



GREATER
REWARDS

DEEPER
INSIGHTS

FERI
Country Dossier
Economic Forecast

Brazil

July 2020



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Executive Summary

The Brazilian economy has been almost stagnating in the past few years with growth rates of slightly above 1% - considerably weaker compared to other emerging markets. In the beginning of 2020, however, what started as an epidemic of a new disease in China, has turned into a global pandemic, which will have a serious negative effect on the world as well as on the Brazilian economy. The spreading of the coronavirus across the globe is disrupting supply chains, while simultaneously causing a significant demand shock. The country will also severely suffer from the falling oil prices, as well as the drop in demand for the energy source, as it is one of Brazil's most important exports. Considering the slow response of the government and the constant high number of new Covid-19 cases, we expect GDP to shrink by more than 7% in 2020. Nevertheless, the fiscal stimuli and the gradual reopening of the businesses will likely result in a normalization of the economy and positive growth rates in 2021. The incumbent far-right President Jair Bolsonaro has been heavily criticized recently, due to his skepticism towards the pandemic as well as his dismissive opinion about sovereign institutions. Following the successfully approved pension reform by the government in October 2019, which was an important step forward, the political stability in the country has been very uncertain with the continuing street protests and rising tensions between the executive authorities and the judiciary. In 2020, the increased spending and the falling revenues will account for considerably high deficits. After inflation reached levels of 9% during the former recession, the National Monetary Council (CMN) has set an inflation target of 4.25% in 2019 falling by 25 basis points per year thereafter. Although the central bank cut the policy rate several times since the beginning of 2019 to 2.25% in June 2020 in order to fight the effects of the coronavirus, our expectation is for inflation to fall to around 2% in 2020 due to the weaker economic activity. The currency has plummeted sharply to record low levels. Regarding the labor market, we forecast the unemployment to rise substantially in 2020.

As an emerging industrialized country, the Brazilian economy is the eighth biggest in the world and remains heavily oriented towards domestic demand, with trade playing a minor role. Demand is driven largely by private consumption (aided by climbing wages) and by fixed investment, with industrial investments playing an essential role.

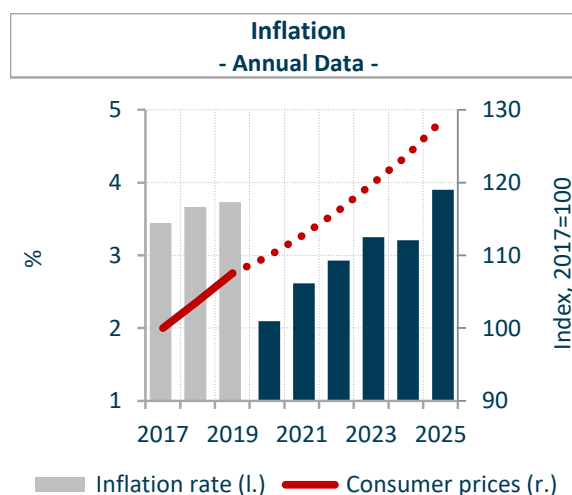
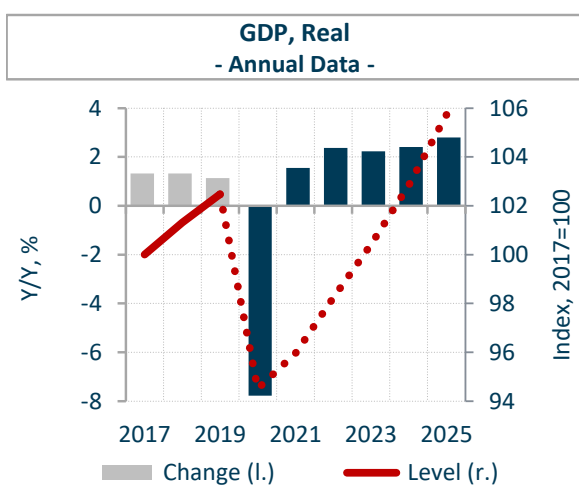
Given its orientation towards domestic demand, the economy was not as heavily affected by the global recession in 2009 as other countries: Although GDP did decline slightly, the recession was moderate. In the wake of globally weaker demand for raw materials, Brazil's main export goods, and the ongoing crisis in Argentina, one of Brazil's most important trading partners, exports have been suffering in the last few years.

Agricultural products and foodstuffs still dominate exports, while imports are largely chemicals and oil, industrial goods and advanced consumer goods. The importance of the primary sector for the economy will not change significantly during the forecast period. While the secondary sector is expected to decline in terms of generated GDP, this reflects not an absolute decline of this sector, but rather the emergence of a robust and strong Brazilian financial sector, driven by the financial demands of the emerging Brazilian middle class.

After decades of failed policies and errors that led to several waves of severe inflation, economic policy has, along with a more efficient monetary policy, aided in gaining some more control over inflationary pressures overall. While Brazilian inflation still posts higher rates than in industrialized countries, it seems to remain at clearly more manageable levels than in the past.

Executive Summary

Summary Economic Forecast				
	2018	2019	2020	2021
GDP Per Cap., Nominal (1000 US\$ (PPP))	16155	16501	15169	15334
GDP, Real (% Change)	1.3	1.1	-7.8	1.5
Consumer Prices (% Change)	3.7	3.7	2.1	2.6
Unemployment Rate (%)	12.3	11.9	14.4	15.4
Public Balance (% of GDP)	-7.2	-7.3	-9.7	-7.9
Gross Public Debt (% of GDP)	87.9	92.3	108.6	112.3
Current Account Balance (% of GDP)	-2.2	-2.7	-1.9	-2.7
Industrial Production (% Change)	1.0	-1.1	-15.2	5.6
Central Bank Rate (%)	6.6	6.0	2.8	2.4
Government Bond Yield, 10 Y. (%)	10.6	7.9	7.2	6.9
BRL / €	4.31	4.41	5.47	6.58
BRL / US\$	3.65	3.94	4.89	5.51



