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NÚM. 810
OCTOBER-NOVEMBER 2003

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AUDERA LÓPEZ, Víctor

Economic and Commercial Relations with Brazil

Abstract: The economic relations between Spain and Brazil have followed a pattern of dynamic growth and development in recent years, making the two countries strategic partners. Indeed, not only is Spain the second largest foreign investor in that country, but Brazil is the chief target of Spanish investment abroad. In this context, Spanish investment has focused primarily on key industries in the Brazilian economy such as telecommunications, electric power and banking. Nonetheless, whilst Brazil is Spain's first customer in South America, trade flows between the two countries are still relatively modest, and therefore growth potential enormous. The present article contains a general overview of Brazil, followed by a substantial analysis of the present status of bilateral economic relations and a discussion of the opportunities that this immense country has to offer, for Spanish trade and investment both.

Key words: bilateral trade, investments abroad, foreign investments, direct investments, Spain, Brazil.

JEL Classification: F14, O54.

BECKER ZUAZUA, Fernando

Electric Power Generation and Distribution in Brazil

Abstract: The Brazilian electricity industry has great potential for future growth. Nonetheless, high dependence on hydroelectric generation, insufficient investment to increase supply and diversify the production mix and the absence of a stable regulatory framework weigh upon the future of the industry, which is, moreover, essential to economic development. The industry model must, therefore, be adapted to the new social and economic realities prevailing in Brazil with all due speed.

Key words: energy planning, power generation, electricity industry, Brazil.

JEL Classification: L94, L98, O54.

BLANCO BALÍN, Ramón

The Hydrocarbon Industry in Brazil

Abstract: This paper contains an overview of the present status and future prospects for the entire oil industry chain of business in Brazil. The history

of the upstream business in Brazil is reviewed from the times of the Petrobrás monopoly to the recent opening of the market. The type and terms and conditions of the contracts used in the area are discussed, along with the degree of success in oil prospecting surveys conducted to date and the future expectations for the upstream industry. Some of the difficulties and uncertainties affecting the sector in Brazil are likewise addressed. The section on the gas market includes a review of the consumer market and existing infrastructure to meet demand, past gas consumption growth patterns and expected future consumption, broken down by consumer groups.

Key words: hydrocarbons, power generation, energy consumption, Brazil.

JEL Classification: L95, Q40.

CASILDA BÉJAR, Ramón

New Funding for the Development of Brazilian and Latin American Small and Medium-sized Enterprises

Abstract: Despite the fact that in most Latin American economies SMEs generate more than half of all employment and an enormous volume of gross added value, there is still no comprehensive policy for their development, expansion and competitiveness. The obstacles and limitations facing Latin American and particularly Brazilian small and medium-sized companies in their everyday operations are analysed and measures that would contribute to their expansion are proposed in this article.

Key words: small and medium-sized firm, industrial structure, investment promotion, job creation, Latin America, Brazil.

JEL Classification: L11, O54.

CASANOVA, Lourdes

Banco Itaú, S.A. The Creation of Brazil's Largest Private Bank by Market Value

Abstract: Itaú, the Latin American bank that has benefited most from the recent wave of consolidation in the banking industry, was ranked as the largest private Brazilian bank by market value by *Business Week* in July 2003.

Acquisitions have gone hand-in-hand with a restructuring process that have made it one of the most efficient banks in the world. Its success is likewise based on the use of technology as part of a long-term strategy to better endure the volatility of both the Brazilian and the regional economy.

Key words: financial system, privatisation, mergers and acquisitions, staff restructuring, technology, Latin America, Brazil.

JEL Classification: G21, O54.

DEHESA ROMERO, Guillermo de la

How to Achieve a Sustainable Level of Debt and Improve the Growth Rate: The Lula Administration in Brazil as an Example

Abstract: The problems posed by excessive indebtedness, the circumstances that may have occasioned it, the characteristics of this situation in developing countries and the different avenues open to such countries to solve these problems are issues reviewed in the first part of this article. In the second, attention focuses on the specific case of Brazil and the measures adopted by the Lula Administration to reduce an obviously unsustainable debt, as well as on the latest economic developments in that country.

