



Brazilian Economic Outlook

Brazil-UK Insurance Forum

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Vice Minister of Planning and Budget

October, 2024



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External Outlook





WORLD ECONOMIC OUTLOOK OCTOBER 2024

GROWTH PROJECTIONS

(REAL GDP GROWTH, PERCENT CHANGE)

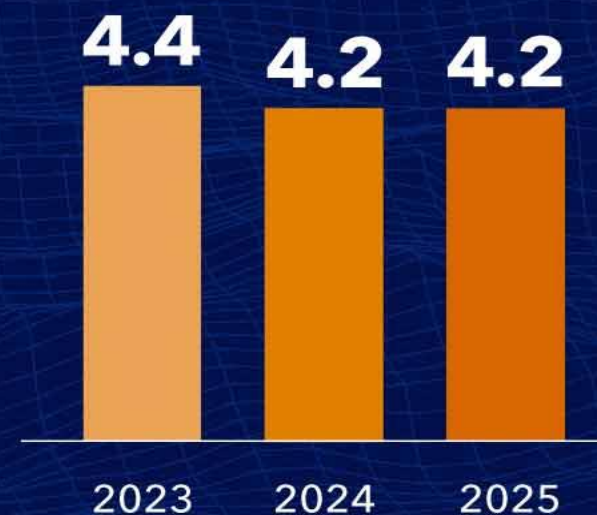
GLOBAL ECONOMY



ADVANCED ECONOMIES



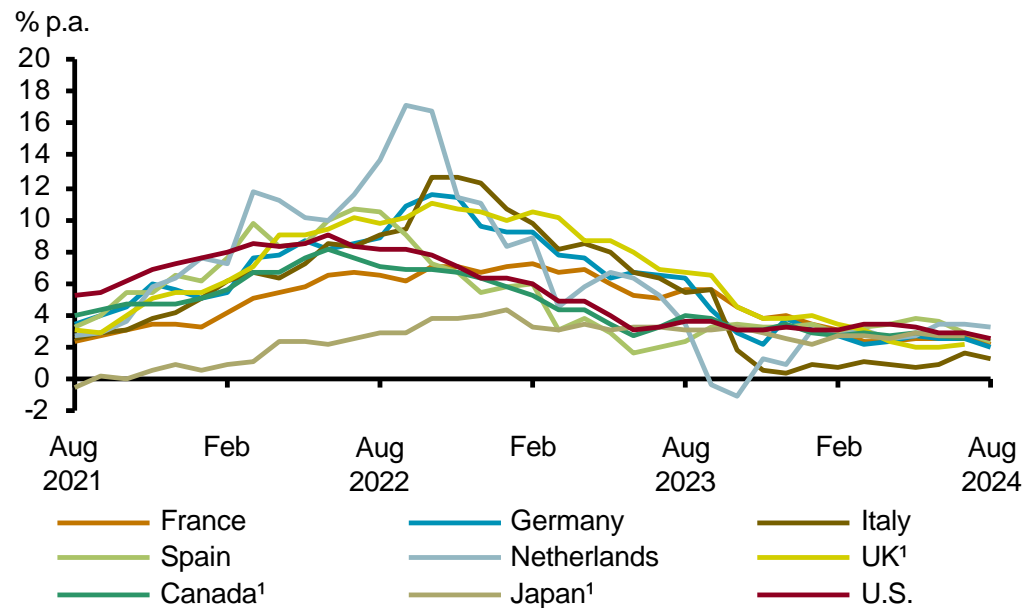
EMERGING MARKET & DEVELOPING ECONOMIES





The external environment is still characterized by the resilience of economic activity and the gradual continuation of the disinflation process.

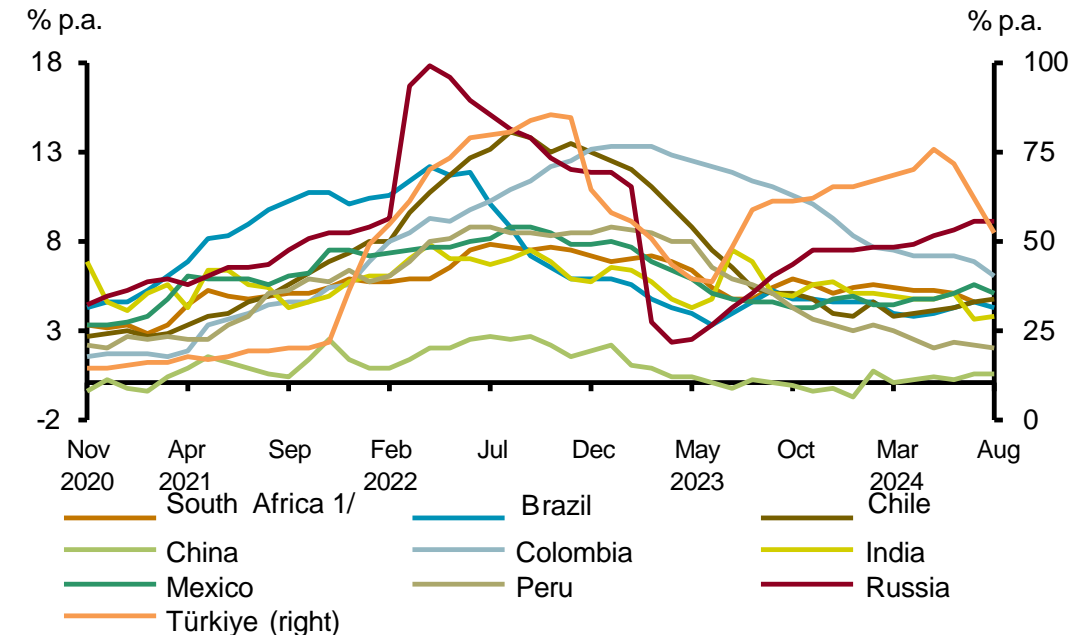
CPI – Advanced economies



Source: Bloomberg

1/ Until July 2024.

CPI – Emerging markets



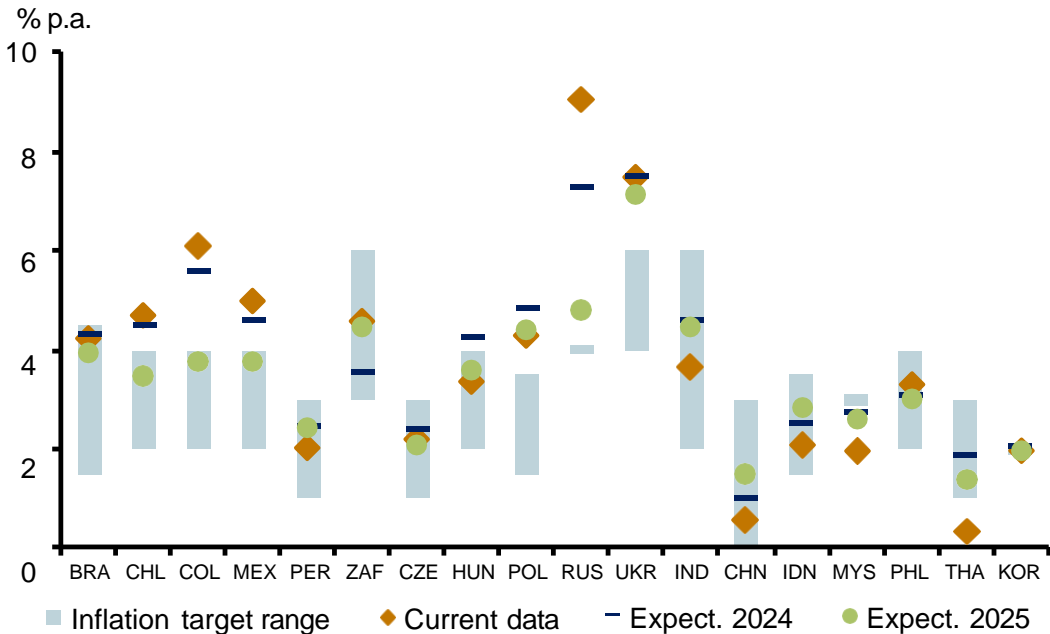
Source: Bloomberg

1/ Until July 2024.



Expectations indicate inflation above the target at the end of 2024 in several emerging market economies.

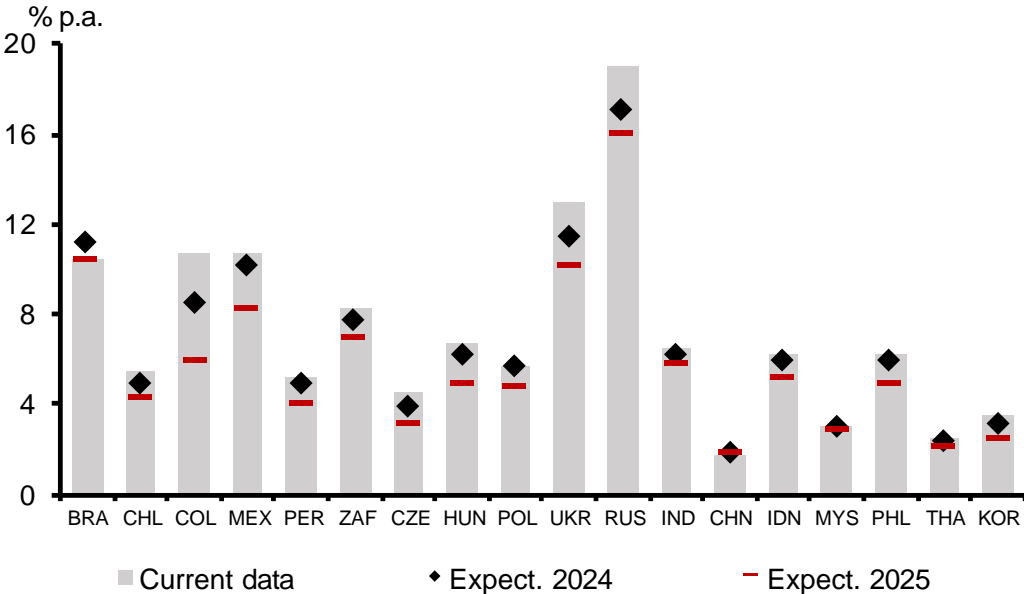
Inflation expectations¹



Sources: Bloomberg and central banks' surveys
1/ Until September 11th.

But, monetary easing is expected in emerging market economies, mainly in 2025.

Policy interest rates¹



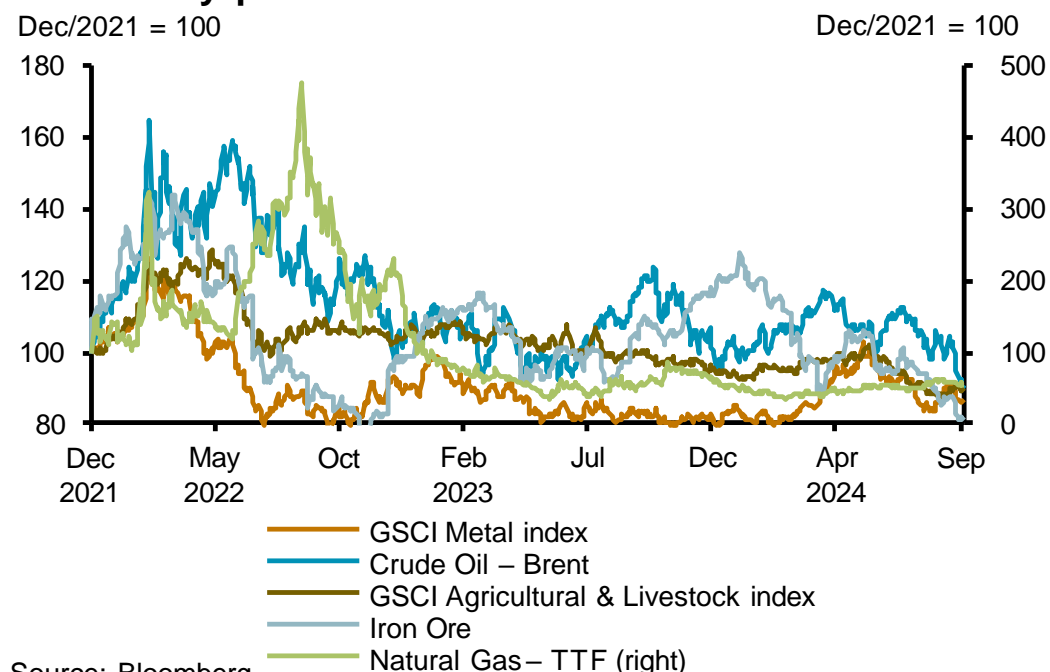
Sources: Bloomberg and central banks' surveys
1/ Until September 11th.



Energy commodity prices registered mixed dynamics, especially **after the relief in oil prices**. The prices of metal and agricultural commodities have also declined.

Commodity prices¹

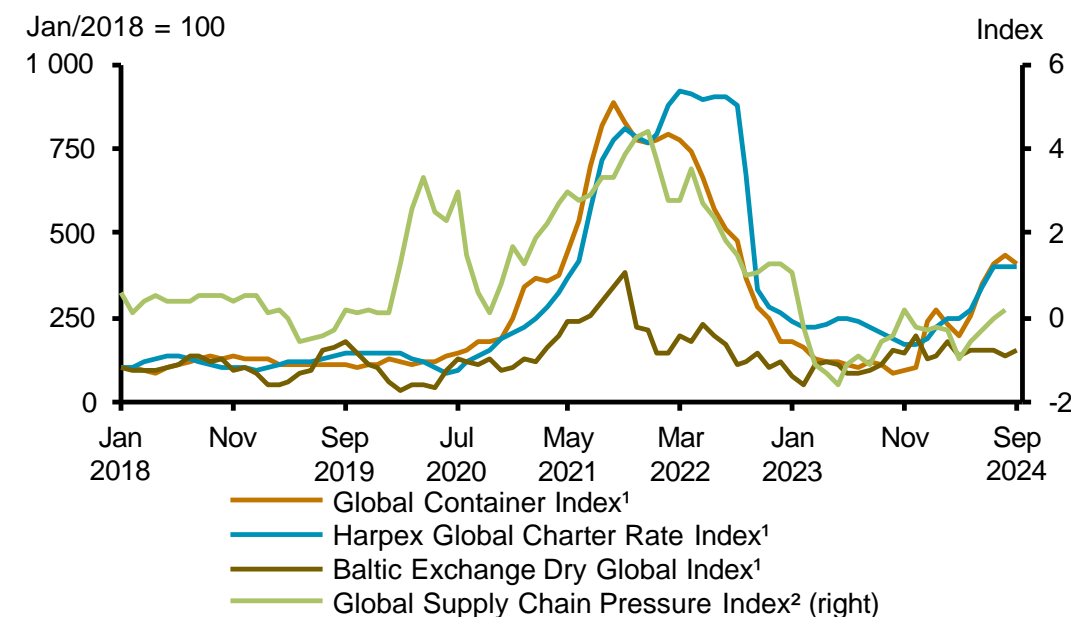
Dec/2021 = 100



Source: Bloomberg
1/ Until September 11th.

Supply bottlenecks indicators

Jan/2018 = 100



Sources: Refinitiv, Federal Reserve (Fed)

1/ Monthly averages - Until September 11th. 2/ Until August 2024.



RISKS AND UNCERTAINTIES:



**MARKET
VOLATILITY**



**GOVERNMENT
DEBT LEVELS**



**TRADE
RESTRICTIONS**



**ESCALATING
CONFLICTS**



**CHINA PROPERTY
SECTOR**



SOCIAL UNREST






Domestic Outlook





One of the 10 largest economies in the world

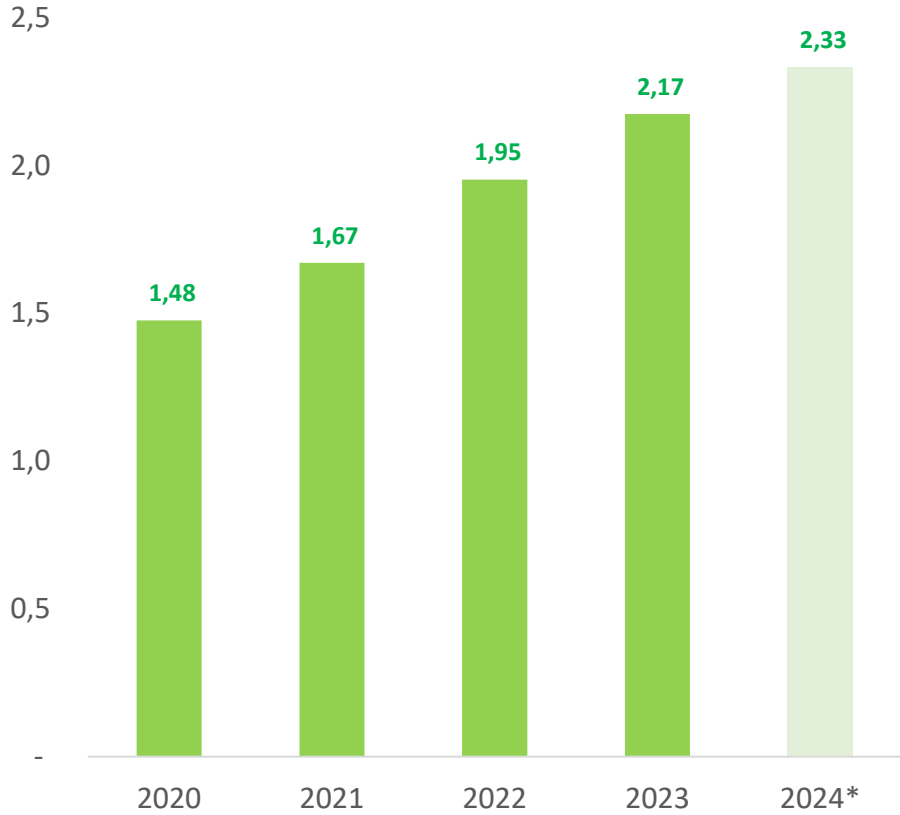
2023			
	Countries	GDP (US\$ billion)	Real Growth (%)
1	USA	27,721	2.9
2	China	17,758	5.2
3	Germany	4,527	-0.3
4	Japan	4,220	1.7
5	India	3,568	8.2
6	United Kingdom	3,382	0.3
7	France	3,053	1.1
8	Italy	2,302	0.7
	9 Brazil	2,174	2.9
10	Canada	2,142	1.2
11	Russia	2,010	3.6
WORLD			3.3
9th Place			

Forecast 2024			
	Countries	GDP (US\$ billion)	Real Growth (%)
1	USA	29,168	2.8
2	China	18,273	4.8
3	Germany	4,,710	0.0
4	Japan	4,070	0.3
5	India	3,889	7.0
6	United Kingdom	3,588	1.1
7	France	3,174	1.1
8	Italy	2,377	0.7
9	Canada	2,215	1.3
	10 Brazil	2,188	3.0
11	Russia	2,184	3.6
WORLD			3.2
10th Place			

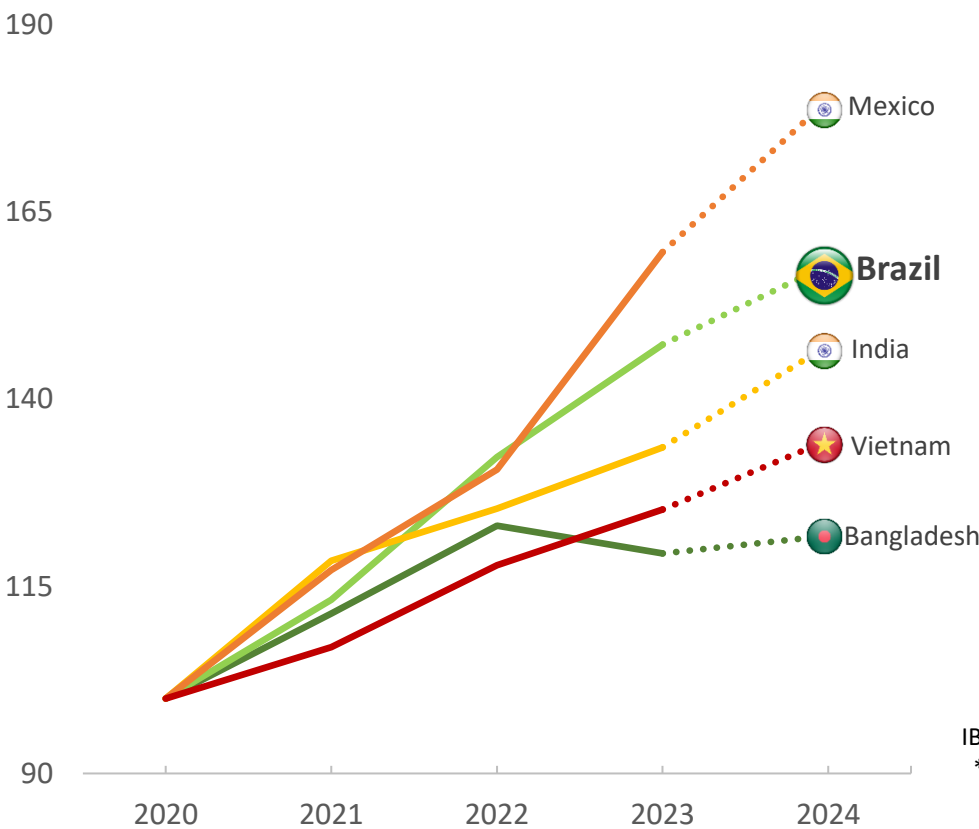
Brazil's Robust Economic Growth



GDP
Brazil (USD trillion)



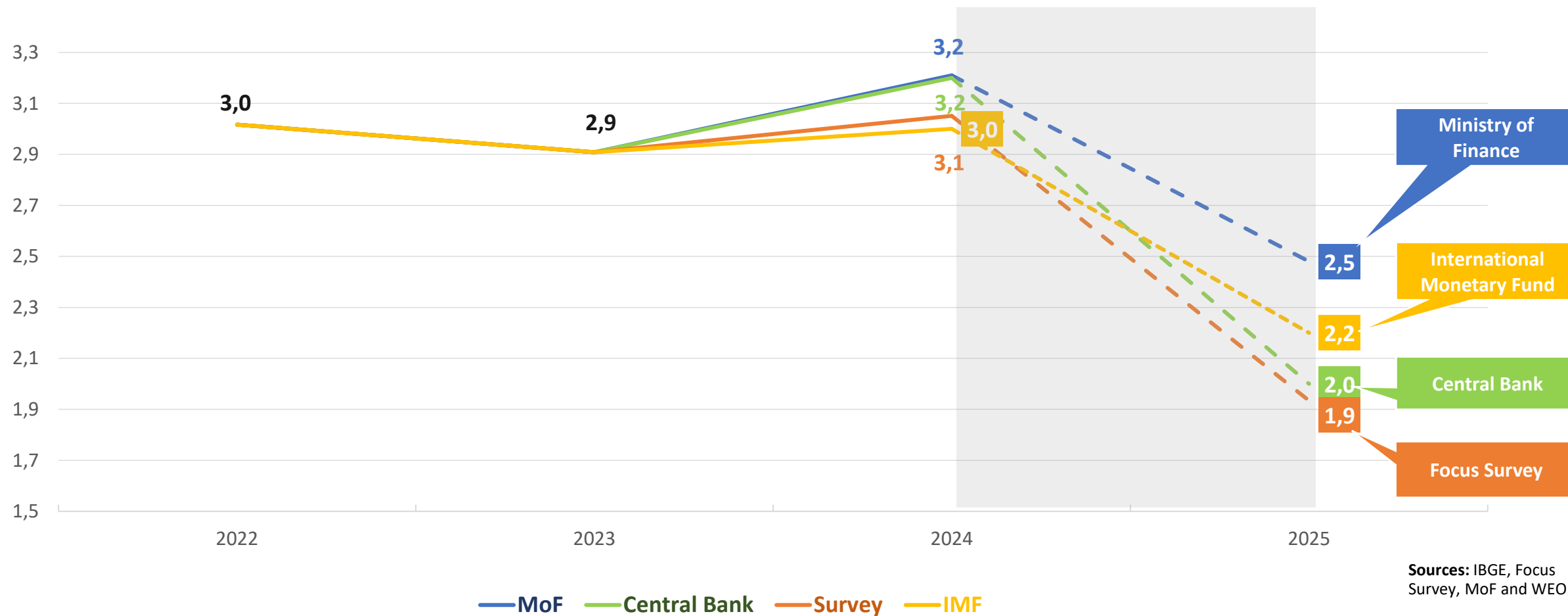
GDP Growth
selected countries (2020=100)



Sources:
IBGE & IMF (lhs), IMF (rhs)
* IMF forecasted growth:
2.2% (Apr 24)



Real GDP annual growth (%)

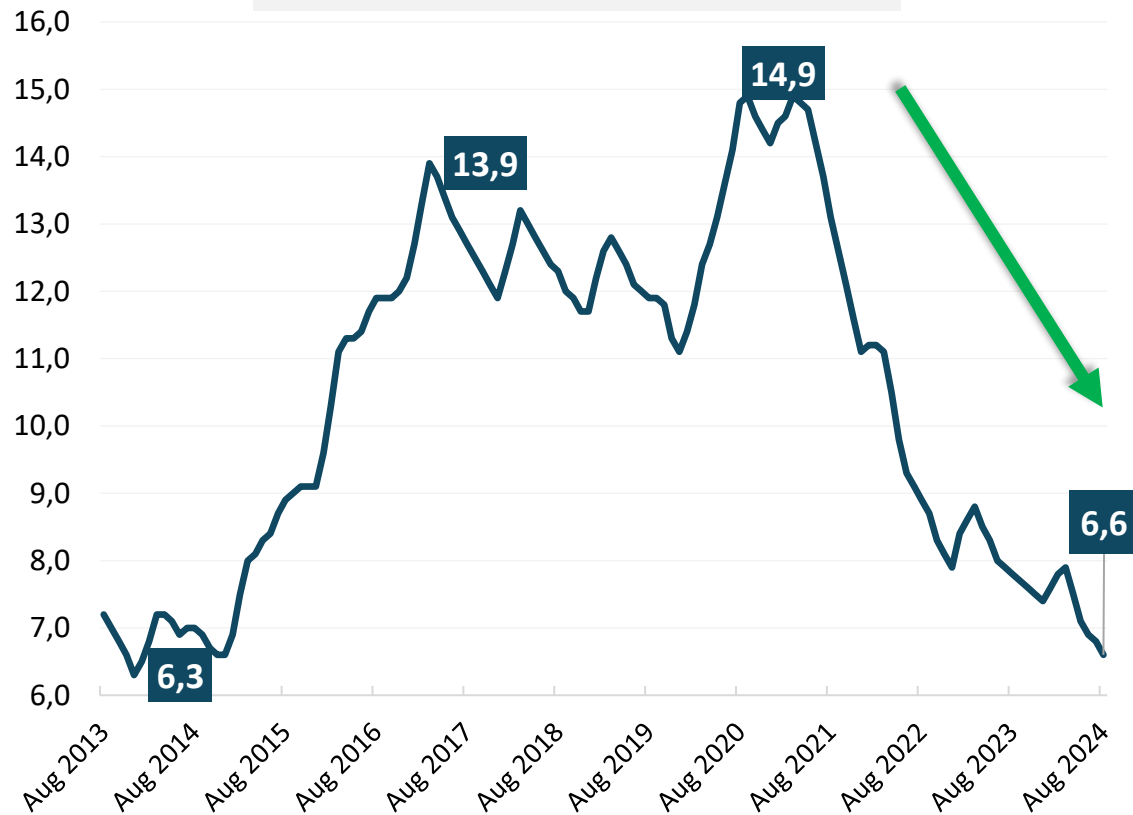


Sources: IBGE, Focus Survey, MoF and WEO

*Projections
(2024, 2025).

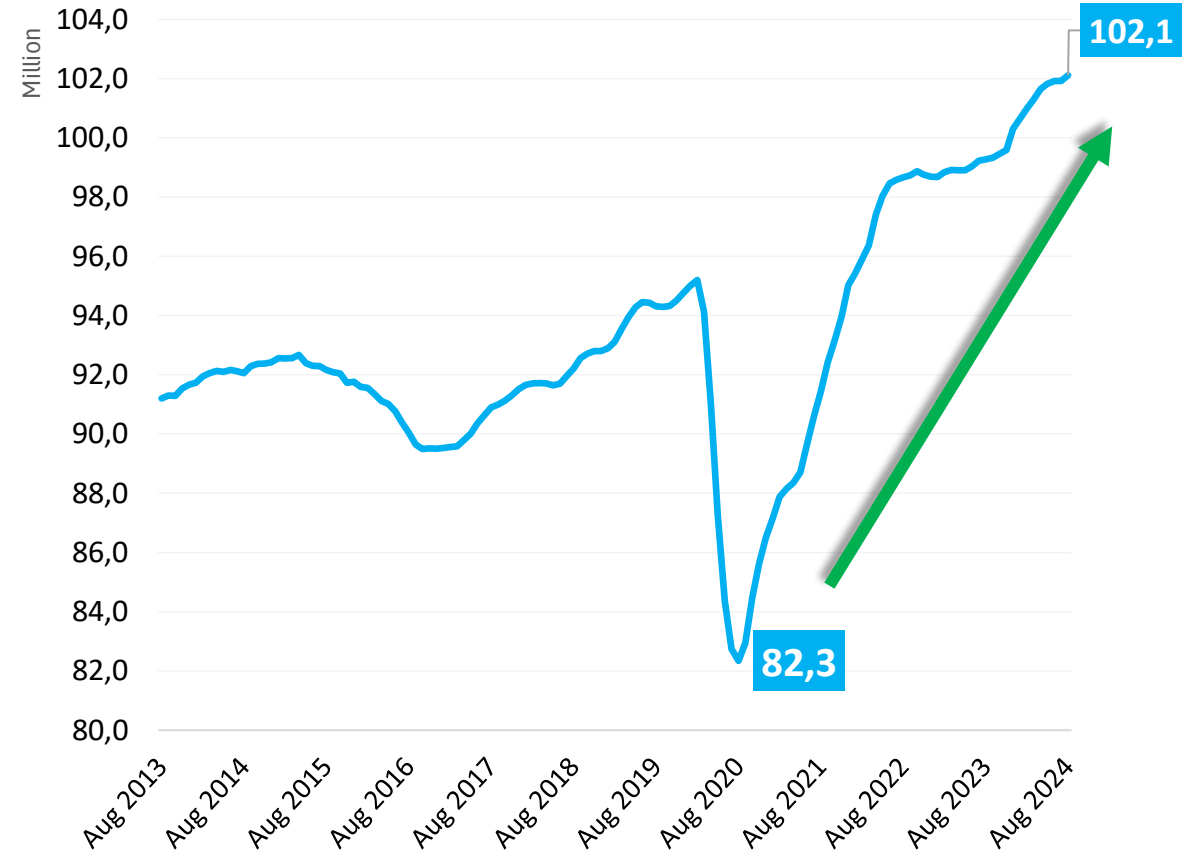


Unemployment Rate (%)
Three-Quarter Moving Average



Employed Population

(millions of people, seasonally adjusted)

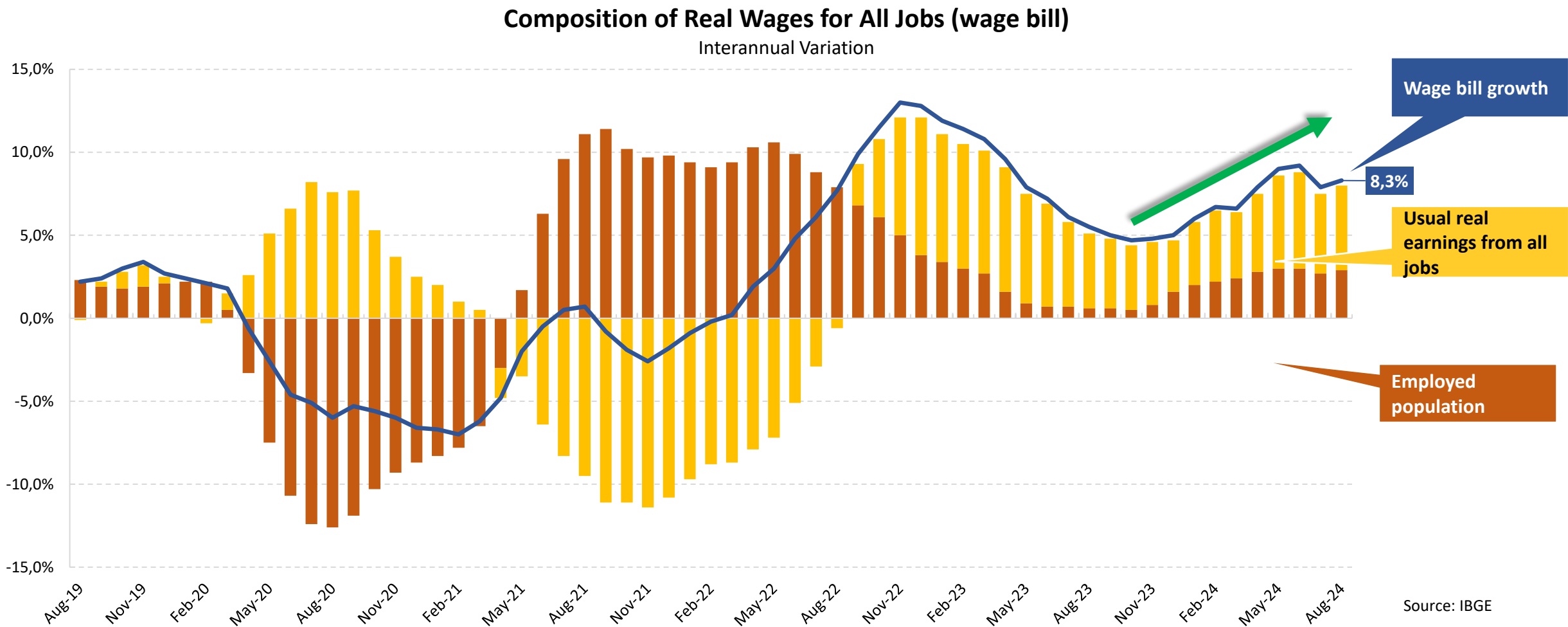


Brazil: Job Market Dynamism



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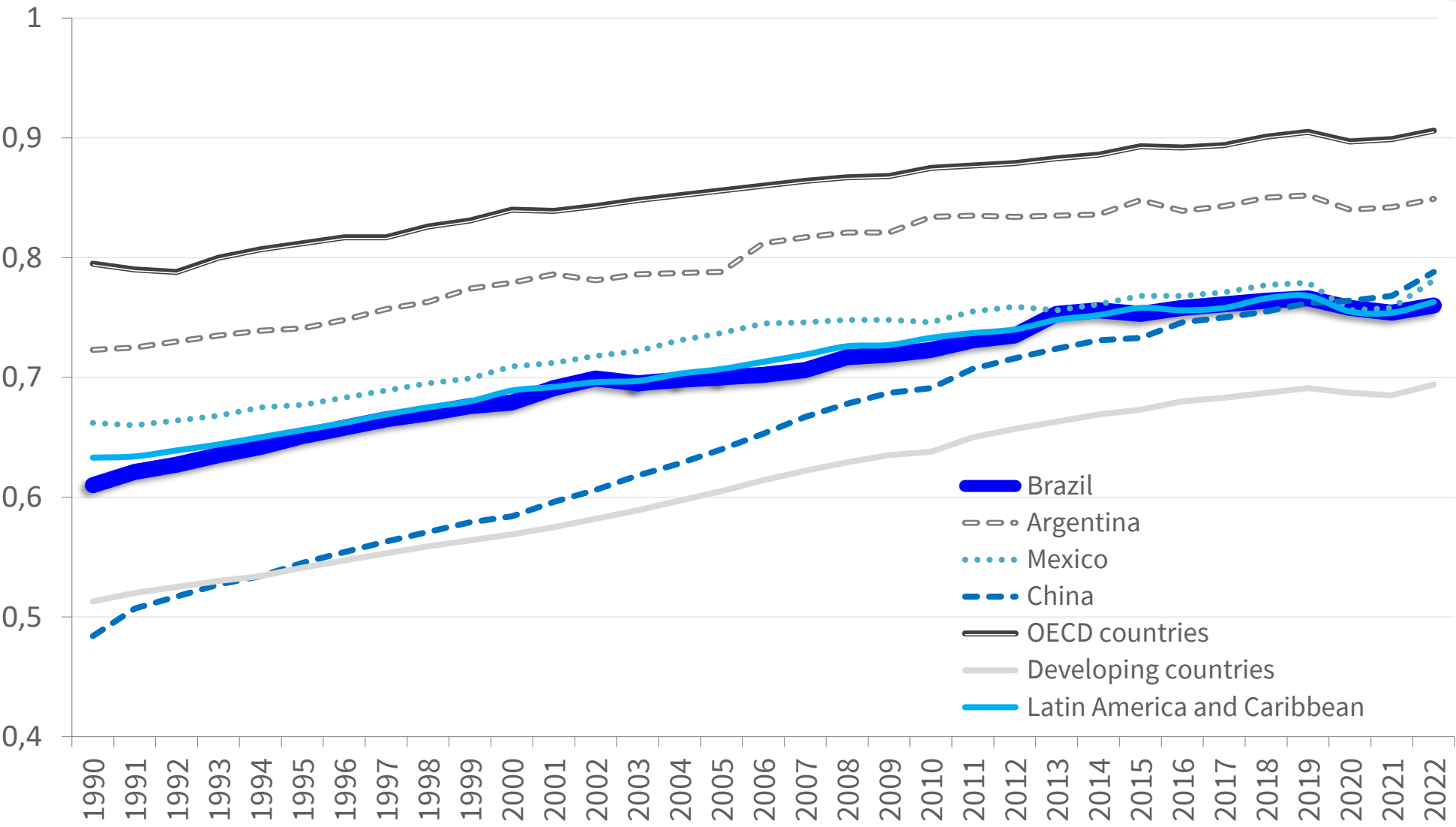


