87 percent of Brazilian adults use a smartphone on a daily basis, as reported by [Deloitte](#) using 2017 data. This means that 182 million Brazilians use their connected devices regularly, connecting with family and friends (often through social media) and checking out new products and services from suppliers. It used to be a problem if those suppliers were in other countries,

often on the other side of the world. But not anymore. It is now possible for Brazilians to buy internationally with total confidence, and have their purchases delivered locally.

With e-commerce providers inside and outside Brazil already changing the way Brazilians choose products and services, the principal challenge becomes that of paying for those purchases.

When it comes to paying for their international purchases, Brazilian consumers have been unable to use their credit and debit cards, either because their cards are restricted to local purchases or are rejected by international acquirers with inadequate local approval networks. These same buyers have also suffered exorbitant exchange rates when paying for foreign goods and services in Brazilian currency, and paying for their purchases in monthly instalments, a cultural norm in Brazil, is simply not possible when buying from abroad. But now all of these things are changing.

So how can international e-commerce merchants increase sales in Brazil, and what are the secrets to exploiting Brazil's online potential and at the same time increasing sales into this vibrant market?

# ARTICLES

## A WEBSITE IN PORTUGUESE

One very important thing for companies to consider is the importance of offering information in the language of the country they are selling to. Although many Brazilians understand English, potential sales will obviously increase when backed up by a website in Portuguese.

## LOCAL CURRENCY PRICES

Displaying prices in local currency, the real (BRL), is another very important way to enhance the user experience and grab the attention of Brazilian online consumers. Since exchange rates fluctuate it is not always easy for consumers to calculate how much a product or service will cost in Brazilian *reais*. When prices are displayed in local currency it is much easier for consumers to calculate if this product or service fits their budget, and consequently leads to better conversion rates for the website.

## ALTERNATIVE PAYMENT METHODS

Despite this being the era of e-wallets, mobile payments, and cryptocurrencies, local payment methods are still widely used. This is definitely the case in Brazil, where around 60 million adults are 'underbanked', mean-

## ALTERNATIVE PAYMENTS AND THE ABILITY TO DIVIDE PURCHASES INTO MONTHLY INSTALMENTS ARE DEEPLY ROOTED IN BRAZILIAN CULTURE, BEING USED TO PAY A VARIETY OF BILLS FROM LOCAL UTILITY BILLS THROUGH TO ONLINE PURCHASES

ing that they have a bank account and a regular income but only limited access to financial products and services. Sellers could gain access to a further 40 percent of the Brazilian adult population if they accept payments through a *boleto bancário*, from a BRL bank account, or using a Brazilian debit or credit card.

But it is also a matter of preference. Alternative payments and the ability to divide purchases into monthly instalments are deeply rooted in Brazilian culture, being used to pay a variety of bills from local utility bills through to online purchases. A recent study by the Central Bank of Brazil about Brazilians and their relationship with money revealed that 96 percent of those surveyed liked these alternatives as a means of paying for their purchases.

## NATIVE-SPEAKER CUSTOMER SERVICE

But of course, sales are not only about what you are selling. A customer becomes loyal when they are offered a great experience. That comes down to customer service, which is no less important in Brazil than elsewhere. Brazilian consumers will want to be able to contact your company's customer service department, so you need to be prepared. That means having a grasp of the local culture, how the taxation system works, and so on. And needless to say, the customer service department will need to speak the customer's language: Portuguese. ●

# CYBERSECURITY ON A SECURITY PLATFORM

BY THIAGO VASCONCELOS

Cybersecurity can perhaps best be defined as measures taken to protect a computer, equipment, system or platform from unauthorised access or attacks.

Worldwide interest in the subject has intensified following the WannaCry ransomware attack in 2017, in which data hijacked from infected computers were encrypted and then a ransom demanded for their release. WannaCry also affected smartphones and even traffic cameras – indeed, in Australia, [8,000 traffic cameras became infected](#).

Security vulnerabilities or attacks on security systems have been widely publicised in the media, for example when hackers attacked [the transportation system in San Francisco](#) in November 2016.

Another form of cyber-attack is distributed denial of service (DDoS), which can make the targeted equipment or system unavailable. Targets have included servers, switches, controllers of access control systems, and cameras. Indeed, [one of the biggest DDoS attacks so far was carried out against security cameras](#).

