

## SPECIAL FOCUS: LATIN AMERICA

# Brazil continuing to present opportunities

The continuing economic evolution of Brazil is seeing its largest companies maintain a domestic focus while foreign businesses look to access consumer and finance markets



Nuno Galvão Teles

El índice de crecimiento que está experimentando Brasil ha sorprendido incluso a los observadores más optimistas, pero las empresas en expansión en Latinoamérica no acaban de apreciar el abanico de oportunidades que ofrece el país, dice Nuno Galvão Teles, de Morais Leitão Galvão Teles Soares da Silva & Associados en Lisboa.

The rate of economic growth seen in Brazil has surprised even the most optimistic observers, but even as its businesses begin to expand internationally the scale of opportunities presented within the country remain enormous, says Nuno Galvão Teles, Head of Corporate with Morais Leitão Galvão Teles Soares da Silva & Associados in Lisbon.

"I have long believed that Brazil would grow and become an economic superpower not just regionally within Latin America but globally. The rate of economic growth now being experienced is really tremendous and there remains so much still to do."

Eleven IPOs are reportedly in the planning stages for the Sao Paulo Stock Exchange, which is more than Europe as a whole has experienced over the past year.

"The domestic financial markets are seeing increasing sophistication," notes Galvão Teles. "A number of the leading financial institutions are growing in scale but expansion across Latin America is limited – the vast majority of Brazilian businesses, including the financial institutions, remain completely focused on the domestic market."

Political emphasis is being placed on developing stronger ties particularly with

other major emerging economies, including in Africa, India and particularly China, but many Brazilian businesses simply do not have the need to expand internationally, he says.

Portugal may be seeing a three-way Brazilian battle for control of its leading cement producer, Cimpor, but this is being driven by a requirement to source construction materials and know-how for Brazil's own infrastructure boom – it will host the FIFA World Cup in 2014 and Olympic Games in 2016.

"Brazil may not be the 'promised land' but it does offer opportunities on a scale far beyond Portugal's domestic market. The major Portuguese energy, infrastructure and telecoms companies are already well-established but we are seeing more medium-sized businesses now look to Brazil, in the services, technology and finance sectors," says Galvão Teles.

But this new wave of investors is not only looking for new market share, he emphasises. "Of equal interest to many are the finance-raising opportunities. We are seeing a greater focus by Portuguese and other international companies on the access Brazil offers to completely new pools of capital."