Human Development Index



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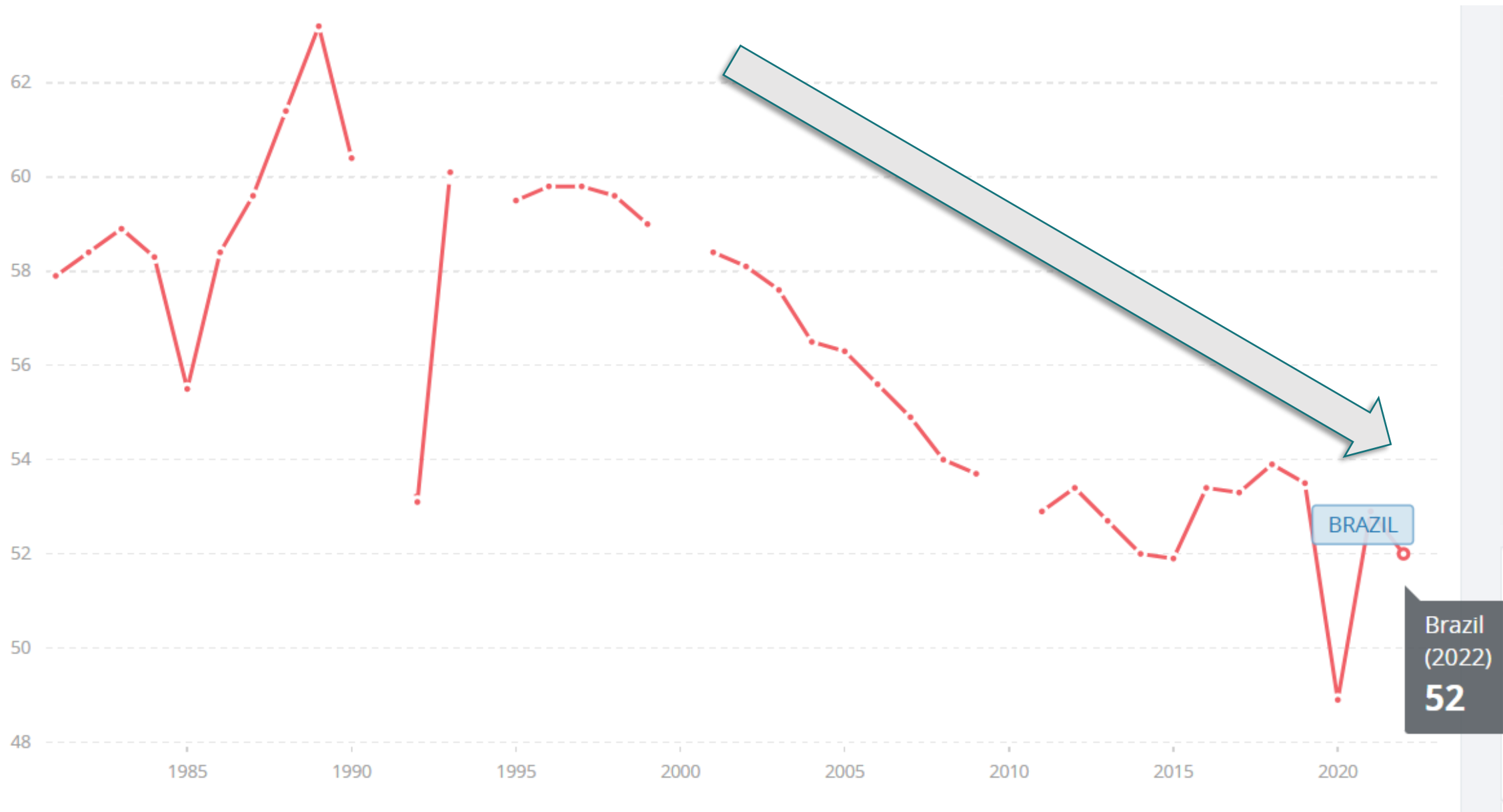


Income Inequality



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Brazil
(2022)
52

Purchasing Power Stability

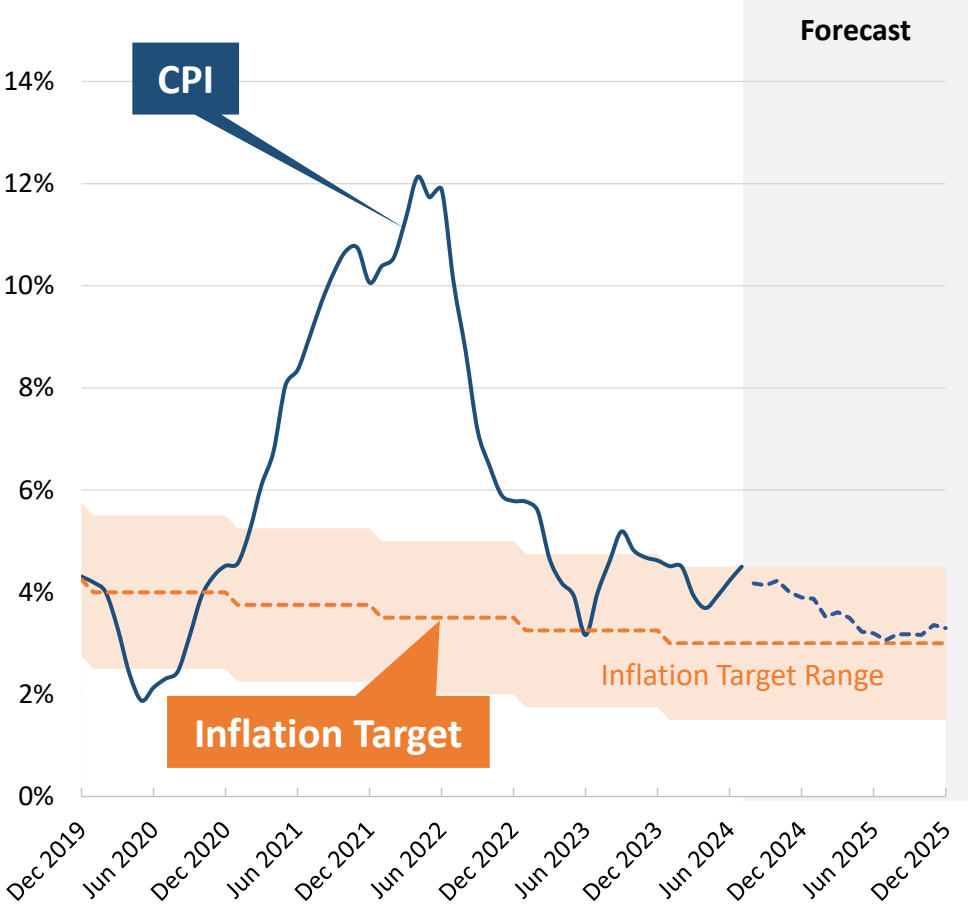


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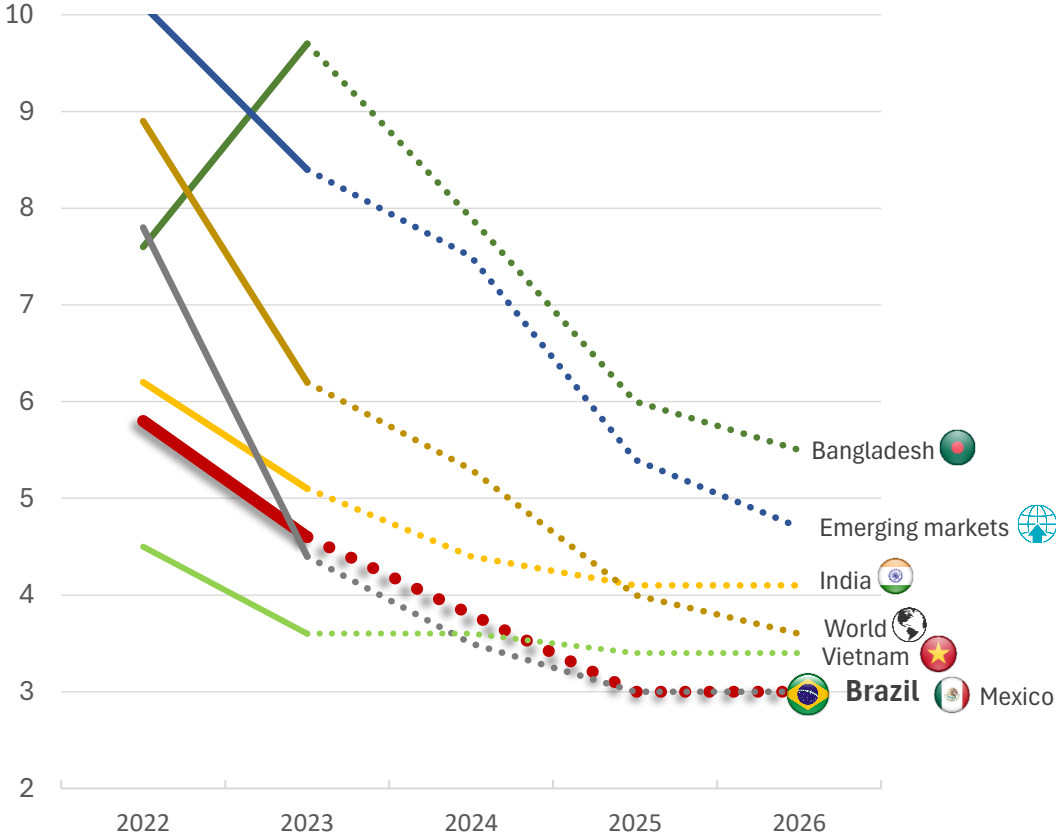
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CPI and Inflation target
Brazil (%)



CPI
selected countries and areas (%)



Sources:
IBGE, BCB (lhs) IMF (rhs)

Okun's Misery Index

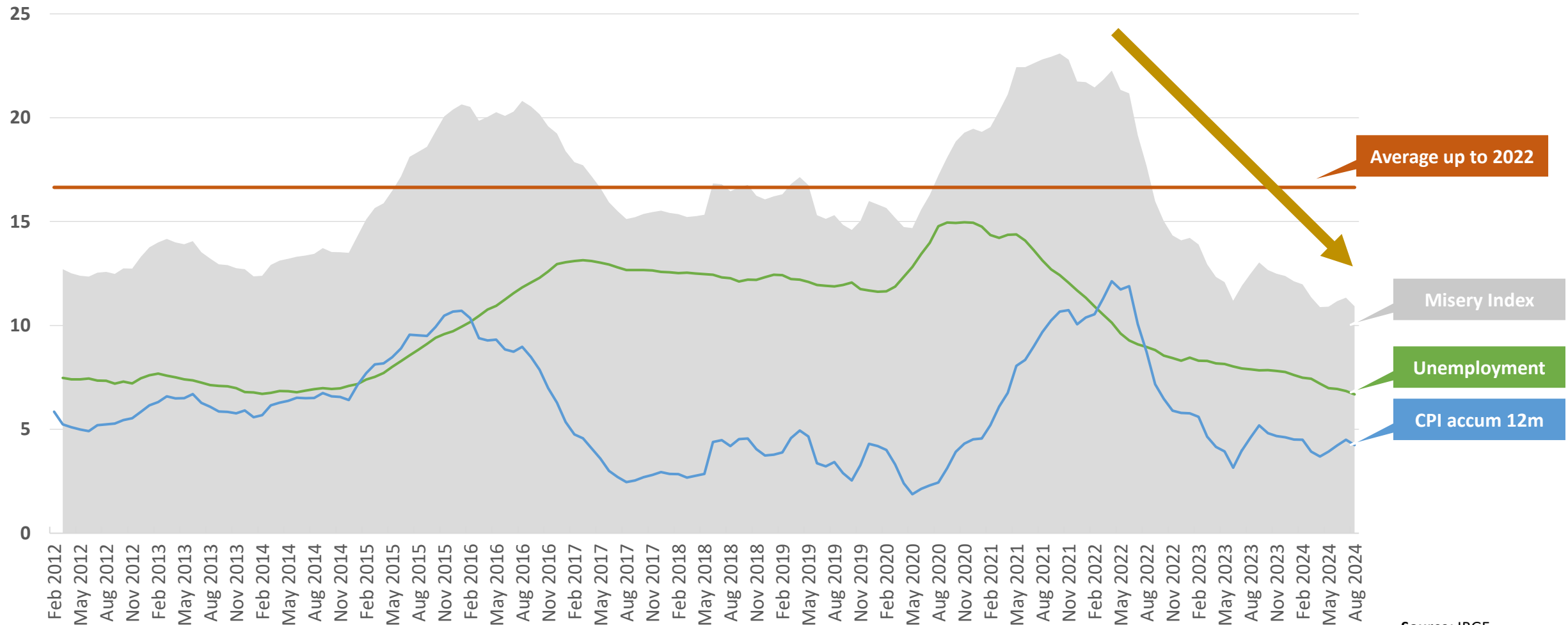


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(Inflation + Unemployment)



Source: IBGE.

Hanke's Misery Index

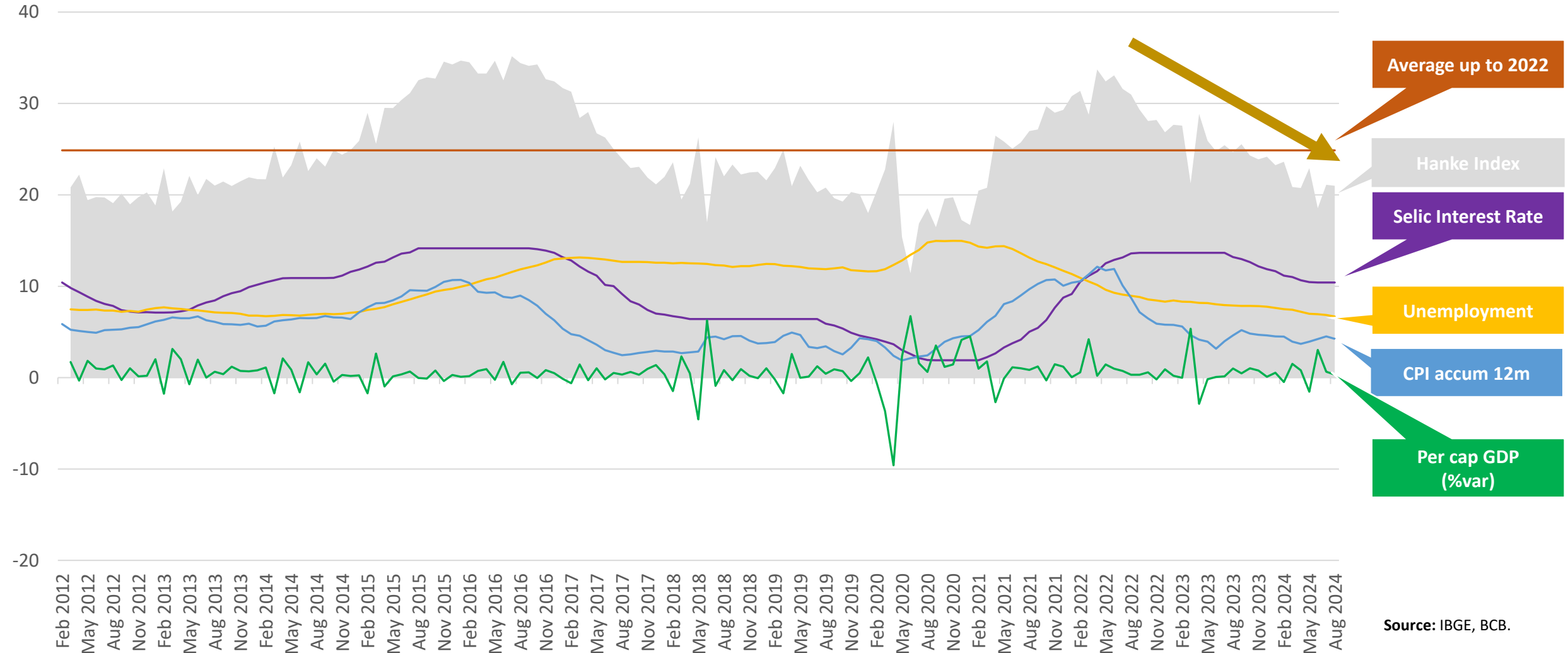


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[Inflation + Unemployment + Interest Rate - GDP *per capita*]

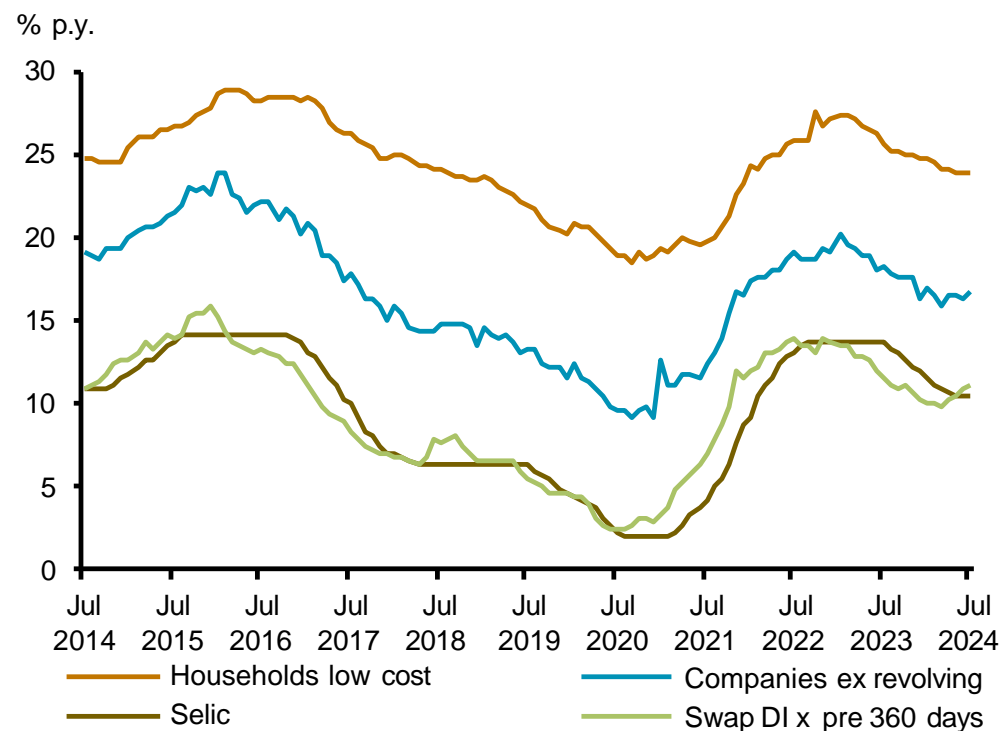


Source: IBGE, BCB.



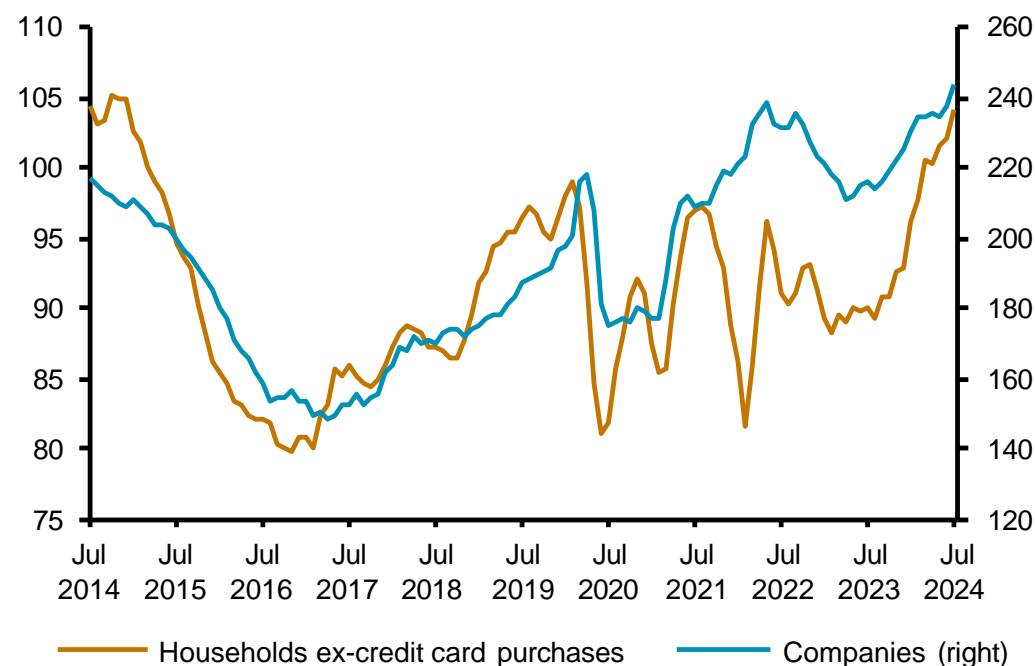
The credit market continued to show dynamism, with an expansion in non-earmarked credit granting and stable delinquency rates and improving supply and demand conditions.

Non-earmarked interest rates



Non-earmarked new credit operations

BRL billion of Jul 2024, s.a., 3mma

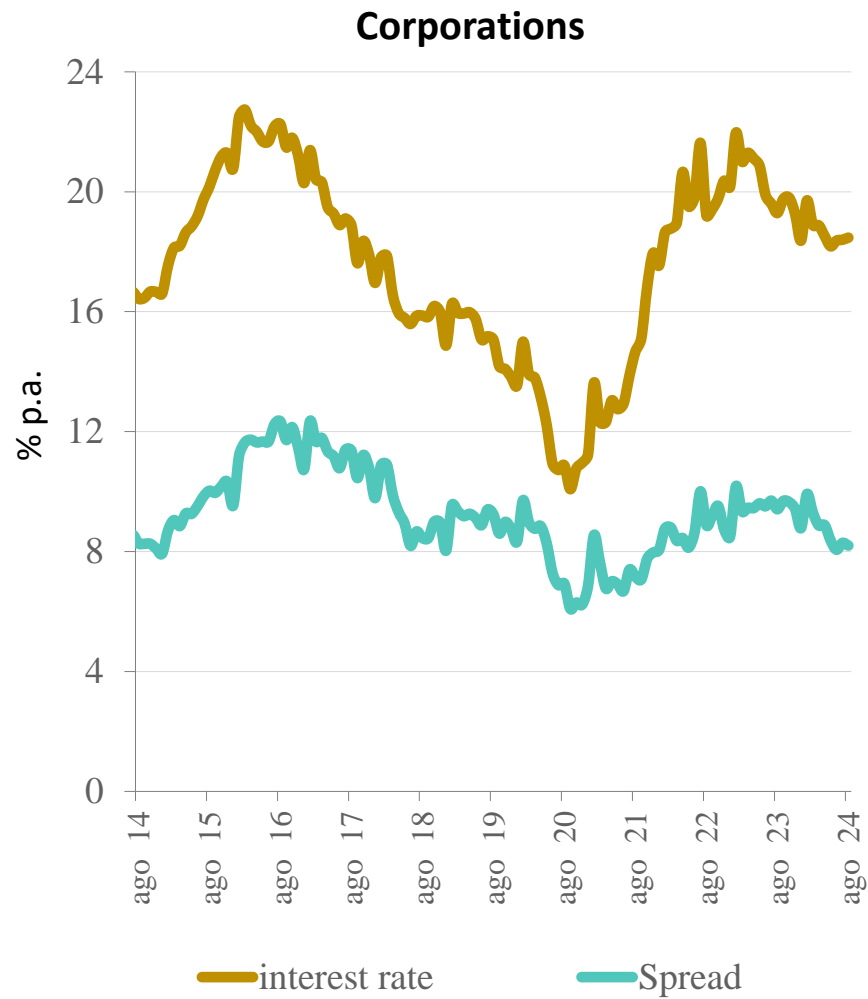


Credit Interest Rate and Spread



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Growing Financial Inclusion

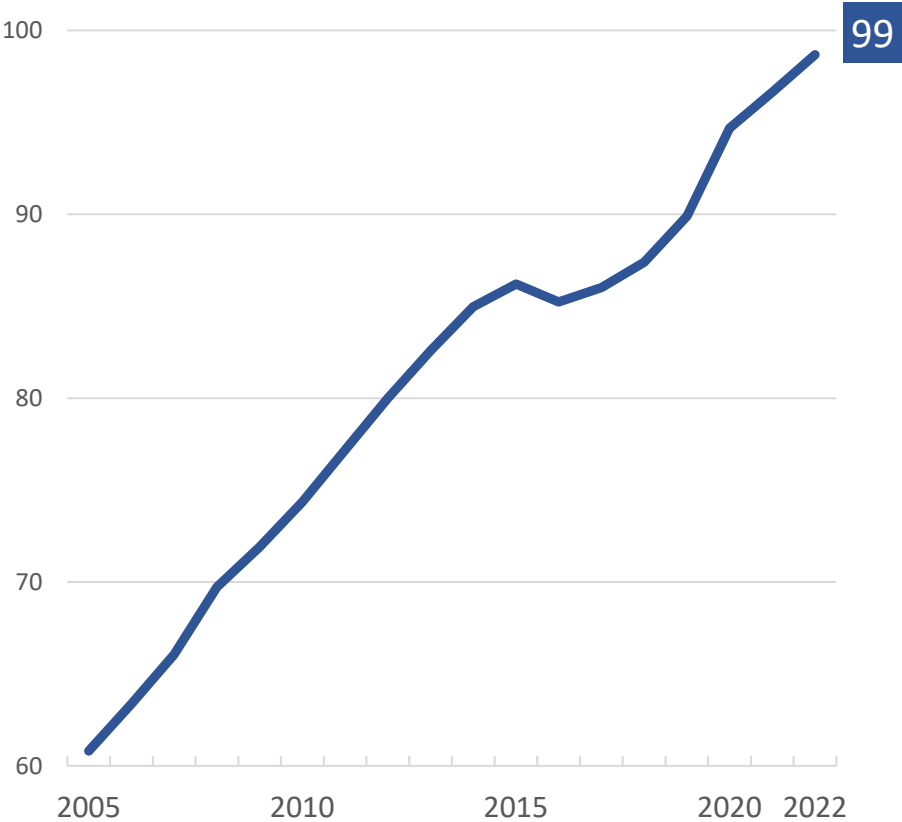


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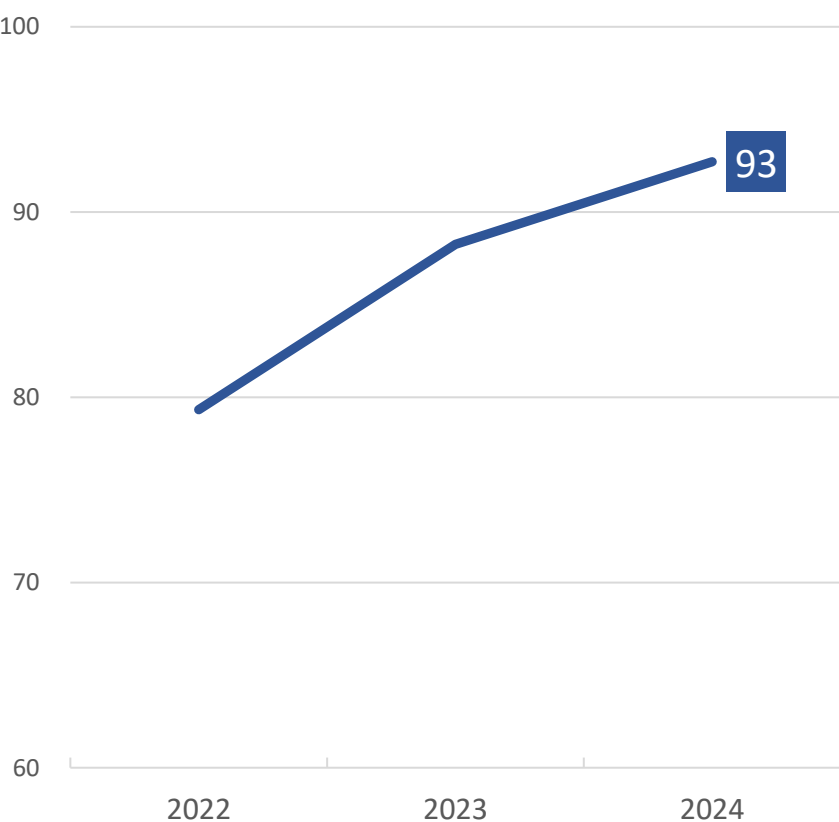
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Adults with a Banking Relationship, %



Active Instant Payment Users
pop. 14+, %

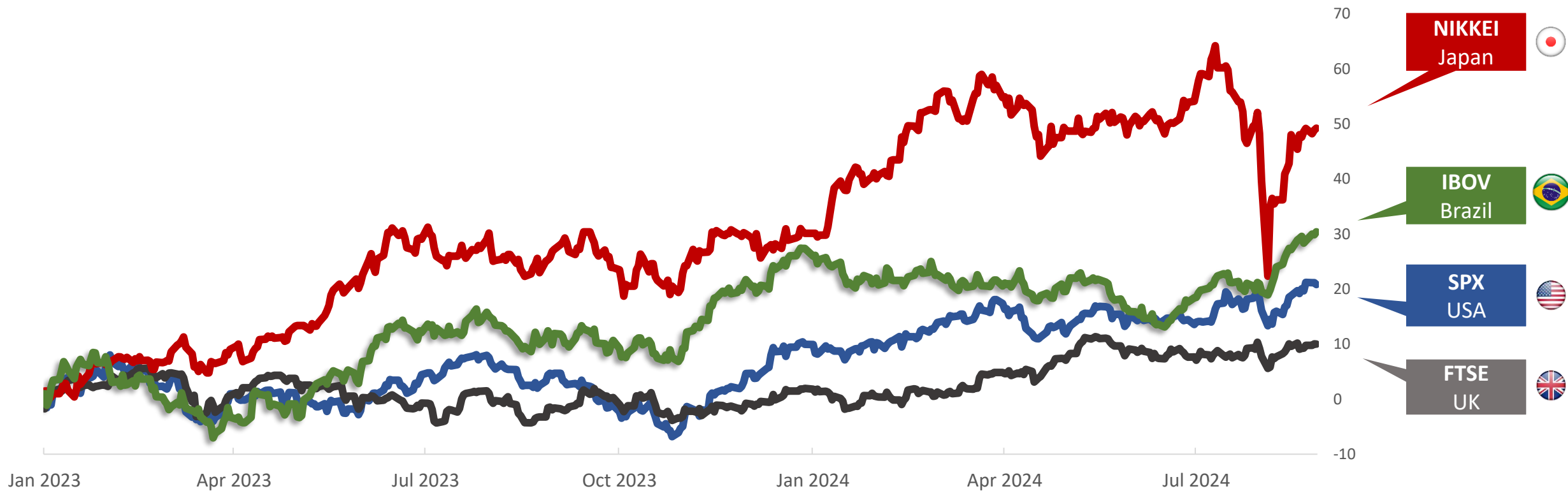


Sources: BCB (lhs),
BCB, IBGE (rhs)



Post-Pandemic Shifts in Equity Market Performance

Ibovespa, S&P 500, FTSE 100, Nikkei 225, 26 Aug 21 – 27 Aug 24 (%)



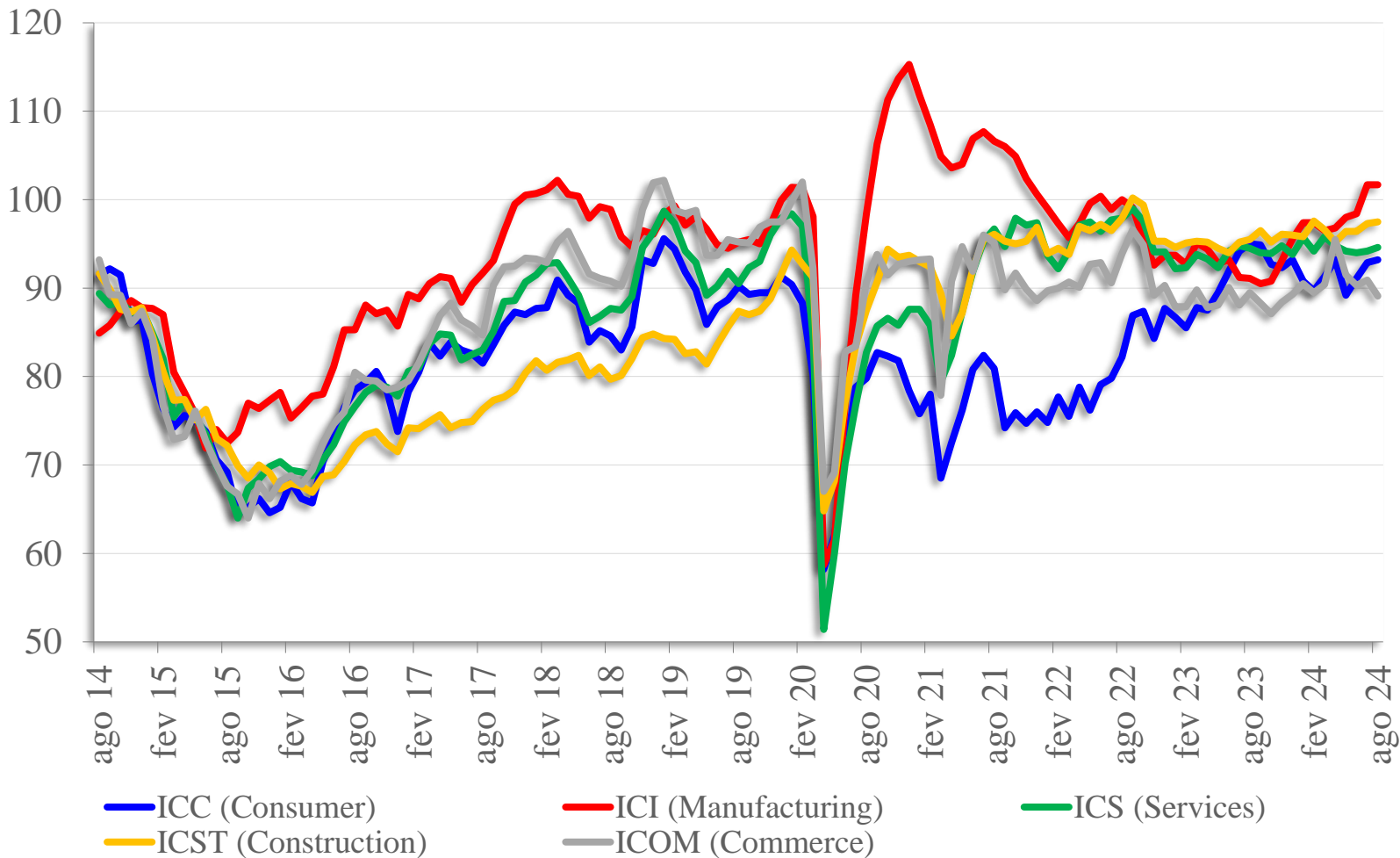
Source: Broadcast

FGV Confidence Indices



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Source: FGV

Industrial Capacity Utilization

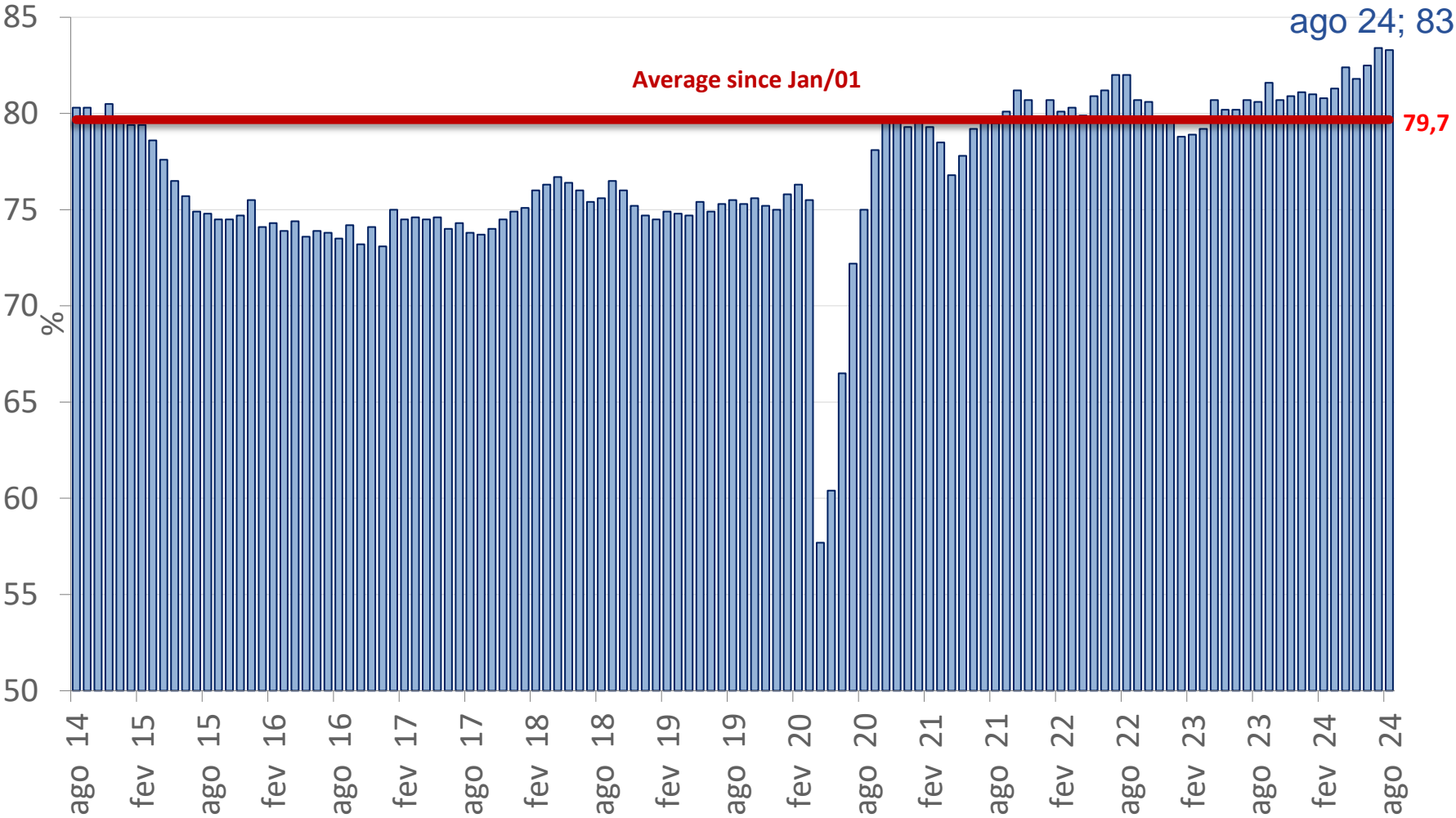


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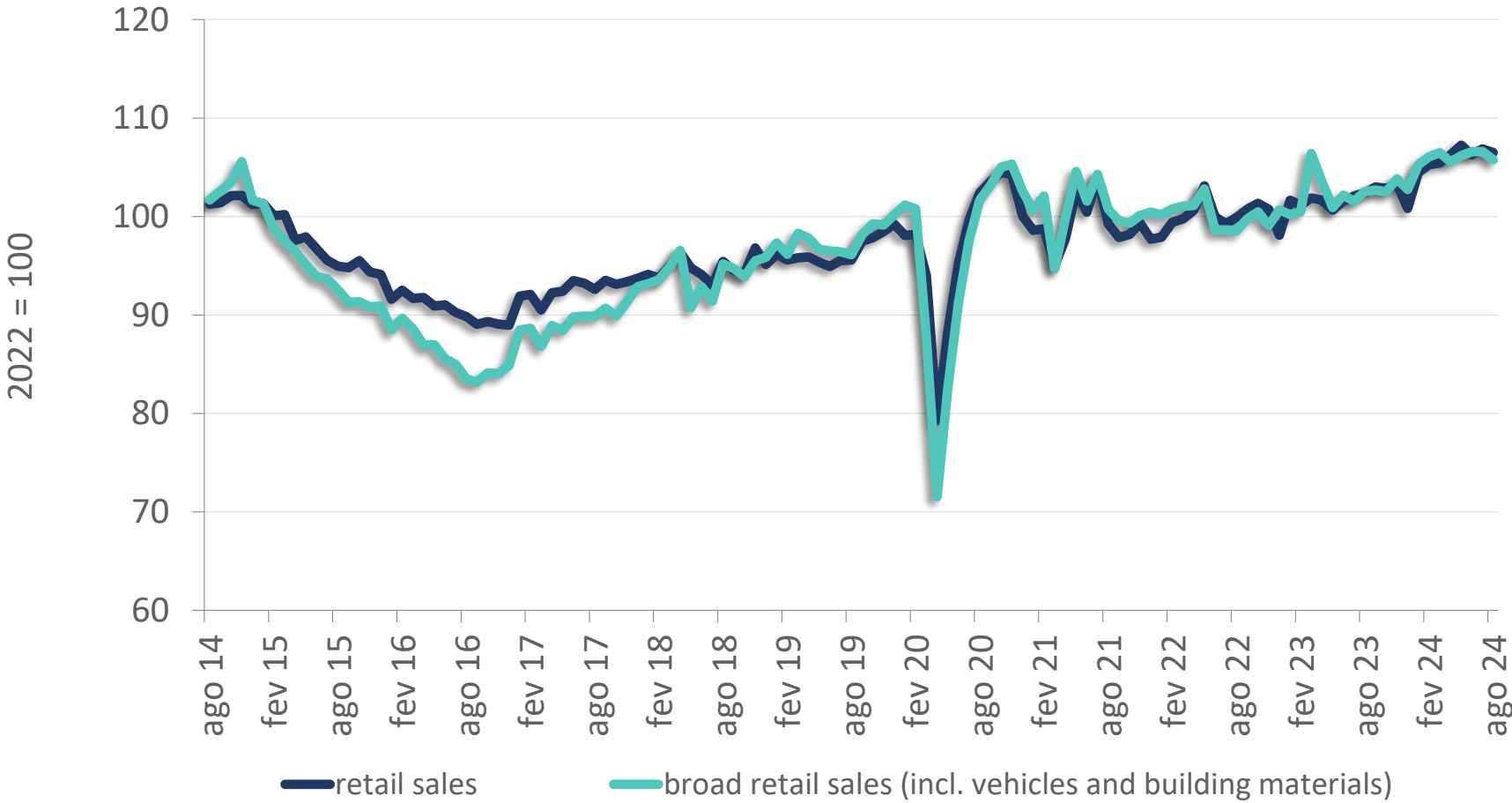


Seasonally adjusted





Seasonally adjusted



* Incl. vehicles, building materials, and wholesale of food, beverages and tobacco.

