



**CEBRI**   
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**Brazil's South-South Cooperation  
with Africa 2003-2013: a decade  
of Brazilian outreach towards its  
Atlantic neighborhood**

Christina Stolte

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CENTRO BRASILEIRO DE RELAÇÕES INTERNACIONAIS

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## Come to stay? New Brazilian presence in Africa

During the past decade, the African continent has witnessed a steep rise in Brazilian presence. The South American power has increased its diplomatic representations from 17 to 37 between 2003 and 2013, now holding more embassies in Africa than traditional Great Powers like Great Britain. Brazil's diplomatic outreach towards its neighboring continent has been accompanied by an equally active travel diplomacy. Former President Lula da Silva, who travelled Africa 12 times and visited 29 different countries (MRE 2010; 2011) is still holding the title of the head of state that has most visited the continent. While continuing to foster good relations with African countries through his think tank 'Instituto Lula' which has seized the role of an 'Africa ministry' that frequently receives African missions and organizes visits to the continent (Instituto Lula 2014), current Brazilian President Dilma Rousseff is also courting the African continent. Despite the fact that she is not known as a frequent traveler, during the anniversary year of 2013, which marked a decade of renewed Brazilian engagement in Africa, President Rousseff made three trips to the African continent.<sup>1</sup>

In the economic realm, relations between Brazil and its neighboring continent have also flourished over the last decade. Trade between the South American economy and

Africa increased from 6.1 Mio. US-Dollar in 2003 to 28.5 Mio. US-Dollar in 2013 (MDIC 2014). Brazilian business has extended its presence to 27 of the 54 African countries and the continent is increasingly seen as a 'place to be' for Brazilian multinationals (Vieitas/Aboim 2013). Having established and executed South-South cooperation projects with 42 of 54 African countries (ABC 2012), Brazil has also become a respected emerging donor in Africa and has successfully raised its global profile by offering African partner countries assistance in their fight against hunger and poverty. World powers such as the US and Great Britain have acknowledged Brazil's engagement in Africa and show great interest in establishing trilateral cooperation projects with the South American power.<sup>2</sup>

Yet, at the same time as Brazil is starting to collect the yield of its decade-long reinforced Africa engagement, discussion about its approach towards its neighboring continent is increasing. Brazilian businessmen and diplomats complain ever more openly that Brazil's increased presence in Africa needs to be underfed financially if the country wants to maintain its position as emerging player on the continent. However, due to budget constraints and an economy that is struggling to uphold its former growth rates, President Dilma has cut Brazilian South South cooperation by half

1 During her three presidential journeys to Africa she visited Guinea Equatorial (February 22); Nigeria (February 23); South Africa (March 26-27); Ethiopia (May 24-25).

2 The British foreign Minister William Hague, for instance, held a speech on 'UK and Brazil in Partnership with Africa for Prosperity' emphasizing the potential for joint development projects in Africa on his Brazil visit in February 2014 (UK Government 2014). A task force report by the US Council on Foreign Relations dedicated a whole subchapter on "Brazil's Rising Role in Africa" stating that "Brazil has become integral to the international effort to mitigate problems of food production and hunger" (Bodman/Wolfensohn/Sweig 2011:19) and that "Brazil's increasing involvement in Africa offers an instructive model of democratic governance and economic development" (ibid.: 61).

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and has announced to suspend the implementation of new projects for the time being (ABC 2012; Rossi 2013a). As the President is said to consider closing down some of the newly founded embassies on African soil (Stuenkel 2014), Brazil is entering a broader social discussion on its objectives and role in Africa.

Against this background, this paper sets out to give an overview of Brazil's Africa engagement between 2003 and 2013 by shedding light on the original motives and drivers and taking stock of the achievements of this foreign policy strategy.

