

EXECUTIVE SUMMARY

Political stability, continuity in economic policymaking, demand for its commodities on global markets and high levels of foreign direct investment are all stimulating economic growth in Brazil. After a brief recession the world's seventh-largest economy recorded 7.5% GDP growth in 2010 and, notwithstanding further uncertainties in the global economy, is expected to average 5% growth per year to 2022.

These factors, combined with an expanding population, a growing middle class and a legacy of underinvestment in infrastructure during the eighties and nineties, are at the same time fuelling a civil construction boom. A survey of the Brazilian construction sector carried out by Building, the results of which are published in this report, found that 92% of respondents thought that the economy as a whole would continue to grow to 2016 and 53% felt that the Brazilian construction sector was either "solid" or "very solid".

Even greater levels of optimism have been expressed in the past about other fast-growing economies that have subsequently fallen into recession, exposing the speculative nature of such pronouncements. Brazil has a host

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of issues - growing inflation, high interest rates, rising consumer debt defaults - but the extent of Brazil's natural resources, together with the urgent need for investment in its infrastructure, suggest that in this case it could be more than just a bubble growing, but instead has the potential to be a huge and sustainable market.

While Brazil has a highly developed construction sector, there is a lack of qualified labour and experience in delivering certain types of projects, so there are significant opportunities for overseas architects, project managers and contractors to get involved.

But any company interested in pursuing opportunities needs to bear in mind the obstacles to doing business in Brazil, principally the regulatory and tax challenges and the bureaucracy, as well as language and cultural differences.

This report provides an overview of

the dynamics of the various Brazilian infrastructure sectors, before going on to identify the key public and private players that foreign companies need to get to know. It explains the main procurement routes used and highlights the growing importance of sustainability to clients. It also provides case studies, including that of a successful partnership between a Brazilian and an international firm and an example of how a foreign firm managed to bag a key role on one of the largest infrastructure projects in Brazil to date. It provides information on regulatory changes and key data on the largest infrastructure projects currently being developed, including the value, what the projects involve, names of architects, contractors and subcontractors appointed to date, and future opportunities. It also takes a look at the concrete sector, which has been at the forefront of innovation in training. Finally it provides exclusive data from a survey carried out by Building of construction sector professionals on the value of the projects they are developing, their relationships with overseas companies and the principal challenges facing the Brazilian market.

HOW TO CRACK BRAZIL

Building's White Paper on the Brazilian market is now available to download, providing need-to-know data on clients and projects, and exclusive information on attitudes to UK firms.



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