Terms of Trade - ToT



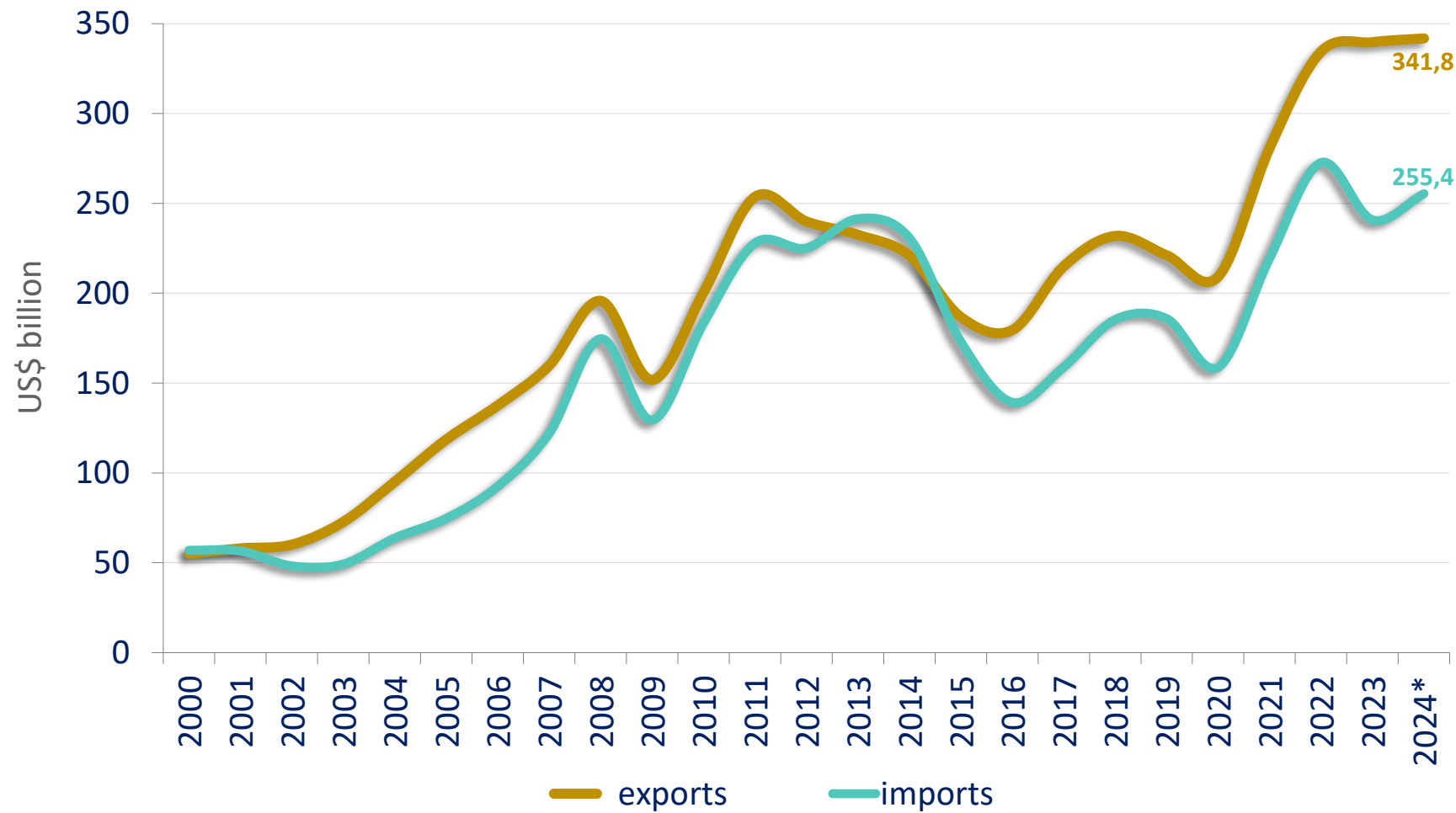
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Source: Funcex

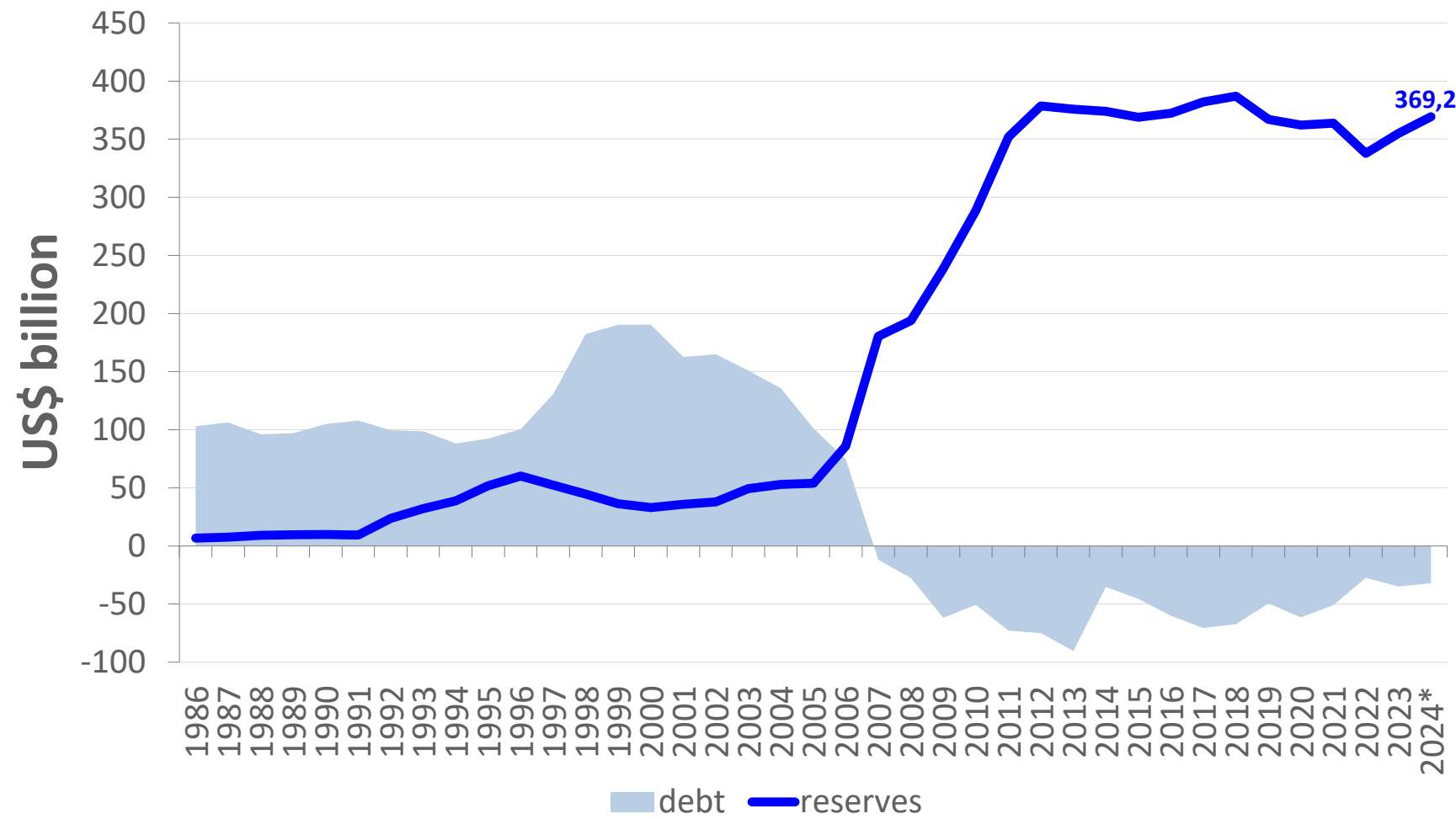
Trade Balance – Exports and Imports



* 12 months until Sep 24

International Reserves vs. Net External Debt

(Private and Public)



*reserves on June 30th; debt in August 24 (estimated)

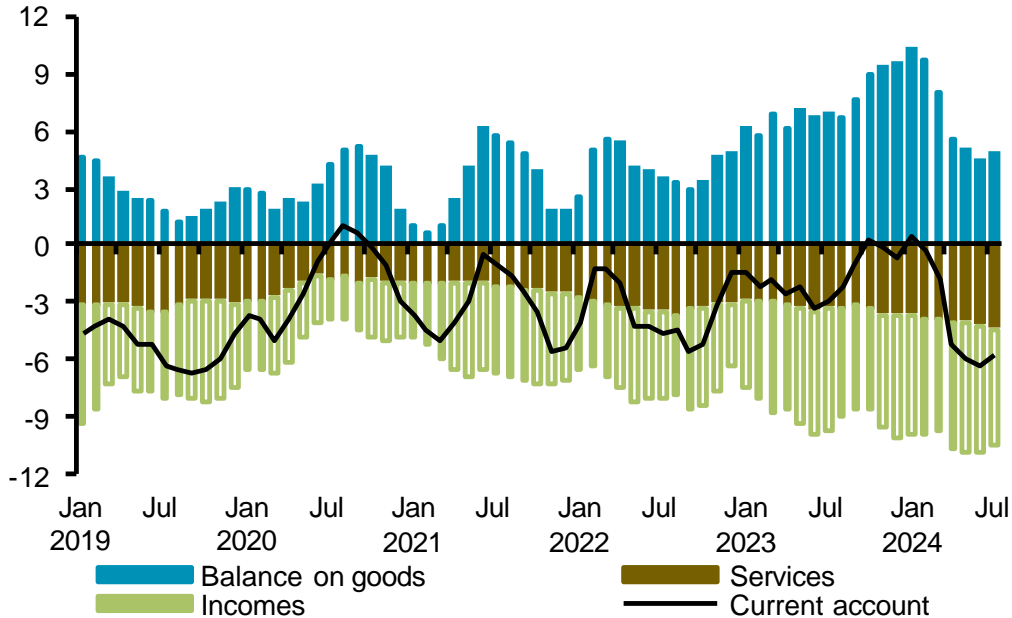
Obs: International reserves - Liquidity concept



A still **comfortable external accounts** situation – characterized in recent months by increased current account deficit and **stable net inflows of direct investment** liabilities.

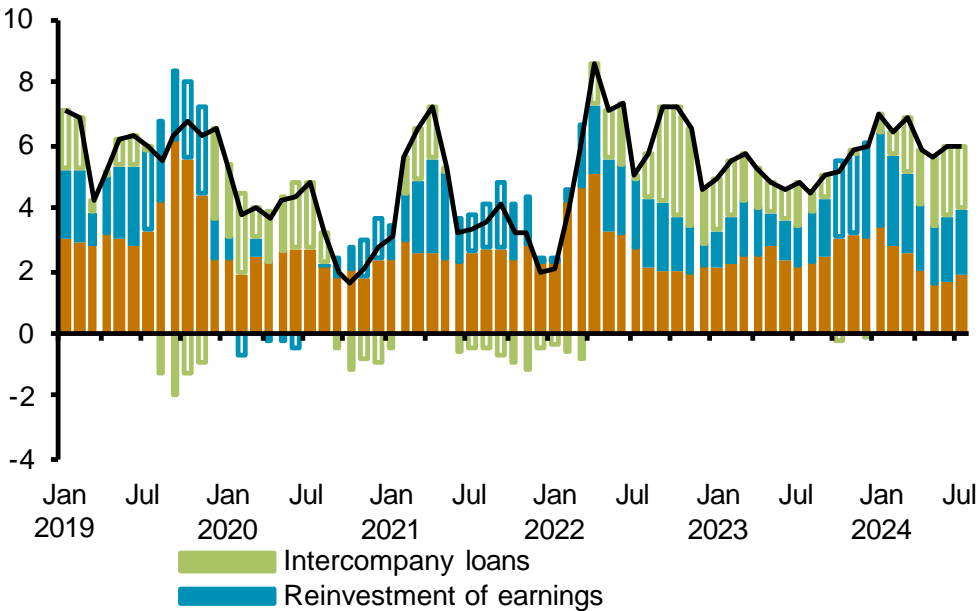
Current account

USD billion, 3mma s.a.



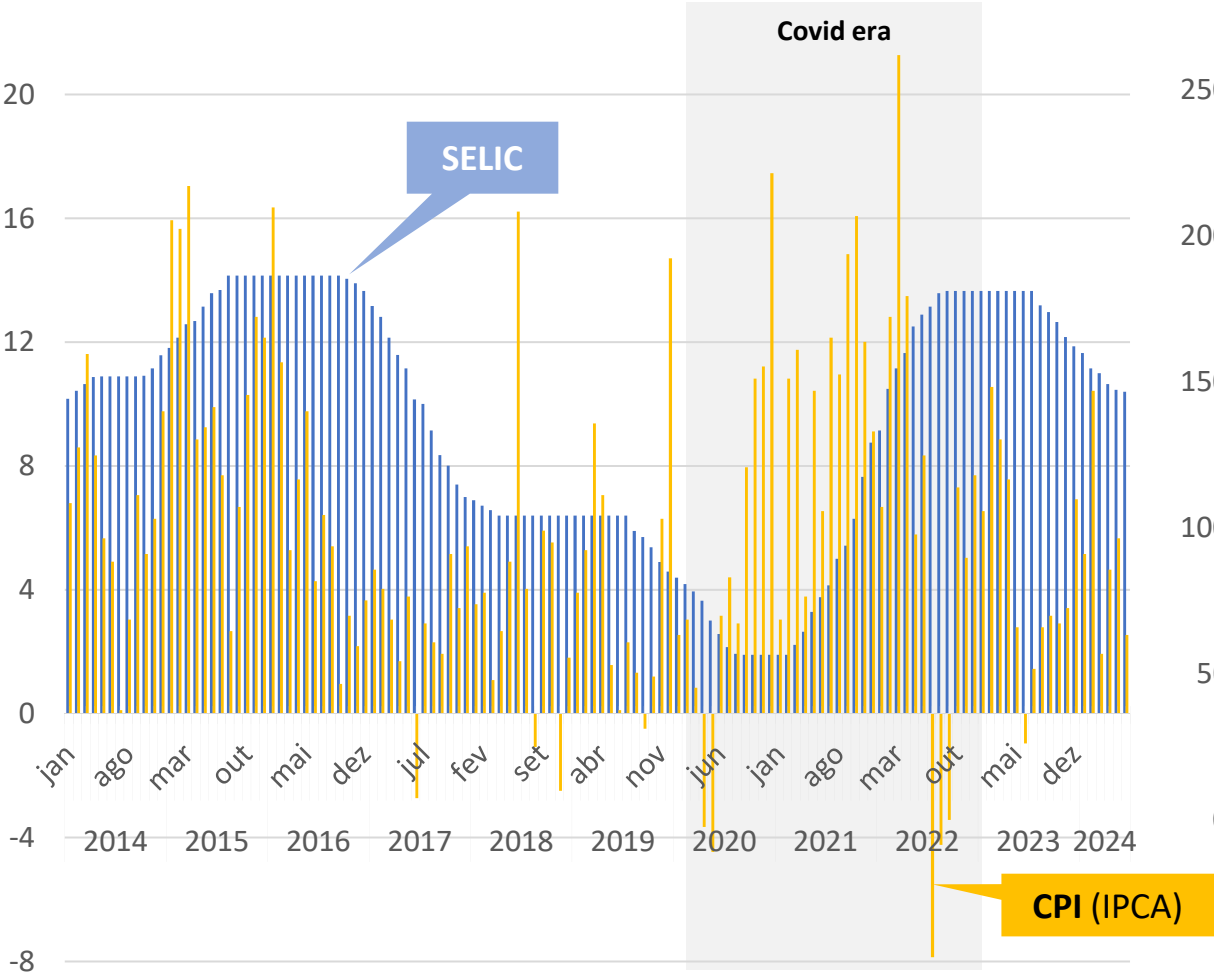
Direct investment liabilities

USD billion, 3mma s.a.

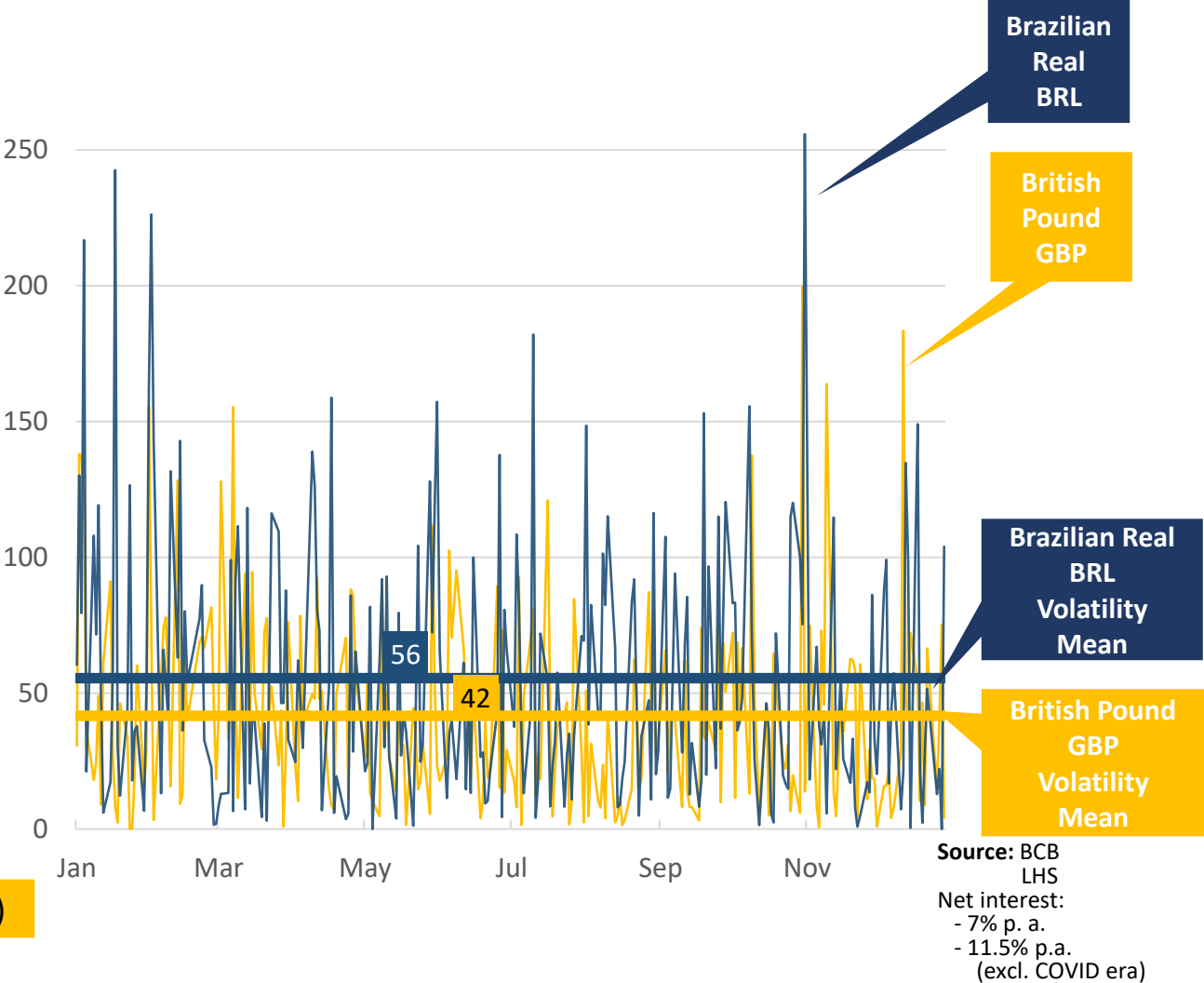




Selic Rate and Brazil's CPI
(Annualised monthly rates, %)



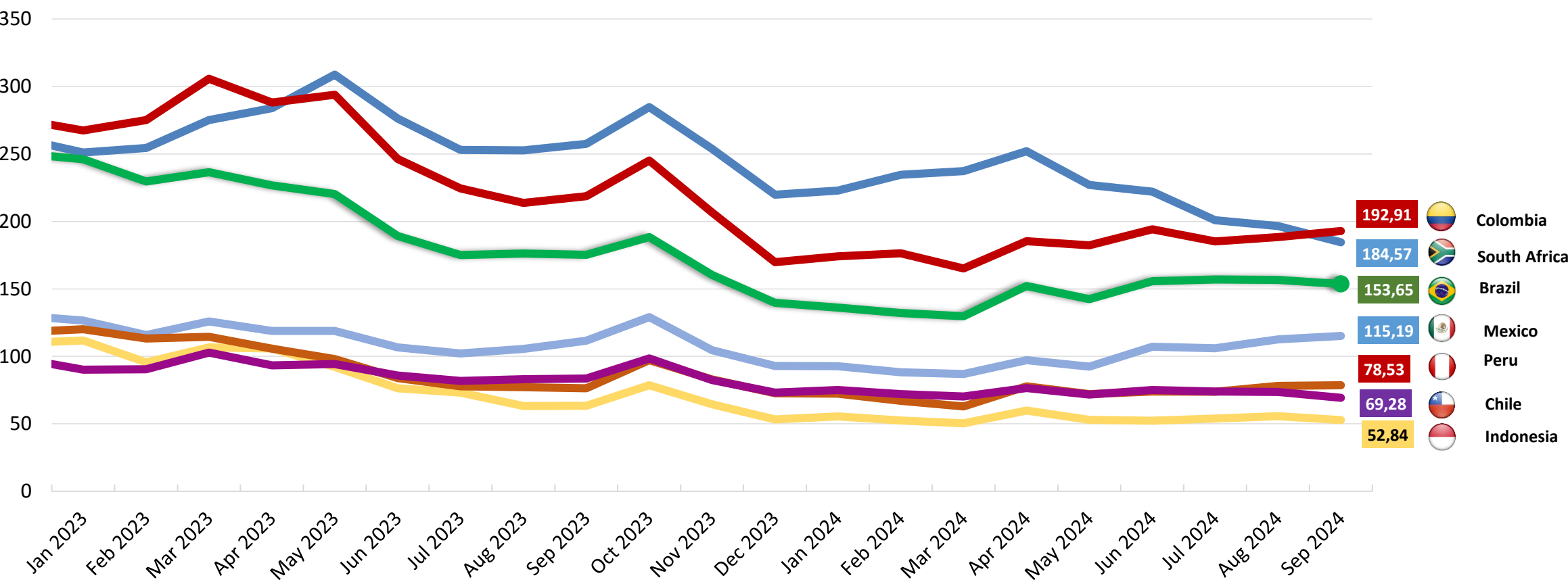
Currency Daily Volatility, 2023
BRLUSD, GBPUSD, (bp)



Credit Default Swap (5 Years)

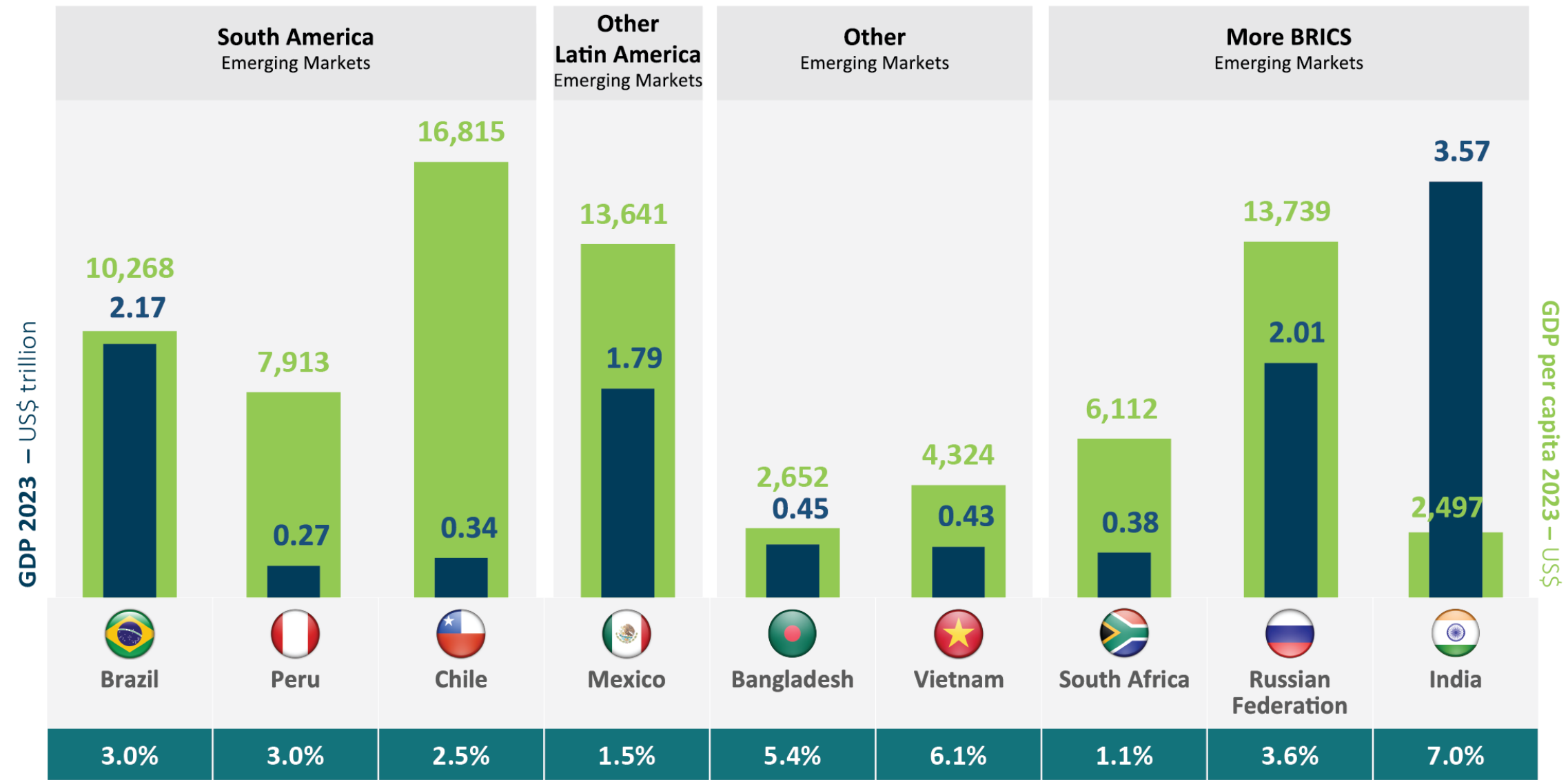


Monthly Moving Average



Source: Bloomberg

Emerging Markets: a market size comparison



GDP Growth (2024 Forecast)



What's the secret? What we have done

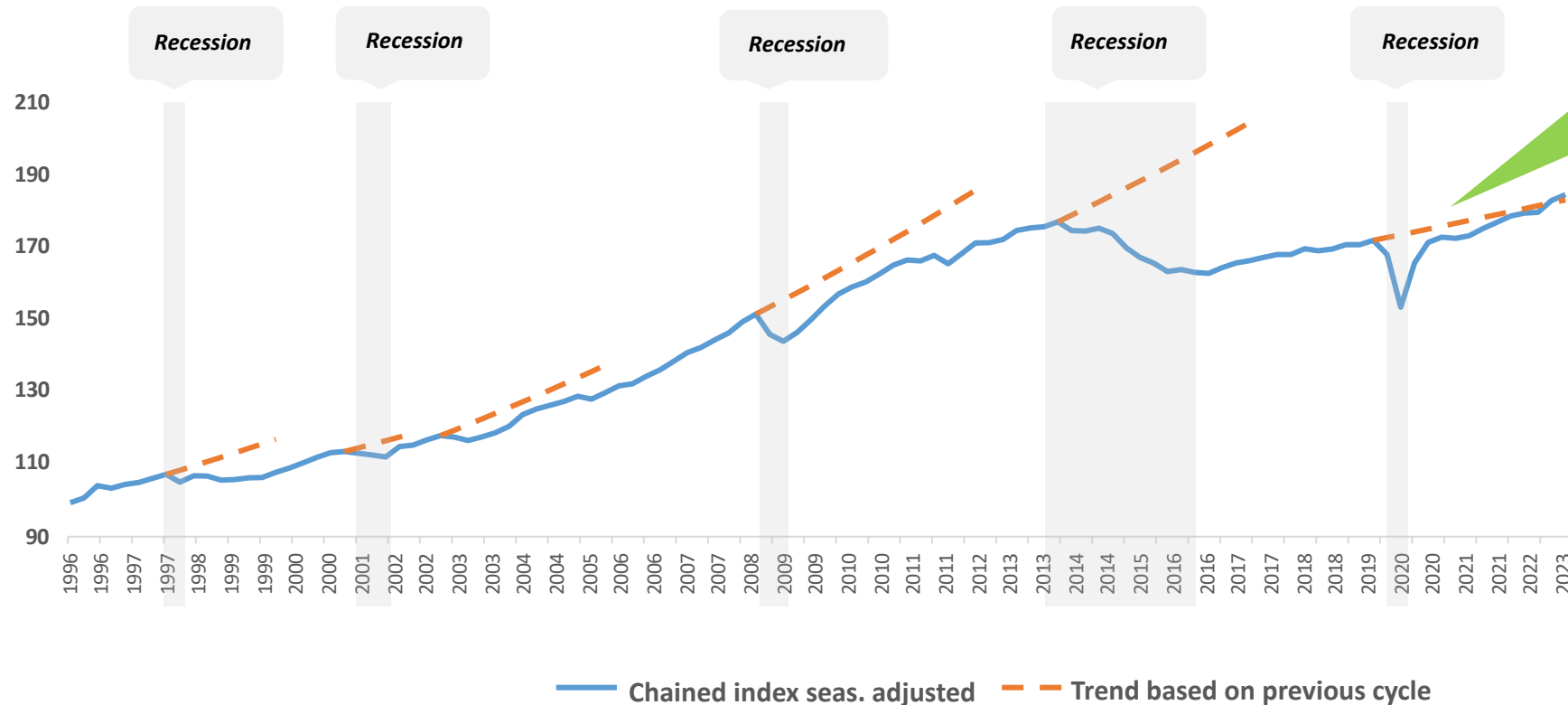


Recovery in economic activity



Stronger than indicated by trend for the first time

Level and return to trend



Strong Activity Post Pandemic

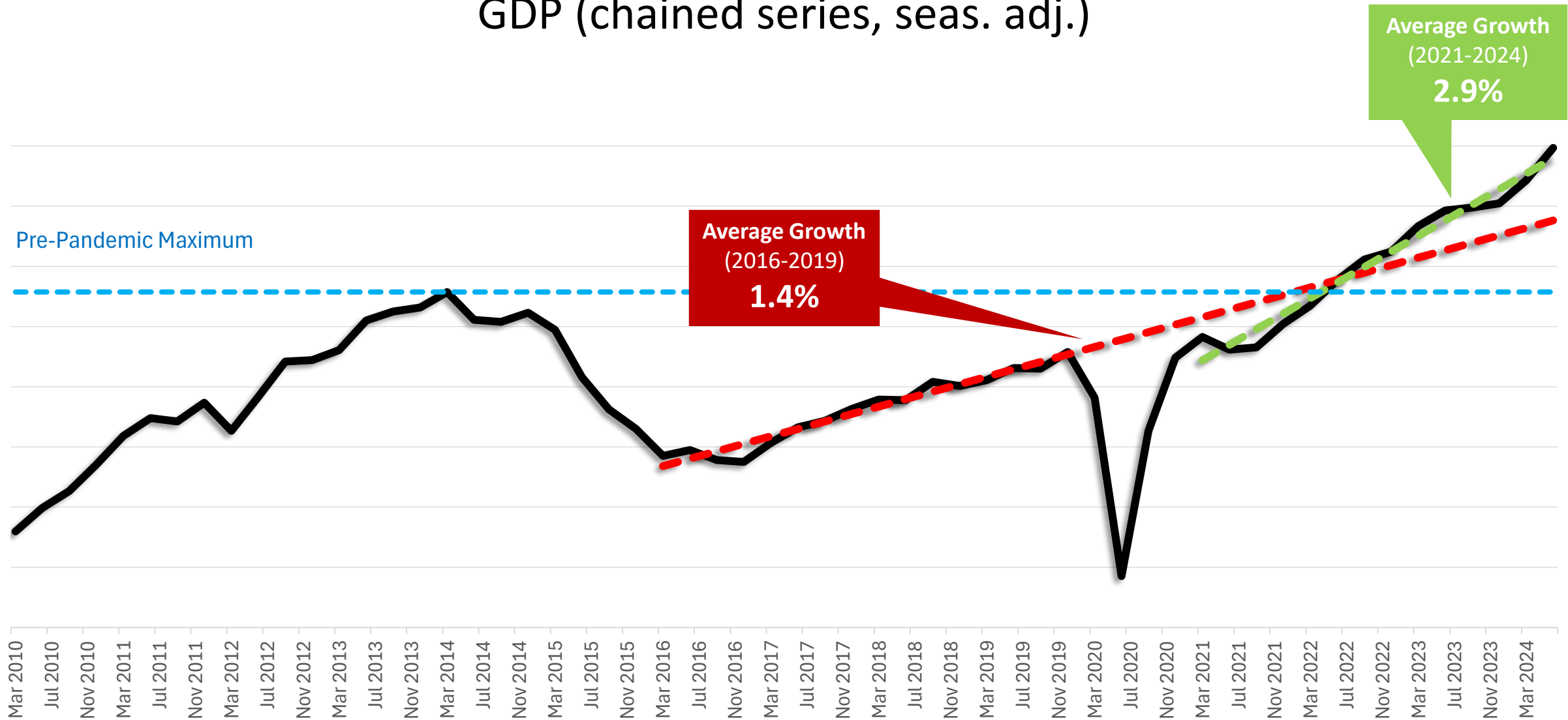


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GDP (chained series, seas. adj.)



Source: IBGE.

Systematic Errors in GDP Forecasting

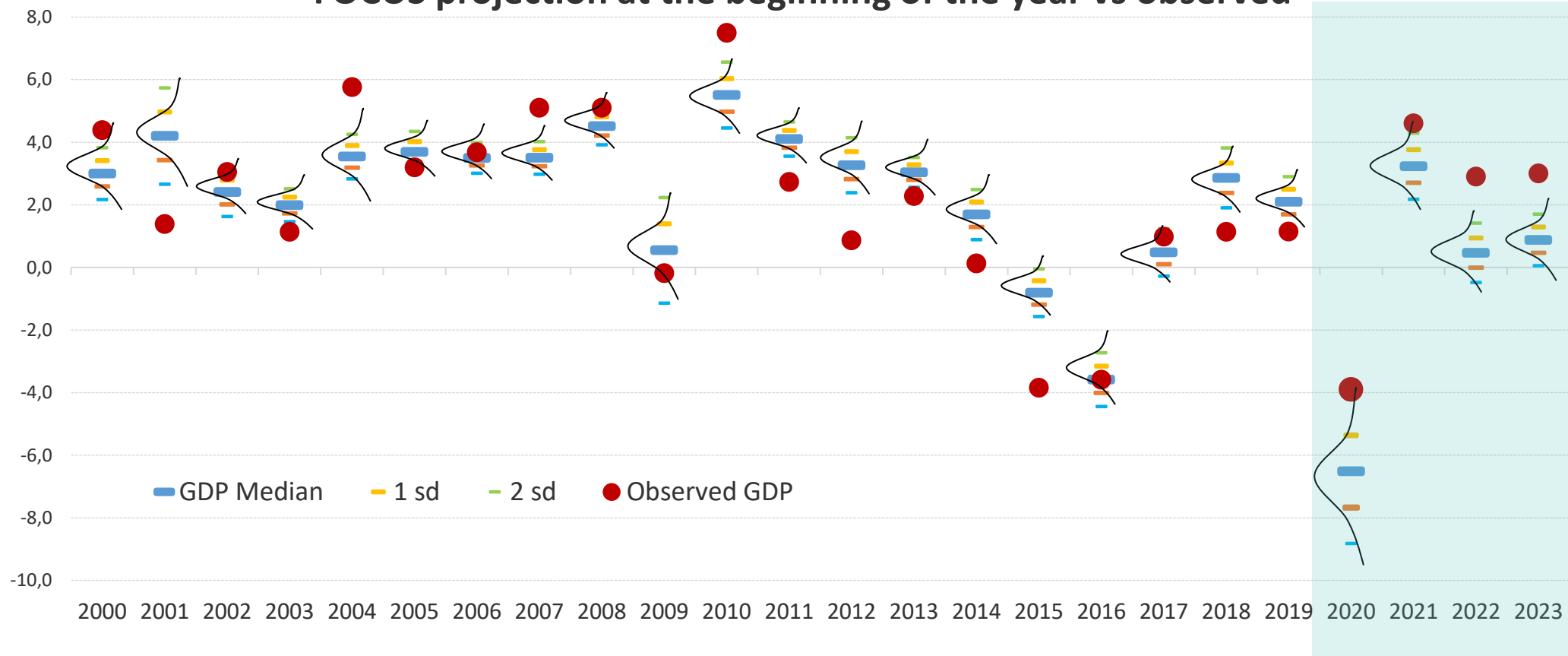


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FOCUS projection at the beginning of the year vs observed



Source: BCB e IBGE. Preparation CIEF/UnB. The initial projection was considered to be that made by Focus in March of each year. For the year 2020, due to the outbreak of the pandemic, the June projection was used. For the year 2023, the statistical loading for the data carried out is considered. Farmer, Leland E. and Nakamura, Emi and Steinsson, Jón; Learning About the Long Run, *Journal of Political Economy*, Volume 132, Number 10, **October 2024**.