## *Seeking to diversify Brazil's foreign relations and gain a more independent position towards the United States, President Lula looked across the Atlantic for new strategic partnerships.*

### **Brazil's rediscovery of Africa under Lula**

When former Brazilian President Lula da Silva declared to deepen ties with the African continent in his inaugural speech before Congress in 2003, his announcement marked the rediscovery of a geopolitical space that Brazil had neglected for more than a decade. Orienting itself towards Latin America and increasing regional cooperation with its Hispanic neighbors, Brazil had increasingly turned away from the Atlantic space after its return to democracy in 1985.

Seeking to diversify Brazil's foreign relations and gain a more independent position towards the United States, President Lula looked across the Atlantic for new strategic partnerships. While he continued to pursue the project of South American regional integration inherited from his predecessors, Lula's foreign policy vision went far beyond Brazil's own region. In parallel to asserting Brazil as a regional power in South America, President Lula therefore tried to forge ties with its 'other neighborhood' across the South Atlantic Ocean. Building on historic links and cultural affinities, the Lula administration presented Brazil as a brother country and 'the biggest African nation outside of Africa.'<sup>3</sup>

Lula's new foreign policy orientation towards Africa was mirrored by domestic measures that sought to repay Brazil's historic debt with its Afro-Brazilian population. Recognizing the fact that the descendants of the millions of African slaves that were brought to Brazil during the time of slave trade not only deserved acknowledgement for the suffering and the exploitation of their ancestors but also needed governmental support to overcome historic barriers of discrimination, the Lula government established a number of affirmative action measures. Having put the subject of tackling racial inequality in Brazil on the agenda

of his 2002 presidential campaign, Lula established a special secretariat for the promotion of racial equality (Secretaria Especial de Promoção da Igualdade Racial-SEPPPIR) as a first symbolical move in the first three months of his presidency (De Paula 2011:63). Linked directly to the president, SEPPPIR coordinated and organized a great variety of measures to promote racial equality, reaching from scholarships (e.g. PROUNI) and quotas for afro-descendant students, over the legal recognition of traditional lands and communities (Programa Brasil Quilombola) to health programs with special focus on Brazil's black population (e.g. Política Nacional de Saúde Integral da População Negra). Raising attention for Brazil's African roots and its historical linkage with its neighboring continent, the Lula government also made the teaching of Afro-Brazilian and African History at Brazilian schools obligatory (Lechini 2008:67). Furthermore, in order to set up stronger social relations between Africa and the African diaspora in Brazil, conferences and forums like the Brazil-Africa Forum or the Conference of Intellectuals from Africa and its Diaspora (Conferência de Intelectuais da África e da Diáspora) were not only organized and supported institutionally but also counted with the personal participation of President Lula.

Expressing its personal dedication to support the deepening of relations between Brazil and its brothers across the Atlantic, President Lula framed his frequent trips to Africa as a 'cultural reencounter'. In 2005, paying a visit to the House of Slaves on Senegal's Gorree Island, the Brazilian president publicly apologized for Brazil's role in the transatlantic slave trade and acknowledged a great Brazilian 'debt' to the African continent (BBC, 14 April 2005).

### **Africa as Brazil's international partner**

Yet, beyond the cultural reencounter with the country's African roots, which suited the demands of the Afro-Brazilian movement and gained the Lula administration support among Brazil's Afro-descendants, Brazil's turn towards Africa was strongly motivated by economic and foreign policy interests. Capitalizing on the cultural affinity between Africa and Brazil, the Lula government saw the country's historic links with the African continent as an instrument to deepen relations in the area of foreign policy and trade.

In fact, forging stronger ties with African countries offered political and economic rewards with respect to the Lula government's ambition to establish Brazil as a global player: As African states were much less sensitive to potential hegemonic aspirations than Brazil's South American neighbors and more willing to recognize Brazil as a global player than the US and Europe, enhancing relations with African countries offered some advantages compared to Brazil's relations with traditional partners.