It is estimated that DDoS attacks



have affected about 100,000 devices in more than 160 countries, including digital video recorders (DVRs) and IP cameras. Brazil itself has been seriously affected, there having been an average of [30 DDoS attacks per hour in the country during 2017](#).

The main goal of cybersecurity is to alert users of computers, portable devices and security systems – and especially professionals in Information and Communication Technology (ICT), who are constantly working in the background of ICT infrastructure and security or on the management and maintenance

of automation systems, security and unified security platforms.

## CYBERSECURITY IN BRAZIL

Wannacry had far-reaching repercussions in 2017, and many computers in Brazilian homes and workplaces were among the approximately 200 thousand that became infected worldwide.

It was Brazil's public bodies that were most affected by WannaCry. Some public services were unavailable for more than 24 hours, with employees forced to shut down their computers to avoid the risk of contaminating other equipment.

# ARTICLES

Public bodies in general tend to be more vulnerable in these situations because their hardware and software tends to be updated less regularly than in the private sector. Most of the computers around the world that were affected by WannaCry used Windows 7 or earlier versions, for example.

Indeed, as a protective measure it is important to keep operating systems up to date, to have antivirus software with updated security patches, and to avoid clicking on suspicious links that might be a means of entry for viruses.

In Brazil there is now greater coordination between the different areas of public security, and security-related events are starting to include subjects such as network security, digital security, data privacy and protection, information security, security platforms or systems, access control, video surveillance and cybersecurity.

Security issues have been discussed in a broader and more integrated way at two fairs in São Paulo this year: the [ISC Brazil 2018](#), in March, and the [Cyber Security Summit Brazil 2018](#) in July. The latter in particular was notable for the presence of a significant number of

private and public companies, and for a discussion of the theme of cybersecurity involving leaders of the security areas of the armed forces, public bodies, state-owned enterprises and multinational companies.

## RECOMMENDATIONS

Companies can reduce the risk of cyber-attack and make their security platforms less vulnerable if they have in place a robust network infrastructure. The more secure and well configured the network, the better.

Some practices are already very familiar to professionals in the area of technology or security, but it is important to mention them:

- Avoid using standard passwords on devices and equipment such as cameras, controllers, fire panels, intrusion panels, sensors, intercoms, switches, routers, servers and workstations. There are models of IP cameras which require the default password of the device to be changed as soon as it is accessed for the first time;
- Use IP cameras and software that support encrypted video stream protocol;
- Avoid storing access credentials in worksheets on the network,

and seek to centralise them with secure, managed access, accessible only to a few people, while observing the principles of integrity, confidentiality and authenticity in the field of information security;

- Avoid using the standard ports on security devices that are connected to the network;
- Avoid using old authentication patterns whose encryption has already been broken, enabling the cloning of proximity cards;
- Use firewall and proxy servers, when applicable;
- Update the firmware of cameras, controllers, switches and all equipment connected to network;
- Update operational systems to the latest versions;
- Update security software with the latest patches;
- Implement information security policies;
- Develop usage rules for computers and portable devices, emphasising the importance of not sharing the individual access credentials;
- Check if the company's ICT professionals are involved in security projects as well as in

system management or in the control of maintenance contracts. It is important that this work is carried out jointly between ICT professionals and/or the operational security department.

## GDPR

The General Data Protection Regulation (GDPR), which entered into force in Europe on 25 May this year, regulates all companies processing personal data in the European Union, regardless of where the company is based. Videos or images generated by security cameras are considered to be data, even if the equipment that stores the data is a computer, camera, DVR, NVR, panel, server or storage network.

Further details about the GDPR, and a timeline of events up to its entry into force, can be found on the [eugdpr.org](#) website.

In accordance with the GDPR, companies will be fined if they are responsible for evidence of leaked data, such as personal data, bank information, images, audio or videos from security systems or a unified security platform. The fines can be as large as 20 million euros or 4% of the company's overall turnover, whichever

is greater. Manufacturers, integrators and companies responsible for operating security systems may be subject to fines if they do not comply with the regulations.

In Brazil, the General Data Protection Law (*Lei Geral de Proteção de Dados*) has been sanctioned by President Michel Temer and is due to enter into force in February 2020. The law, which sets out rules for the protection of personal data and is based on Europe's GDPR, states that personal data cannot be used without consent and that people must have access to any information about them that is held by companies. Companies that fail to comply could be fined up to 2% of their turnover, with a maximum fine of R\$ 50 million.