Country Profile



Profile Data*

Profile Data*		People	
Constitution		Population (Mn.)	211
Official Name	Federative Republic of Brazil	Area (sq. km)	8 515 770
Capital	Brasília	Population Density (People/sq. km)	25.1
Form of State	Federal Republic	Annual Population Growth	0.8
Chief of State	Jair Bolsonaro	Net Migration	-
Head of Government	Jair Bolsonaro	Birth Rate (per 1,000 People)	14.1
Structure		Death Rate (per 1,000 People)	6.4
Language	Portuguese	Fertility Rate (Births per Woman)	1.7
Religion		Urban Population (% of Total)	86.6
Roman Catholic	73%	São Paulo	12.1
Protestant	15%	Rio de Janeiro	6.7
Other/Non specified	12%	Brasilia	3
Currency		Salvador	2.9
Currency	Real (BRL)	Fortaleza	2.6
Exchange Arrangement	Independently Floating		

*) Sources: Feri Databases; World Bank Data; www.world-gazetteer.com; CIA World Factbook.

Country Profile

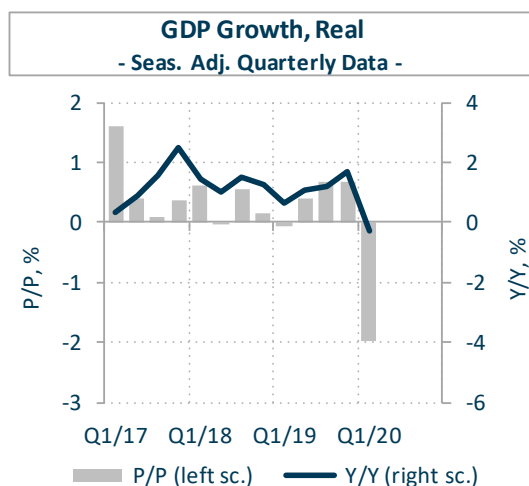
Socioeconomic Data*	
Welfare	
Human Development Index (Ranking out of 188 Countries)	75
GDP per Head (1000 US\$)	8.7
Life Expectancy, Years	75
Life Expectancy, Male (Years)	72
Life expectancy, Female (Years)	79
Poverty Gap at \$2 a Day (%)	-
Health	
Health Expenditure (% of GDP)	-
Health Expenditure per Capita (Current US\$)	-
Hospital Beds (per 1,000 People)	2.2
Improved Sanitation Facilities (% of Population with Access)	-
Improved Water Source (% of Population with Access)	-
Prevalence of HIV (% of Population Ages 15-49)	0.5
Infrastructure & Communication	
Electric Power Consumption (kWh per Capita)	2 620.0
Electric Power Transmission and Distribution Losses (% of Output)	15.8
Arable Land (% of Land Area)	9.7
Container Port Traffic (TEU: 20 Foot Equivalent Units)	10 312 431
Passenger Cars (per 1,000 People)	-
Roads, Total Network (km)	-
Roads, Paved (% of Total Roads)	-
Internet Users (per 100 People)	-
Population Covered by Mobile Cellular Network (% of Total)	-
Education	
Literacy Rate, Adult (% of People Ages 15 and Above)	93
School Enrollment, Primary (% Gross)	115.4
School Enrollment, Secondary (% Gross)	100.8
School Enrollment, Tertiary (% Gross)	51.3
Labor Market	
Labor Force	106 328 664
Female Labor Force (% of Total Labor Force)	43.4
Labor Force with Tertiary Education (% of Total)	-
Rigidity of Employment Index (0 = Less Rigid, 100 = More Rigid)	-
Economically Active Children (% of Children Ages 7-14)	2.5
GINI Coefficient (0 = Total Equality of Income Distribution, 100 = Total Inequality)	53.3
Business	
Number of Start-up Procedures to Register a Business	11
Cost of Business Start-up Procedures (% of GNI per Capita)	-
Days Required to Start a Business	16.6
Ease of Doing Business Index (1 = Most Business-friendly Regulations)	124
Number of Procedures to Enforce a Contract	-
Days Required to Enforce a Contract	801.2
Hours Required to Prepare and Pay Taxes	1501
Years to Resolve Insolvency	4

*) Source: World Bank Data

Economic Forecast

Demand

Mainly due to strong private consumption GDP growth has been positive in 2019. In 2020, GDP growth is expected to worsen due to weaker private consumption. The overall economic growth rate in 2020 will be much weaker than the historical average.



GDP Growth, Real		
- Annual Data in %-		
	Brazil	Emerging Countries
Previous 10 years (2008-2017)	1.6	5.1
2018	1.3	4.6
2019	1.1	3.8
2020	-7.8	-0.9
Next 10 years (2020-2029)	1.4	4.0

GDP growth in Brazil has been positive in 2018 and 2019. In 2019, private consumption and fixed investment have been the main supportive drivers of the economic development. In 2020, GDP growth is expected to worsen. Now, weaker growth contributions from private consumption and fixed investment will be the driving forces of lower GDP growth. All in all, GDP growth in 2020 will be negative and much weaker than economic growth in the Emerging Countries.

Brazil's GDP growth has been moderate in the 10 years up to 2017. It has been weaker than the economic growth rate in the Emerging Countries. The same relationship will hold in the next 10 years. While the Emerging Countries will grow 4 percent per year, Brazil's economy is expected to grow by 1.4 per year in the next decade. Brazil's growth rate in the next 10 years will be similar to historical economic growth up to 2017.