Whereas Brazil's neighborhood followed Brazil's regional and global rise with a mixture of envy and unease, African countries were located geographically far enough to look to Brazil's global aspirations without worries and jealousy. In contrast to some South American nations that have contested Brazil's claim for a greater international role and have set up alternative political cooperation schemes, African countries have endorsed Brazil's bid for a greater voice in international relations. Especially Brazil's Portuguese-speaking partners in Africa (Angola, Cape Verde, Mozambique and Sao Tomé and Príncipe) went out in open support of Brazil's global aspirations and declared

<sup>3</sup> In fact, the 2010 census showed that a majority of 50.7% of Brazil's 188 million population is of Afro-Brazilian origin (IBGE 2011; Phillips 2011).

their backing of Brazil's candidacy for a permanent seat at the United Nations Security Council (UNSC) (Giraldi 2010).

Due to their weight of votes in the United Nations General Assembly (UNGA), the Lula government also considered Africa as an important partner in the UN. Indeed, as the continent's 54 states account for more than 1/3 of the votes at the UNGA, their support for a reform of the Security Council is of vital importance given the fact that an adaption of the UN Charta requests a 2/3 majority. In addition, Africa had played a crucial but ambiguous role with respect to Security Council reform, as it blocked reform proposals by Brazil and its partners of the Group of Four (Germany, Japan, India, Brazil) on the account that the proposal was not far-reaching enough (Beri 2012). In order to ease the way for UNSR reform, Brazil has thus tried to court Africa and convince the African partner countries of the Brazilian reform proposal. While this strategy has so far not resulted in a revision of the African common position on the reform of the Security Council, in other areas Brazil has been able to gain important international positions due to its good relations with Africa. Brazil's successful candidacies for the post as General Director of the UN Food and Agriculture Organization (FAO) and the World Trade Organization (WTO), for instance, are said to have been based on the great support it received from African countries (Valadares/Lyra 2013).

## Africa as a new Brazilian market

The Lula government's courtship for Africa also provided status gains for Brazil at the symbolical level. Having been selected as a member of the emerging economies club "BRIC"<sup>4</sup> by the US investment bank Goldman and Sachs, Brazil found itself grouped together in the same league with rapidly industrializing countries as China and India. Just as its BRICS partners that had begun to engage more actively in Africa at the beginning of the new millennium, Lula's Brazil was eager to step up its activities on its neighboring continent (Stolte 2012). Perceiving Africa as 'the place to be for emerging countries', the Lula government worked hard to assert Brazil as an emerging player on the continent along with the economically more powerful Asian BRICS members China and India (Agência Brasil 2010).

In order to reach its goal of asserting Brazil as a respected player in Africa, the Lula government offered various incentives for Brazilian companies to enter the African market. Not only did President Lula invite Brazilian businessmen to accompany all his presidential trips to Africa in order to explore market opportunities and establish contacts with African counterparts, but he also reformed the mode of Brazil's trade promotion by restructuring the Brazilian Trade Promotion Agency (APEX) in the first year of his government (Menezes 2012:503). Most importantly, however, the Lula government began to promote Africa as a destination for Brazilian business activities by raising attention for the opportunities of the continent's markets through seminars, information events

4 The original BRIC group (Brazil, Russia, India and China) was expanded to the BRICS group in December 2010 when South Africa was accepted as a new member.

and newspaper articles and the introduction of special loans by the country's national development bank BNDES (Banco Nacional de Desenvolvimento) for companies interested in expanding their business activities to the neighboring continent. Beginning in 2007 BNDES credit lines for Africa were established and successively extended from US\$ 149 million to US\$ 766 million in 2009 before experiencing a sharp drop due to the global financial and economic crisis at the end of the Lula government (BNDES 2012).

While it is clear that the amount of loans provided by the national development bank to foster Brazil's economic engagement in Africa stands in no comparison to the export promotion loans of Brazil's BRICS partners China and India, they nevertheless succeeded in encouraging Brazilian companies to look to Africa as a business opportunity in the first place. With financial backing of BNDES and the political support of the government, various big Brazilian companies such as Vale, Camargo Corrêa and Queiroz

Galvão began to get involved in Africa during the Lula years. Today around 25 Brazilian companies act in 30 different countries of the African continent, with the great majority of them being involved in the construction sector (Vieitas/Aboim 2013).