Systematic Errors in GDP Forecasting

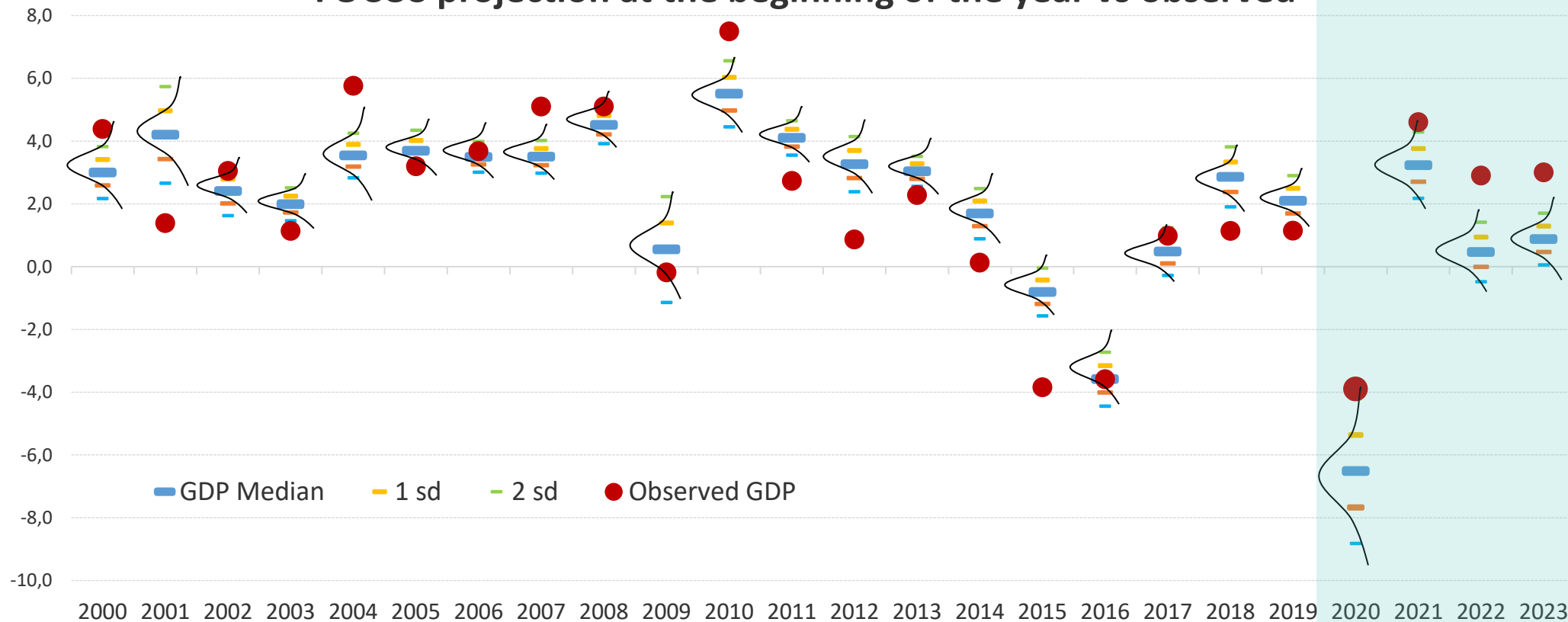


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FOCUS projection at the beginning of the year vs observed

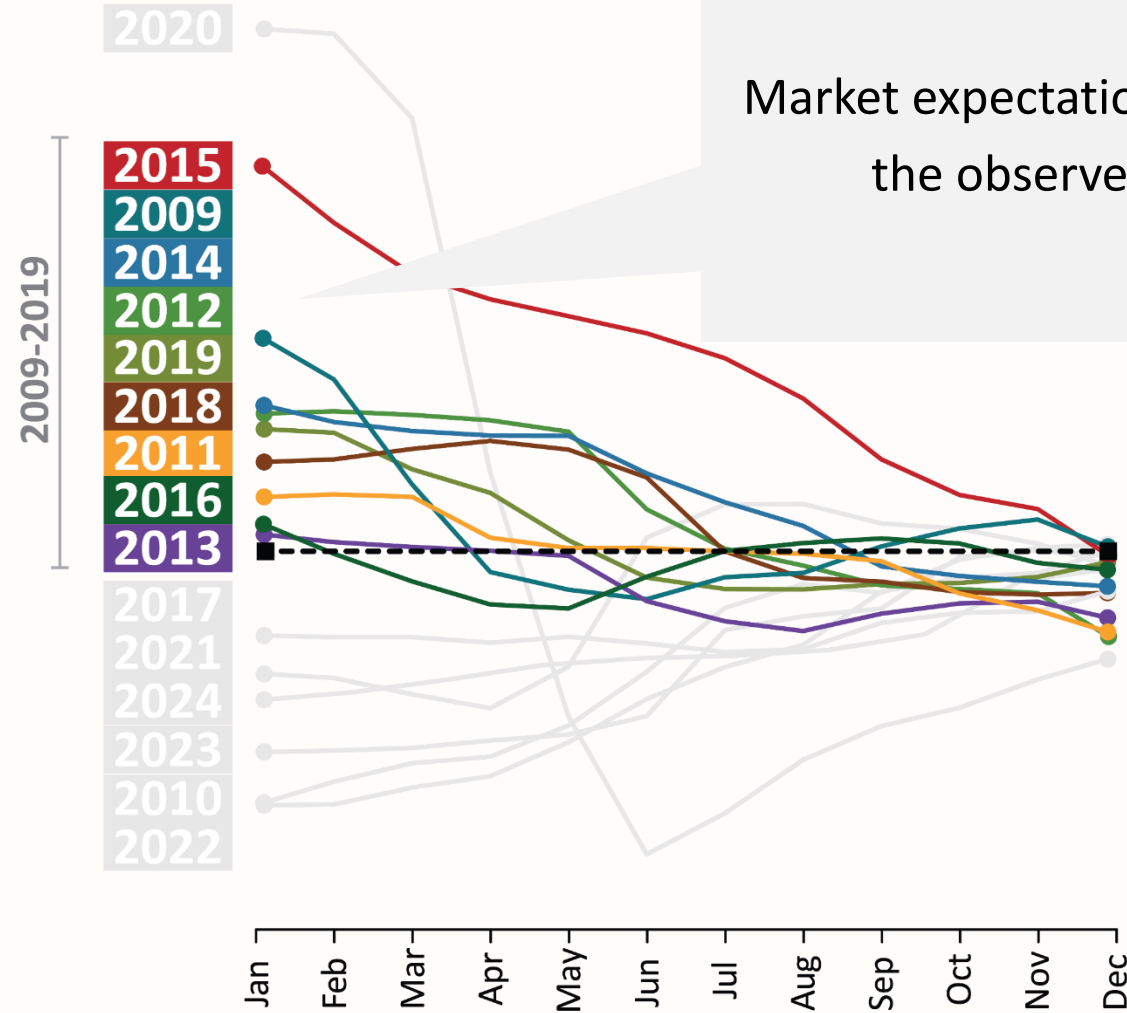
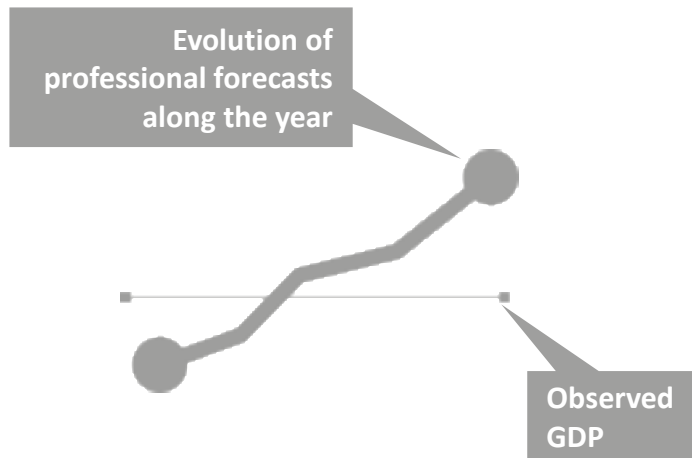


2024
■■■■■■■■■■
LOADING...

Source: BCB e IBGE. Preparation CIEF/UnB. The initial projection was considered to be that made by Focus in March of each year. For the year 2020, due to the outbreak of the pandemic, the June projection was used. For the year 2023, the statistical loading for the data carried out is considered.

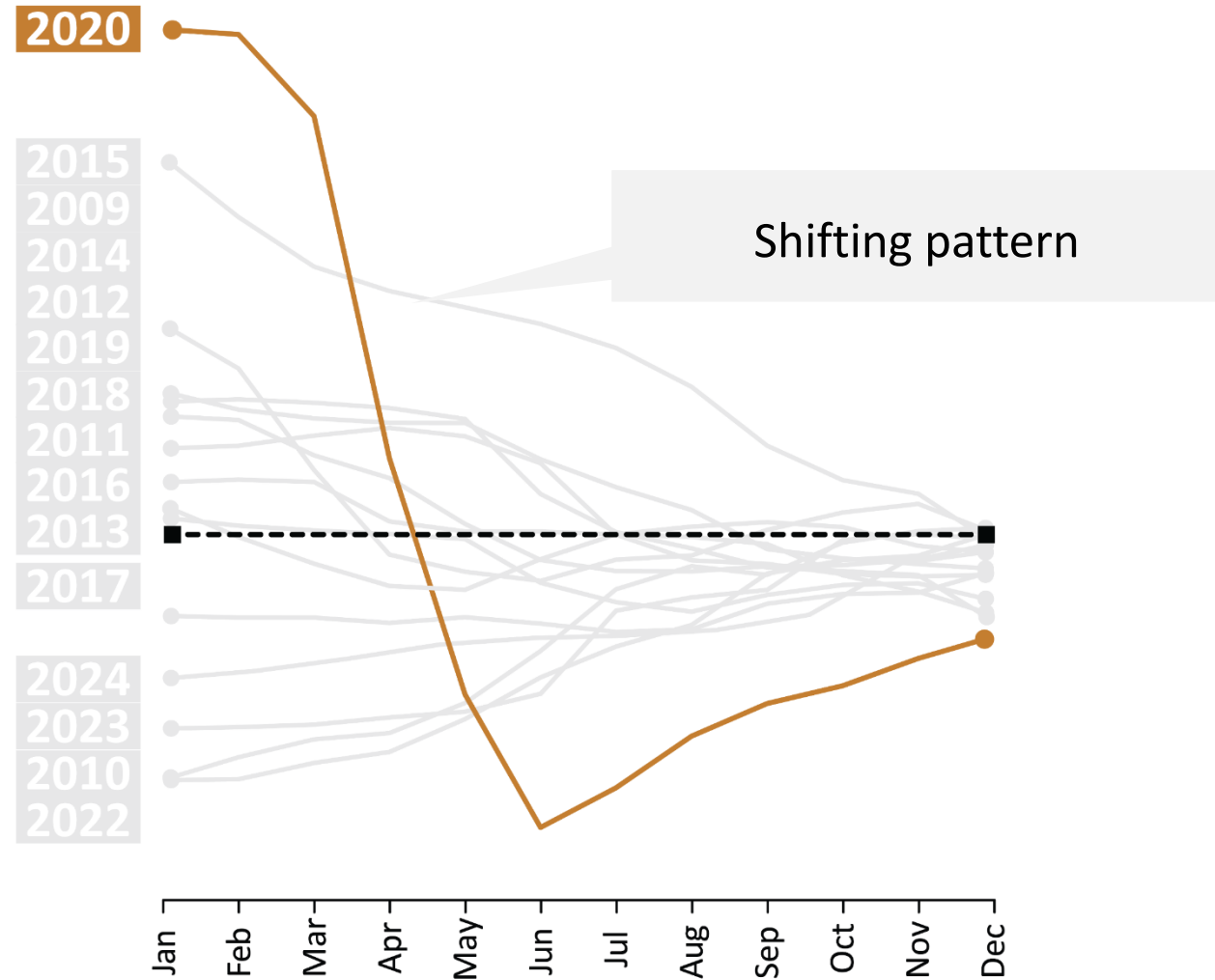
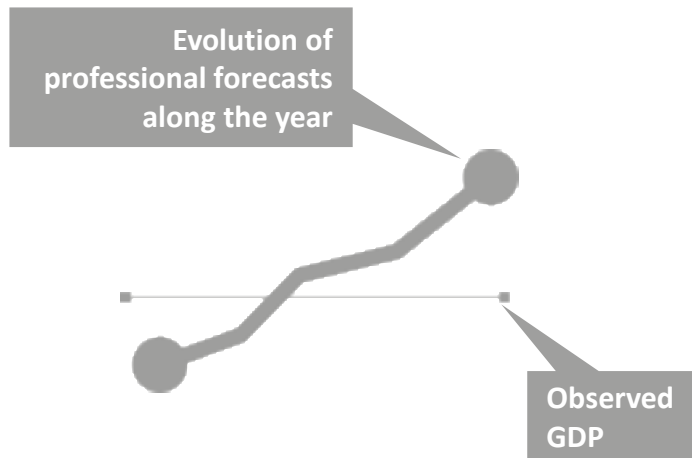


GDP growth Pre and Post Covid Patterns



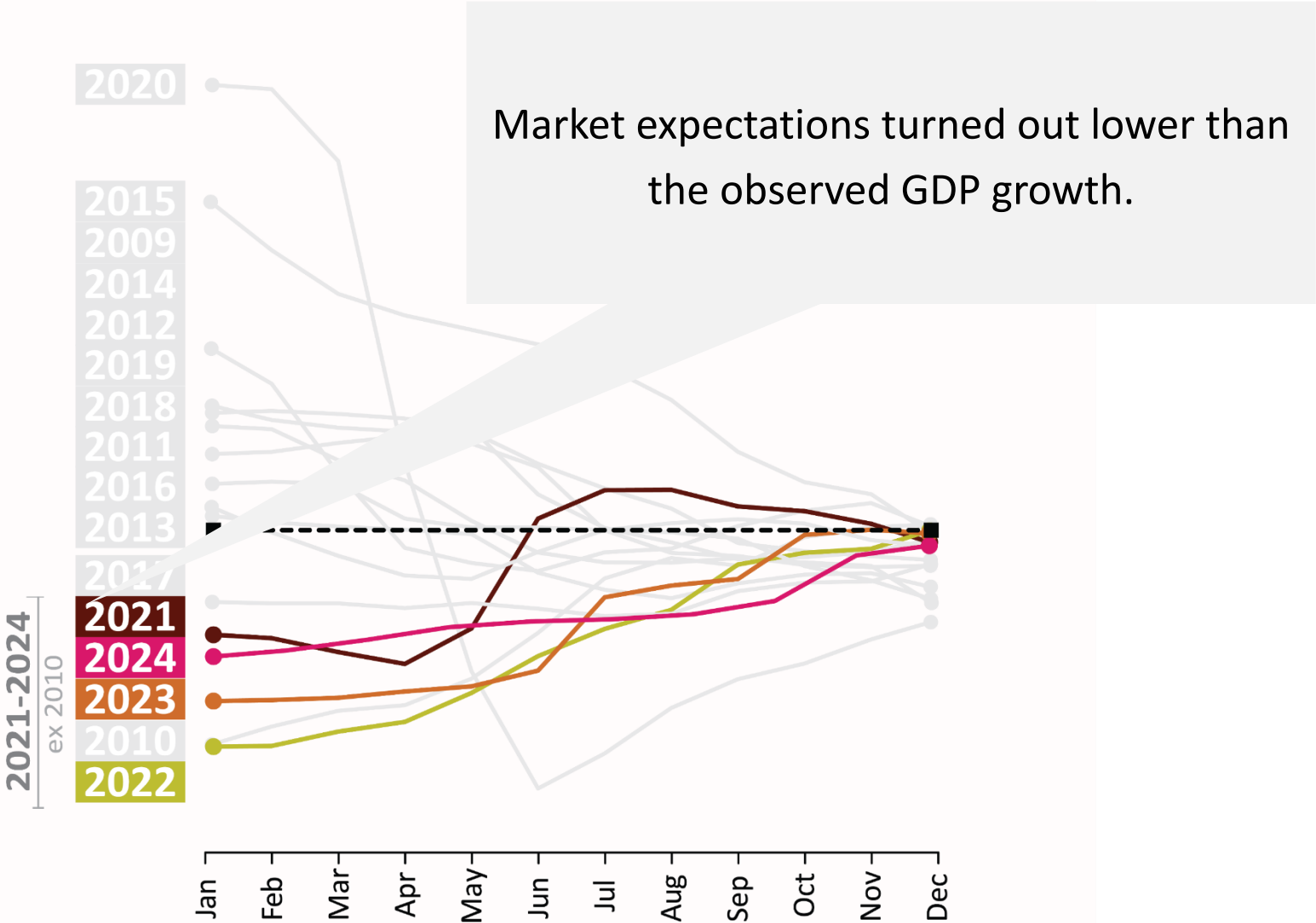
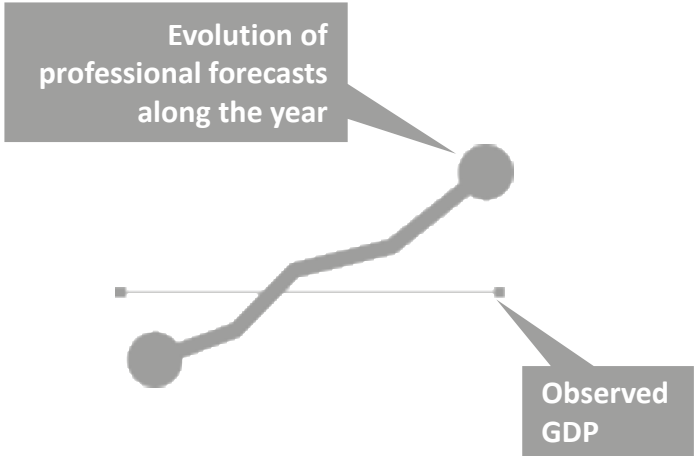


GDP growth Pre and Post Covid Patterns





GDP growth Pre and Post Covid Patterns



The New Macroeconomic “Tripod”



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The pillars are:

- I. **Fiscal Responsibility:** Sustainable Fiscal Regime ([LC 200/2023](#)): a combination of a primary result target (Fiscal Responsibility Law – [LC 101/2000](#)) and a Spending Cap;
- II. **Inflation Targeting:** the goal is to keep inflation within a predetermined range set by the National Monetary Council (CMN). The Central Bank of Brazil is responsible for setting the interest rate (Selic) to achieve this target. ([Decree no. 3088/1999](#)) and;
- III. **Floating Exchange Rate Regime:** “dirty” floating, the value of the Brazilian real relative to other currencies is determined by market forces, without direct and continuous government intervention to fix or manipulate the exchange rate ([L 14,286/2021](#)).

New Inflation Targeting Regime



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Inflation-targeting regime

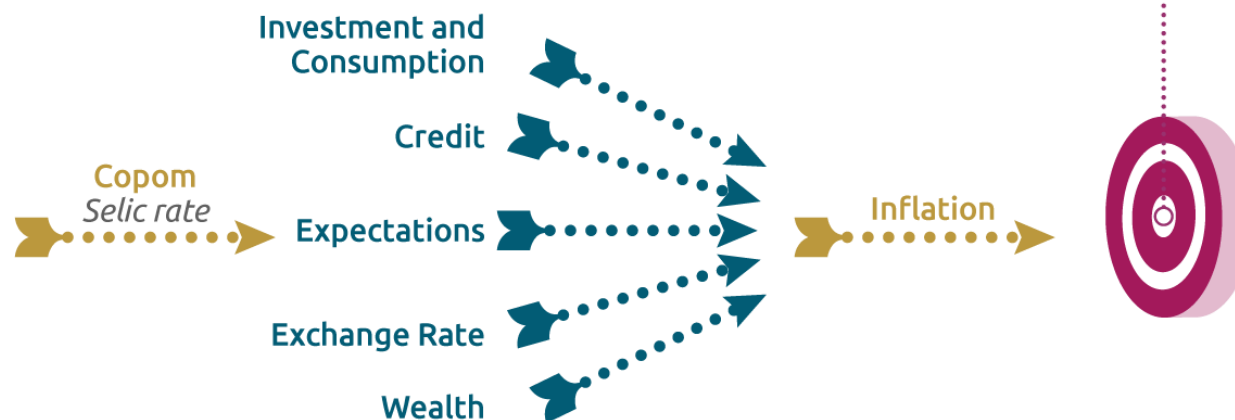
It is the policy framework in place in Brazil to guarantee price stability in the economy

- 1 The National Monetary Council (CMN) establishes the target for inflation
- 2 To keep the inflation under control, the Copom sets the target for the Selic rate
- 3 To keep the Selic rate close to the target, the BCB conducts open market operations (purchase and sale of public securities)
- 4 The Selic rate affects inflation through several channels

INFLATION TARGET

The target makes monetary policy more predictable and gives a clear message about BCB's commitment to price stability

Transmission channels of monetary policy:



*"Brazil's recent **decision to adopt a continuous** (rather than calendar year) 3 percent inflation rate target from 2025 onward is a concrete example of an improvement in operational effectiveness and communications strategy, helping to reduce uncertainty and enhance monetary policy effectiveness."*

(WEO, October 2023, page 60).

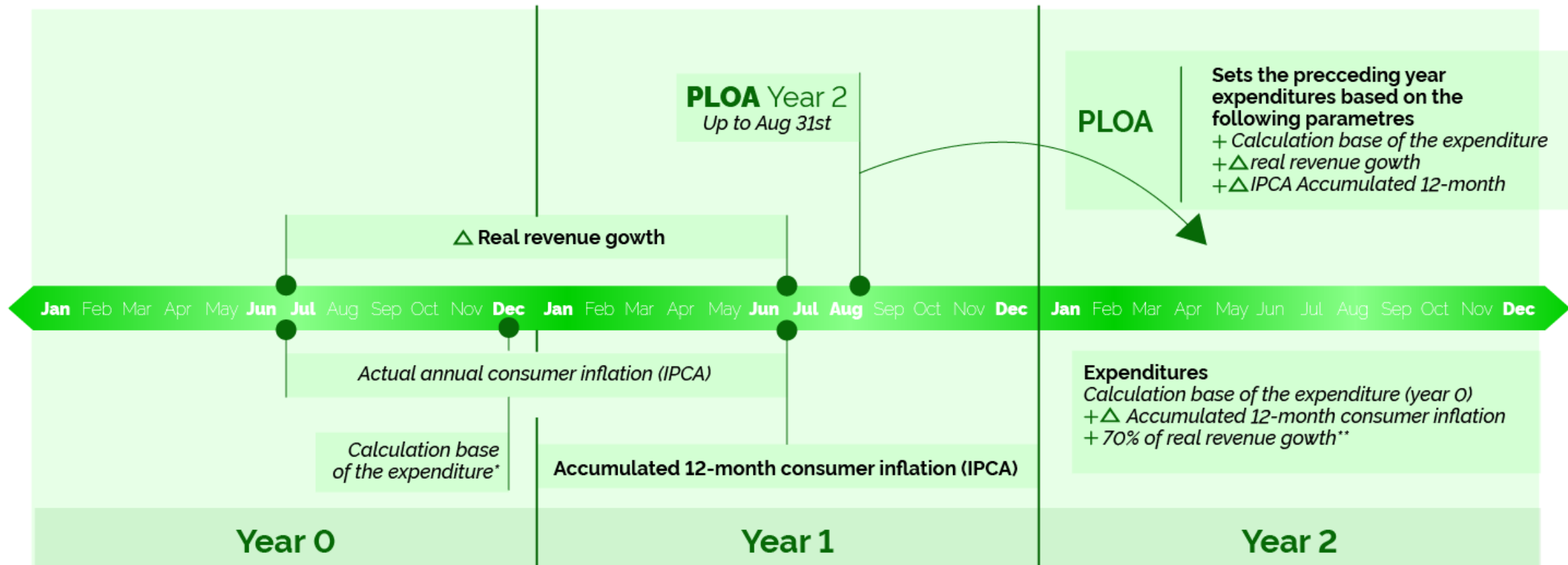
New Sustainable Fiscal Framework



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*Consider the primary expenditures exclusions according to the law.

** The range of the expenditure real growth is between 0,6% to 2,5%. If the primary result target is not accomplished, the expenditure growth factor will be reduced to 50%

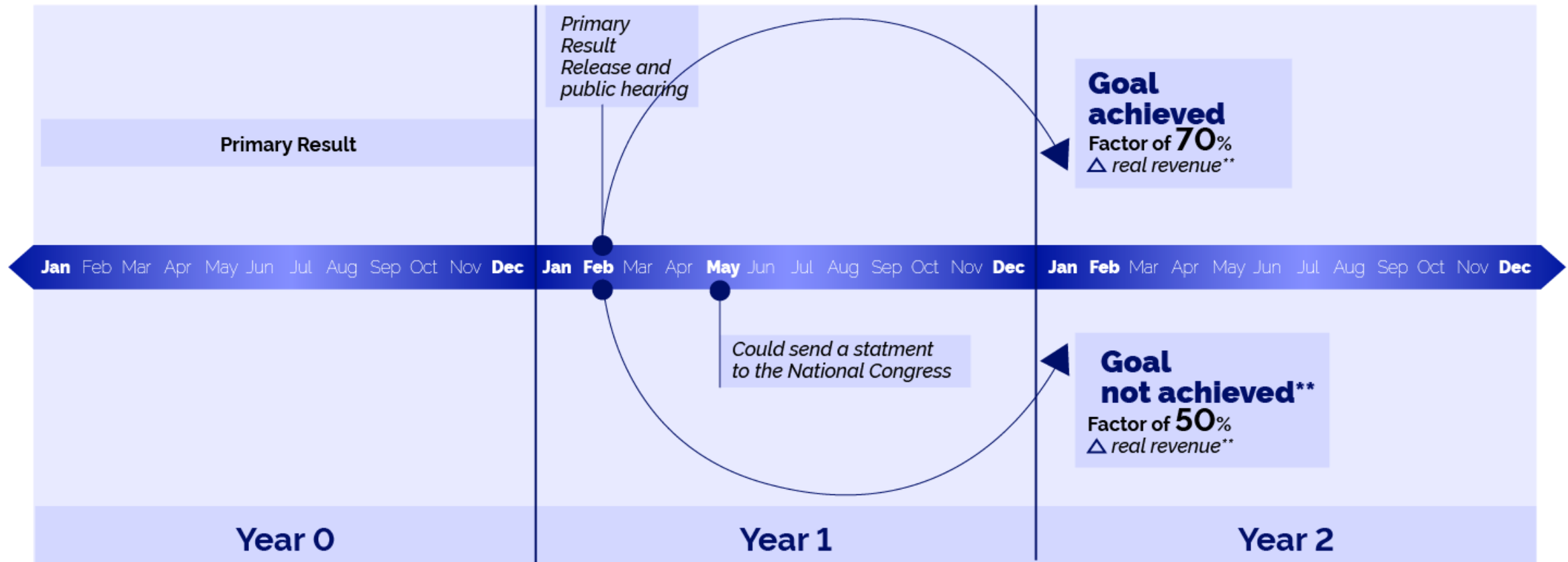
*** Real expenditure growth in the first year will be 2,5%

New Sustainable Fiscal Framework



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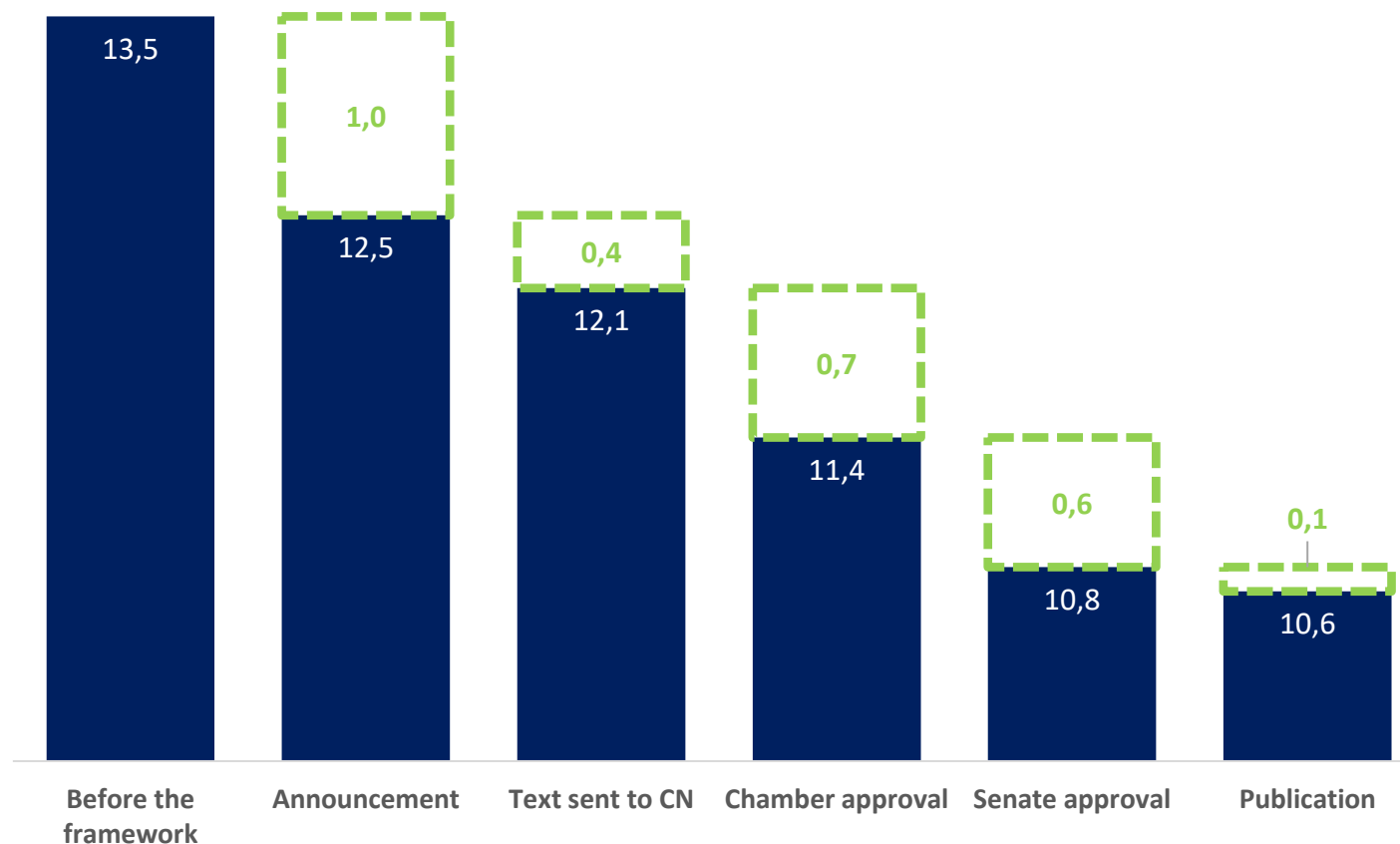
Sets goals for the coming year

* Maintaining the parameters limiting the real growth of accounts between 0.6% and 2.5%



Fiscal and Monetary Coordination

Interest rate - 5 years: effect of the framework (p.p.)*

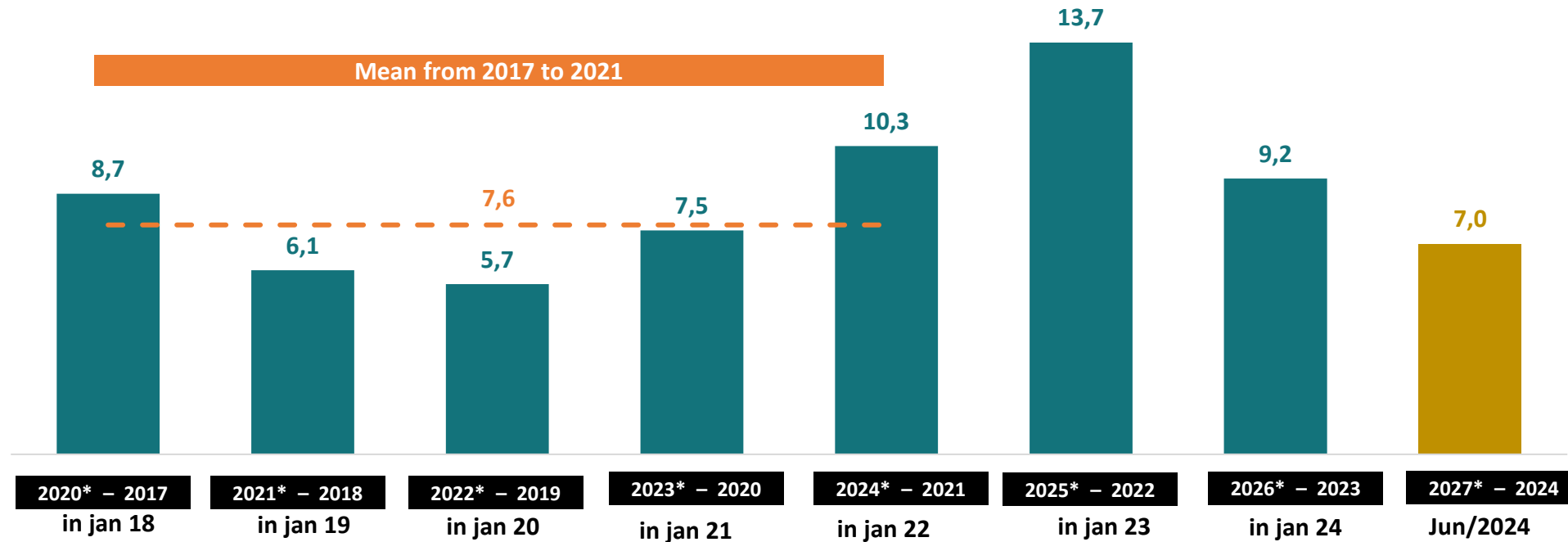


Source: Anbima.

*The interest rate dates refer to 02/Mar. 30/Mar. 18/Apr. 24/May. 21/Jun and 30/Aug. respectively.



Difference between 3-year forward projection and calculated General Government Gross Debt (%GDP)



Source: Central Bank. Focus

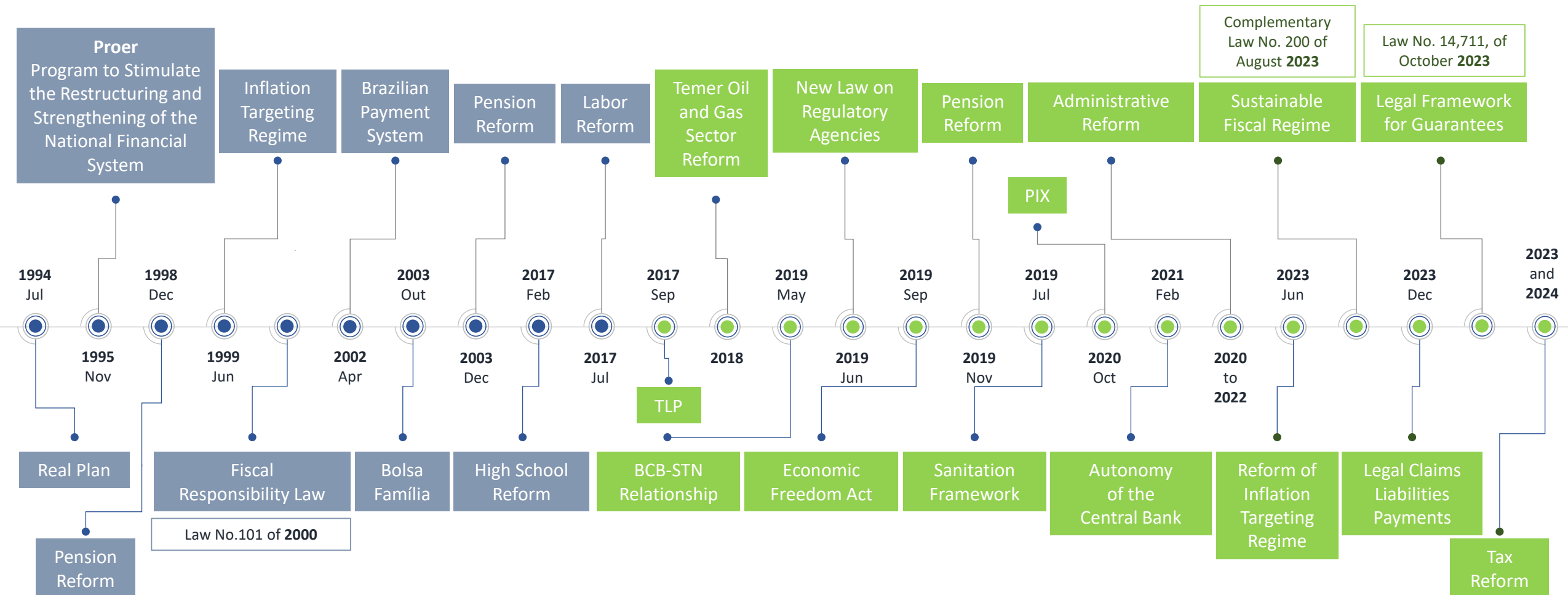
* Projection from January of the current year for 3 years ahead minus debt published in December of the previous year.
For 2024, projection from August/24 for 3 years ahead less debt disclosed in June/24.

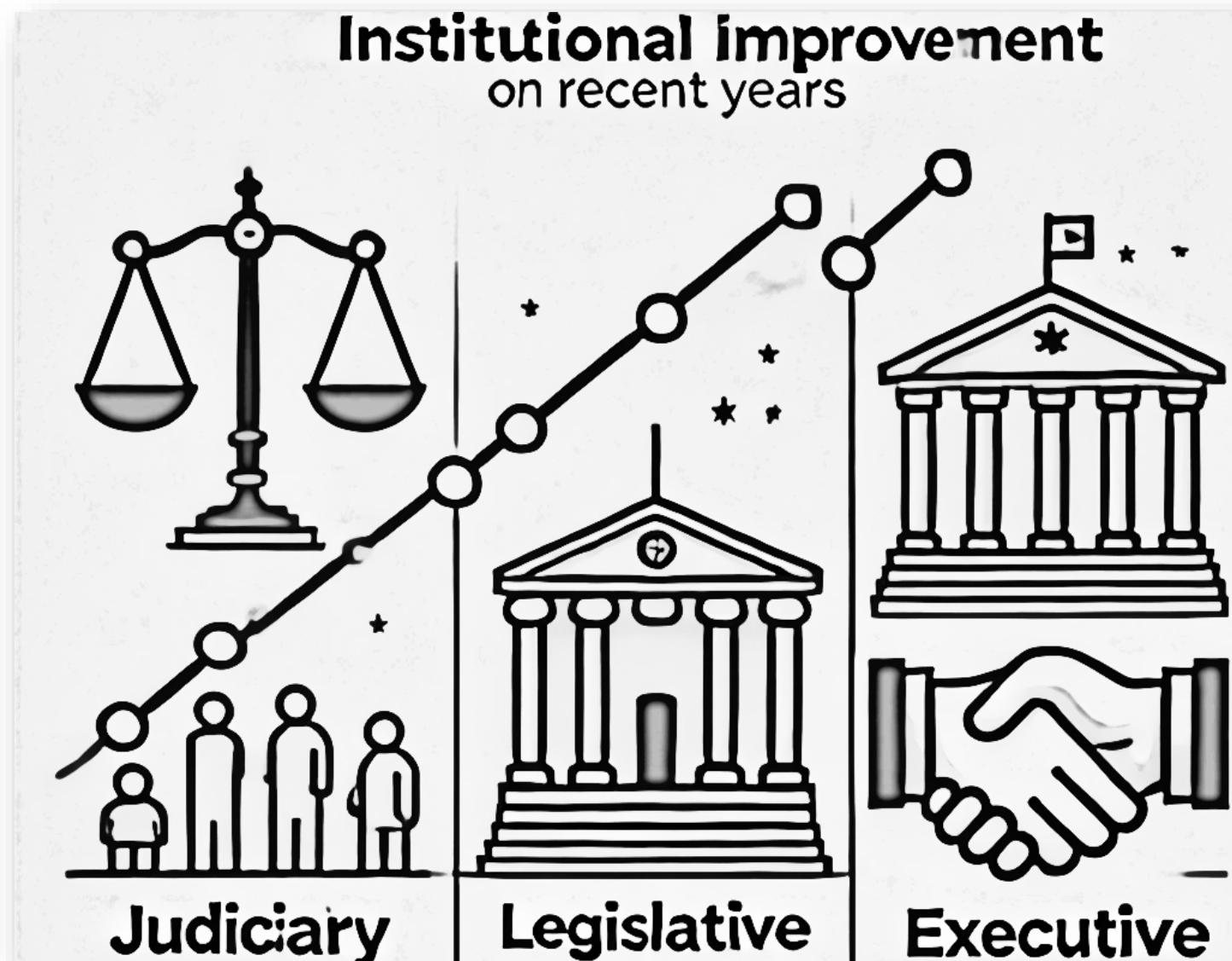


Evolution of Institutions and Economic Reforms

Past Governments

Current Government



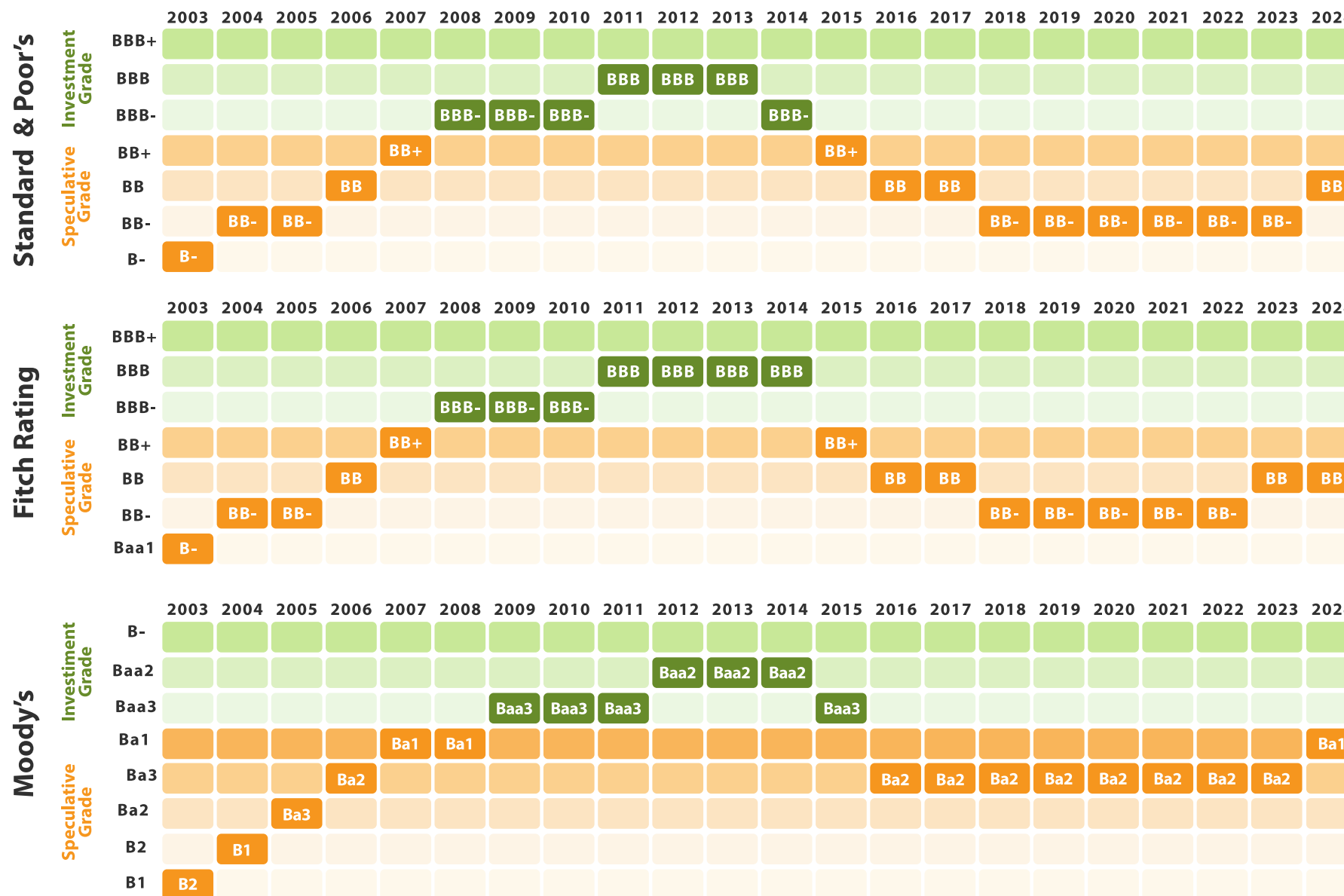


Credit Rating Agencies - CRAs



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But...