Demand

Growth of GDP Components - Annual Data in % -						
	2008-2017	2018	2019	2020	2021	2022-2031
GDP Growth	1.6	1.3	1.1	-7.8	1.5	2.5
Private Consumption	2.6	2.1	1.8	-8.8	3.2	2.9
Government Consumption	1.4	0.4	-0.4	0.6	1.6	1.5
Fixed Investment	0.4	3.9	2.2	-10.8	-6.3	2.4
Exports	2.0	4.0	-2.5	-12.7	-0.9	3.6
Imports	3.2	8.3	1.1	-10.7	-2.3	4.2

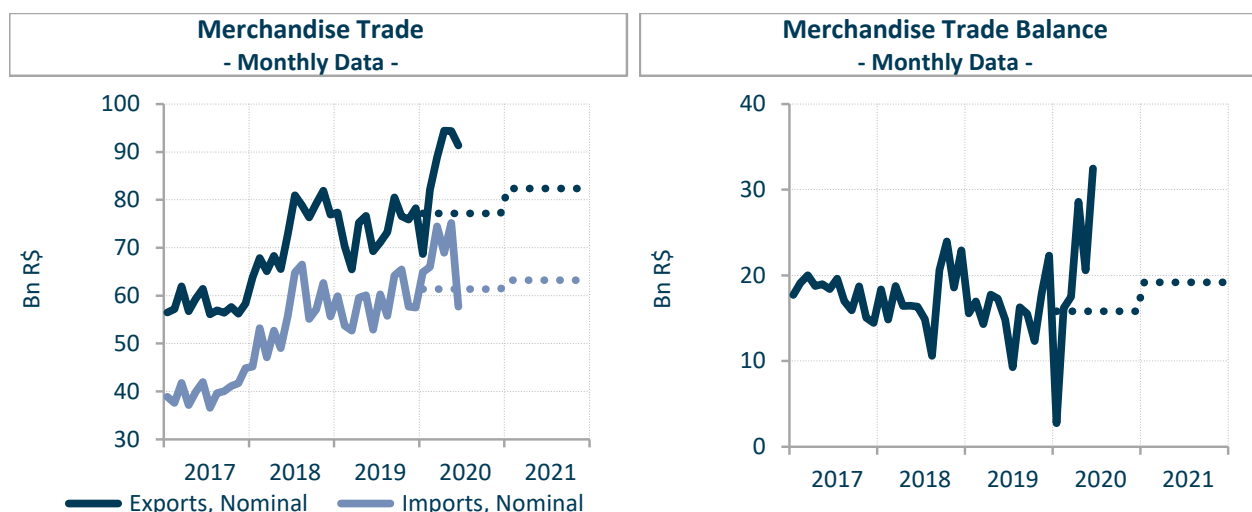
Contribution to GDP Growth (Y/Y) by Components - In Percentage Points -						
	2008-2017	2018	2019	2020	2021	2022-2031
GDP Growth	1.6	1.3	1.1	-7.8	1.5	2.5
Private Consumption	1.6	1.3	1.2	-5.7	2.0	1.9
Government Consumption	0.3	0.1	-0.1	0.1	0.3	0.3
Fixed Investment	0.1	0.6	0.4	-1.8	-1.0	0.3
Net Exports	-0.1	-0.4	-0.5	-0.3	0.2	-0.1
Chg. in Inv.	-0.2	-0.3	0.1	-0.1	0.0	-0.1

In 2019, GDP growth was positive. Economic growth was mainly driven by strong private consumption and fixed investment. GDP growth in 2020 will worsen compared to the previous year due to weaker growth contributions especially from private consumption and fixed investment. In the long-term perspective economic growth in Brazil will be higher than in the decade up to 2017. Stronger private consumption growth will be a main driver of higher GDP growth in the next 10 years up to 2031.

Trade

The level of merchandise exports has been higher than that of imports in recent months. This trend is expected to persist for 2020 as a whole. Net exports, which include not only merchandise goods, but also services, are expected to be negative in 2020.

The current account balance that includes also net income from abroad and net current transfers, is expected to be negative in 2020, too. The current account deficit implies that Brazil is a net borrower from the rest of the world.

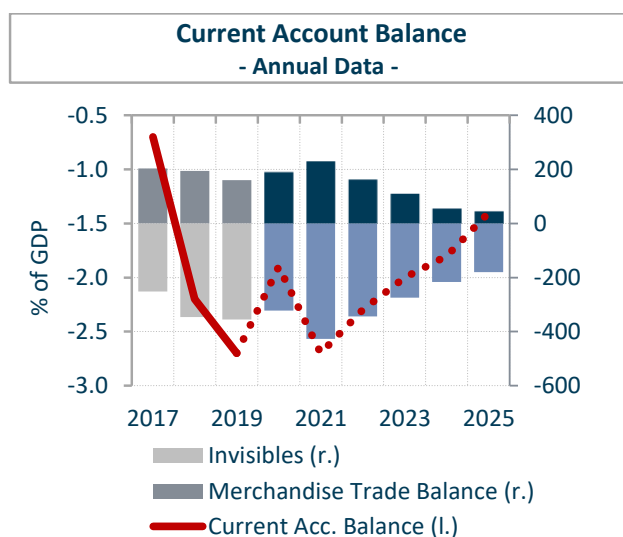
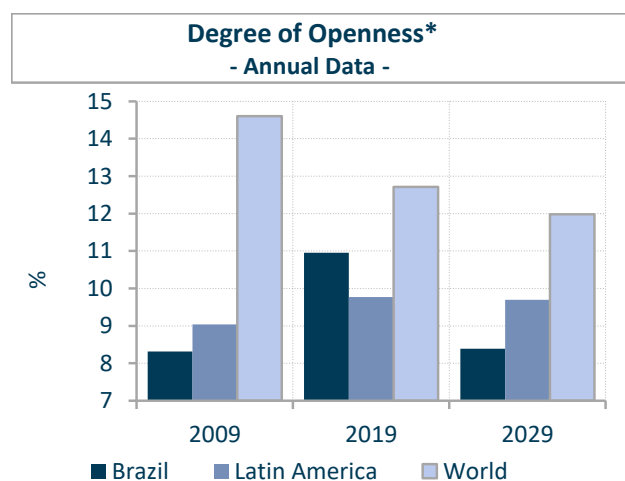