Considering the fact that no African country belonged to Brazil's most important trade partners in the first year of the Lula administration and Brazil's business community remained rather reluctant to engage in Africa at the beginning (Stolte 2012; CNI 2012), the government's efforts to foster Brazilian economic engagement in the continent have borne fruit. During the Lula years trade between Brazil and its neighboring continent tripled, growing from US\$ 6.1 million in 2003 to US\$ 20.6 million in 2010. Investment activities, although still timid in comparison with other BRICS countries, also saw a rise during the Lula years. While there are no exact official data on Brazilian investment in the continent, estimates

### Brazilian business presence in Africa in 2013



Source: Vieitas/Aboim 2013; DEINT/AINT; BNDES.

suggest that Brazilian companies invested between US\$ 10 and US\$ 15 billion in African countries (African Development Bank 2011:4; Pacheco 2010). In 2010, the last year of the Lula administration, Africa was the world region that registered the third highest growth in Brazilian foreign direct investment (Fundação Dom Cabral 2010:11-12, Stolte 2012).

## South-South cooperation as door-opener to Africa

A useful instrument in order to increase Brazil's political and economic engagement in Africa has been South-South cooperation. Arguing that the countries of the South needed to emancipate themselves from the tutelage of the North, the Lula government pushed for the developing world to learn from each other's experiences

South cooperation as a form of developing cooperation without the usual asymmetries. In addition, he argued that South-South cooperation would help the developing world to gain greater independence vis-à-vis the traditional donors and enable it to finally set its own development agenda (ABC 2012; Burges 2012; Quadir 2013).

As Brazil was experiencing economic growth and a decline in inequality under the Lula administration (Neri 2010), it had indeed some interesting lessons to offer to other developing countries. President Lula, capitalizing on the fact that his country was beginning to be considered an example of successful development therefore offered to share Brazil's know-how with other interested developing countries. Basing South-South cooperation on Brazil's own experiences and insights in the fields of poverty reduction, Lula's Brazil started to transfer its technical expertise to partner countries in other developing regions (Stolte 2012; 2013).

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through horizontal cooperation schemes. These so called South-South cooperation projects were meant to differ substantially from the traditional 'hierarchical' North-South aid as they were based on the premise of mutual learning and benefit for both recipient and donor. Lacking political or economic conditions, and responding only to demands from the partner country, Lula promoted South-

Remodeling Brazil's development agency ABC (Agência Brasileira de Cooperação) that had traditionally only coordinated the incoming development aid into the country's main institution for South-South cooperation, the Lula administration established Brazil as a provider of development cooperation within a few years time. Data by the ABC show that Brazilian South-South cooperation

rose impressively both in terms of financial resources and geographical extension during Lula's eight-year presidency (ABC 2012). Tripling Brazil's budget for foreign aid between 2005 and 2010, and extending South-South cooperation to 95 countries around the globe, the Lula administration succeeded in turning Brazil into an emerging donor (IPEA 2010:21; ABC 2012), despite the fact that Brazil continued to receive development assistance itself (World Bank 2013).

While the offer of South-South cooperation was principally dedicated to the entire developing world, Africa soon became the major focus of Brazil's developing cooperation. This is reflected by the regional allocation of Brazilian South-South cooperation. As the data of the ABC reveal, the African continent has received a higher share of South-South cooperation funds than any other development region, including Brazil's own neighborhood South America (ABC 2012; World Bank/IPEA 2011:43). Strikingly, Africa has been the recipient of more than 50% of Brazil's development cooperation from 2008 onwards (ibid.).