Fiscal and Potential Growth





Rethinking Fiscal Policy and Debt for a Post-Pandemic World

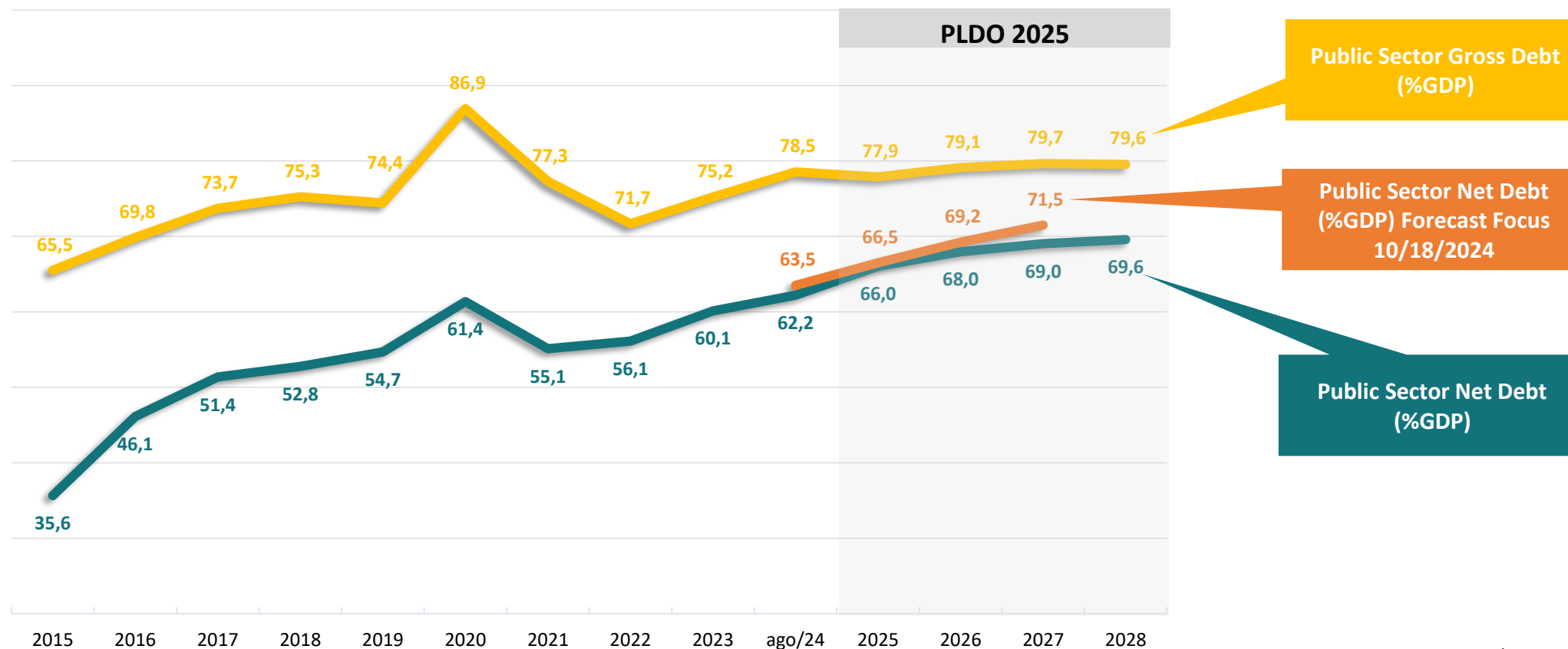
Nearly a century ago, Joseph Schumpeter wrote:

“The spirit of a people, its cultural level, its social structure... all this and more is written in its fiscal history... The public finances are one of the best starting points for an investigation of society”.





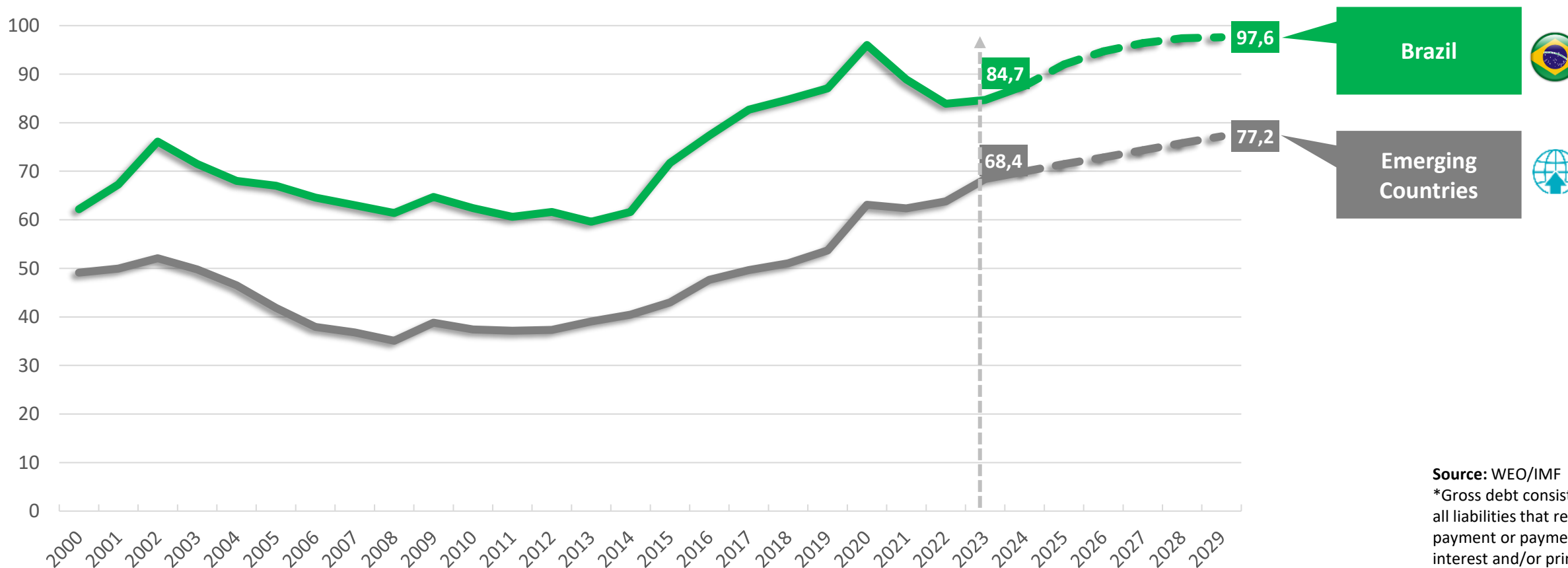
Public Sector Gross and Net Debt (% GDP)



Source: BCB, PLDO2025 and Focus October 18th, 2024.



General Government Gross Debt – IMF (% GDP)



Source: WEO/IMF

*Gross debt consists of all liabilities that require payment or payments of interest and/or principal by the debtor to the creditor at a date or dates in the future.



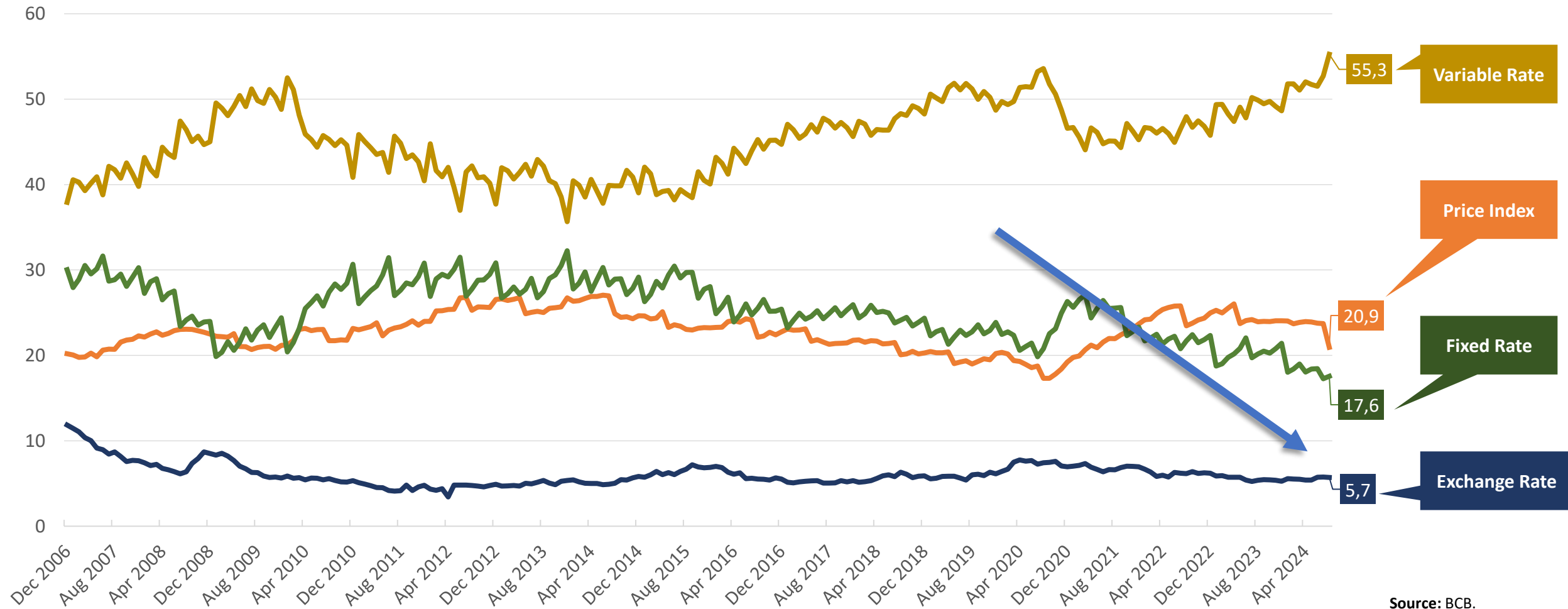
Foreign Debt (% of Gross Public Debt)



Source: BCB.



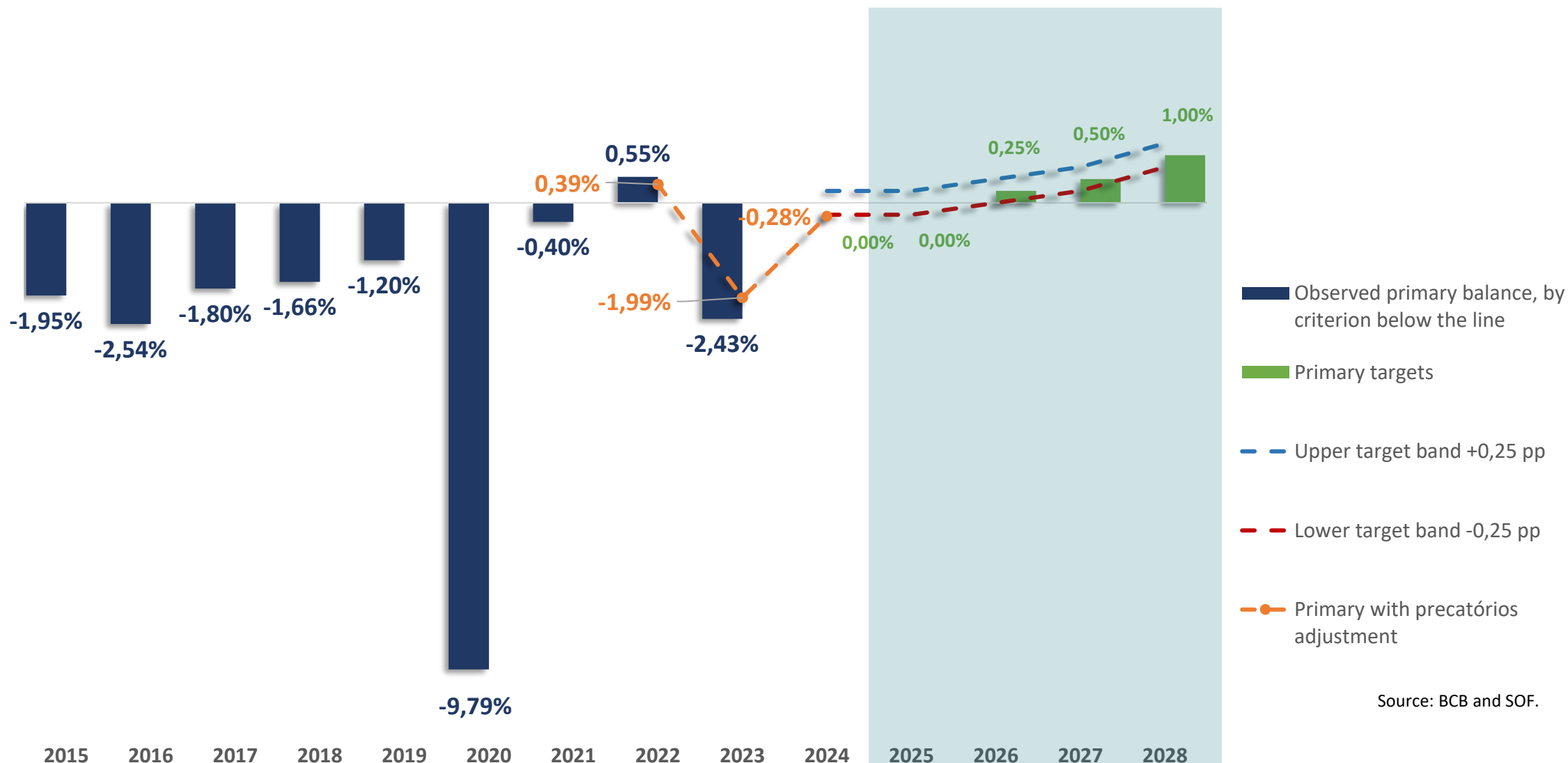
General Government Gross Debt Composition by return index (%)



Source: BCB.

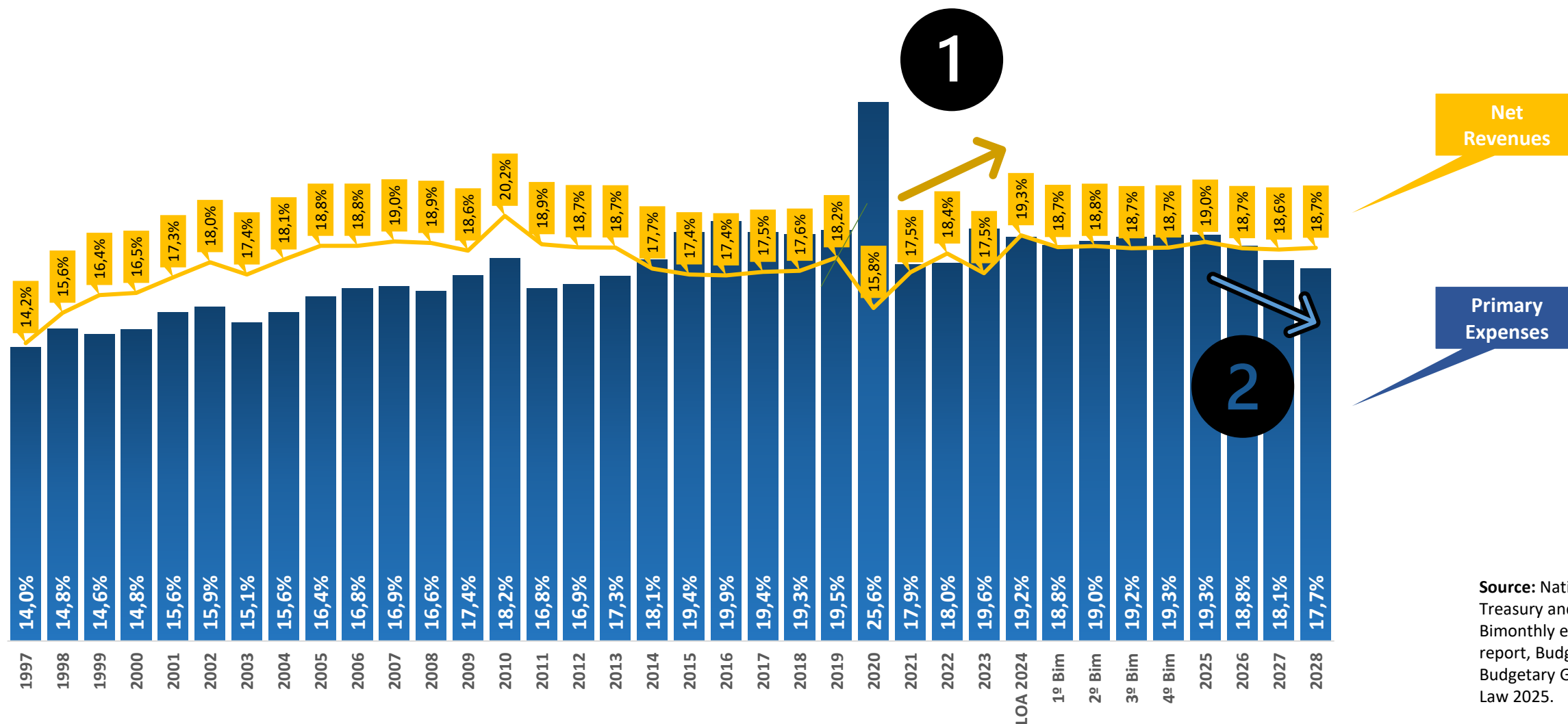


Observed Primary Balance and Targets – Central Government (% GDP)



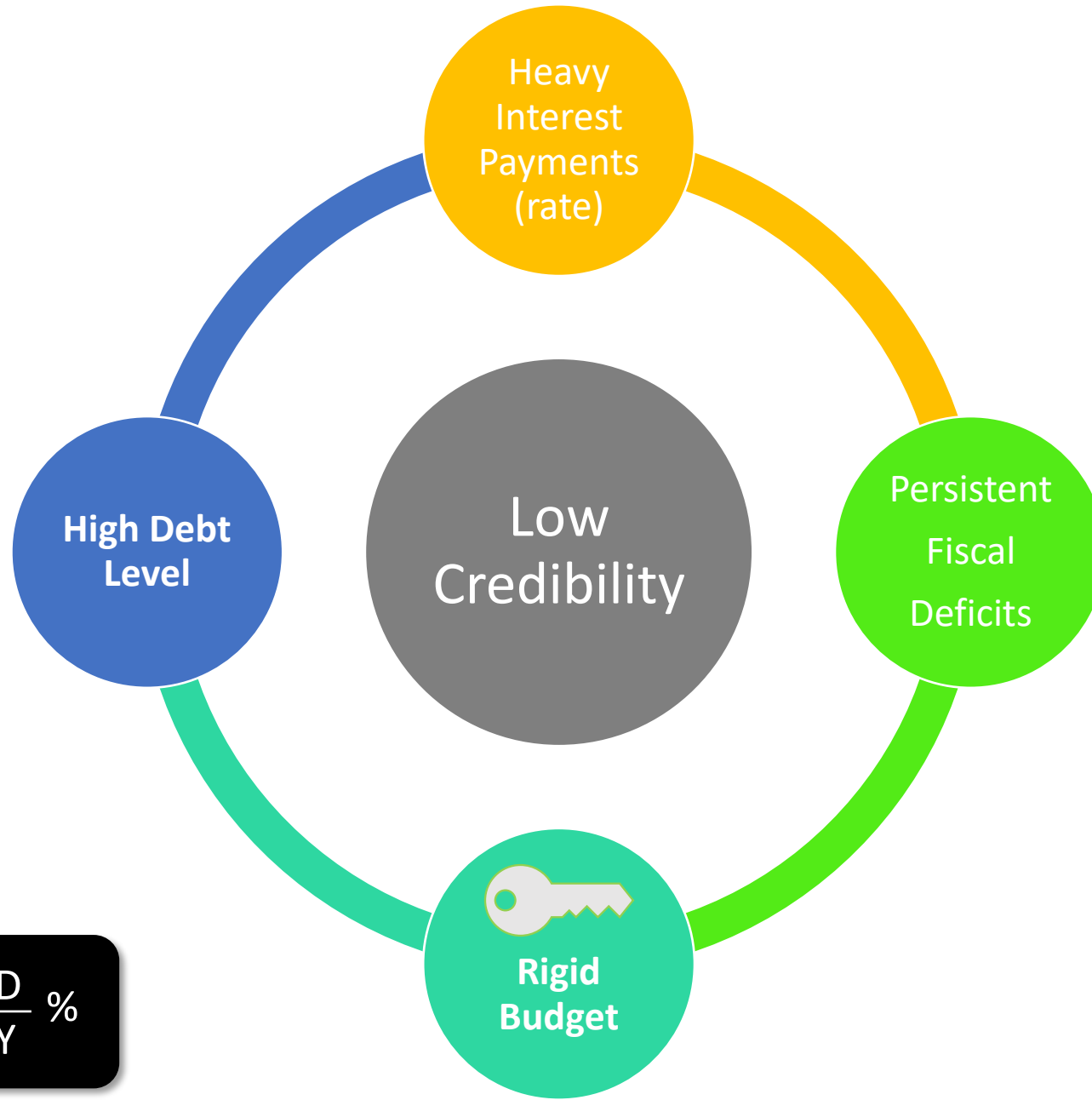


Primary Expenses and Revenues - Federal Budget (% GDP)



Source: National Treasury and 1st to 4st Bimonthly evaluation report, Budgetary and Budgetary Guidance Law 2025.

The Brazilian Fiscal Puzzle



$$\frac{D}{Y} \%$$

$$d_t = \frac{(1+r_t)}{(1+g_t)} d_{t-1} - pb_t$$

Subtracting $debt_{t-1}$ on both sides of equation:

$$\Delta d_t = \frac{(r_t - g_t)}{(1+g_t)} d_{t-1} - pb_t$$

The surplus that would stabilize the debt ($\Delta=0$)

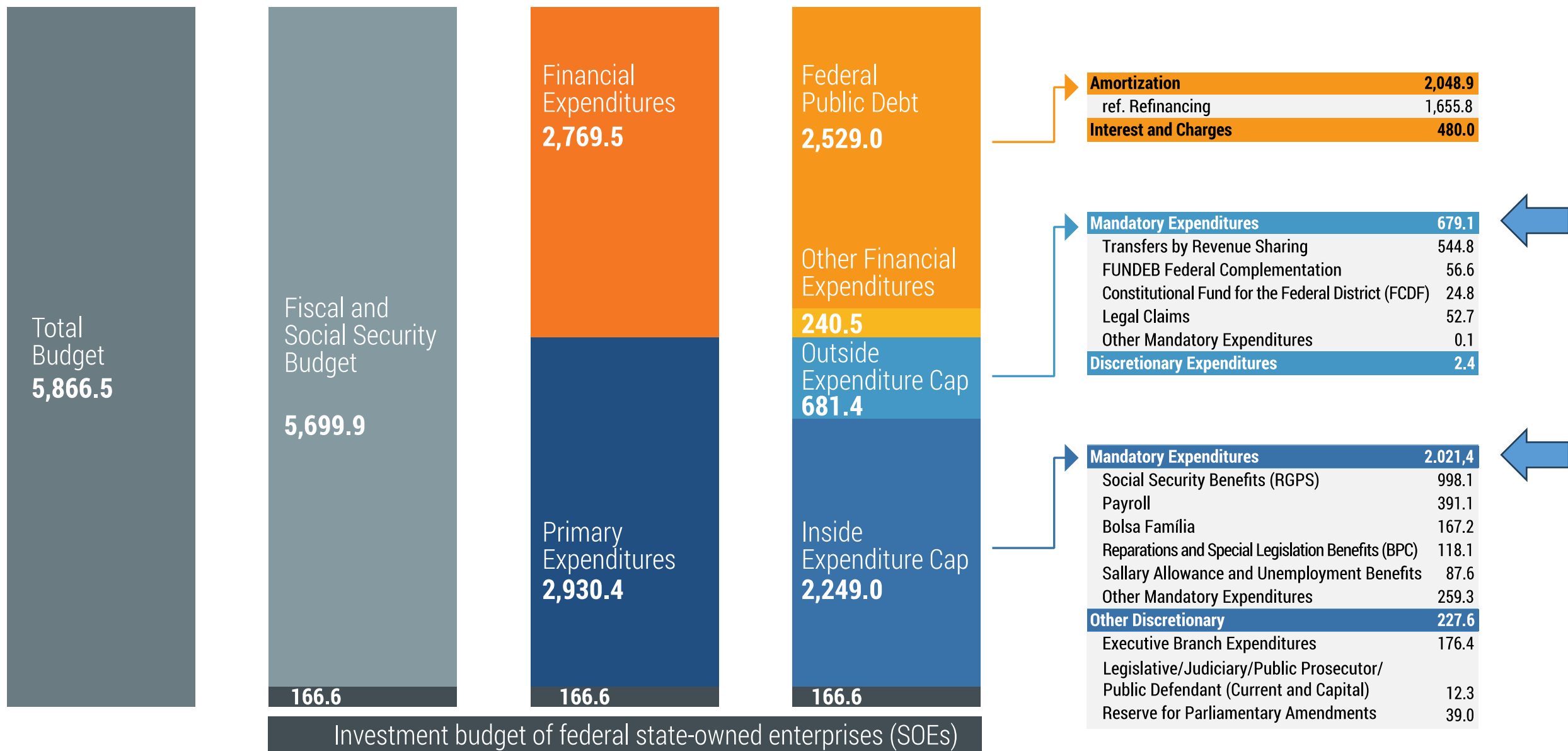
$$pb_t = \frac{(r_t - g_t)}{(1+g_t)} d_{t-1}$$

Budget General Overview – 2025 (BRL Billion)



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MINISTRY OF
PLANNING
AND BUDGET



Budget Highlights 2025 (R\$ billion)



Health Minimum

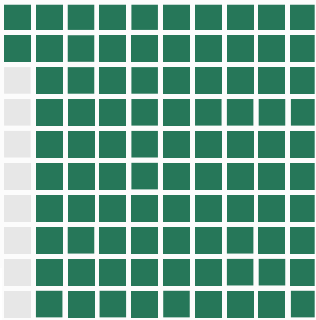
214.2	227.8	+13.6
2024*	2025	+6,4%

Investment Minimum

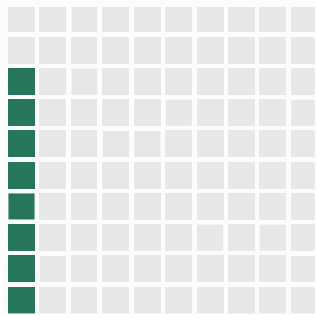
68.5	74.3	+5.8
2024	2025	+8,5%

Mandatory x Discretionary

92%
Mandatory



8%
Discretionary



Education Minimum

108.3	113.6	+5.2
2024*	2025	+4,8%

PAC - New growth acceleration program, except amendments

50.4	60.9	+10.5
2024*	2025	+21%

Minimum wage (R\$ 1)

1.412	1.509	+97
2024	2025	+6,9%

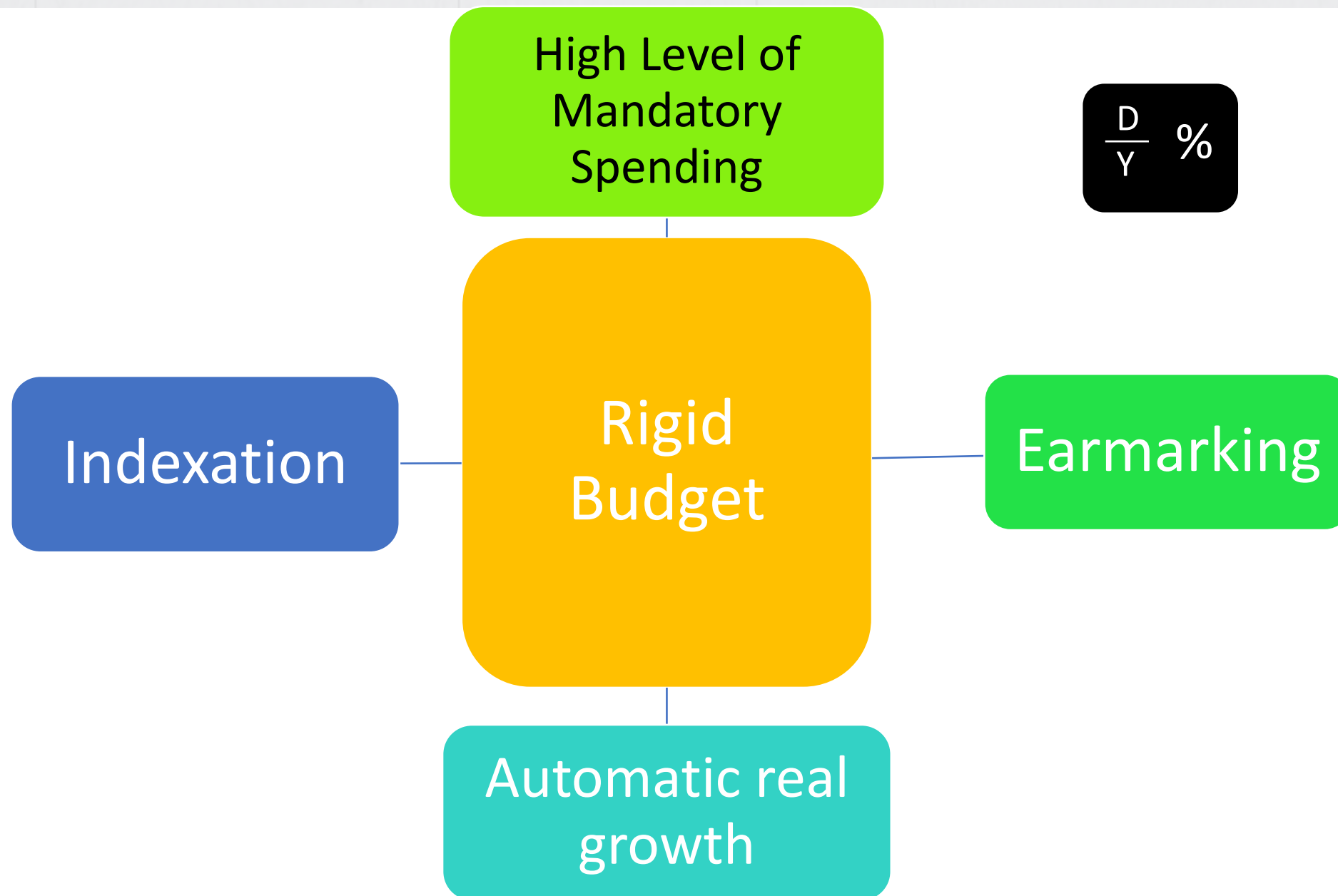
Mandatory Parliamentary Amendments

33.6	39.0	+5.4
2024**	2025	+16%

*Bimonthly Fiscal Report for the 3rd quarter 2024;

**In 2024, R\$ 4 billion from the reserve for bench amendments was allocated by the National Congress in the Special Campaign Financing Fund

The Brazilian Fiscal Puzzle



The Virtuous Cycle



$\frac{D}{Y}$ %

$$d_t = \frac{(1+r_t)}{(1+g_t)} d_{t-1} - pb_t$$

Subtracting $debt_{t-1}$ on both sides of equation:

$$\Delta d_t = \frac{(r_t - g_t)}{(1+g_t)} d_{t-1} - pb_t$$

The surplus that would stabilize the debt ($\Delta=0$)

$$pb_t = \frac{(r_t - g_t)}{(1+g_t)} d_{t-1}$$

Demographic Trends in Brazil

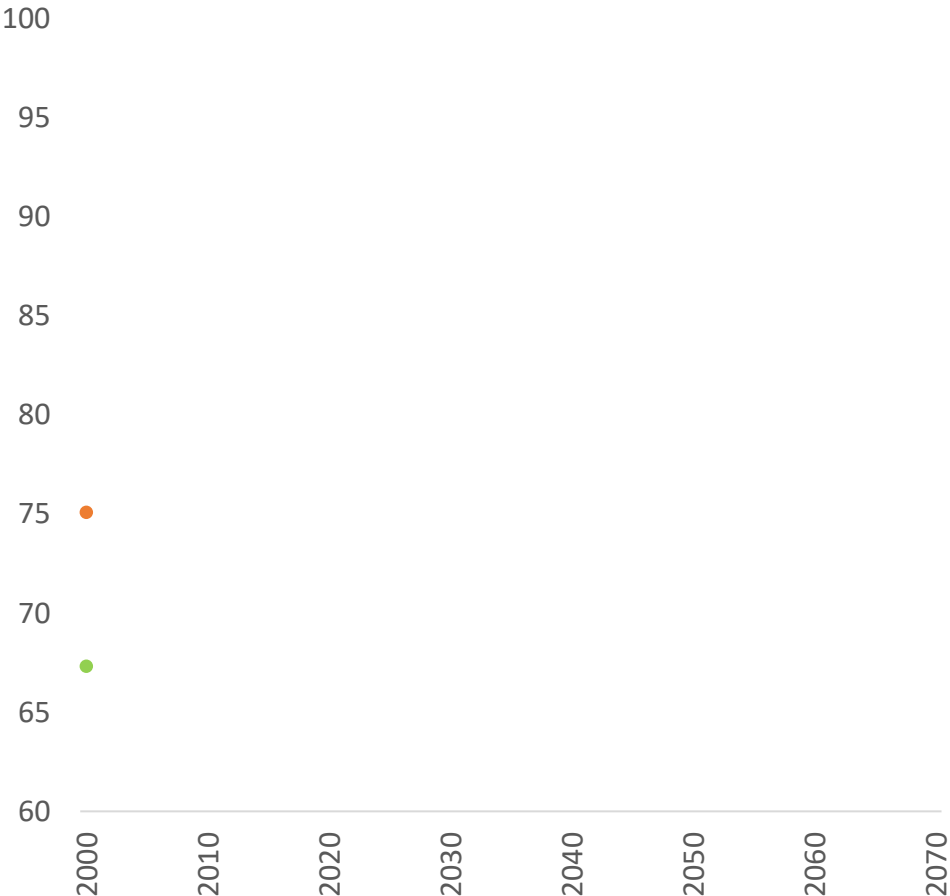


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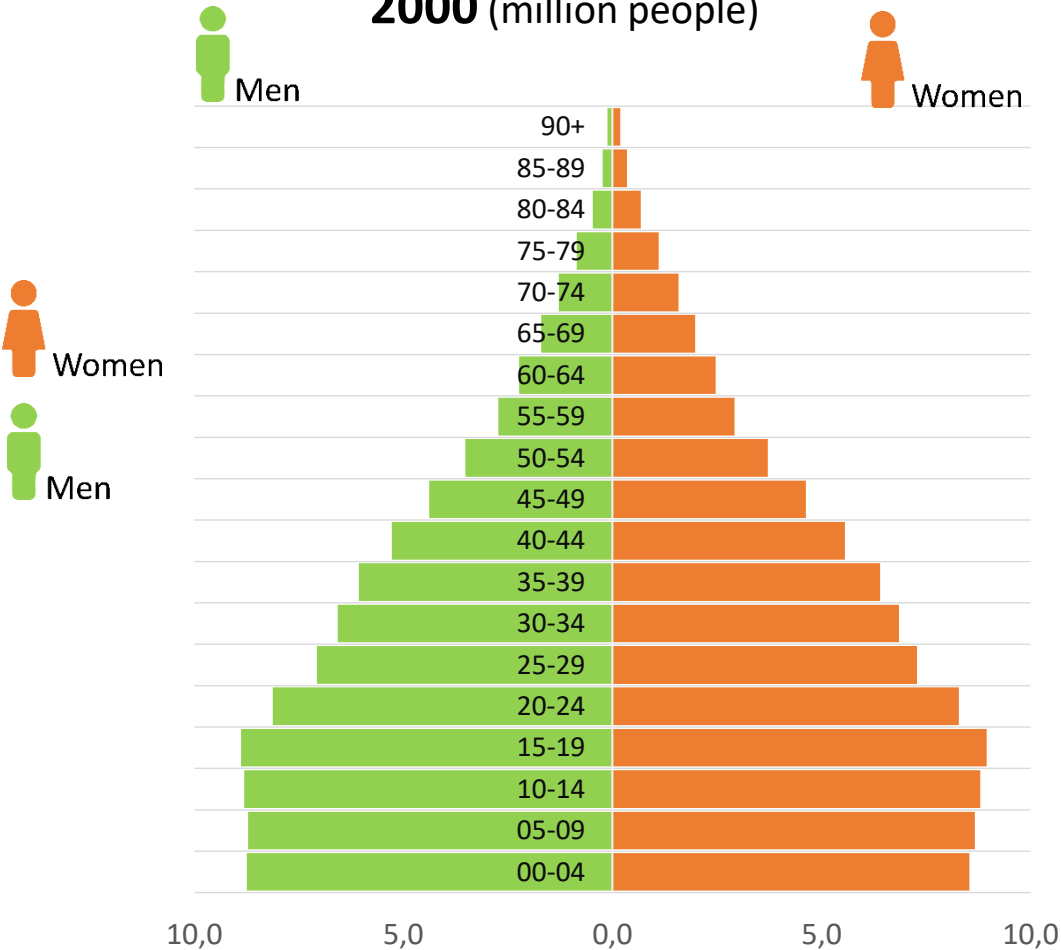
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AND BUDGET