Foreign Trade Forecast - Annual Data -						
	2008-2017	2018	2019	2020	2021	2022-2031
Merchandise Exports (Bn R\$)	495	877	890	926	988	998
Merchandise Imports (Bn R\$)	428	665	700	736	758	917
Merch. Trade Bal. (Bn R\$)	67	213	190	190	230	82
Exports, real (G+S), % Y/Y	2.0	4.0	-2.5	-12.7	-0.9	3.6
Imports, real (G+S), % Y/Y	3.2	8.3	1.1	-10.7	-2.3	4.2
Net Exports (Bn. LC, nom.)	-43	26	-24	-41	-2.4	-115
CAB (Bn. US\$)	-57.1	-41.5	-49.5	-27.0	-35.9	-37.0
CAB (% of GDP)	-2.6	-2.2	-2.7	-1.9	-2.7	-1.5

Trade

Main Trading Partners - Share in Total Trade in % -			
Exports	2019	Imports	2019
China	28.0	China	19.9
USA	13.3	USA	17.1
Netherlands	4.5	Argentina	6.0
Argentina	4.3	Germany	5.8
Japan	2.4	Korea	2.7

Items of Trade - Share in Total Trade of Goods in % -			
Exports	2019	Imports	2019
Agriculture	20.1	Chemicals	19.5
Food	15.3	Computers	11.0
Metal Ores	11.5	Other Mach.	10.1
Oil & Gas	10.8	Petro. Prod.	8.2
Basic Metals	8.9	Automotives	7.2

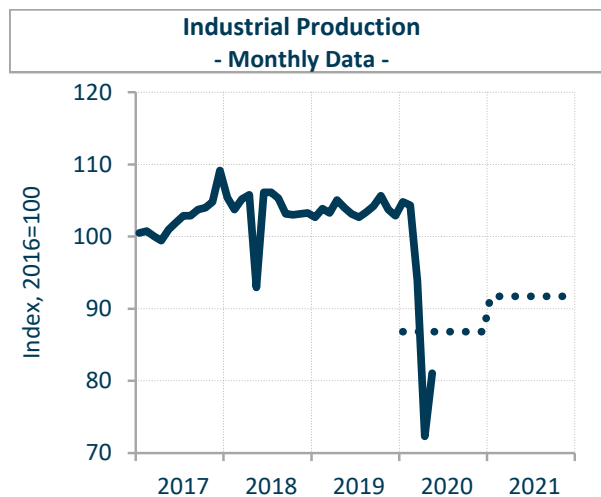


* Degree of Openness = 0.5*(Exports+Imports) / nominal GDP
 The degree of openness measures the extent to which the country depends on trade with other countries. A level of 100% means that the trade volume equals the level of economic output.

Supply

The primary sector, comprising mining & quarrying, agriculture, forestry and fishing, usually is of minor importance today. In Brazil, the sector is still large. Its importance is expected to rise slightly in the next decade. The industrial or secondary sector is of moderate importance in Brazil. It is expected to become less significant up to 2029. Finally, the tertiary sector in Brazil, comprising the service industry, is relatively very large. We forecast that it will lose in importance over the next 10 years.

All in all, the primary sector will likely show the highest growth rate and thus expand the most in the next decade.

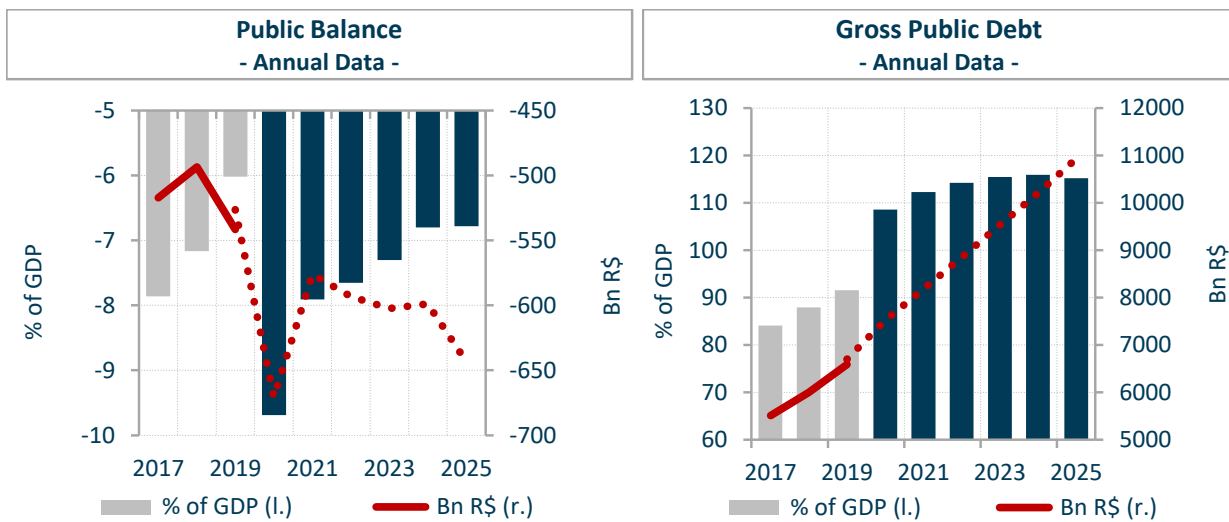


- Industrial production has been weakening in the last three months. We expect production to continue to fall in 2020 compared to the previous year.

	GDP Composition, Real - Share of GDP; Annual Data in % -			Growth by Sectors - Annual Growth in % -	
	2009	2019	2029	2009-2018	2019-2028
Primary Sector	4.9	6.0	6.9	2.9	2.5
Secondary Sector	14.7	12.6	12.1	-1.3	0.8
Tertiary Sector	80.5	81.5	81.0	1.3	1.2
Personal Rel. Svs.	17.0	16.4	15.7	1.2	0.7
Business Rel. Svs.	16.2	16.3	16.2	1.5	1.2
Trade	12.1	12.0	11.7	0.7	1.1
Other Services	35.1	36.8	37.5	1.8	1.5

Public Sector

In 2019, the level of public debt in percent of GDP was very large. In the next three years, the debt ratio will rise. Brazil will have a high public deficit and weak nominal GDP growth. Within the next three years, the public balance is expected to worsen. Brazil will have a moderate public expenditure quota in 2020. A moderate public expenditure quota means that the government interferes moderately in the economy.