Remarkable is also the fact that South-South cooperation with Africa grew more rapidly than that with Latin America and Asia (ABC 2012). Despite the fact that Brazil's development cooperation with non-Lusophone Africa started only in 2005, already in 2006 South-South cooperation projects were established with Botswana, Sudan, Burkina Faso, Benin, Gambia, Equatorial Guinea, Tanzania and Zambia (ABC 2010:6). Until the end of President Lula's second term in 2010, the number of African partner countries was extended to 30 (ABC 2011). Likewise, the number of cooperation projects rose rapidly. Whereas Brazil executed 115 cooperation projects on the African continent in 2008, it almost tripled the number to

300 until the end of President Lula's presidency (ABC 2010; ABC 2011).

While the funds for South-South cooperation with Africa and the Brazilian presence on the continent grew exponentially during the Lula years, the total financial resources invested in development projects with African partner countries have been rather limited. In fact, the numbers published by the ABC indicate that Brazil's South-South cooperation with Africa did not exceed US\$ 20.1 Million in its most generous year 2010 (ABC 2012). Despite having increased the funds by 14 times between the first and the last year of administration, the level of financial funding during the Lula government has remained significantly below the development funding of traditional donors and rising donors alike.<sup>5</sup>

Against this background, the most astonishing fact about Brazil's South-South cooperation with Africa has been the great success it has rendered despite its limited financial funds. While it is still too early to assess the developmental effects of Brazil's horizontal cooperation, the effect on the diplomatic and symbolical level has been remarkable.

South-South cooperation has served as a door opener to the continent, helping Brazil to deepen relations with a region that has been increasingly courted by economically more powerful players like China, Great Britain, France and the US. Raising interest for Brazil's technical expertise in tropical agriculture, renewable energies (ethanol) or electrification programs for remote areas among the African states (Stolte 2012) South-South cooperation has helped Brazil to establish itself as a recognized player on the continent and forge partnerships beyond the traditional

<sup>5</sup> Although having to take into account the fact that Brazil's official government figures probably understate the total amount of Brazilian development cooperation as they only rely on the funds administered by the ABC and do not count spending of other involved ministries (Inoue/Costa Vaz 2013:511), Brazil's South-South cooperation must still be considered as rather limited in financial terms.

## Continuing the course? Brazil's Africa Policy under Dilma

When the administration of Dilma Rousseff took over the government in January 2011, Brazil was already among the established 'new players' in Africa. Brazilian business that had been hard to convince to look towards Africa was now seeing it as a platform for its internationalization and 'emerging market' that contrasted with the crisis-struck US and Europe during the world economic crisis. Against this background, Lula's successor and former Chief of Staff, Dilma Rousseff, pledged to continue the country's Africa policy and build on the base that her predecessor had set. Visiting three partner countries (South Africa, Mozambique, Angola) in her first year in office she sent a signal of continuity and enduring appreciation to Brazil's African partners. Yet, while President Rousseff has indeed kept Lula's strong focus on Africa, her approach towards the continent has been different to that of her former political patron.

Being an economist by training, President Rousseff as emphasized Brazil's economic interest in the continent and put greater focus on the country's commercial relations with Africa. While formally alluding to President Lula's discourse on cultural affinity and Brazilian solidarity, her attention has mainly focused on strengthening economic ties with African countries. In order to explore ways to expand Brazil's economic relations with the continent she established an inter-ministerial working group ('Grupo de Trabalho África') consisting of the Foreign Ministry Itamaraty, the Ministry of Finance, the Ministry of Development, Industry and Commerce, as well as the Ministry of Agrarian Development in 2012. In accordance with the suggestions of this Africa Task Force she has since paved the way for increasing support of Brazilian business and investment in Africa (Rossi 2013b).