## CONCLUSIONS

Overall, the GDPR has direct implications for the whole of the video surveillance sector. In accordance with the new regulation, a company responsible for data having become exposed should immediately publish the relevant information. Some manufacturers are already adjusting their practices so as to comply and avoid the risk of fines.

In view of the above, certain

questions should be considered:

- What might be the impact if a person's biometric data or facial images were leaked to someone with malicious intent?
- What is the value of privacy? When a manufacturer identifies and recognises vulnerabilities in their products, consequences will be inevitable, such as loss of credibility, but it is important to keep track of what the manufacturer is doing to solve those problems. Accredited professionals and partners must be informed quickly of their respective procedures, such as updating firmware and systems to solve the problems in question. These points are important in order to maintain the credibility and reliability of the brand and its related products.

It is essential to select the right manufacturers and integrators in order to design and deliver more robust and safer solutions. Not only should the price be taken into account but also other important factors such as technical qualifications, value added, quality, product reliability and brand credibility, with the aim of minimising risks and avoiding future disruptions for all parties involved. ●

# INTERVIEW



## MARK PRISK MP UK TRADE & INVESTMENT ENVOY TO BRAZIL

BY IEDA GOMES  
BRAZIL BUSINESS BRIEF

**M**ark Prisk has been the Conservative MP for Hertford and Stortford since 2001. He was appointed as the British prime minister's trade envoy to Brazil in 2016. His previous positions include Minister of State for Business & Enterprise (2010-2012) and Minister of State for Housing 2012-2013.

**Brazil and the United Kingdom have had a trading relationship for more than 200 years. What is the current state of that relationship?**

Trade between Brazil and the UK is improving. As barriers to international

deals come down, opportunities across a wide range of sectors are opening up, both in Brazil and here in the UK. I'm delighted, for example, to see the opportunities emerging for British businesses to invest in Brazil's infrastructure and urban development. So I'm very optimistic about the future for UK-Brazil trade.

**What does the role of UK trade envoy entail?**

My role as the prime minister's trade envoy is to promote trade and investment both in Brazil and the UK. I support our ambassador and our trade representatives in Brazil, and I work closely with His Excellency Ambassador dos Santos here in London. I have also

been delighted to receive a number of senior delegations from Brazil, from cities such as São Paulo, Rio de Janeiro, Recife and Belo Horizonte.

**What are the current initiatives aimed at enhancing partnerships between the UK and Brazil? Who are your partners and interlocutors in Brazil?**

The British and Brazilian governments meet at ministerial level through the Joint Economic Council or 'JETCO'. I support British ministers and our ambassador in developing those initiatives, including in sectors such as financial services, infrastructure, education, health, and smart cities. I work through our trade and diplomatic

colleagues across Brazil.

**The UK has been very active in the oil and gas sector in Brazil. In what other areas do you envisage future cooperation?**

I'm delighted to see UK companies helping to develop Brazil's energy sector. This not only includes oil and gas but has extended to a wide range of renewable energy sources. The UK is also now increasing its activity in sectors such as infrastructure, smart cities, financial services and healthcare.

**What is the outlook for the construction sector in the UK? How is the government trying to sustain or accelerate the pace of new building, and in which sectors?**

The UK construction and housing sector is very active, with housebuilding having increased again over the last 12 months. London in particular is seeing extensive development in the residential sector, both to buy and to let. The build-to-rent sector in particular is attracting both institutional and corporate investment. The government is also encouraging the sector to adopt new methods of construction, both in modular form and through the application of digital modelling [Building Information

Modelling or BIM].

**The UK is set to leave the European Union in 2019. Can you update us on the negotiations?**

The UK will leave the European Union on 29 March 2019. There will then be a transition period until 31 December 2020, during which no rules or regulations will change. For Brazilian companies, therefore, the key date will be 1 January 2021, when the future arrangements will come into effect. Details of those arrangements are currently being negotiated and should be known in outline by November this year.

**Brazil has been in a state of political turmoil for the last four years. What is the image of Brazil in the United Kingdom?**

While clearly there has been considerable upheaval in Brazilian politics, most people in Britain have a very positive image of Brazil and its people.

**Do you see opportunities for cooperation between Brazilian and British universities? If so, in which areas?**

I'm aware of a number of links between Brazilian and British universities, and given the increasing interest in both countries in boosting

employment and strengthening economic ties, I can see opportunities for greater co-operation across a wide number of areas.