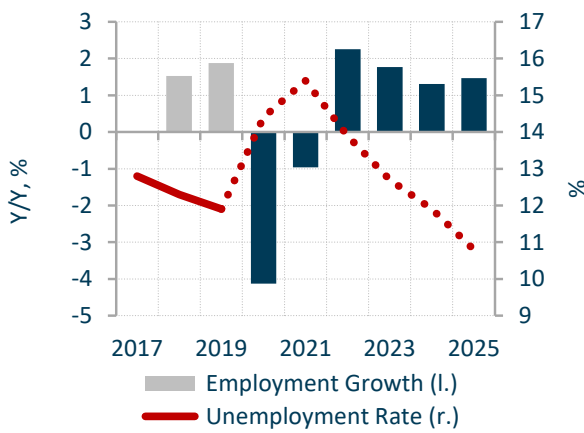


Public Finance Forecast - Annual Data -			
	2010	2020	2030
Public Expenditure / GDP (%)	39.9	39.2	36.1
Interest Expend. / Receipts (%)	13.9	23.3	23.1
Receipts (% Y/Y)	24.0	-8.3	8.5
Expenditures (% Y/Y)	25.4	-1.4	8.3
Primary Balance (% of GDP)	-3.8	-2.8	0.1

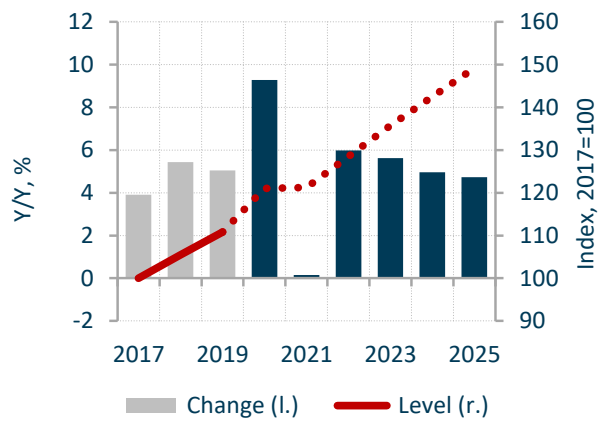
Labor Market & Income

The unemployment rate in Brazil was high in 2019. In 2020, the rate will temporarily tend higher due to negative employment growth. Real wages grew stronger than productivity between 2014 and 2019. In the next five years, real wages will grow stronger than productivity again. Insofar, the competitiveness of the companies in Brazil will suffer.

Employment & Unemployment
- Annual Data -



Unit Labor Costs
- Annual Data -

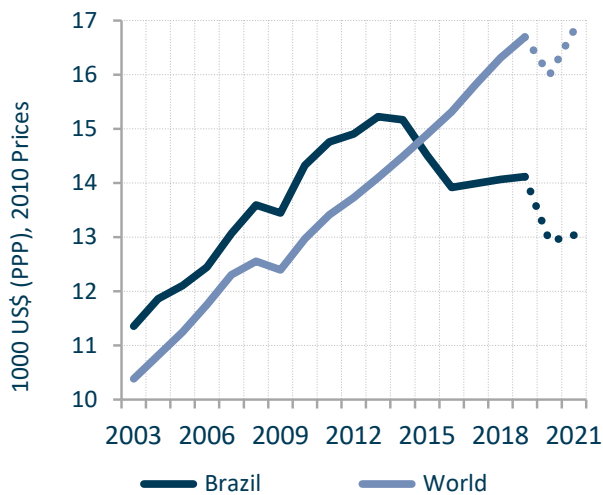


Real Wages & Productivity
- Annual Data -



Labor Market & Income

GDP per Capita (real)
- Annual Data -



- Brazil's real GDP per capita is fairly lower than the world average. The gap is expected to widen in the next five years.

Gini Coefficient
- Annual Data in % -

	Current Value
Gini Coefficient*	54

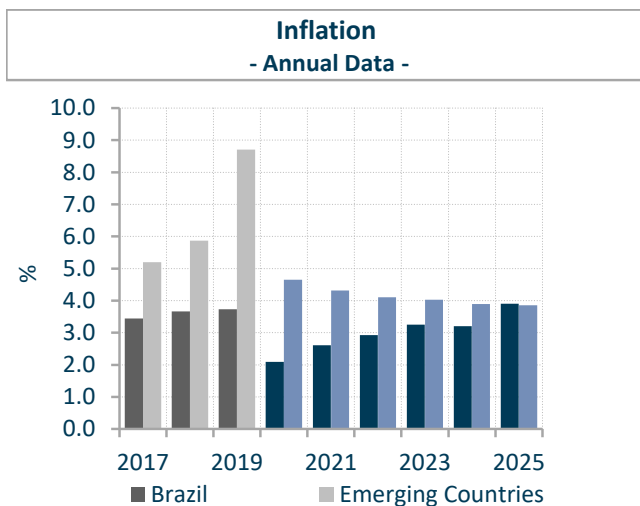
- The Gini coefficient in Brazil shows a high inequality of income distribution in the country.

***Gini Coefficient:**

The Gini coefficient is a measure of statistical dispersion reflecting the income distribution of the residents within a country. A Gini coefficient of 0% means perfect income equality in a country, where all residents have the same income, whereas a Gini coefficient of 100% expresses maximal income inequality, where only one resident has all the income.