Key words: economic growth, public debt, external debt, reduction of debt, Brazil.

JEL Classification: F34, H63, O19, O54.

FERREIRA, Fernando Xavier

Telefónica's Presence in Brazil

Abstract: The Brazilian telecommunications industry has undergone profound change in recent years. The role played by Telefónica in this process is analysed in the present paper. By shortening the time between application for and installation of a telephone line and lowering the price, the investment made has enabled less advantaged classes to access telephone services. In addition to mobile and fixed telephony, Telefónica has engaged in other lines of business in Brazil, including technological improvements for businesses, Internet access and data transmission. Telefónica proposes to continue to fortify its presence in Brazil in the future, improving existing services,

enlarging its customer base and leading digital integration in the country, all within a context of profitable growth and sound financial management.

Key words: telecommunications, telephone, mobile telephony, investments abroad, Brazil.

JEL Classification: L96, O54.

GOIRIGOLZARRI TELLAECHÉ, José Ignacio

The Brazilian Financial Industry

Abstract: The substantial change affecting the Brazilian banking industry in recent years is reviewed in this paper. The reforms yet to be undertaken to improve the efficiency of the allocation of resources in the country's financial system are analysed in the light of the present situation. The main conclusion is that there continue to be sizeable distortions in banking system operation that raise borrowing costs, inhibiting the development of free lending. Ensuring a smooth transition from the present business model to a banking system in which free intermediation for loans acquires greater predominance is the chief challenge for the future.

Key words: financial system, financial policy, financial reform, banking system, Brazil.

JEL Classification: G10, G18, G20, G28, O54.

KUGELMAS, Eudardo and SOLA, Lourdes

Building Democratic Federalism in Brazil

Abstract: The evolution of the federal regime in Brazil is reviewed in this article, taking the 1988 Constitution as a reference. After seeking a definition of federalism and establishing comparisons between different regimes, the authors examine the constitution of federalist structures, the relationships between the various levels of government and the political, economic and social problems that have arisen, specifically around transfers of revenues and expenses. The analysis introduces nuance into the simplistic dichotomy between centralisation and decentralisation, with particular attention in this connection to the presidency of F.H. Cardoso. Finally, a series of questions is

posed on the future of this federal regime, taking account of the new Lula Administration's proposals and inclinations.

Key words: Constitutional Law, federalism, Federal State, tax autonomy, Brazil.

JEL Classification: H70, H77, K10.

LAFER PIVA, Horacio

New Horizons for Industry

Abstract: Brazil is making an enormous effort to improve the competitiveness of its products to be able to broaden its base in foreign markets. At this time the country is conducting its international negotiations on three fronts: the re-launch of Mercosur, the preparation of a large-scale agreement between Mercosur and the European Union and the new round of negotiations in the World Trade Organisation. The Brazilian business community favours greater internationalisation of the country's economy, while confiding in the Government to take the necessary measures to modernise infrastructure and protect the most vulnerable industries against possible lowering of tariffs.

Key words: industry, exports, manufactured products, competitiveness, Brazil.

JEL Classification: D40, F13, O54.

LOES, André

Challenges Facing the Brazilian Economy

Abstract: It is often sustained that the eighties and nineties were «lost decades» for Brazil in terms of economic growth. Nonetheless, a more careful look reveals a number of institutional and economic advances, particularly in the last ten years, that helped place the country in a position from which it could initiate a period of sustained growth, compatible with the reduction of poverty and social inequalities.

Key words: economic growth, economic and social development, economic outlook, Brazil, 1991-2003.

JEL Classification: O11, O54.