**There are fears of a trade war between the US and the EU and/or China that might damage the prospects for growth in emerging markets, including Latin America. What are your views on this issue?**

The UK is a strong champion of free trade. Protectionism helps no-one, and we will continue to press for countries to avoid protectionist measures and to open up markets. History shows that free trade creates jobs and wealth, especially in emerging markets. And we welcome Brazil's support in this area.

**As trade envoy, what will be your priorities over the next twelve months, bearing in mind Brazil's upcoming elections and also Brexit?**

When the outcome of the Brazilian elections is decided, my work will continue to be that of helping to open up new markets for British businesses in Brazil, and strengthening our ties with Brazilian businesses here in the UK. There are many opportunities in different markets and I'll be keen to help ensure those opportunities are seized. ●

# BRAZIL ECONOMIC DATA



## QUICK FACTS

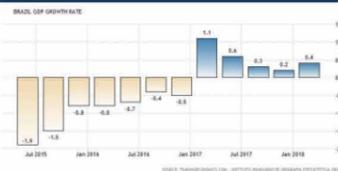
<b>GEOGRAPHY</b>	<b>5<sup>th</sup> Largest Country in the World</b>
<b>POPULATION</b>	<b>208 Million Inhabitants</b>
<b>ECONOMY WEIGHT</b>	<b>World's 9<sup>th</sup> Largest Economy</b>
<b>OVERALL GDP</b>	<b>2,055,510 million US\$</b>
<b>FOREIGN INVESTMENT INFLOW</b>	<b>84.7 billion US\$</b>
<b>TOTAL EXPORTS</b>	<b>228.7 billion US\$</b>
<b>TOTAL IMPORTS</b>	<b>186.7 billion US\$</b>

(2017)

SOURCES: IBGE, World Bank and WTAX

## BRAZILIAN ECONOMIC DATA

### GDP GROWTH RATE



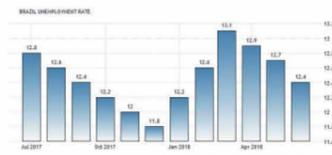
The Brazilian economy expanded 0.4% on quarter in the first three months of 2018, following an upwardly revised 0.2% expansion in the previous quarter and in line with market expectations. It marks the fifth straight quarter of growth after a 2-year recession in 2016 and 2015.

### GDP GROWTH PER CAPITA PPP



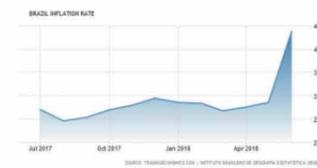
The Gross Domestic Product per capita in Brazil was last recorded at 14,103.45 US dollars in 2017. The GDP per Capita in Brazil, when adjusted by PPP is equivalent to 79% of the world's average.

### UNEMPLOYMENT RATE



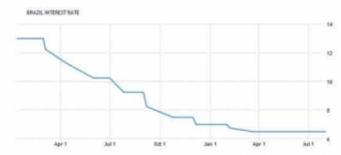
The unemployment rate in Brazil fell to 12.4 percent in the three months to June of 2018 from 13.1 percent in the first quarter of the year. It is the third straight decline in the jobless rate, beating market expectations of 12.6 percent.

### INFLATION RATE



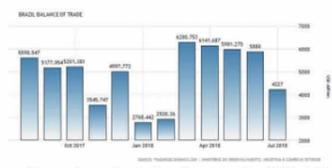
Brazil's annual inflation rate jumped to 4.39% in June 2018 from 2.86% in the previous month. The rate came in slightly below market expectations of 4.42%, still hitting the highest level since March 2017 on the back of persistent currency weakness.

### INTEREST RATE



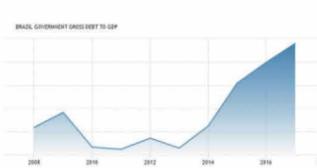
The Central Bank of Brazil voted unanimously to hold its key Selic rate at 6.50 percent on August 1st as widely expected, keeping borrowing costs at the lowest level in modern history amid below-target inflation and mixed economic data.

### BALANCE OF TRADE



The trade surplus in Brazil narrowed to USD 4.23 billion in July of 2018 from USD 6.29 billion a year earlier, lower than market expectations of a USD 5.71 billion surplus. Imports reached the highest value since November of 2014, mainly due to purchase of a platform for oil extraction from China. Exports were the highest since July of 2014, mainly boosted by sales of soybeans, oil and iron ore to China.