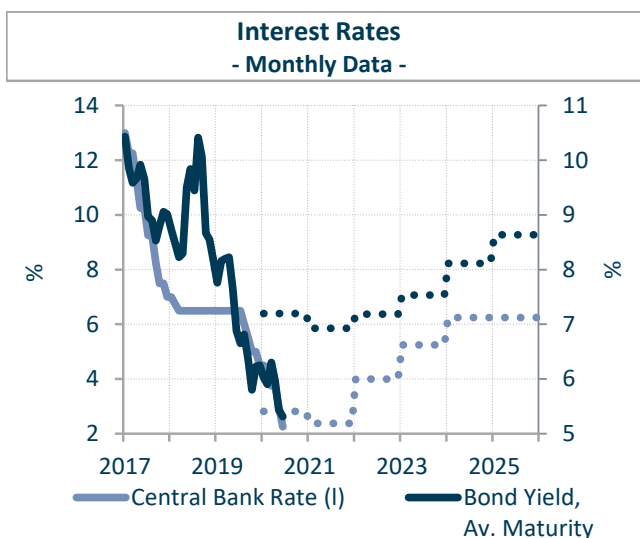
Prices, Interest Rates & Exchange Rates

Inflation has been moderate in Brazil in 2019. In 2020, the inflation rate is expected to decrease temporarily. While the inflation rate in Brazil will fall by 1.1 percentage points from 2019 to 2021, the inflation rate in the Emerging Countries is expected to decrease by 0.7 percentage points. The central bank lowered the key interest rate most recently in June 2020 by 0.75 percentage points to 2.25 percent. Although we expect the inflation rate to increase from 2020 to 2021 we anticipate lower central bank interest rates in order to stimulate the economy.



Prices
- Annual Growth in % -

	Consumer Prices	Producer Prices
2019	3.7	4.5
2020	2.1	6.6
2021	2.6	7.0
2022	2.9	2.8
2023	3.2	3.4



Interest Rates
- Annual Data in % -

	Central Bank Rate	Bond Yield, Av. Maturity
2019	6.0	7.9
2020	2.8	7.2
2021	2.4	6.9
2022	4.0	7.2
2023	5.3	7.5

Exchange Rate Forecast
- Annual Data -

(Index, 2016=100)	2018	2019	2020	2021
Local Currency / US\$	104.7	113.0	140.1	weaker
Local Currency / Euro	111.6	114.3	141.6	weaker
Trade Weighted Exchange Rate (real) Appreciation Y/Y	-10.6	-1.8	-17.8	weaker

Forecast Tables

Demand: GDP and Components										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Gross Domestic Product (GDP)										
GDP, Nominal	6583	6889	7257	6922	7284	7747	8255	8808	9493	13084
Y/Y % Change	5.0	4.6	5.3	-4.6	5.2	6.4	6.6	6.7	7.8	8.3
GDP, Real (2017=100)	100.0	101.3	102.5	94.5	96.0	98.2	100.4	102.8	105.7	117.3
Y/Y % Change	1.3	1.3	1.1	-7.8	1.5	2.4	2.2	2.4	2.8	2.5
GDP, Nominal (US\$ PPP)	3261	3384	3482	3224	3281	3429	3579	3747	3932	4670
Y/Y % Change	3.2	3.8	2.9	-7.4	1.8	4.5	4.3	4.7	4.9	4.1
GDP Per Cap., Nominal (1000 US\$ PPP)	15.7	16.2	16.5	15.2	15.3	15.9	16.5	17.2	18.0	20.9
Y/Y % Change	2.4	3.0	2.1	-8.1	1.1	3.9	3.7	4.1	4.4	3.7
GDP Per Cap., Real (1,000 US\$ PPP)	14.0	14.1	14.1	12.9	13.0	13.3	13.5	13.7	14.0	15.3
Y/Y % Change	0.5	0.5	0.4	-8.4	0.9	1.7	1.6	1.8	2.3	2.1
Components of GDP										
Consumption										
Private Consumption, Real	2549	2602	2649	2415	2493	2586	2675	2765	2855	3169
Y/Y % Change	2.0	2.1	1.8	-8.8	3.2	3.7	3.4	3.4	3.2	2.5
Government Consumption, Real	776	778	775	780	792	804	816	828	841	892
Y/Y % Change	-0.7	0.4	-0.4	0.6	1.6	1.5	1.5	1.5	1.5	1.5
Investment										
Fixed Investment, Real	642	667	682	608	570	572	584	598	614	684
Y/Y % Change	-2.6	3.9	2.2	-10.8	-6.3	0.3	2.1	2.3	2.7	2.6
Construction, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Construction, Resid., Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Machinery & Equipment, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Other, Real	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Change in Stocks	-3	-14	-9	-13	-12	-12	-18	-15	-10	-1
Trade										
Net Exports (Goods & Services), Real	67	50	32	19	24	9	-10	-32	-38	-19
Exports (Goods & Services), Real	505	525	512	447	443	450	460	469	488	580
Y/Y % Change	4.9	4.0	-2.5	-12.7	-0.9	1.6	2.2	2.1	4.0	4.2
Imports (Goods & Services), Real	438	475	480	428	419	441	470	501	527	599
Y/Y % Change	6.7	8.3	1.1	-10.7	-2.3	5.3	6.5	6.7	5.1	2.9

Forecast Tables

Retail Sales										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Retail Sector										
Retail Sales, Value (2017=100)	100.0	105.5	111.4	110.4	120.3	129.8	139.4	149.6	160.7	213.8
Y/Y % Change	4.1	5.5	5.6	-0.9	8.9	7.9	7.4	7.3	7.4	7.4
Retail Sales, Volume (2017=100)	100.0	101.7	104.0	98.8	103.3	107.1	110.6	114.2	117.8	133.0
Y/Y % Change	0.4	1.7	2.3	-5.1	4.6	3.6	3.3	3.2	3.1	3.1
Retail Sales, Price (2017=100)	100.0	103.8	107.3	111.8	116.6	121.5	126.5	131.7	137.3	162.6
Y/Y % Change	3.6	3.8	3.3	4.2	4.3	4.2	4.1	4.1	4.3	4.3