As the rules of Brazil's National Development bank BNDES impede the financing of new investments in countries that have debts to Brazil, President Rousseff has announced to cancel African debts worth US\$ 900, in a first step to facilitate the granting of loans for Brazilian investment in the region (Cabral 2013). Other measures to boost trade with Africa have included an easing of credit mechanisms for export loans at BNDES as well as the foundation of a special Africa and Latin America department at the development bank. In 2013 Brazil's BNDES also opened an Africa office in Johannesburg, South Africa in order to provide Brazilian companies with onsite consultancy and financing (Leo 2013). In addition, the Ministry of Development, Industry and Trade in collaboration with Brazil's Chamber of Foreign Commerce have re-started to organize economic missions to the continent in order to implement President Rousseff's economic Africa agenda and support Brazilian businessmen in forging commercial links.

Yet, in contrast to her support for Brazil's trade agenda with Africa, President Rousseff has not shown the same engagement with regard to Brazilian South-South cooperation. In fact, after assuming the Presidency Dilma has cut Brazil's development cooperation with the continent by half: Between 2010 and 2012 Brazilian South-South cooperation with African countries shrank from US\$ 20 million to a mere US\$ 10 million (ABC 2012). As the Brazilian Development Agency struggled to comply with the great number of cooperation projects promised during the Lula era, President Rousseff also put a hold on new South-South cooperation agreements (Rossi 2013a). Furthermore, ABC employees confirm that Brazilian development aid will be restructured and the number of African cooperation partners reduced. In the same line, Embrapa (Empresa Brasileira de

Pesquisa Agropecuária) Brazil's agriculture institute that has so far acted in 22 different African countries, has announced to reorganize its Africa presence and decrease the amount of partner countries on the continent (Fellet 2013).

While the Lula administration saw South-South cooperation as a key element of its Africa strategy (Stolte 2012), President Rousseff's plans feature a fundamental reorganization of the ABC and a separation of the agency from the Brazilian Foreign Ministry (Fleck 2013). Pushing for a shift in favor of business rather than diplomatic engagement, the Rousseff administration is also considering the shutdown of some of the Brazilian embassies in Africa that were opened during the Lula Presidency (Stuenkel 2014).

### Brazil's South-South cooperation with Africa under Lula



Source: Author's compilation based on data from ABC 2012.

## Taking stock of 10 years of renewed Brazilian Africa engagement

Over the past decade Brazil has successfully deepened its relations with the Africa and has established itself as a respected player on the continent side by side with other emerging powers such as China and India. Considering the fact that Brazil's financial resources are rather limited in comparison with those of other emerging powers, the pace with which the South American country has broadened its presence in Africa has been remarkable. With 37 diplomatic representations and South-South cooperation projects in more than 30 African countries, Brazil has shown impressive effort in stepping up its engagement in the region and forging ties with a continent that had been neglected by the Brazilian political and economic elites for decades.

Compensating for the rather limited financial resources available for an active Africa policy, the Lula administration demonstrated its commitment to the continent through the employment of symbolical and diplomatic means. Showing great personal commitment by visiting 29 of 54 African countries and alluding convincingly to cultural and historical commonalities, Brazil's former President established a warm and cordial relationship with Africa. What is more, by offering to transfer Brazilian know-how in poverty reduction and other important development fields, he attracted the interest of African countries and found a clever instrument through which he could engage Brazil in the continent and distinguish it positively from other emerging powers.

President Dilma has pursued a different approach. While she continued to look to Africa, she opted to emphasize Brazil's economic interests in the continent. Underlining her country's aspiration to enter the continent's growing