### GOVERNMENT DEBT TO GDP



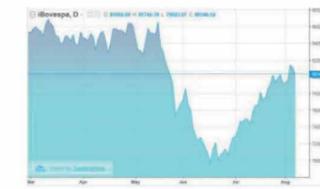
Brazil recorded a government debt equivalent to 74.04% of the country's Gross Domestic Product in 2017. Government Debt to GDP in Brazil averaged 58.45% from 2006 until 2017.

### CURRENCY



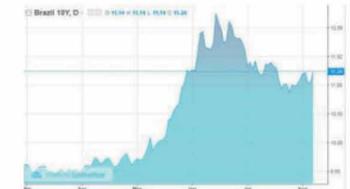
The USDBRL increased 0.0020 or 0.05% to 3.7525 on Tuesday August 7 from 3.7505 in the previous trading session. Historically, the Brazilian Real reached an all time high of 4.18 in September of 2015 and a record low of 0.01 in January of 1993.

### STOCK MARKET



Ibovespa decreased 704 points or 0.87% to 80347 on Tuesday August 7 from 81051 in the previous trading session. Historically, the Bovespa Index reached an all-time high of 87652.64 in February of 2018.

### BRAZIL GOVERNMENT BOND 10Y



Brazil 10Y increased 0.10 percent or 0.10% to 11.24 on Tuesday August 7 from 11.14 in the previous trading session. Historically, the Brazil Government Bond 10Y reached an all time high of 17.91 in October of 2008 and a record low of 9.11 in January of 2013.

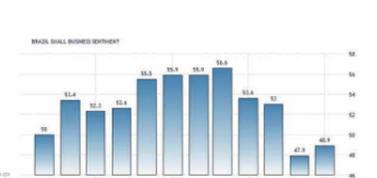
## BRAZILIAN MARKET DATA

### BUSINESS CONFIDENCE



The Industrial Entrepreneur Confidence Index in Brazil increased to 50.2 in July of 2018 from 49.6 in the previous month. There was an improvement in both current conditions (43.6 from 42.4) and future expectations (53.5 from 53.2), namely regarding prospects for the country's economic situation (47 from 46.6) and corporate expectations (56.9 from 56.6).

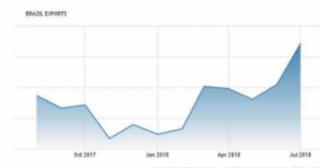
### SMALL BUSINESS SENTIMENT



Small Business Sentiment in Brazil increased to 48.90 in July from 47.90 in June of 2018. Small Business Sentiment in Brazil averaged 51.11 from 2010 until 2018, reaching an all time high of 65.40 in January of 2010 and a record low of 34.50 in October of 2015.

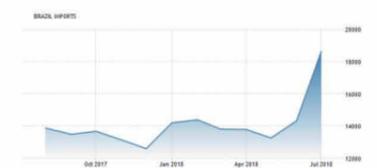
## BRAZILIAN BUSINESS DATA

### EXPORTS



Exports from Brazil jumped 21.9% year-on-year to USD 20.2 billion in July of 2018. It is the highest value since July of 2014, mainly boosted by shipments of soybeans (+60.7%), oil (+122%), iron ore (+54%), chicken meat (+19.6%) and beef (42.7%). Main falls were seen in exports of sugar (-43.1%) and corn (-42.7%).

### IMPORTS



Imports to Brazil surged 49.5% year-on-year to USD 18.64 billion in July of 2018. It is the highest value since November of 2014, mainly due to a jump in purchases of intermediate goods (+28.1%) and capital goods (+312.7%). Purchases went up from China (+90.7%), the EU (28.9%) and the US (+19.9%).