LOSADA MARRODÁN, Carlos

Natural Gas Distribution in Brazil

Abstract: In the following pages the reader will find an essentially descriptive article on natural gas distribution in Brazil, set against the backdrop of world-wide and national energy structures, reserves, production, transport infrastructure and distribution of this source of energy in the country. The regulatory scheme adopted is also discussed. This information provides greater insight into the environment in which several national and international companies have implemented their growth programmes since recent industry liberalisation in Brazil. Value judgements have been avoided as far as possible to enhance the understanding and study of the realities around natural gas in Brazil.

Key words: energy, natural gas, energy policy, Brazil.

JEL Classification: L94, O54.

LUZÓN LÓPEZ, Francisco

Brazil: Founded Hopes

Abstract: A balance of the achievements of the Lula Administration since it came into power less than a year ago is drawn in this article. International misgivings have been quelled by honouring foreign commitments and firmly controlling inflation and the budget deficit. Brazil's external accounts now show a surplus. Structural reforms have likewise been undertaken, such as in the public social protection system. With this realistic approach, the economy may be expected to reach growth rates in keeping with its potential and change the traditional profile of the Brazilian model of development.

Key words: economic and social development, economic policy, economic outlook, inflation, budgetary balance, Brazil.

JEL Classification: E61, E66, O20, O54.

MAGLIANO FILHO, Raymundo

Rediscovering a New World

Abstract: The nineties were a decisive decade for Spanish economic presence in Latin America. In those years the leading Spanish companies

invested intensely all across the continent. Brazil is a good example of this process. Foreign investment, economic stabilisation and privatisation processes effectively contributed to expanding the share of market capitalisation in the Brazilian GDP. In addition, numerous economic and institutional reforms are presently being adopted to hasten this process, enhance transparency and introduce new technologies to broaden the investor base of capital markets.

Key words: securities market, stock exchange, foreign investments, Brazil.

JEL Classification:F21, G10.

MOTTA VEIGA, Pedro da

Brazil: Industrial and Commercial Policy Challenges in the Early 21st Century

Abstract: The industrial and commercial policies developed in Brazil from 1985 to the present are analysed in the present article, with a description of the opening up to trade that took place in the nineties and the change undergone by Brazilian industry as a result of this liberalisation. Some of the chief challenges for present industrial and foreign trade policy are also discussed.

Key words: industrial policy, commercial policy, industry, trade liberalization, foreign trade, Brazil, 1985-2003.

JEL Classification: F13, L52, O14, O54.

QUIRÓS, Juan

Brazilian Trade Policy

Abstract: Any description of Brazil as a country with huge export capacity must take account of the diversity of races, religions and natural resources existing within its boundaries. It is this variety that makes Brazilian entrepreneurs so versatile on the international market, offering innovative and creative goods and services. A balance is provided in this article of the many activities conducted to promote exports, with the support and participation of Brazilian commercial authorities, in particular the Export Promotion Agency. In addition, a few representative examples of the creative

efforts of certain industries are described, in the context of their endeavour to increase their international market share.

Key words: foreign trade promotion, export promotion, trade fairs, Brazil.

JEL Classification: F13, F14.

REQUIÃO DE MELLO E SILVA, Roberto

Tax Policy in Paraná

Abstract: In Brazil, taxes are levied by the federal government, the states and towns/cities, entities which, under the country's Constitution, form the Federative Republic of Brazil. The income tax, industrial product tax (similar to VAT, but limited to manufacturing) and the so-called regulatory taxes (on foreign trade) are the responsibility of the central government. The states collect the ICMS (tax on commercial sales transactions and transport and communications services), the only tax at their avail to implement public policies for regional development.

Key words: taxation, regional development, small and medium firm, tax incentives, Brazil.

JEL Classification: H25, R58.