Trade										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Balance of Payments										
Current Account Balance	-47.8	-151.4	-195	-131.8	-197.1	-180.5	-163.9	-160.1	-134.8	-167.2
% of GDP	-0.7	-2.2	-2.7	-1.9	-2.7	-2.3	-2.0	-1.8	-1.4	-1.3
Current Account Balance (Bn US\$)	-15.0	-41.5	-49.5	-27.0	-35.9	-36.3	-36.3	-39.1	-33.7	-38.3
Trade Balance (Current Account), Nominal	204.1	193.9	160.8	190.4	230.1	162.7	110.1	55.7	45.6	76.6
Exports (Current Account)	695.7	875.4	890.6	928.8	988.4	907	850.8	793.2	820.6	1136
Y/Y % Change	8.2	25.8	1.7	4.3	6.4	-8.2	-6.2	-6.8	3.4	8.1
Imports (Current Account)	491.7	681.5	729.7	738.4	758.4	744.2	740.7	737.6	775	1059
Y/Y % Change	0.9	38.6	7.1	1.2	2.7	-1.9	-0.5	-0.4	5.1	7.9
Invisibles Balance	-252	-345.7	-355.8	-322.9	-427.5	-343.6	-274.3	-216	-180.6	-244.1
Foreign Trade (Merchandise)										
Trade Balance, Nominal	213.7	212.7	190.2	189.8	230.1	162.7	110.1	55.7	45.6	76.6
Exports, fob	694.8	877.4	889.9	925.9	988.4	907	850.8	793.2	820.6	1136
Y/Y % Change	8.1	26.3	1.4	4.1	6.7	-8.2	-6.2	-6.8	3.4	8.1
Imports, fob	481.1	664.7	699.6	736.1	758.4	744.2	740.7	737.6	775	1059
Y/Y % Change	0.6	38.2	5.2	5.2	3.0	-1.9	-0.5	-0.4	5.1	7.9
Foreign Reserves										
Foreign Res., Excl. Gold (Bn US\$)	371.2	371.9	353.6	397.8	431.3	461.1	494	527.6	570.3	774.9
Y/Y % Change	2.4	0.2	-4.9	12.5	8.4	6.9	7.1	6.8	8.1	7.9

Forecast Tables

Supply										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Production										
GDP, Real	4030	4083	4129	3808	3867	3959	4047	4144	4260	4725
Y/Y % Change	1.3	1.3	1.1	-7.8	1.5	2.4	2.2	2.4	2.8	2.5
Net Production (2017=100)	100.0	101.0	101.1	87.8	95.4	96.9	98.8	100.9	103.3	113.8
Y/Y % Change	2.6	1.0	0.1	-13.1	8.6	1.5	2.0	2.2	2.4	2.4
Capacity Utilization (%)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Origin of GDP, Gross Value Added by Sector										
Total GVA - Whole Economy	3418	3460	3498	3226	3276	3354	3430	3513	3613	4016
Y/Y % Change	1.0	1.2	1.1	-7.8	1.6	2.4	2.2	2.4	2.8	2.6
Primary Sector										
Agricult., Forestry & Fishing	204	207	209	196	202	209	217	225	235	276
Y/Y % Change	14.2	1.4	1.3	-6.5	3.0	3.8	3.7	3.9	4.3	4.0
Mining & Quarrying	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Secondary Sector										
Manufacturing	432	439	439	372	393	403	413	423	435	486
Y/Y % Change	2.3	1.6	0.1	-15.2	5.6	2.3	2.5	2.6	2.8	2.8
Electricity, Gas & Water	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Tertiary Sector										
Wholesale & Retail Trade	402	412	419	386	391	400	408	417	428	471
Y/Y % Change	2.3	2.5	1.8	-7.9	1.4	2.2	2.1	2.2	2.6	2.3
Hotels & Restaurants	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Transport & Storage	143	146	147	135	136	139	142	145	148	162
Y/Y % Change	1.0	2.2	0.2	-8.1	1.2	2.0	1.9	2.1	2.5	2.2
Financial Intermediation	231	231	234	219	225	234	242	251	262	307
Y/Y % Change	-1.1	0.0	1.0	-6.5	3.0	3.8	3.7	3.8	4.2	3.9
Real Est., Rent. & Bus. Act.	555	564	571	526	534	546	558	571	587	649
Y/Y % Change	0.7	1.5	1.3	-7.8	1.5	2.3	2.2	2.3	2.7	2.4
Public Administration	572	573	573	527	532	543	552	563	577	629
Y/Y % Change	0.1	0.3	0.0	-8.2	1.1	1.9	1.8	2.0	2.4	2.1
Education	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Health & Social Services	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Other Social & Personal Services	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Households	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-

Forecast Tables

Prices, Interest and Exchange Rates										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Prices										
Consumer Prices (2017=100)	100.0	103.7	107.5	109.8	112.7	116.0	119.7	123.6	128.4	153.9
Y/Y % Change	3.4	3.7	3.7	2.1	2.6	2.9	3.2	3.2	3.9	4.7
Consumer Prices, Core (2017=100)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Producer Prices (2017=100)	100.0	111.3	116.3	124.0	132.6	136.3	141.0	145.5	152.2	187.1
Y/Y % Change	2.6	11.3	4.5	6.6	7.0	2.8	3.4	3.2	4.6	5.2
Export Prices (2017=100)	100.0	120.5	125.0	145.8	157.0	143.2	132.7	122.2	122.7	155.3
Y/Y % Change	0.6	20.5	3.7	16.7	7.7	-8.8	-7.4	-7.9	0.5	6.0
Import Prices (2017=100)	100.0	123.0	126.8	147.0	154.9	143.8	133.7	124.2	124.1	150.1
Y/Y % Change	-4.9	23.0	3.1	15.9	5.3	-7.2	-7.0	-7.1	0.0	5.0
Monetary Policy and Monetary Supply										
Central Bank Rate (%)	9.8	6.6	6.0	2.8	2.4	4.0	5.3	6.3	6.3	6.3
Money Supply M1	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Money Supply M2	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Money Supply M3	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Money Markets										
Call Money Rate (%)	10.1	6.5	5.9	2.8	2.3	3.9	5.2	6.2	6.2	6.2
Interbank Rate, 1 Month (%)	-	-	-	-	-	-	-	-	-	-
Interbank Rate, 3 Months (%)	-	-	-	-	-	-	-	-	-	-
Interbank Rate, 6 Months (%)	-	-	-	-	-	-	-	-	-	-
Bond Markets										
Government Bond Yield, 1 Y. (%)	8.6	7.0	5.7	3.0	2.5	4.1	5.3	6.3	6.5	6.6
Government Bond Yield, 3 Y. (%)	9.5	9.1	6.7	5.1	4.8	5.8	6.5	7.2	7.6	8.1
Government Bond Yield, 5 Y. (%)	10.0	9.8	7.3	6.1	6.0	6.5	7.0	7.7	8.1	8.7
Government Bond Yield, Avg. Mat. (%)	10.3	10.6	7.9	7.2	6.9	7.2	7.5	8.1	8.6	9.3
Exchange Rates (Avg.)										
BRL / €	3.60	4.31	4.41	5.47	6.58	6.32	6.04	5.52	5.41	6.03
Y/Y % Change	-6.7	19.6	2.4	23.9	20.3	-3.9	-4.4	-8.6	-2.0	2.9
BRL / US\$	3.19	3.65	3.94	4.89	5.51	4.99	4.53	4.10	4.00	4.38
Y/Y % Change	-8.6	14.5	7.9	24.0	12.6	-9.4	-9.2	-9.4	-2.5	2.4
Tr.-W. Ex. Rate, Nom. (2010=100)	70.2	63.5	63.5	53.8	48.0	52.0	56.2	62.4	64.4	60.9
Y/Y % Change	9.4	-9.6	0.1	-15.4	-10.6	8.3	8.0	11.0	3.3	-1.4
Tr.-W. Ex. Rate, Real (2010=100)	86.4	77.2	75.8	62.3	54.9	59.1	64.0	71.2	74.3	75.6
Y/Y % Change	8.9	-10.6	-1.8	-17.8	-11.9	7.7	8.2	11.3	4.4	0.5