## BRAZILIAN TRADE DATA

# GALA DINNER PREVIEW

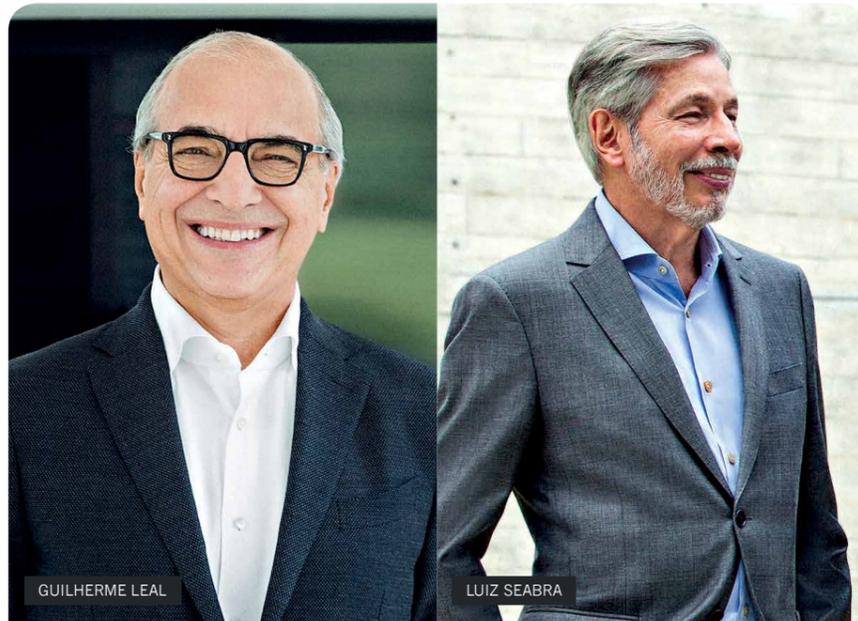
BY MICHAEL MARSDEN

GALA DINNER PREVIEW

This year's Gala Dinner and Personality of the Year Awards, the traditional main event in the Chamber's calendar, will be taking place at the InterContinental London Park Lane on Thursday 8 November.

The purpose of the awards, of course, is to recognise the achievements of business leaders who have made major contributions to strengthening the commercial ties between Brazil and the UK. In 2018 the award will be received jointly by the three co-chairs of Natura &Co., Luiz Seabra, Guilherme Leal and Pedro Passos.

Luiz Seabra was the founder of Natura back in 1969, in São Paulo, and played a leading role in developing the company's distinctive range of natural cosmetics. Pedro Passos became president of operations at Natura Cosméticos in 1988 and co-chair of Natura Brasil in 2004. Guilherme Leal joined Natura Brasil in



GUILHERME LEAL

LUIZ SEABRA



PEDRO PASSOS

MARTIN WOLF

1979 and helped raise the company's profile in terms of environmental and corporate social responsibility. Natura &Co, which the three men co-chair, is composed of Natura, Australian beauty brand Aesop, and a very well-known name on the British high street, The Body Shop.

The traditional role of keynote speaker at the gala dinner will this year be filled by Martin Wolf, the chief economics commentator at the *Financial Times*. Martin is one of the world's foremost financial journalists and an author of books on subjects including globalisation and the aftermath of the 2007-08 financial crisis.

The gala dinner is the principal social event of the year for the Brazil-UK business community and never fails to provide excellent networking opportunities. The average attendance over the years has been about 300 people, with the business, financial, legal, academic and diplomatic communities always well represented.

Tickets for the event can be purchased via the Chamber's website.



LUCIANA BERRY

## A MENU FROM A MASTERCHEF

This year's gala dinner comes with added flavour, courtesy of award-winning Brazilian chef Luciana Berry.

Fans of BBC TV's *MasterChef: The Professionals* might remember that Luciana reached the semi-finals of the competition in 2014.

Luciana will be taking charge of the menu for the Chamber's flagship event at the InterContinental London Park Lane on 8 November and

promises that guests can look forward to a dinner that 'celebrates Brazil and its exuberant culture'.

An adopted Londoner since 2004, her experience of cooking for special events in the city has included a party at 10 Downing Street for David Cameron and 300 guests.

Luciana now runs a catering and events company, gives Brazilian cooking lessons, acts as a consultant for restaurants, and mentors trainee chefs at the prestigious Le Cordon Bleu culinary school in Bloomsbury. To find out more, see <http://lucianaberry.com/>.

GALA DINNER PREVIEW

# EDITORIAL

## BRAZIL BUSINESS BRIEF, SEPTEMBER 2018

NEWS FROM THE  
BRAZILIAN CHAMBER OF COMMERCE  
IN GREAT BRITAIN

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THE BRAZILIAN CHAMBER OF COMMERCE  
IN GREAT BRITAIN  
PRESENTS THE

GALA DINNER  
**PERSONALITY  
OF THE YEAR  
AWARDS 2018**

8 NOVEMBER  
2018  
INTERCONTINENTAL  
LONDON PARK LANE  
7.00PM



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**Brazilian Chamber**  
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