REYERO GARCÍA, José Manuel

Commercial Promotion in Brazil and its Impact on Spain's Image

Abstract: This article is a reflection on the growing economic and commercial importance of Spanish enterprise in Brazil. In recent years Spain's country image has been enhanced and the prestige of its products on the Brazilian market have grown relentlessly. In addition to the companies involved, Spanish commercial authorities and in particular the ICEX or Foreign Trade Institute have contributed actively to these changes. Spanish presence is a determining factor in a number of industries, ranging from banking and energy to communications, fashion and tourism. The consolidation of the country's influence in other businesses, such as agri-food and gastronomy, in turn, holds out great promise for the future.

Finally, the Spanish language is playing an increasingly representative role in Brazilian culture and provides excellent development opportunities in a wide variety of industries.

Key words: foreign trade promotion, export promotion, investments abroad, Spain, Brazil.

JEL Classification: F13, F14.

RIVERA NOVO, Luis M.

Endesa: Present and Future in Brazil

Abstract: Brazil affords promising future opportunities for Endesa, as the country —of all the South American nations where the corporation operates— in which it has the smallest market share, and therefore the one where development potential is greatest. But in order for these opportunities and potential to materialise in a stronger presence, the current ambiguities with respect to the regulatory framework must be clarified and legal certainty for private investors in the electricity industry confirmed.

Key words: electric power, electric industry, electric enterprises, investments abroad, foreign investments, Latin America, Brazil.

JEL Classification: L94, O54.

SILVA BICHARA, Julimar da

Economic Evolution under the Lula da Silva Administration

Abstract: In the evaluation provided in this article of the present state of the Brazilian economy, an analysis is first conducted of the precedents from a long-term perspective, including a detailed review of the content and consequences of the «Plan Real», culminating in the crisis of 2002. The macroeconomic austerity measures adopted by the new government as well as their effectiveness and impact outside Brazil are then studied, along with the recent behaviour of different sectors of the Brazilian economy and its labour market. Finally, the conclusions reached and certain forecasts for the future are discussed, taking account not only of achievements to date, but also the

challenges facing the Brazilian economy, including the structural obstacles that may hamper its development.

Key words: economic growth, economic policy, monetary policy, economic outlook, economic sectors, Brazil.

JEL Classification: O40, O54.

TENORIO PERRONE, Luiz Francisco

Telecommunications in Brazil and the Amazonas Project

Abstract: The Brazilian telecommunications industry has undergone profound change in recent years, beginning with the legislative amendments decreed in 1997 that favoured an inflow of private investment. The present status of the industry and its prospects are studied in this article, with particular attention lent to the world of television and the opportunities it affords. Such opportunities have prompted Spanish-Brazilian collaboration and the Amazonas Projects, under the leadership of Hispamar.

Key words: telecommunications, satellite communication, mobile telephony, Brasil, 1997-2003.

JEL Classification: L96.

TROSTER, Roberto Luis

Challenges for Brazilian Banks

Abstract: The present article reviews the changes in the Brazilian banking sector, comparing its characteristics, weight in the financial system, cost breakdown and activities, in particular in the lending business, with those of other countries. It also analyses the most important problems the sector will have to address to be more effective and competitive, to ensure it does not miss the opportunities now open to it and to provide Brazilians with lower incomes readier access to its services.

Key words: banking and finance, financial policy, financial and credit institutions, bank credit, Brazil.

JEL Classification: G20, G21, G24, G28, O54.

ZOIDO MARTÍNEZ, Antonio J.

The Latibex Market, an Effective Tool for Latin American Companies: The Case of Brazil

Abstract: The need to connect Latin America to the euro is the basic idea behind the institution of Latibex, a market offering Latin American firms access to sources of European funding. The process leading to its creation, in which the Spanish stock exchange served as a natural bridge between the two financial domains, is explained in this article, and its importance as a market for Latin American securities in euros is highlighted. The evolution of foreign investment in Latin America is analysed and the paper concludes with a detailed review of the instrumental role played by the Brazilian economy in the development of this market.

Key words: international investments, external financing, securities market, stock exchange, Latin America, Brazil, Spain.

JEL Classification: F23, G14, G15, O16, O54.