Forecast Tables

Labor Market and Income										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Labor Market										
Wages, Real (2017=100)	100.0	101.5	102.1	105.1	105.2	108.4	111.4	114.5	117.0	123.6
Y/Y % Change	1.8	1.5	0.6	3.0	0.1	3.1	2.8	2.8	2.1	1.4
Earnings (2017=100)	100.0	105.0	110.0	115.0	118.0	126.0	133.0	142.0	150.0	190.0
Y/Y % Change	5.0	5.0	4.0	5.0	3.0	6.0	6.0	6.0	6.0	6.0
Productivity (1,000 US\$)	10.8	10.8	10.7	10.3	10.6	10.6	10.6	10.8	10.9	11.8
Y/Y % Change	1.3	-0.2	-0.7	-3.8	2.5	0.1	0.5	1.1	1.3	2.2
Unit Labor Cost (2017=100)	100.0	105.4	110.8	121.1	121.2	128.5	135.7	142.5	149.2	174.5
Y/Y % Change	3.9	5.4	5.1	9.3	0.2	6.0	5.6	5.0	4.7	3.8
Employment (Mn.)	90.1	91.5	93.2	89.4	88.5	90.5	92.1	93.3	94.7	97.0
Y/Y Abs. Change	0.01	1.37	1.72	-3.85	-0.86	2.00	1.60	1.21	1.37	0.25
Unemployment (Mn.)	13.2	12.8	12.6	15.1	16.2	14.6	13.5	12.6	11.5	10.0
Y/Y Abs. Change	1.76	-0.41	-0.16	2.45	1.09	-1.53	-1.18	-0.85	-1.08	-0.12
Unemployment Rate (%)	12.8	12.3	11.9	14.4	15.4	13.9	12.7	11.9	10.8	9.4
Private Households										
NNP, Nominal at Factor Costs	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Compensation of Employees	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Gross Profits & Rental Income	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Pers. Disposable Income, Nominal	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Consumption, Nominal	4245	4458	4712	4394	4650	4960	5292	5640	6043	8005
Y/Y % Change	5.4	5.0	5.7	-6.8	5.8	6.7	6.7	6.6	7.1	7.2
Pers. Disposable Income, Real (2017=100)	-	-	-	-	-	-	-	-	-	-
Y/Y % Change	-	-	-	-	-	-	-	-	-	-
Private Consumption, Real (2017=100)	100	102	104	95	98	101	105	108	112	124
Y/Y % Change	2.0	2.1	1.8	-8.8	3.2	3.7	3.4	3.4	3.2	2.5
Personal Savings Ratio (%)	-	-	-	-	-	-	-	-	-	-
Population (Mn.)	207.8	209.5	211.0	212.6	214.0	215.4	216.6	217.9	219.0	223.0
Y/Y Abs. Change	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.2	1.2	0.9
GDP Per Cap., Real (PPP, 2017=100)	100.0	100.5	100.9	92.4	93.2	94.8	96.3	98.1	100.3	109.3
Y/Y % Change	0.5	0.5	0.4	-8.4	0.9	1.7	1.6	1.8	2.3	2.1

Forecast Tables

Public Sector										
In Bn R\$ unless otherwise specified										
- Annual Data -										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2029
Government Finance										
Public Balance	-517	-493	-526	-671	-576	-593	-602	-599	-643	-875
as % of GDP	-7.9	-7.2	-7.3	-9.7	-7.9	-7.7	-7.3	-6.8	-6.8	-6.7
Expenditures	2521	2627	2752	2713	2667	2825	2998	3161	3410	4718
Y/Y % Change	1.4	4.2	4.8	-1.4	-1.7	5.9	6.1	5.4	7.9	8.4
Revenues	2004	2133	2226	2042	2091	2231	2395	2562	2767	3843
Y/Y % Change	4.3	6.5	4.3	-8.3	2.4	6.7	7.3	7.0	8.0	8.5
Gross Public Debt	5508	5999	6700	7515	8177	8850	9529	10207	10932	14418
as % of GDP	84.1	87.9	92.3	108.6	112.3	114.2	115.4	115.9	115.2	110.2
Public Expenditure Quota	38.29	38.13	37.92	39.19	36.61	36.46	36.31	35.89	35.92	36.06
Y/Y % Change	0.0	-0.4	-0.5	3.3	-6.6	-0.4	-0.4	-1.2	0.1	0.1

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