Life Expectancy at Birth
(years)



Population Pyramid
2000 (million people)

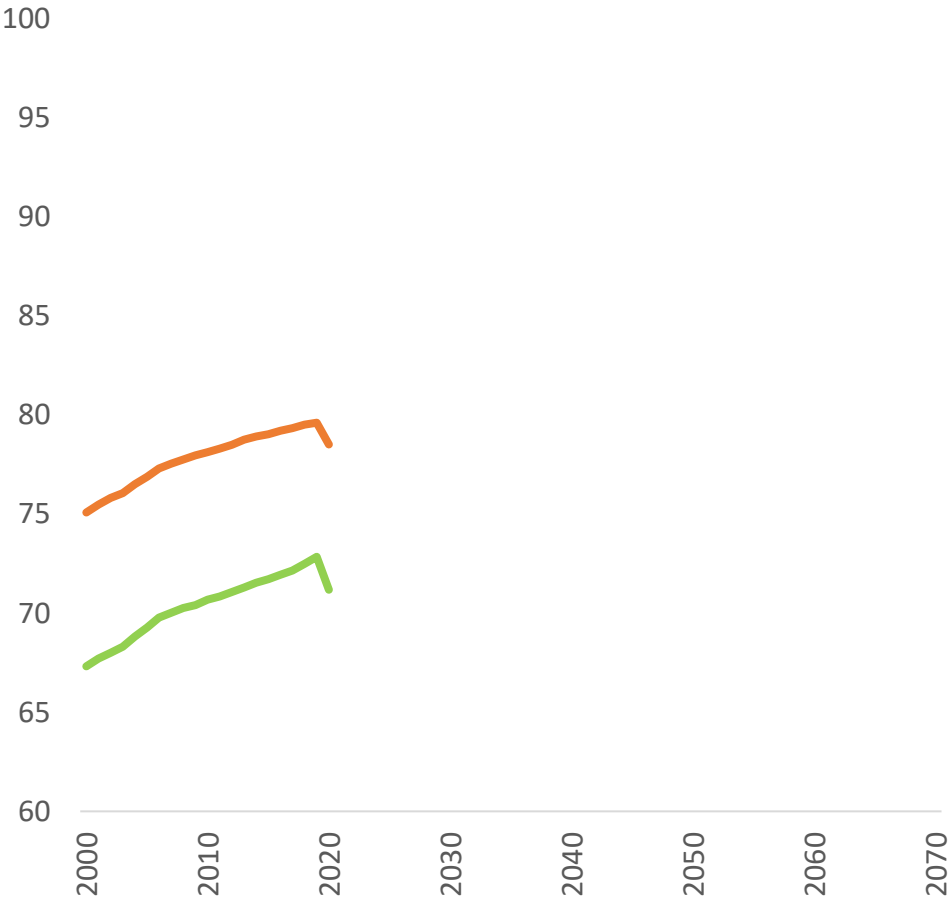


Sources: IBGE

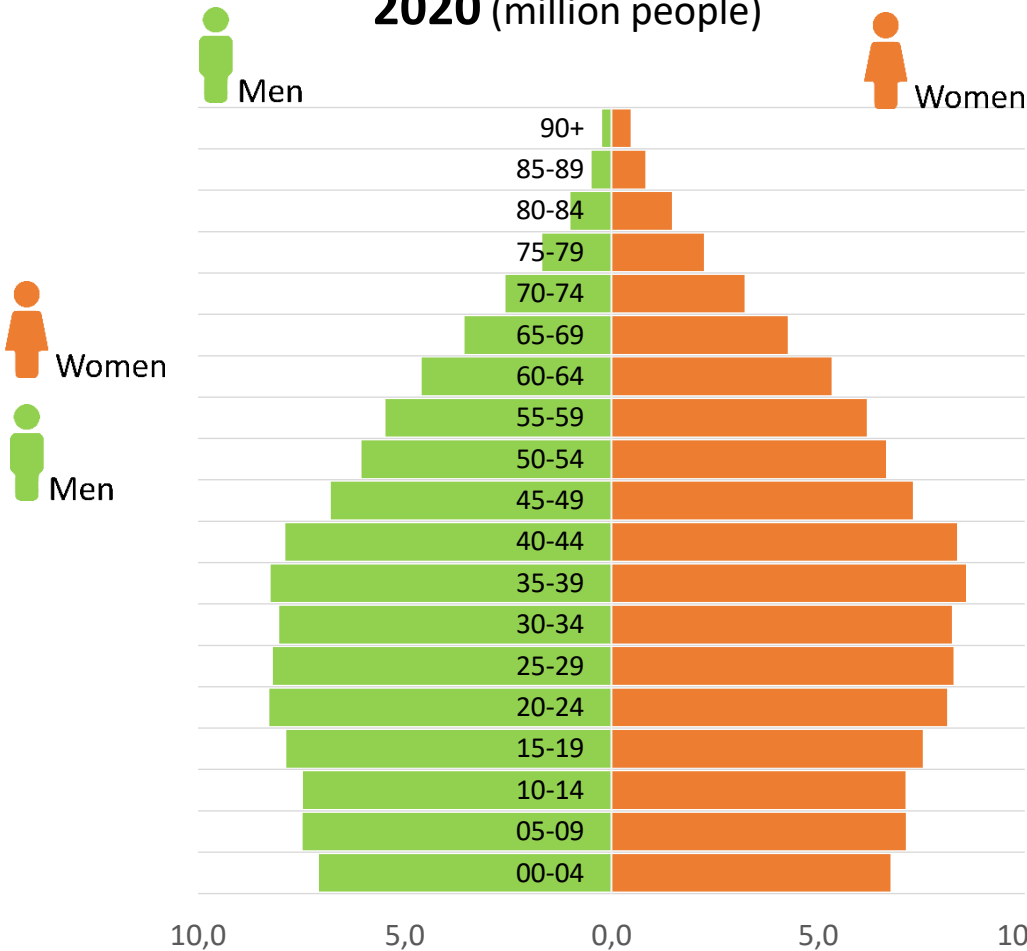
Demographic Trends in Brazil



Life Expectancy at Birth
(years)



Population Pyramid
2020 (million people)

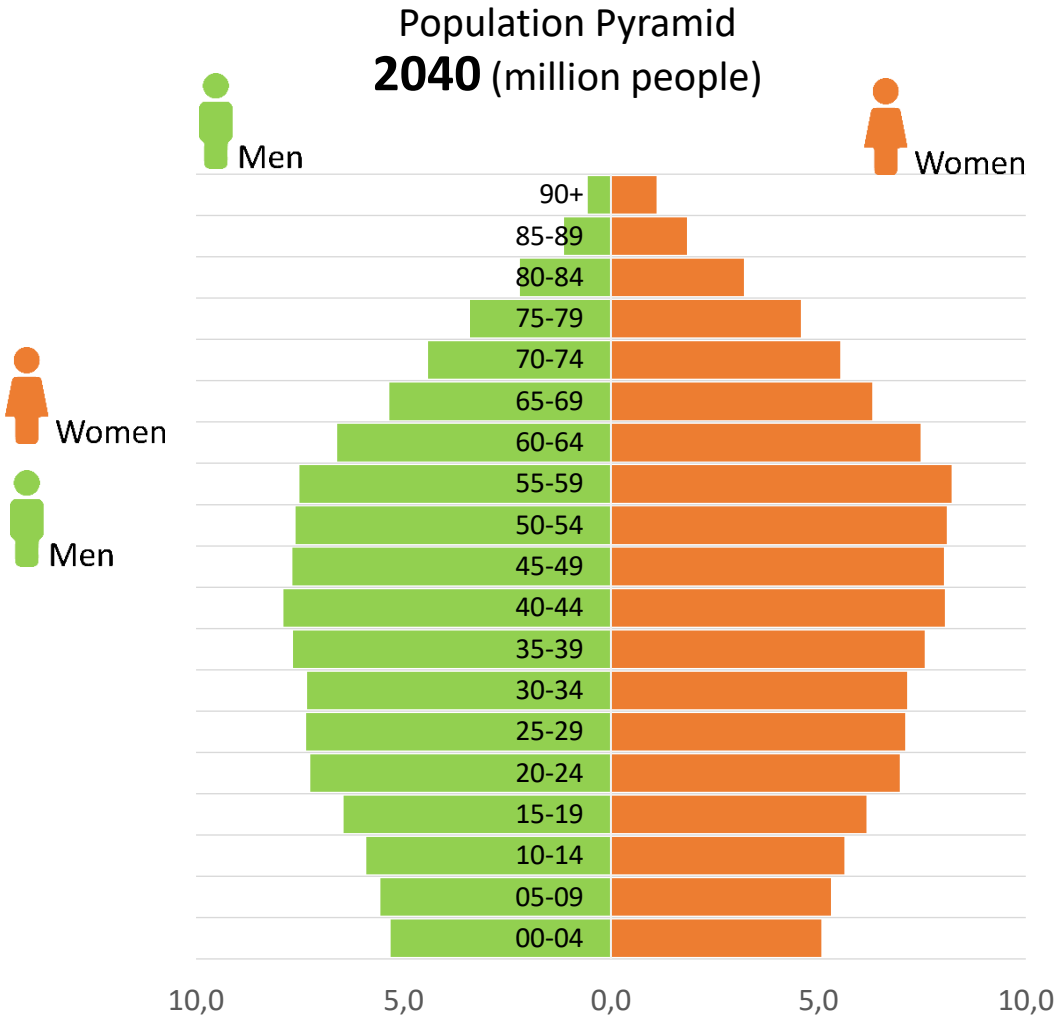
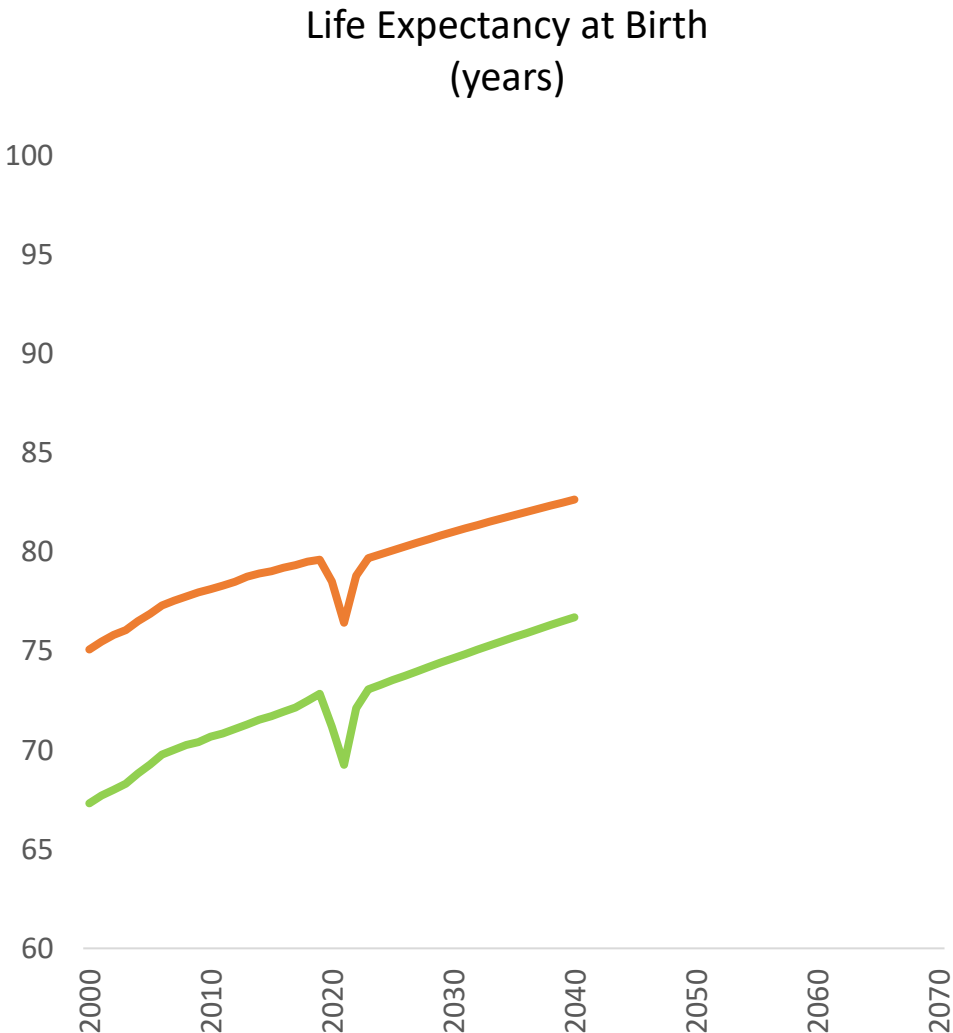


Demographic Trends in Brazil



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PLANNING
AND BUDGET



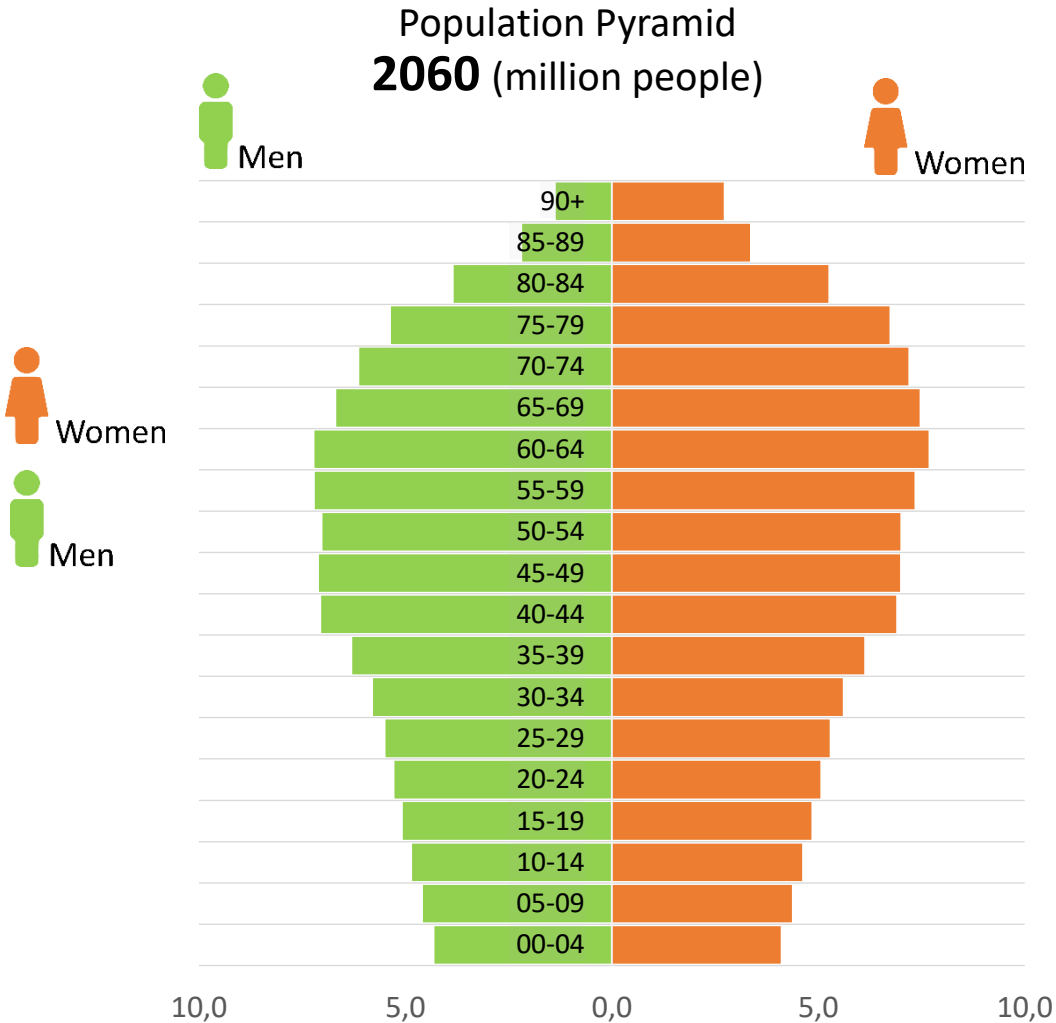
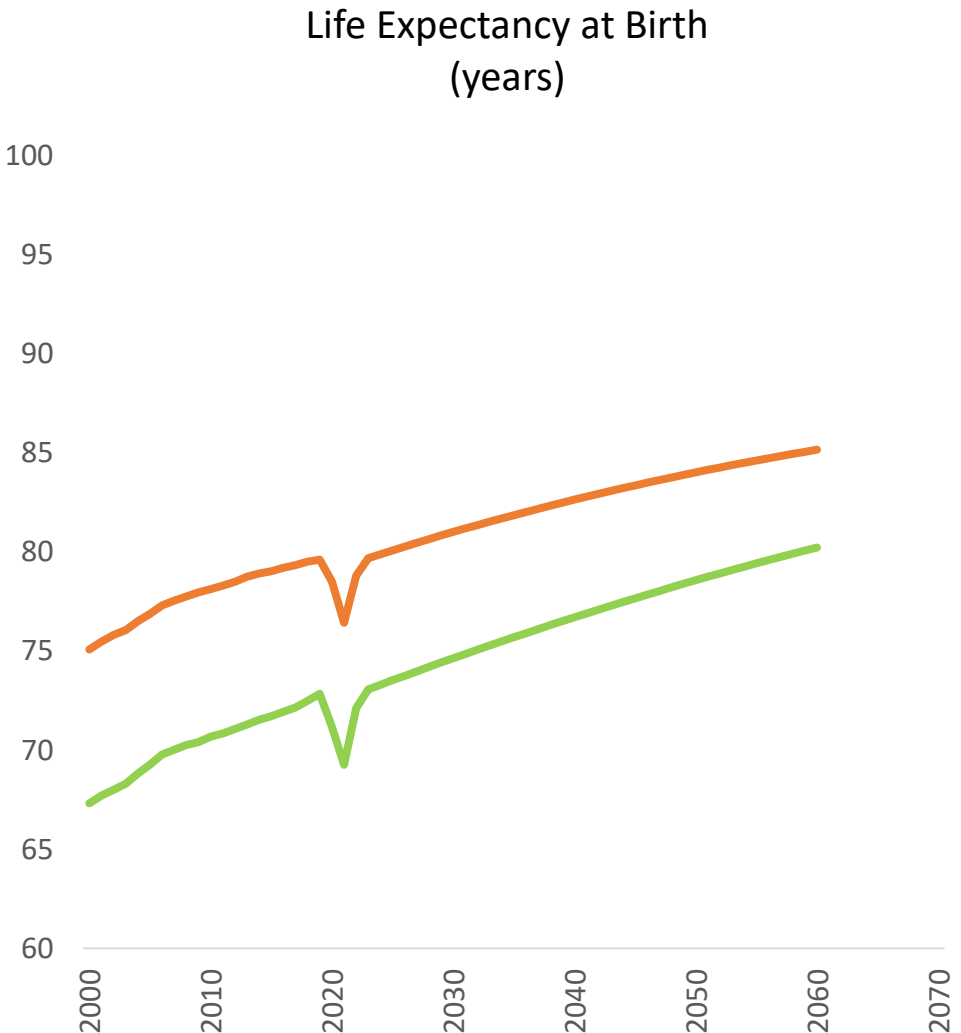
Sources: IBGE

Demographic Trends in Brazil



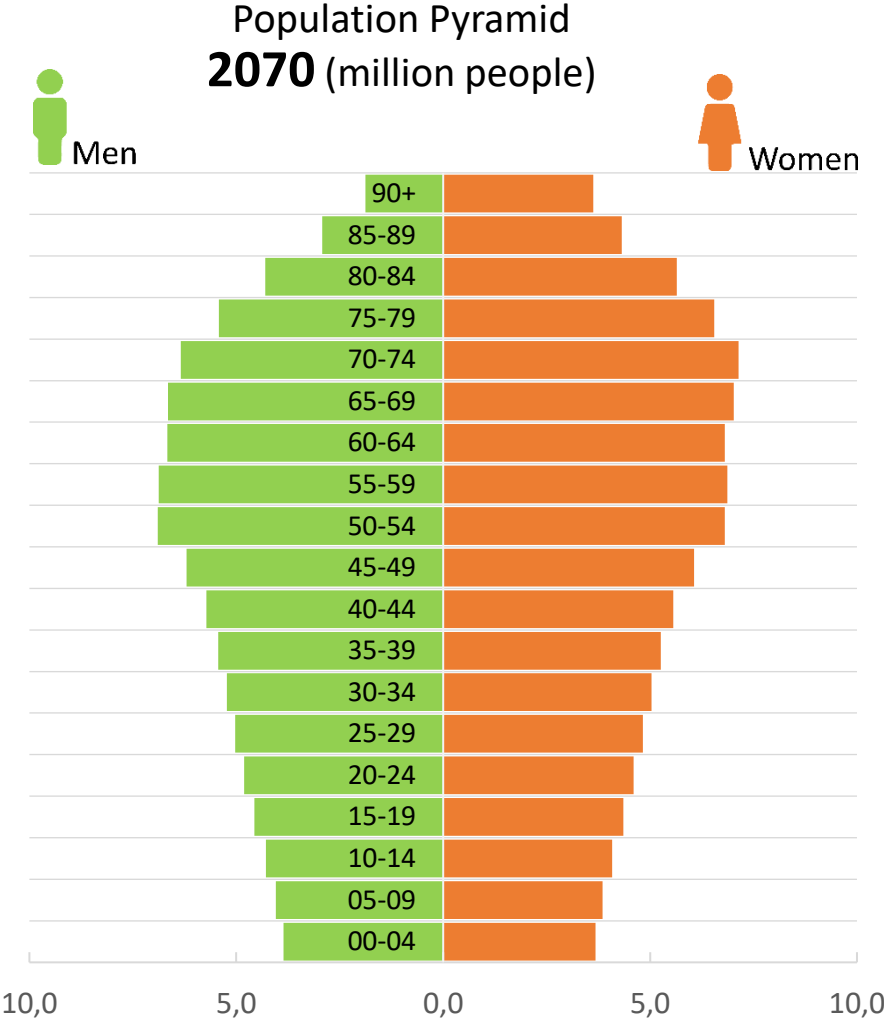
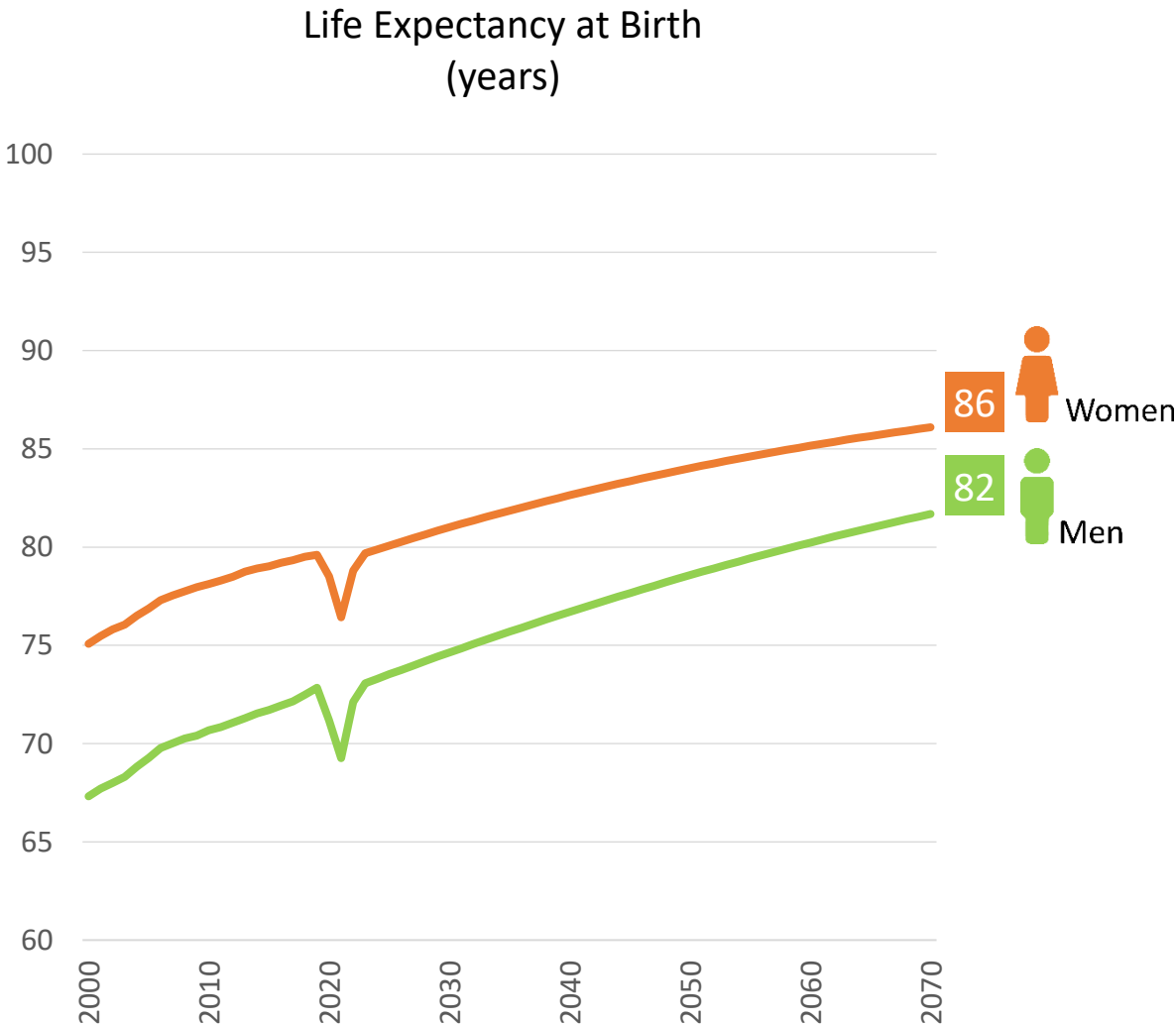
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AND BUDGET



Sources: IBGE

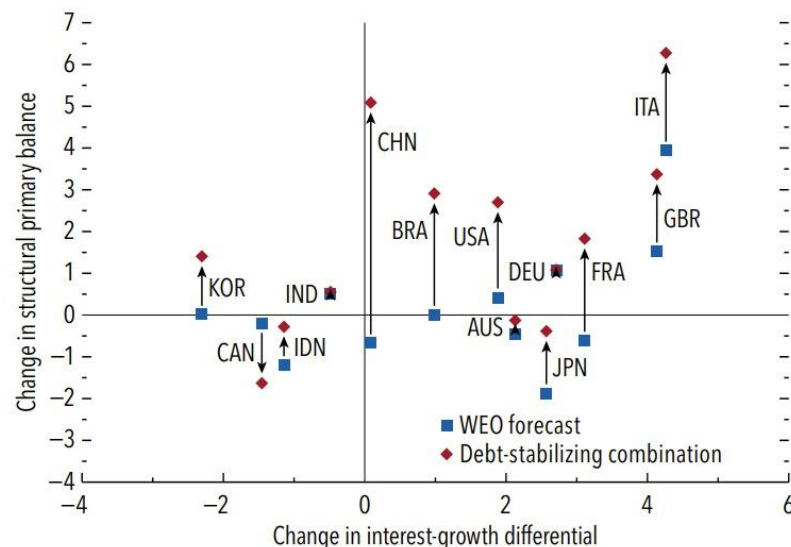
Demographic Trends in Brazil





World Economic Outlook, IMF – Oct/2024

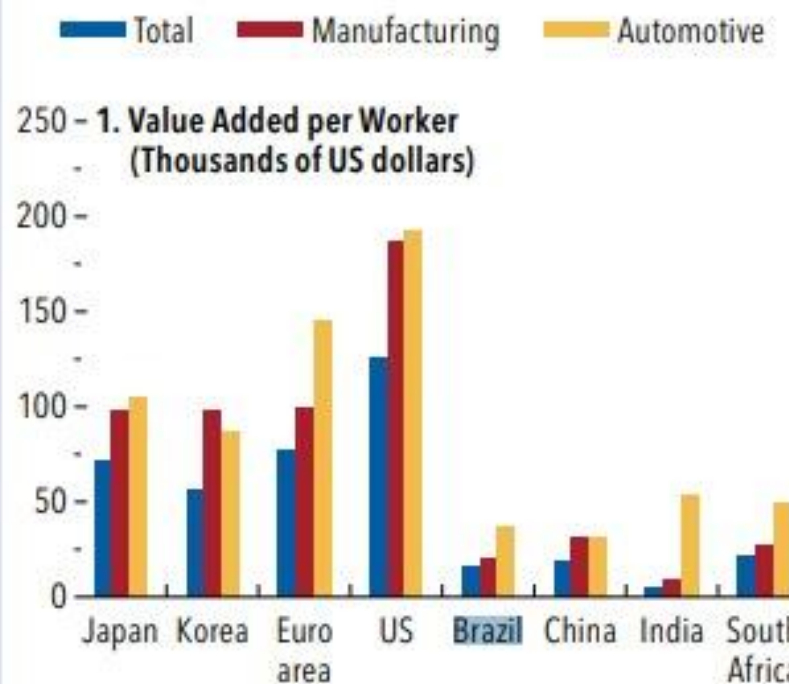
Figure 1.18. Required Fiscal Consolidation
(Percentage points)



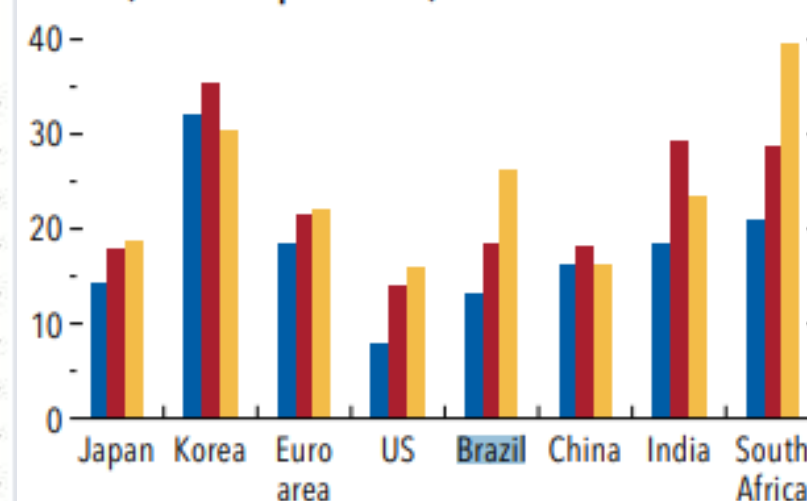
Source: IMF staff calculations.

Note: "Debt-stabilizing combination" refers to the change in structural primary balance needed to stabilize the debt-to-GDP ratio at its 2023 level, given the projected change in the interest-growth differential from 2023 to 2024. Data labels in the figure use International Organization for Standardization (ISO) country codes. WEO = World Economic Outlook.

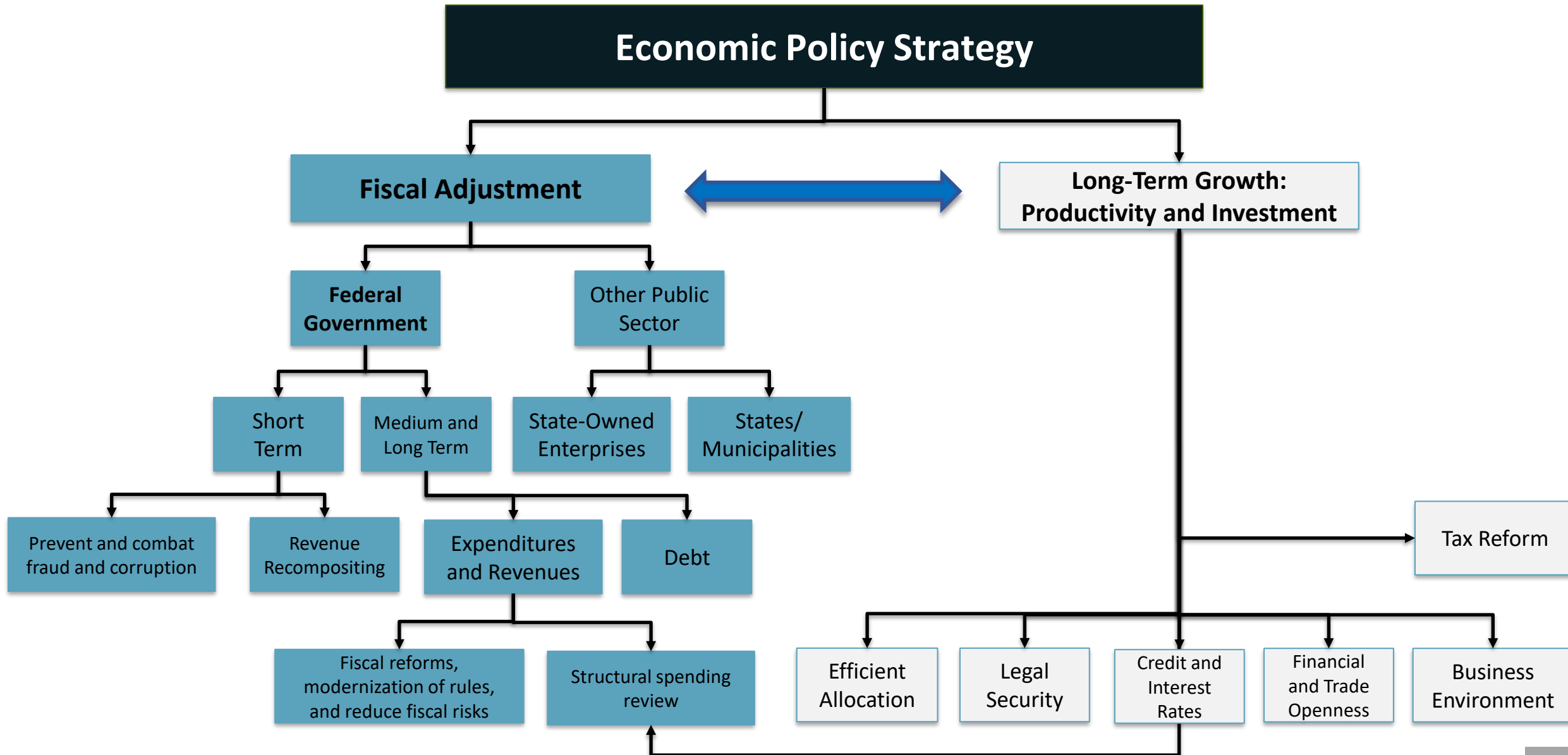
Figure 1.1.1. Productivity and Global Value Chains in the Automotive Sector

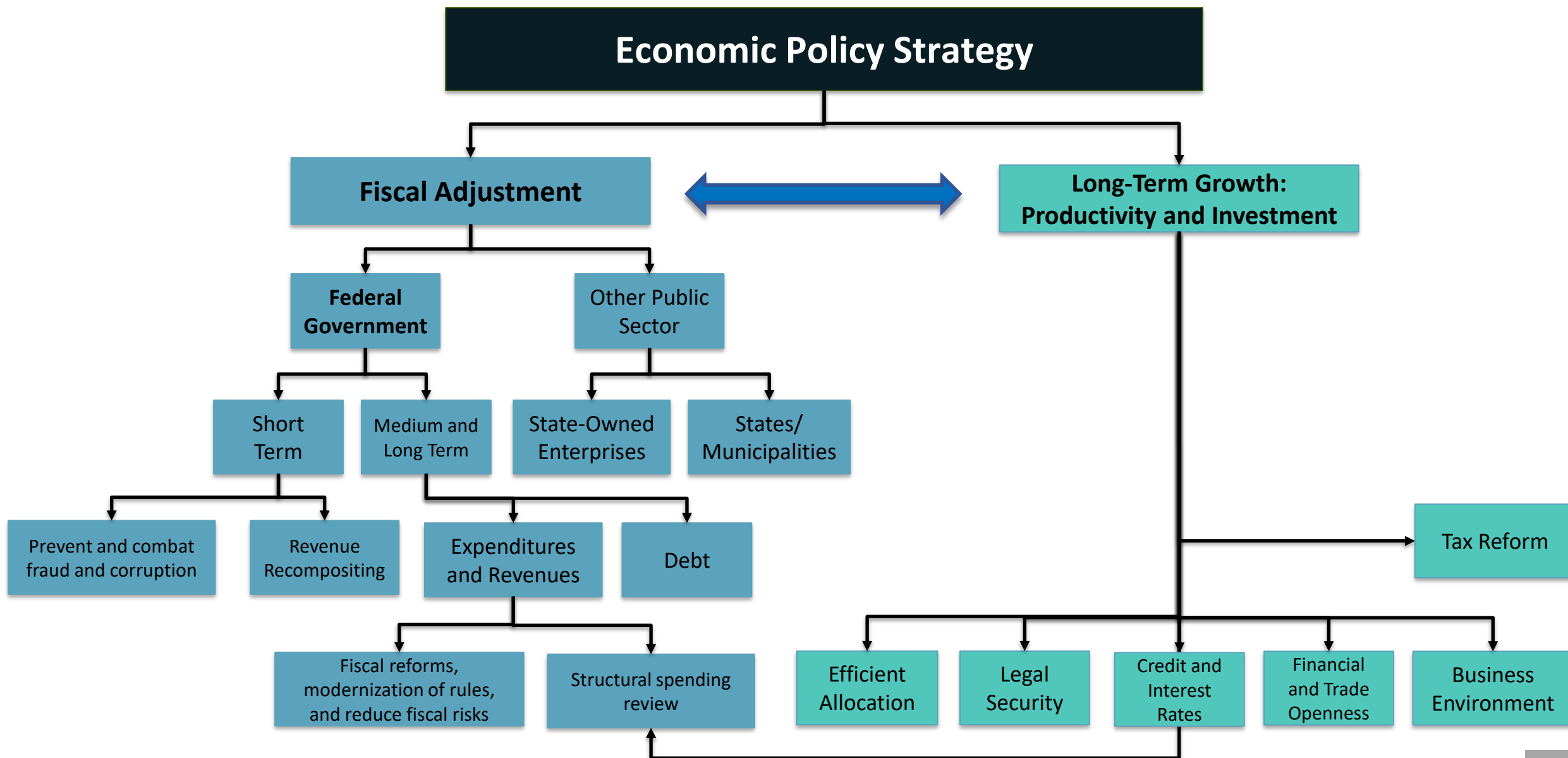


2. Foreign Value Added
(Percent of production)



Sources: Organisation for Economic Co-operation and Development, Trade in Employment database and Trade in Value-Added indicators; and IMF staff calculations.