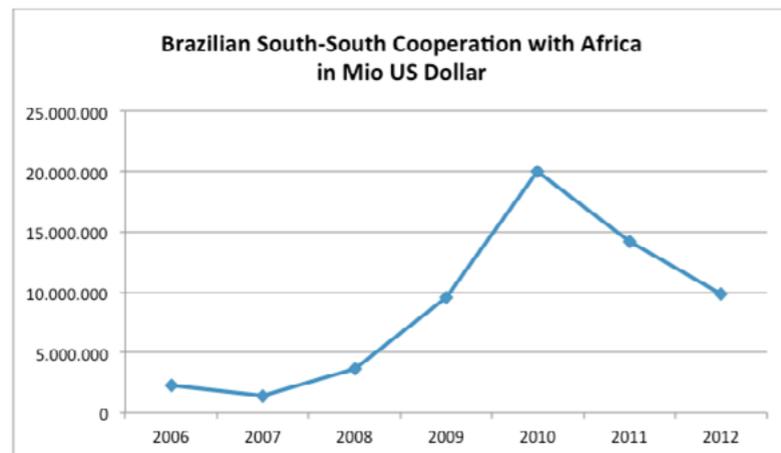
markets and to compete in the new 'scramble for Africa', she took a number of institutional steps to foster the engagement of Brazilian companies in Africa. Yet, while presenting Brazil as a rising economic power and interesting commercial partner, she drastically cut the funds for Brazil's South-South cooperation with Africa and moved Brazil away from its former profile as Africa's partner for development. While this is partly explicable on the basis of general budget constraints due to a decelerating economy, this move was also an intended shift in focus in line with President Rousseff's more economic approach to international affairs. Concerned with efficiency and 'measurable output', she has far less appreciation for symbolic means and intangible results like gains in image or soft power than her predecessor Lula.

Yet, whereas President Rousseff's efficiency-oriented approach and straight focusing on Brazil's economic interests is understandable considering the more

difficult situation of the country's economy, it might not be to Brazil's advantage in the long term. The Lula administration managed to establish Brazil as a player in Africa by offering cooperation projects and free transfer of social technology. By approaching the African countries as a partner for development, Brazil gained a positive image among the African countries which also opened doors for Brazilian companies. As Brazil's distinguishing feature and comparative advantage in Africa has been its development-oriented approach (Stolte 2012; Stolte 2013), the Rousseff administration risks missing out on this unique selling point.

Ten years after President Lula decided to engage Brazil in Africa, the South American country has reached a critical threshold where it has to decide which way it is heading. Presenting itself as an economic player and emphasizing the country's commercial interests is perfectly legitimate for an emerging economy like Brazil. However, leaving

**Brazilian South-South Cooperation with Africa in Mio US Dollar**



Source: Data based on ABC 2012.

**Brazil-Africa Relations under Lula and Dilma**

	President Lula (2003-2010)	President Dilma (2011-2014)
Official visits to Africa	12 visits/29 countries	4 visits/6 countries
Trade with Africa	US\$ 6.1 million (2003) US\$ 20.6 million (2010)	US\$ 20.6 million (2010) US\$ 28.5 million (2013)
Growth of Trade in Percent	US\$ 6.1 million (2003)	+ 38% in three years
Funds for South-South Cooperation with Africa	US\$ 524 thousand (2003) US\$ 20.6 million (2010)	US\$ 14.1 million (2011) US\$ 9.8 million (2012)
South-South Cooperation ProjectsT	0 (2003) 300 (2010)	122 projects (2012) 159 projects (2014)

Source: Author's compilation based on data from MDIC, MRE, ABC.

the South-South niche and choosing to present itself as a rising economic power means having to compete with economically more powerful players like China or the European powers that also try to gain shares in Africa's growing market. Missing out on its comparative advantage in such a fierce competition will not increase Brazil's prospects of success.

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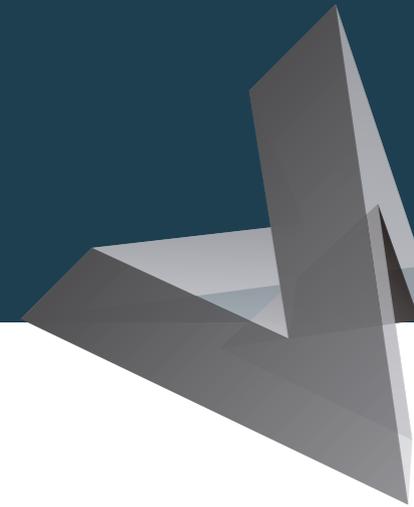
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