Expected Potential Growth (I Rates and TFP g)



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PLANNING
AND BUDGET



Baseline Scenario(*)

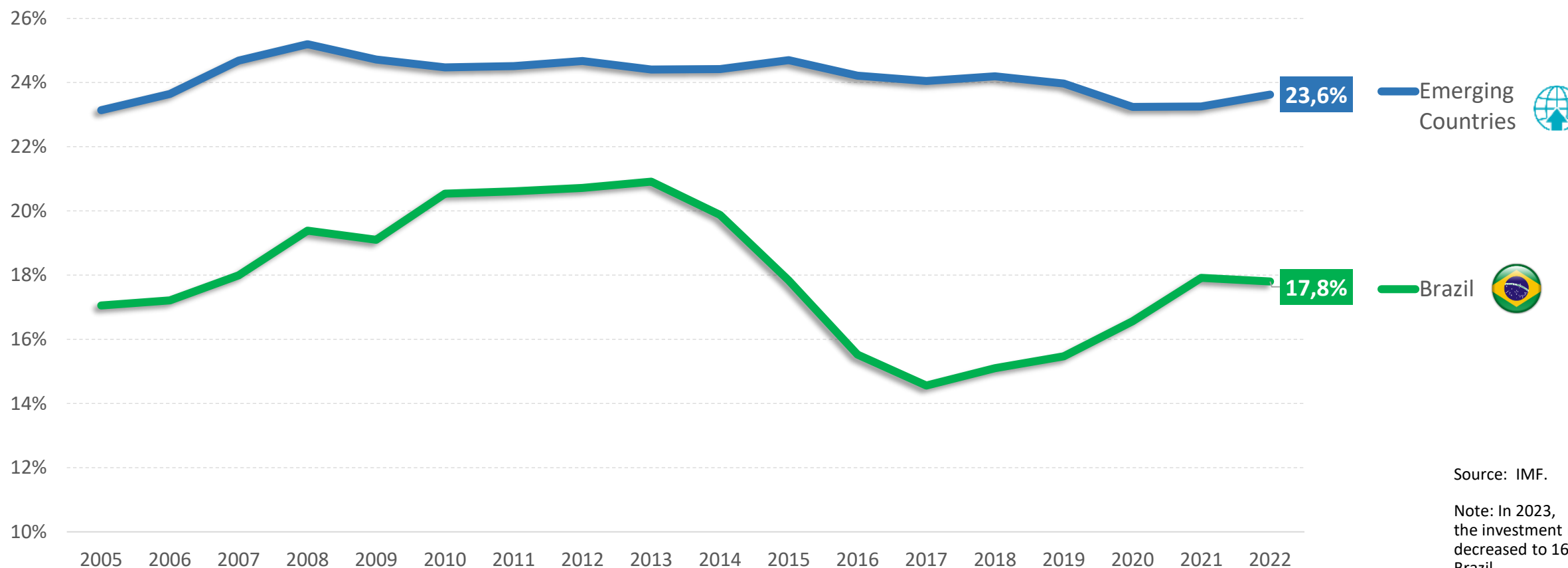
<i>Dynamic Duo for g</i>		Investment Rate				
		16%	18%	20%	22%	24%
Productivity Growth	0.0%	0.9%	1.3%	1.7%	2.0%	2.4%
	0.2%	1.1%	1.5%	1.9%	2.2%	2.6%
	0.4%	1.3%	1.7%	2.1%	2.4%	2.8%
	0.6%	1.5%	1.9%	2.3%	2.6%	3.0%
	0.8%	1.7%	2.1%	2.5%	2.8%	3.2%
	1.0%	1.9%	2.3%	2.7%	3.0%	3.4%

Source: IBGE, BCB and estimates MPO

(*) Baseline Scenario = Historical means or econometric estimates used for main parameters of Cobb-Douglas production function, capital depreciation and work force dynamics.



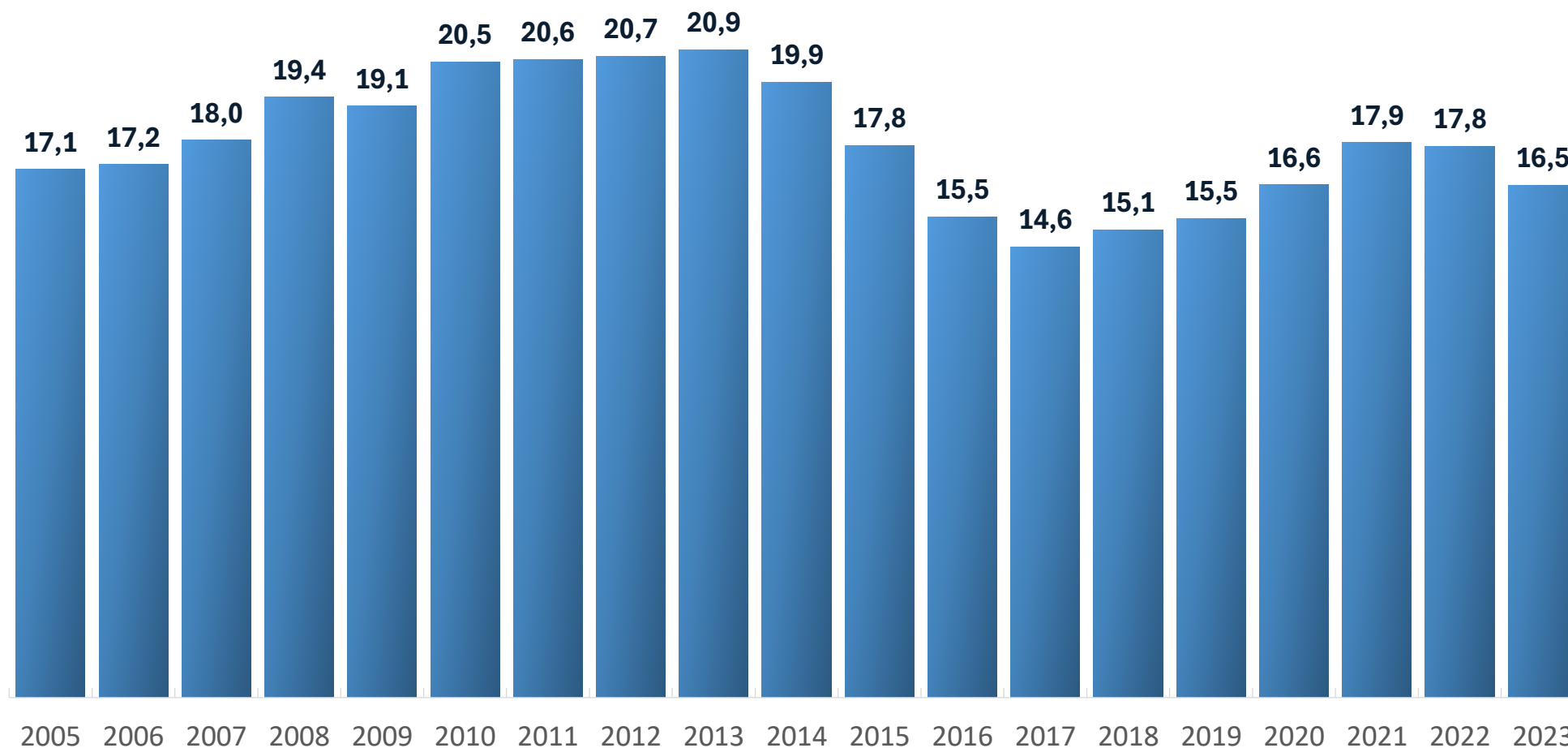
Historically Low Investment Rate (% GDP)





Investment Rate

% GDP



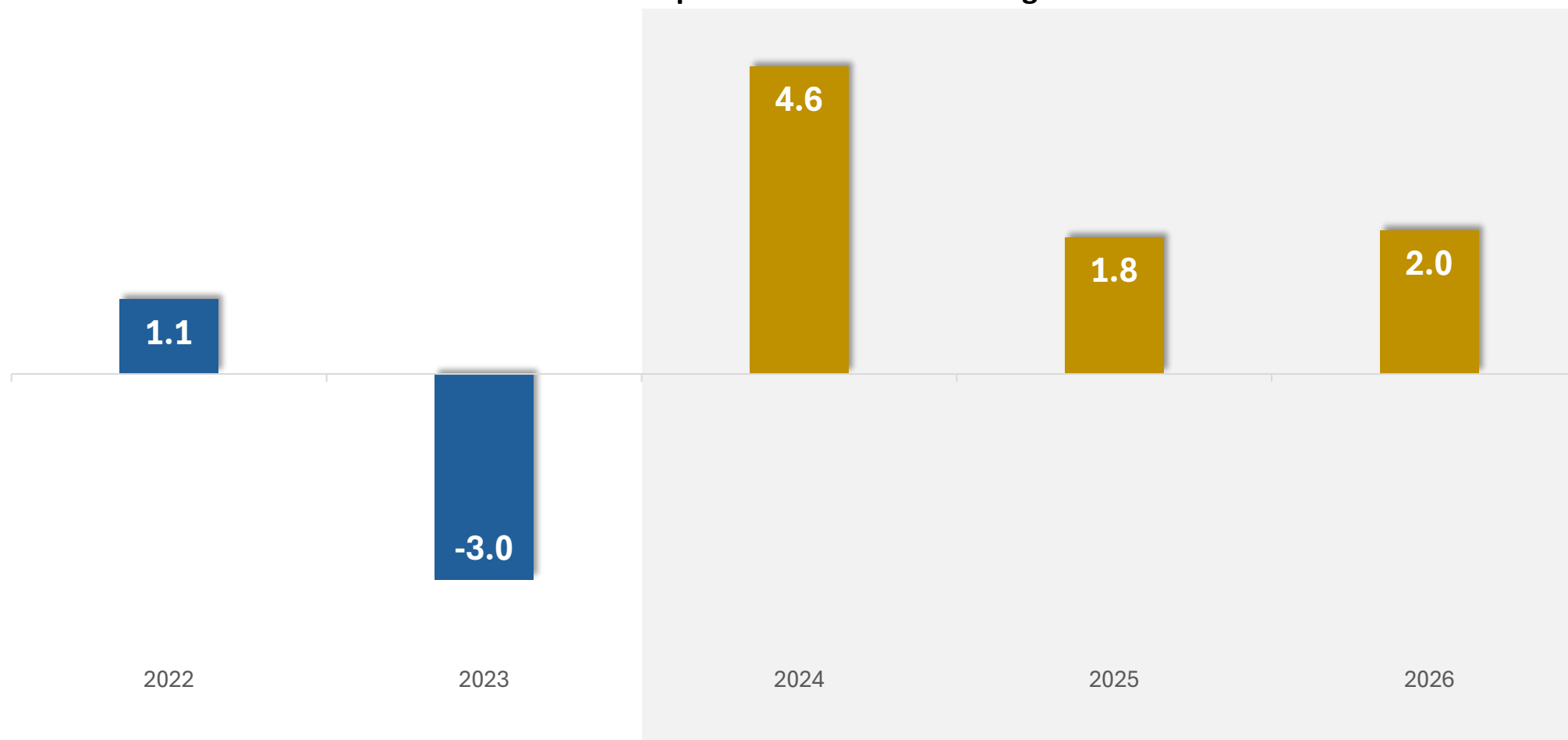
Source: IBGE.

* GFCF - Gross fixed capital formation (GFCF)



Economic Activity - Investment Recovery

Gross Fixed Capital Formation – annual growth



Source: IBGE.

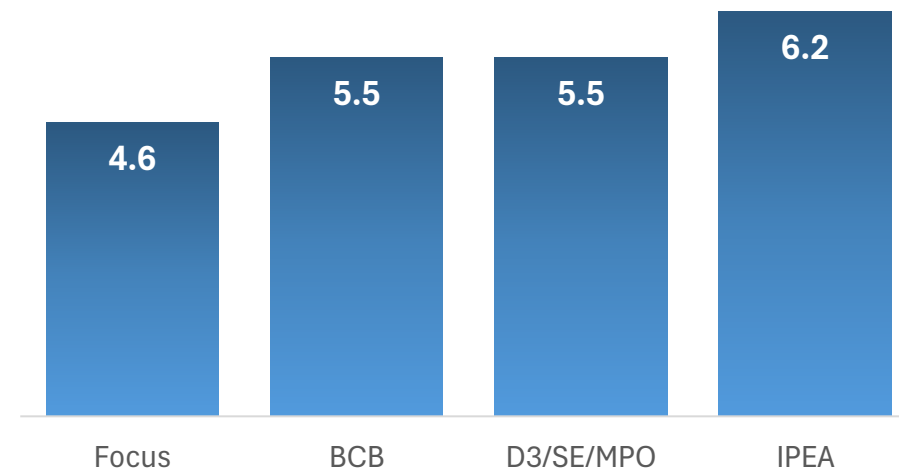
2024-2026: forecasts
(survey of market
analysts - focus).



Investment Recovery

- **Some institutions are forecasting stronger recovery for 2024**, after two years of negative perspectives.
- **Gross Fixed Capital Formation has achieved a positive growth of 2.1% (on the margin)**, the third in a row, after four consecutive falls.
- **In the first half of 2024, gross fixed capital formation reached a growth of 4.2%**, the best result since 2021.

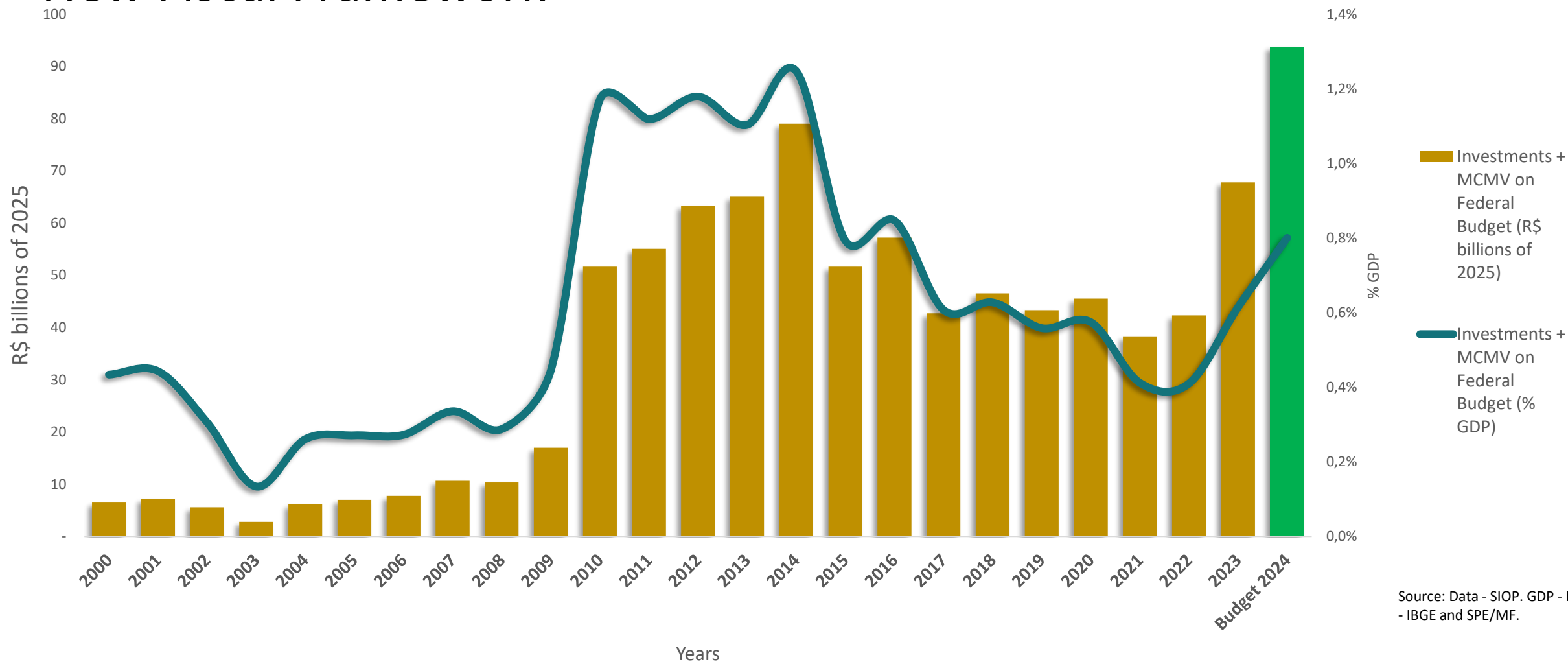
Gross Fixed Capital Formation
annual growth for 2024



Sources: Focus (survey of market analysts)
Central Bank (Inflation Report, set/24),
D3/SE/MPO forecast (econometric model),
Institute for Applied Economic Research (set/24),



Minimum of 0.60% of GDP in Investments on Federal Budget New Fiscal Framework



Source: Data - SIOP. GDP - IBGE. IPCA - IBGE and SPE/MF.



Growth Acceleration Program (PAC)

For 2025, **the federal budget**
includes **BRL 60.5 billion** for PAC



- PAC will direct BRL 1.7 trillion (aprox. USD 311 billion*) in all states, with 83% until 2026 and the rest afterwards.
- BRL 612 billion (aprox. USD 111 billion) are expected to come from the private sector.



**Efficient &
Sustainable
Transportation**



**Sustainable &
Resilient
Cities**



Healthcare



**Energy
Security &
Transition**



**Education,
Science &
Technology**



**Água para
Todos**



**Digital
Inclusion &
Connectivity**



**Inclusive Social
Infrastructure**

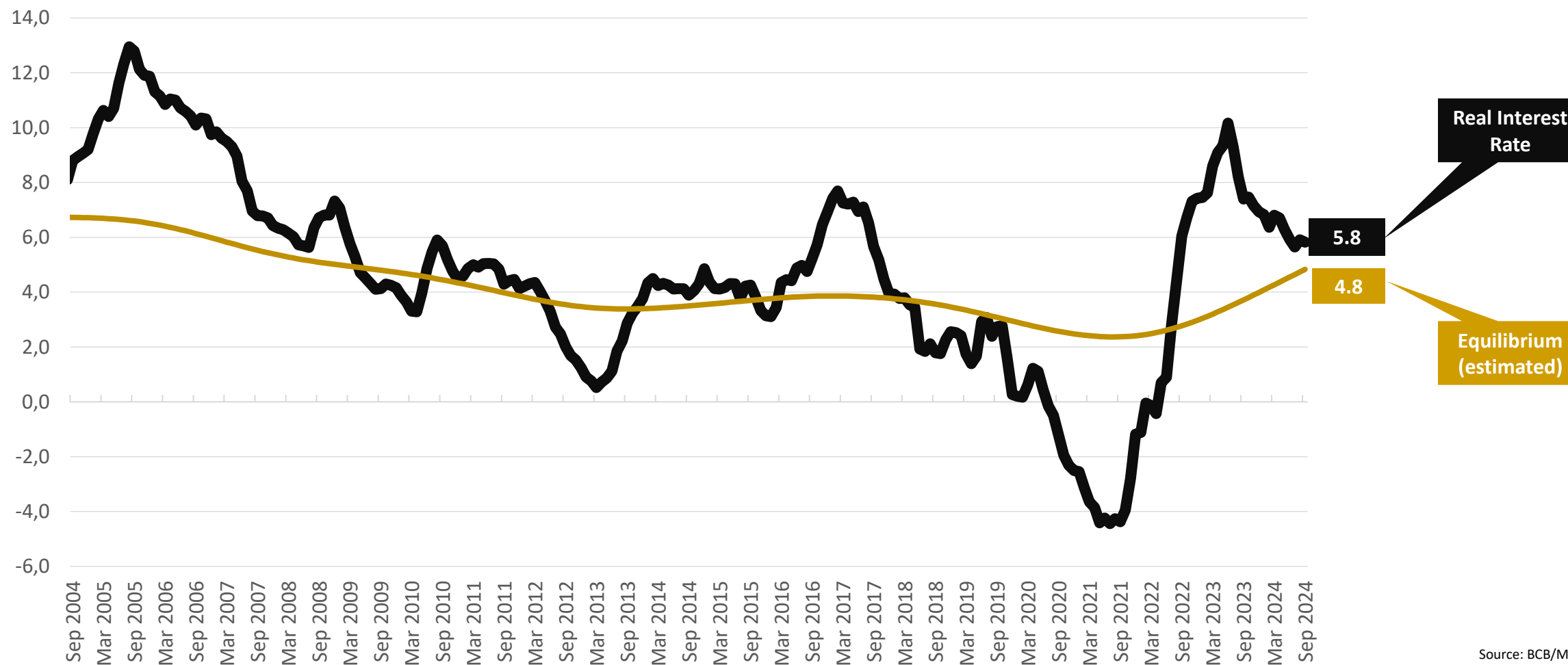


**Innovation
for the Defense
Industry**

Equilibrium real interest rate

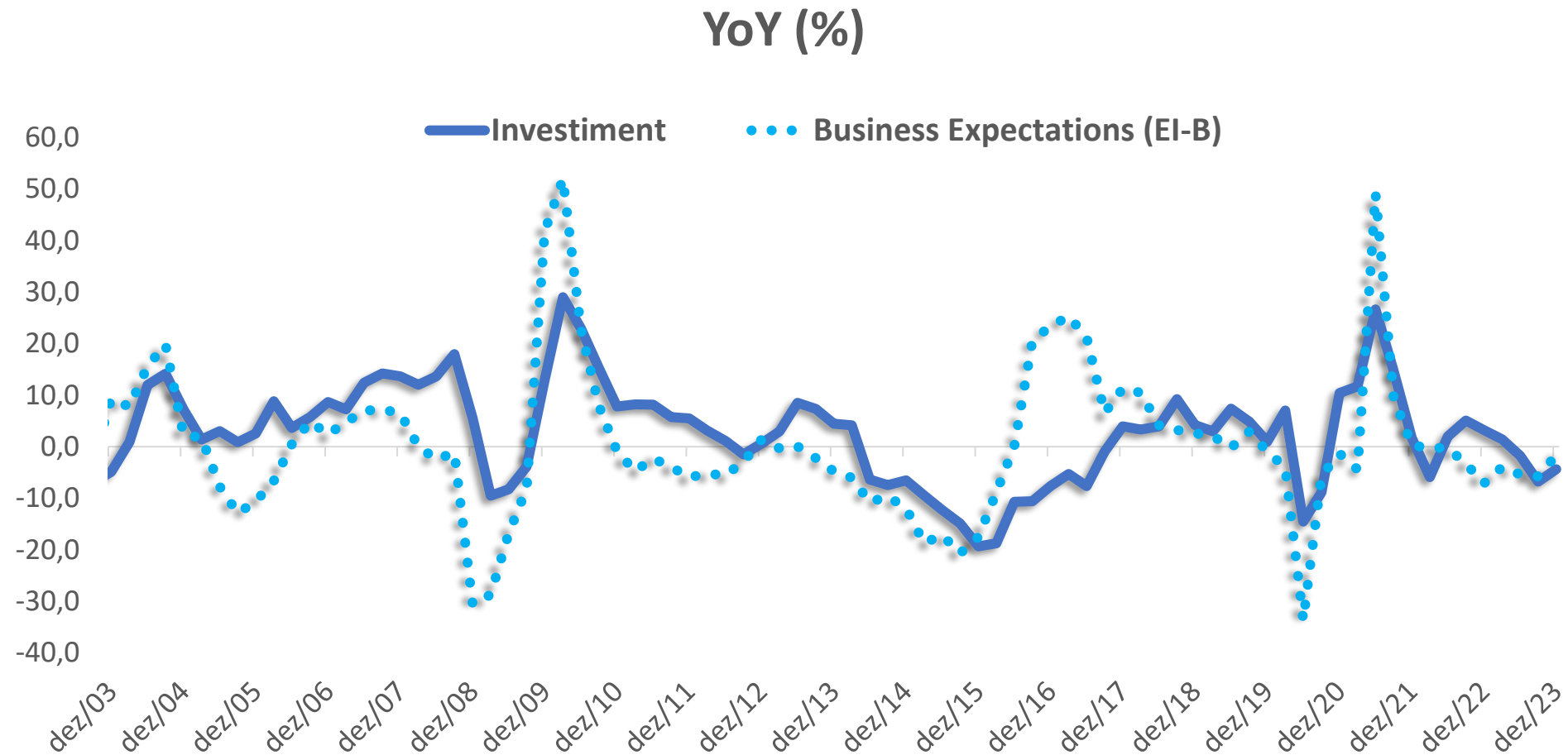


RIR and Equilibrium RIR



Source: BCB/MPO

Investment and Business Expectations



Source: IBGE and FGV IBRE

Business Expectations (EI-B) - perceptions about the degree of optimism with the near future (three to six months)



What are we doing?



Brazilian Strategy 2050
Union, Development and
Sustainability



Projeto Romano
Romano Project



Spending Review

Revisão do Gasto | **Spending Review**
Orçam. de Médio Prazo | **Medium Term Budget**
Metas Físicas | **Physical Targets**
Agendas Transversais | **Intersectoral Agendas**
Nova Lei de Finanças | **New Public Finance Law**



**South America
Integration Routes**

Spending Review





Spending Review Actions (Federal level) - PLDO 2025

R\$ billions

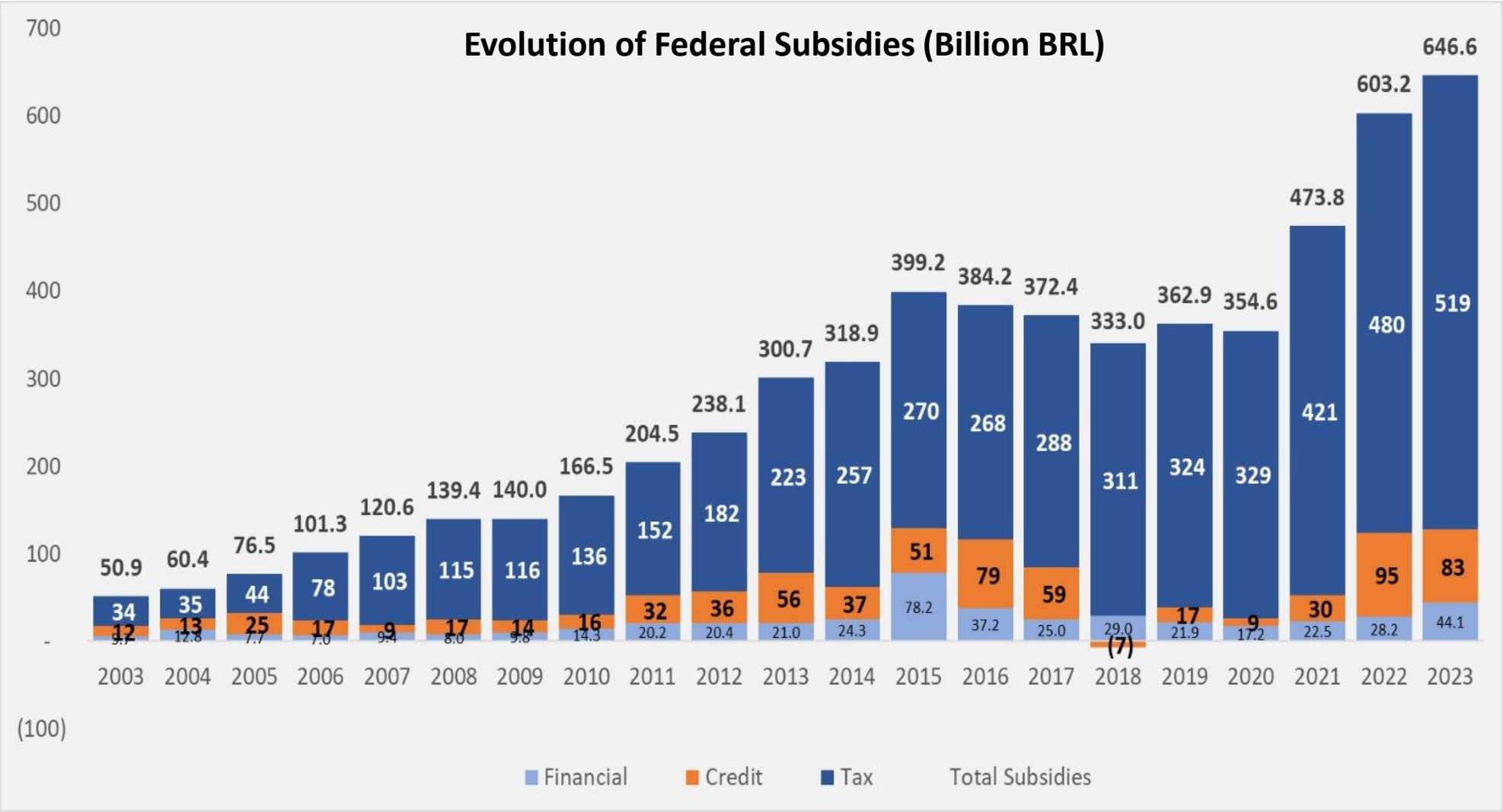
Items	Measures	2025	2026	2027	2028	Total
Pensions	Simplification of processes for granting benefits and combating fraud.	7.2	7.2	7.1	7.0	28.6
Proagro (Public Rural Insurance)	Better targeting of policy objectives.	2.0	2.1	2.2	2.3	8.7
Total		9.2	9.3	9.4	9.4	37.3

Source: PLDO 2025.
Preparation: SE/MPO.

Evaluation and Monitoring



Evolution of Federal Subsidies (Billion BRL)



Source: SMA/MPO and RFB.

Prepared by: SMA/MPO

* On the occasion of the enactment of the 2022 Budget Guidelines Law (Law 14.194/2021), article 136, paragraph 2 was included, which exceptionally stopped considering Simples Nacional and Microempreendedor Individual (MEI) as tax waivers for that year. In order to visualize the historical series, the graph above takes into account the differentiated regimes referred to in item 'd' of section III of article 146 of the Federal Constitution.

Evaluation and Monitoring

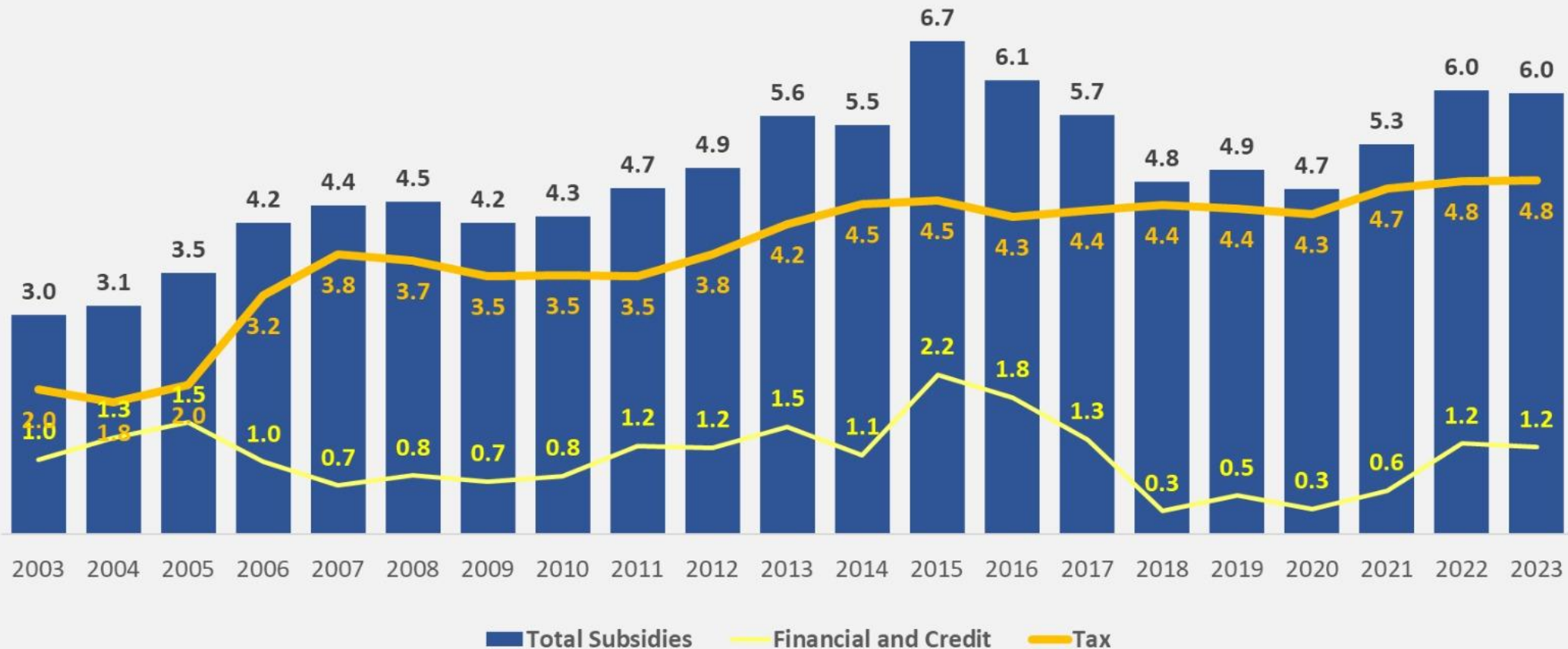


Source: SMA/MPO and RFB.

Prepared by:
SMA/MPO.

* On the occasion of the enactment of the 2022 Budget Guidelines Law (Law 14.194/2021), article 136, paragraph 2 was included, which exceptionally stopped considering Simples Nacional and Microempreendedor Individual (MEI) as tax waivers for that year. In order to visualize the historical series, the graph above takes into account the differentiated regimes referred to in item 'd' of section III of article 146 of the Federal Constitution.

Evolution of Federal Subsidies (% GDP)



Fiscal risks arising from legal claims



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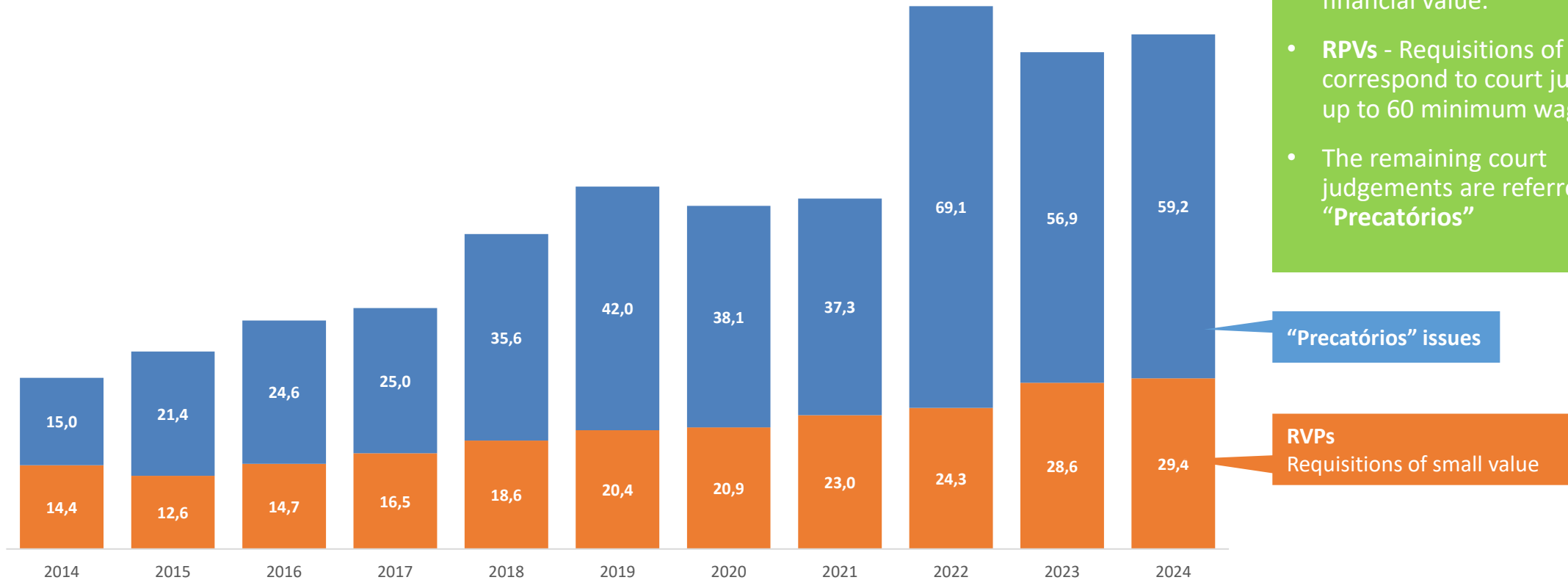
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PLANNING
AND BUDGET



In the last decade, the issuing of court judgments against the state
has grown steadily and faster than inflation



Amounts issued for Precatórios and RVPs
(at constant prices of January 2024)



- Court judgments fall into two categories depending on their financial value.
- **RVPs** - Requisitions of small value: correspond to court judgments of up to 60 minimum wages.
- The remaining court judgements are referred to as **"Precatórios"**

"Precatórios" issues

RVPs
Requisitions of small value

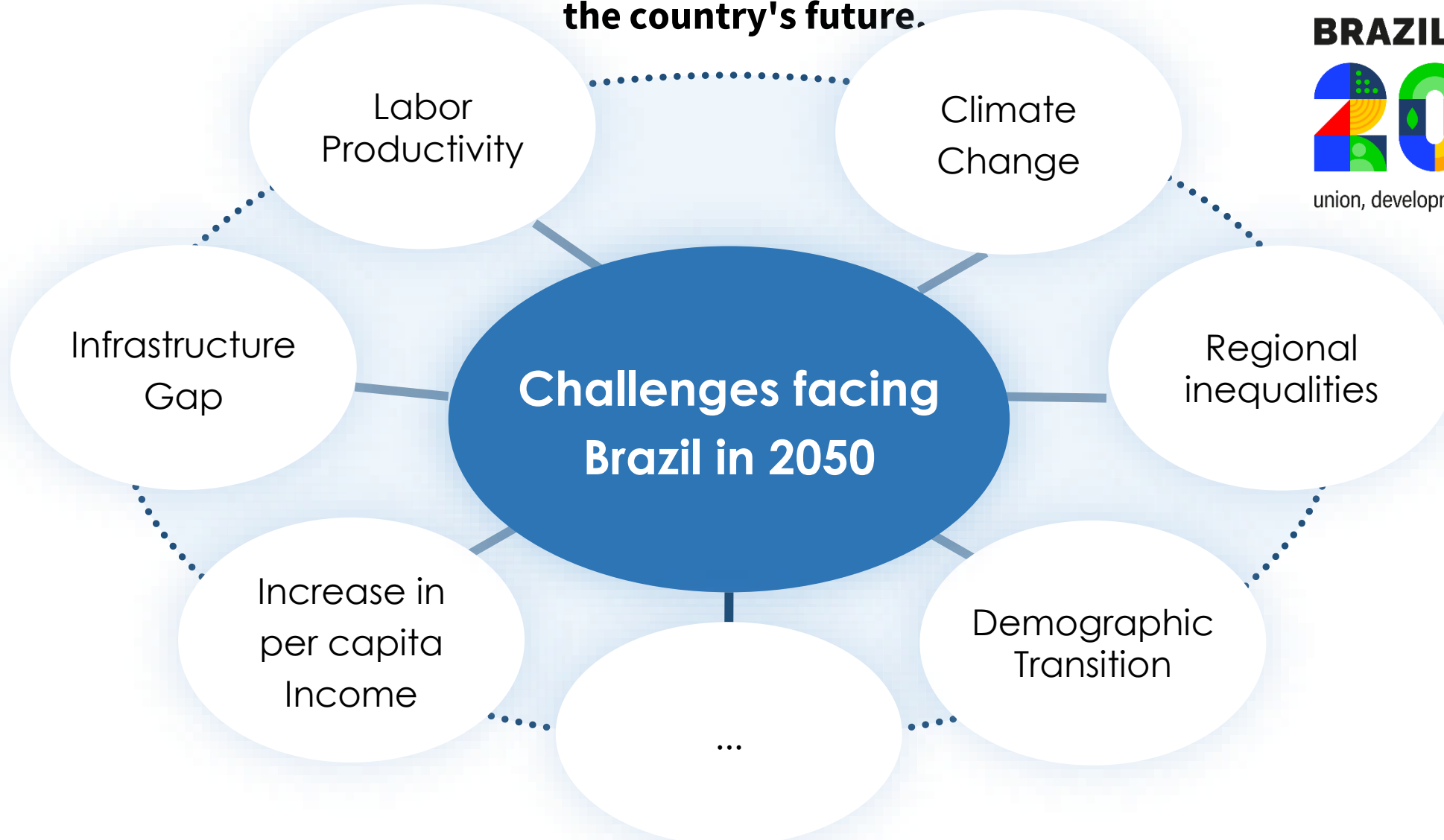
Source: SOF.



Strategy 2025



The Brazil Strategy 2050 aims to address the key challenges posed the country's future.





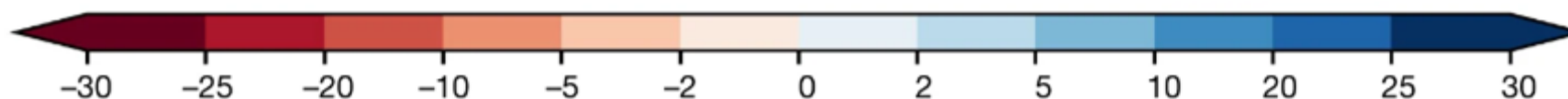
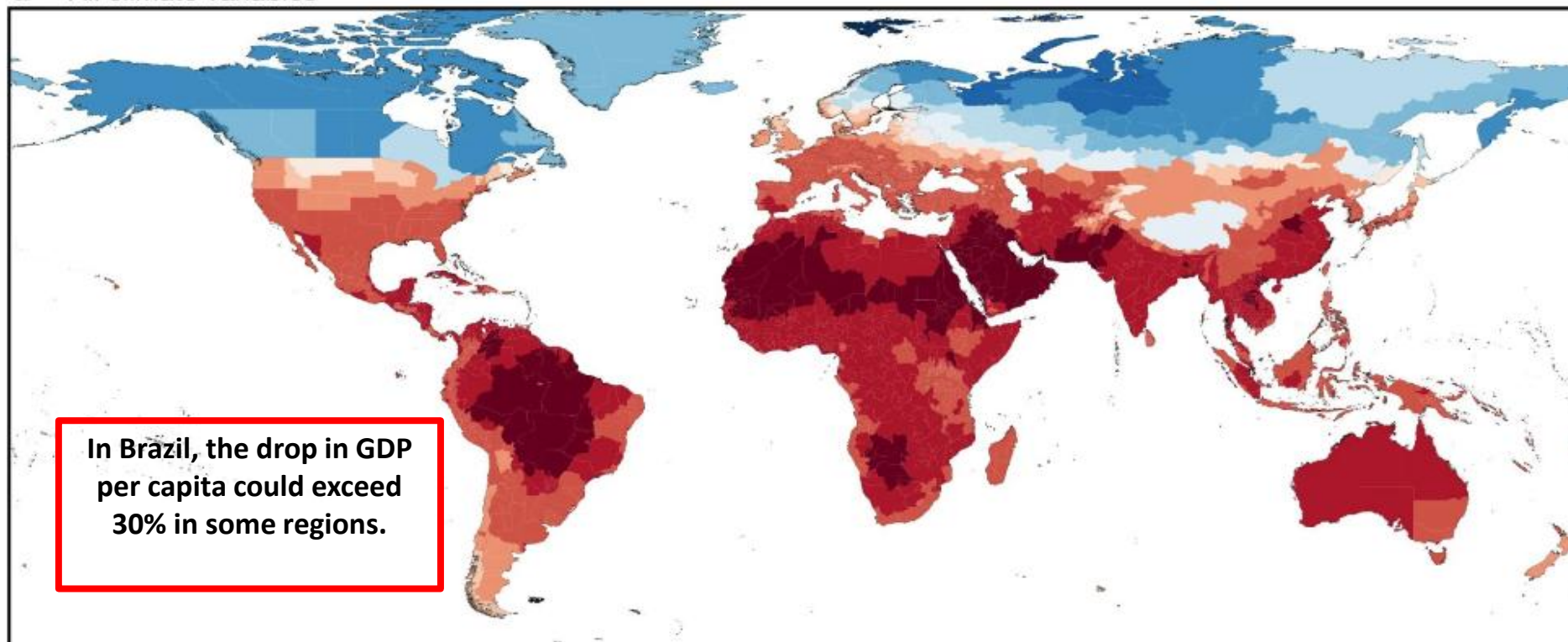
- 1 Reduce social and regional inequalities (combat hunger and poverty);
- 2 Address climate change;
- 3 Prepare the country for demographic transition;
- 4 Promote macroeconomic sustainability;
- 5 Foster a significant increase in investments (infrastructure, family agriculture, agribusiness, industry, commerce, and services) and ensure economic growth (inclusion, productivity, employment, and workforce training).



Challenges for Brazil in 2050

Economic impacts of climate change

a All climate variables

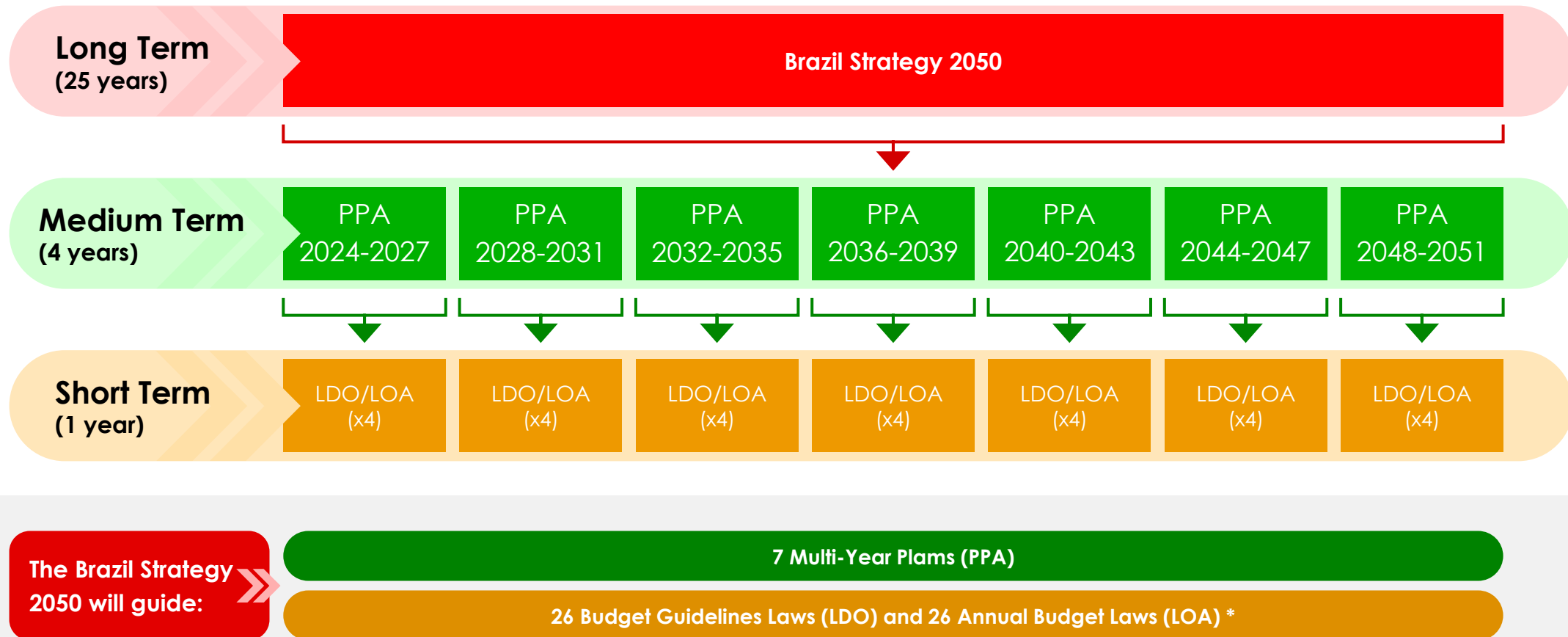


Percentage change in per capita income relative to a baseline scenario without climate change

**BRAZILSTRATEGY**

union, development and sustainability

The connection of planning pieces



*Considering the approval of the Strategy in 2025.



ROMAN Project



SOF – Set of Priority Projects

1

SPENDING REVIEW

Looking back:
expenditures reallocation

2

MEDIUM TERM BUDGET

Looking forward:
Multi-year projections

3

PHYSICAL TARGETS

Delivery focused
(initiative byproducts)

4

INTERSECTORAL AGENDA

Indexing
(Managerial labelling)

5

NEW PUBLIC FINANCE LAW

Superseding
Law 4,320, 1964



Integration Routes

South American Integration Routes



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PLANNING
AND BUDGET

BRAZILIAN GOVERNMENT
BRAZIL
UNITING AND REBUILDING



SOUTH AMERICA - ASIA

Currently there are different logistical alternatives:
Panama Canal,
Strait of Magellan
and Indian Ocean,
the most used.

THE BIOCEANIC ROUTES WILL:



Reduce the distance
in shipping between
countries and
continents

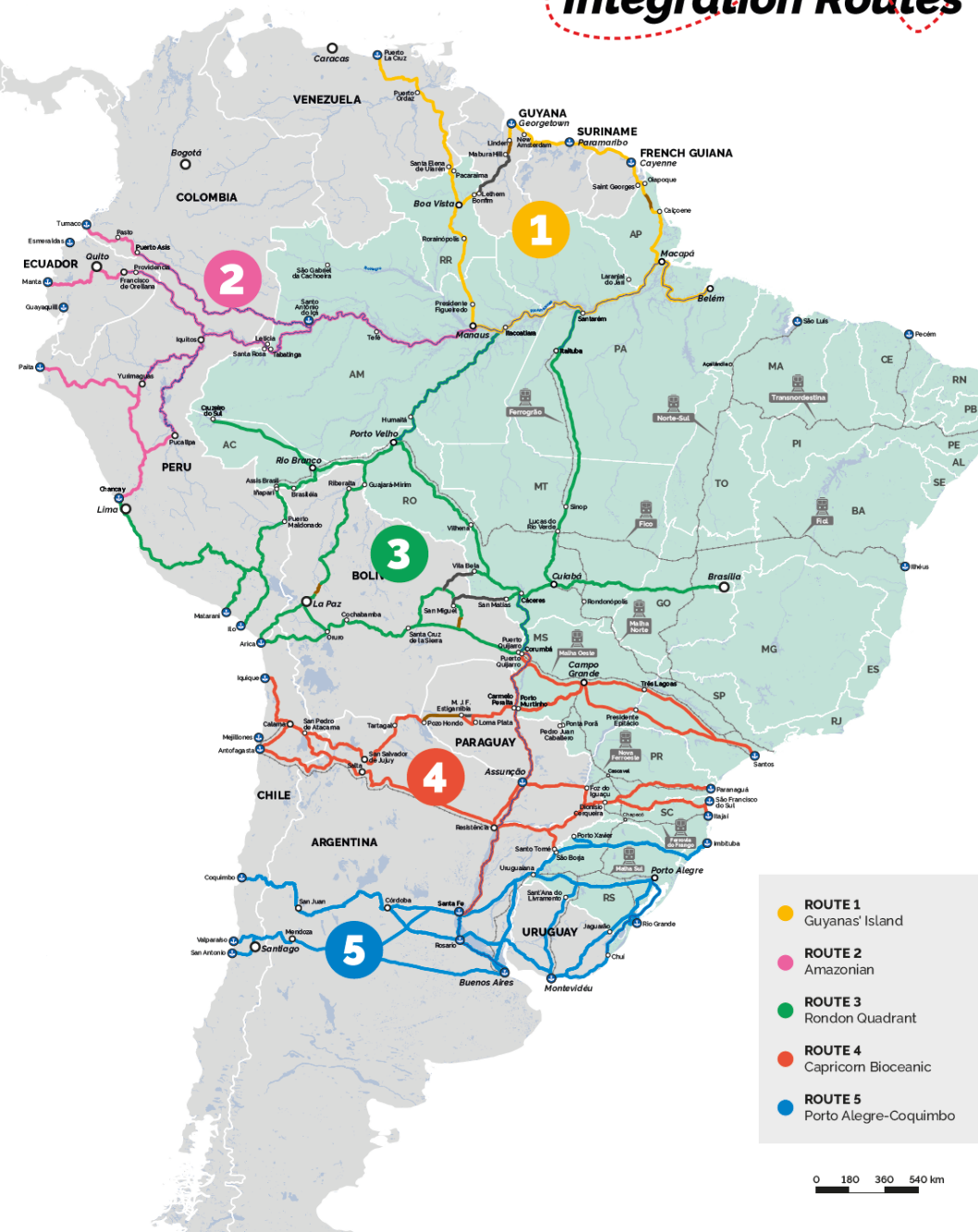
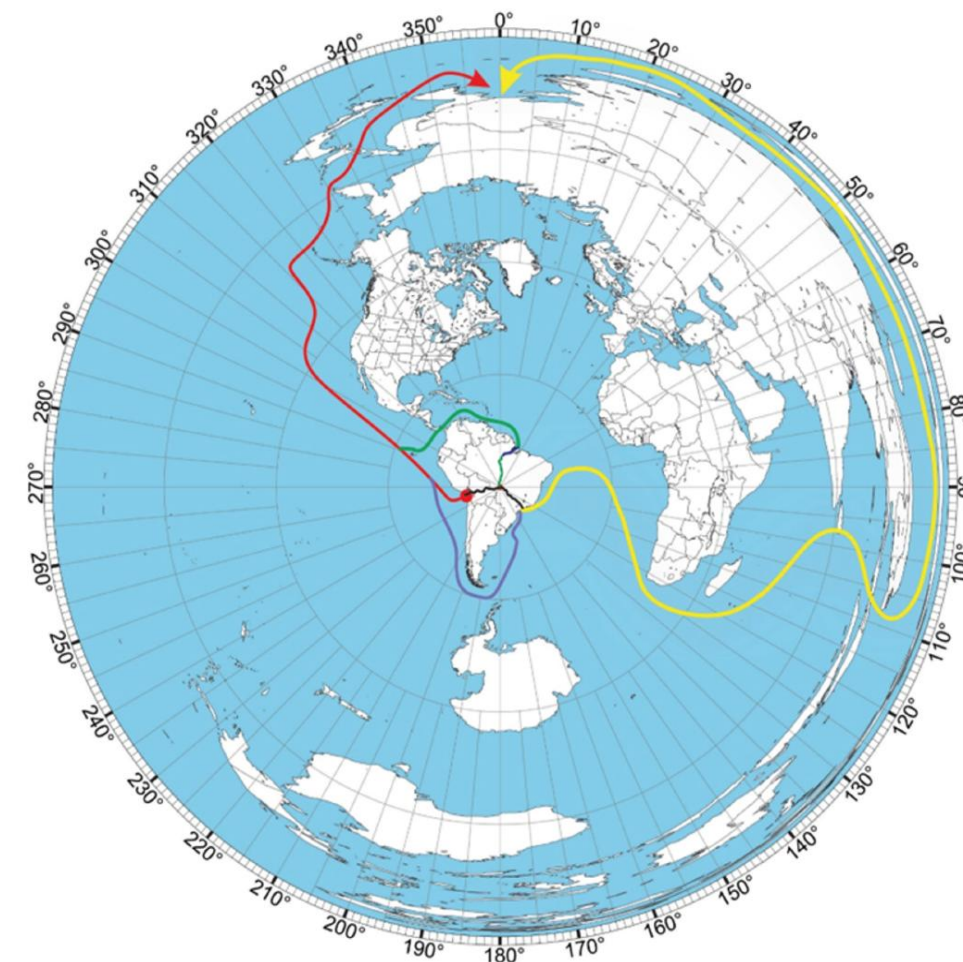


Increase the
competitiveness
of South American
products



Improve cultural
ties within the South
American countries

Source: IPEA | NS6.NET (2022); Projeção Azimutal
Elaboration: RIBEIRO SILVA, C. H. et. al., 2022



- **ROUTE 1**
Guyanas' Island
- **ROUTE 2**
Amazonian
- **ROUTE 3**
Rondon Quadrant
- **ROUTE 4**
Capricorn Bioceanic
- **ROUTE 5**
Porto Alegre-Coquimbo

0 180 360 540 km



Tax Reform



Current BR Highly Complex System



- High bureaucratic cost of paying taxes
- Frequent judicial litigation regarding taxation
- High compliance costs
- Cumulative taxation impacting investments and exports
- **Missallocation** (affecting factors of production) **and competitive distortions** (search for tax incentives overshadowing comparative advantages and before-tax profit maximization) with negative outcomes in the production organization
- Lack of transparency
- Tensions among subnational units
 - Proliferation of tax incentives. special regimes and effective rates

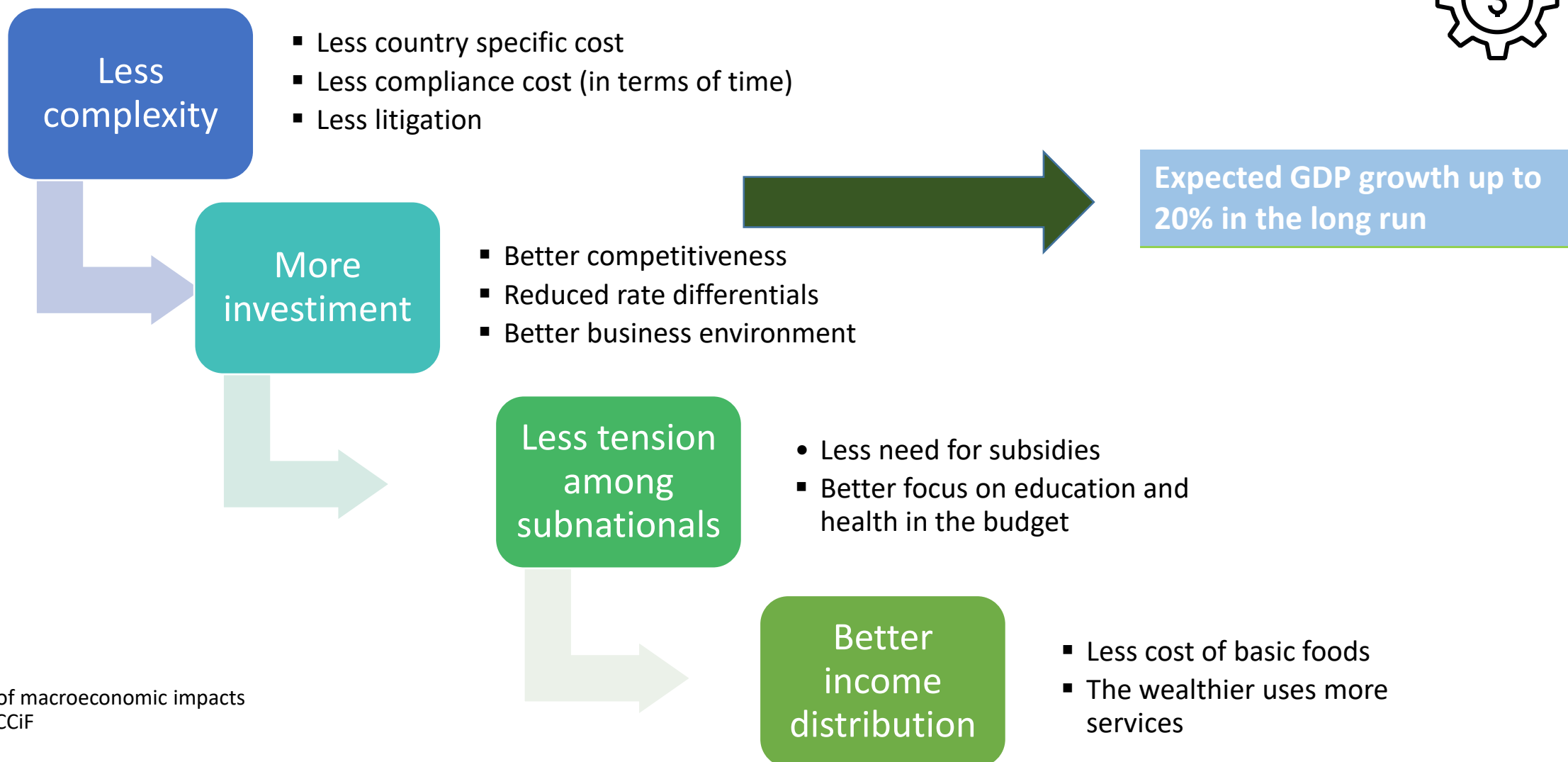
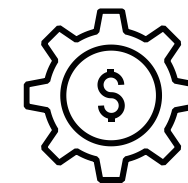
Tax reform: direct impacts on the economy



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AND BUDGET

BRAZILIAN GOVERNMENT
BRAZIL
UNITING AND REBUILDING



Source:
Simulations of macroeconomic impacts
released by CCI-F



A TRIPLE POLICY PIVOT IS NEEDED:

**FISCAL
POLICY**

**MONETARY
POLICY**

**GROWTH-FRIENDLY
REFORMS**





The Economist Cover



The Economist Nov 2009



The Economist Sep 2013



Now



The Economist Cover



The Economist Nov 2009



The Economist Sep 2013

Next step



Soon, very soon!



Thank You

Gustavo Guimarães

Vice Minister of Planning and Budget





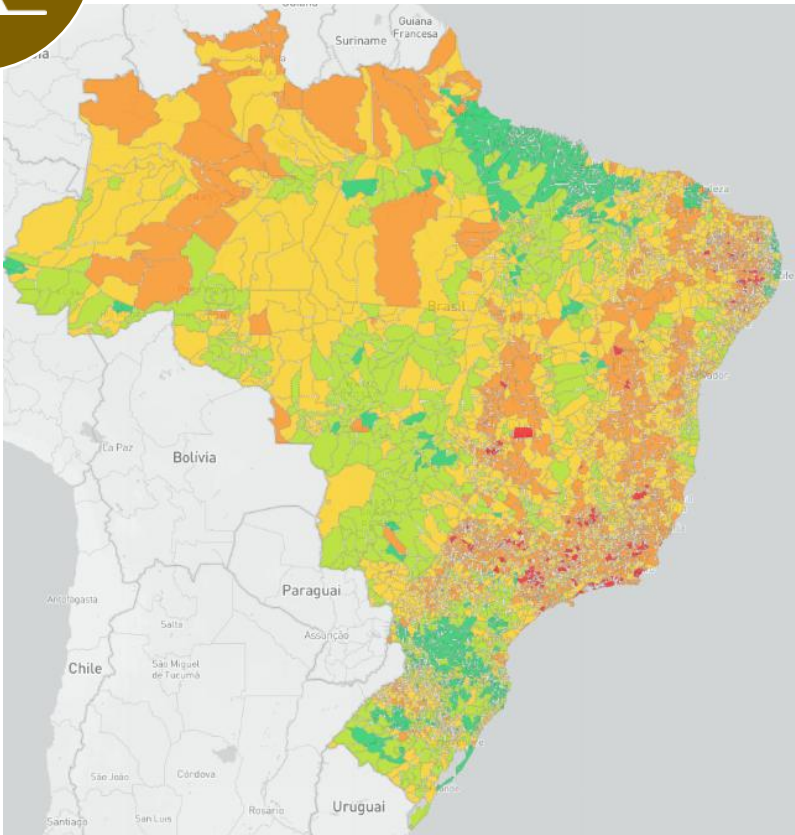
Opportunities and key sectors



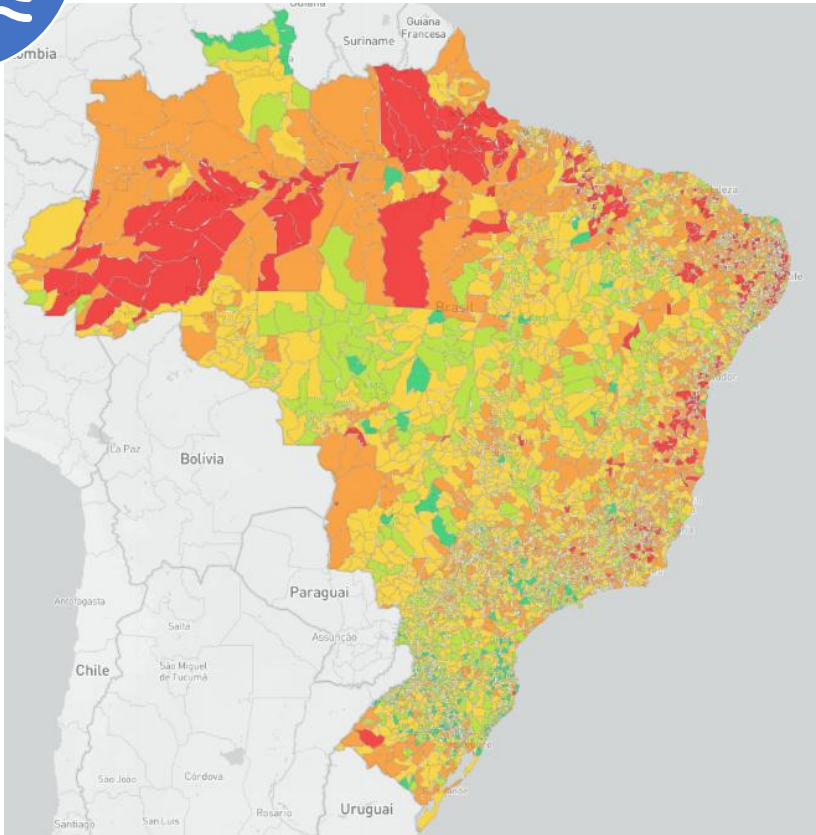
Natural Disasters - 2050 forecast



Droughts

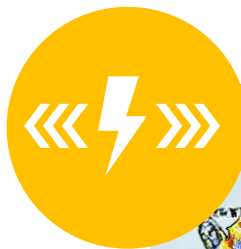


Floods

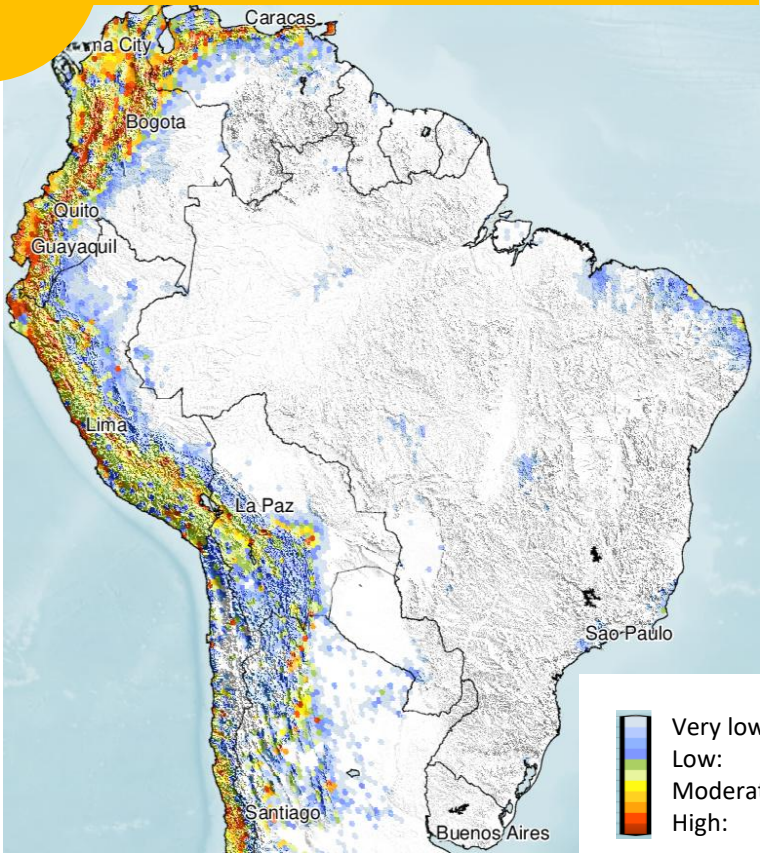


- Very low: 0.00 to 0.19
- Low: 0.20 to 0.39
- Medium: 0.40 to 0.59
- High: 0.60 to 0.79
- Very high: 0.80 to 1.00
- N/A

Natural Disasters - 50-year forecast



Seismic



Volcanoes

There are no volcanoes

Source: Johnson et al.
(2023)



Wildfires



September/24

Brazil accounted for

72% of Wildfires in South America

in spite of the
**destination of financial resources
by federal government**

**Evidence for the need to insure
agricultural and other exposed assets**

Rural Insurance Premium (PSR) - Subsidy



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AND BUDGET



Rural Activity	Limit per activity	Usual	ABC Program	North and northeast regions
Soybeans	10.500	20%	25%	30%
Other grains	10.500	40%	45%	45%
Frutis, vegetable crops, coffee and sugar cane	10.500	40%	45%	45%
Livestock	10.500	40%	45%	45%
Aquaculture	10.500	40%	45%	45%
Forests	10.500	40%	45%	45%
Annual limit	21.000			

Main objectives:

- Stimulate the private rural insurance sector.
- Benefit rural decreasing the insurance premium

Source: MAPA

<https://www.gov.br/agricultura/pt-br/assuntos/riscos-seguro/seguro-rural/limites-percentuais-de-subvencao>



Energy

Emerging Market Growth

Increasing energy demand + expansion of renewable energy projects.

Current state

Between 2025-31, 20 electricity distribution contracts, serving 65% of the population, are set to expire.

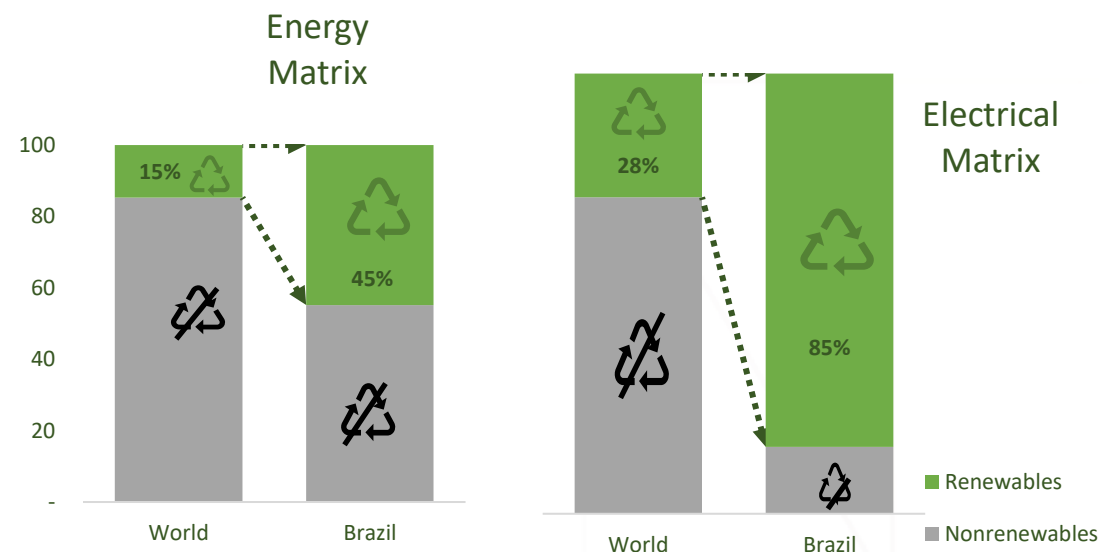
Sustainability Commitment

Align with global sustainability goals by supporting green energy initiatives, enhancing brand reputation and attracting ESG-focused investors.

Diversified Portfolio

- Hydropower
- Biomass
- Wind
- solar
- Nuclear
- natural gas

Robust Renewable Portfolio



Source (data): EPE



Infrastructure

Brazil's infrastructure sector

is undergoing a
significant
transformation

PPP

growing private
sector participation

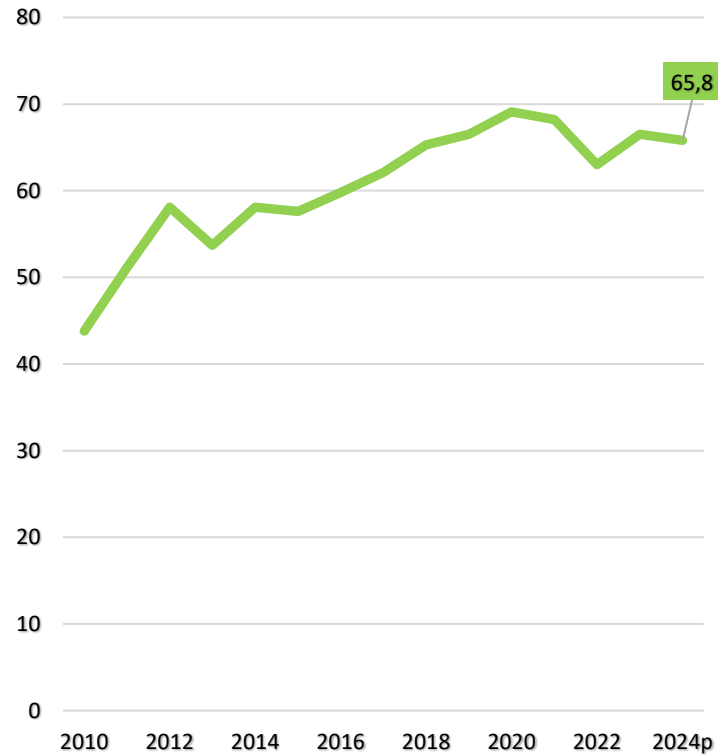
Universalisation of the
sewerage services by
2033 target

USD 10 bi/year

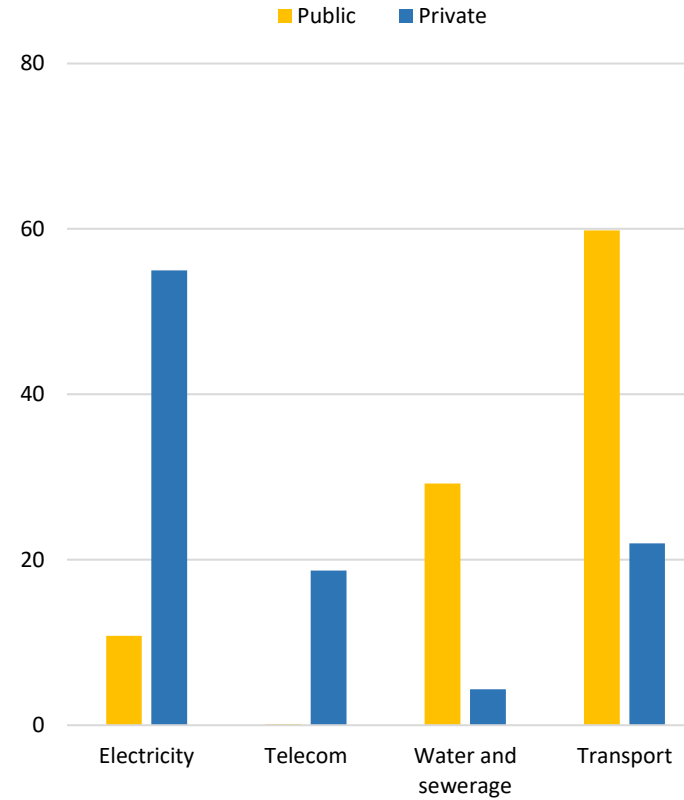


Infrastructure

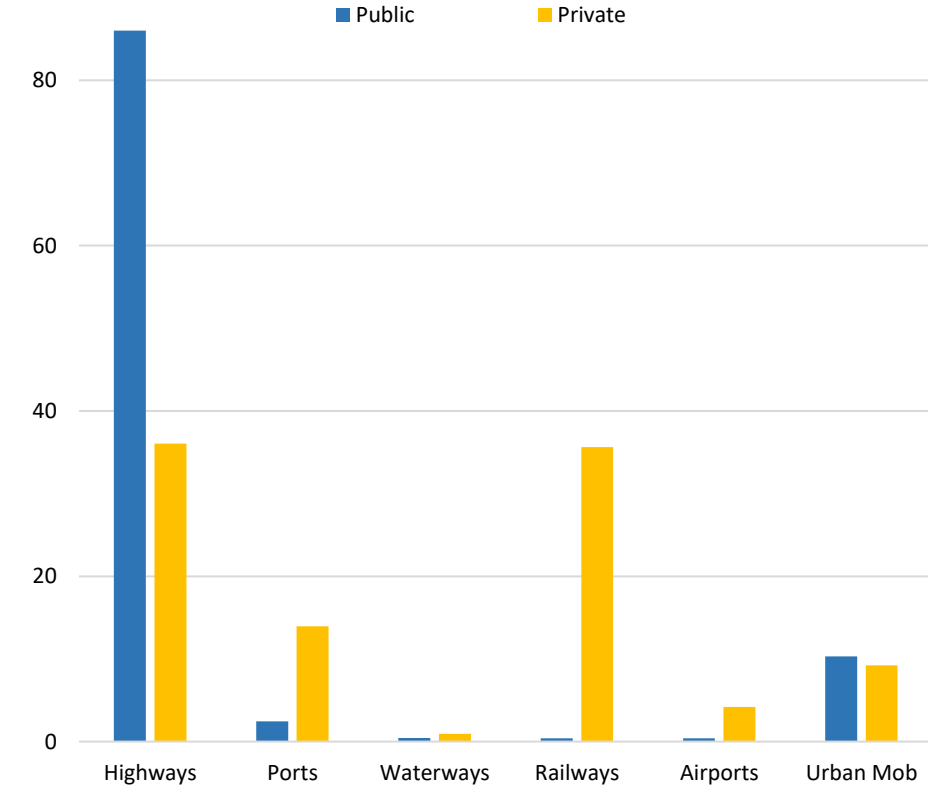
Private sector participation, %



Distribution of
Infrastructure investments, 2023, %



Distribution of
Transport investments, 2023, %



Multi-year Investments - Infrastructure



EXECUTIVE
SECRETARIAT

MINISTRY OF
PLANNING
AND BUDGET



Related to current expenses **of the Executive Branch and others**, in addition to 23 programs managed by departments across 12 sectors.

BRL 98 billion
in investments

State Investments: resources for investments by state-owned companies, such as the Programs for Oil, Gas, Derivatives and Biofuels, Electricity, National Defense and Ports and Waterway Transportation.

BRL 209 billion
in investments

BRL 307 billion

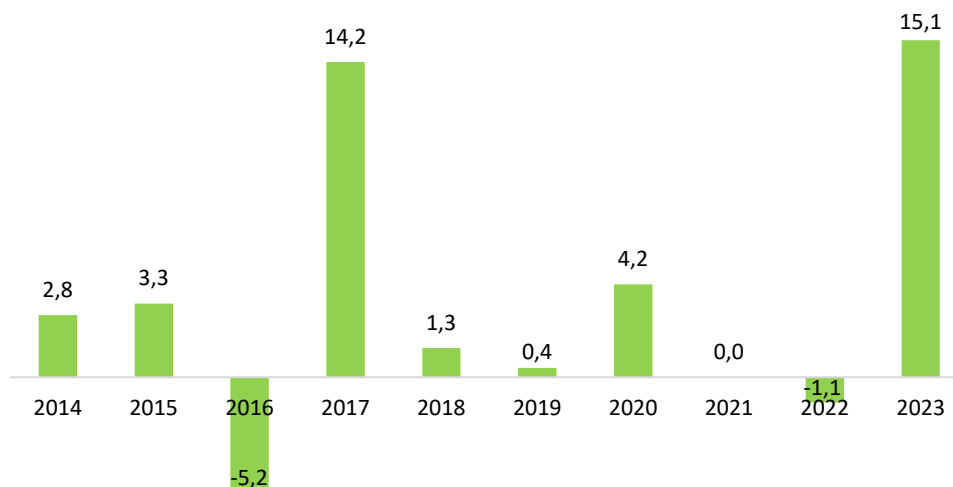
Total investment expected in the PPA related to infrastructure



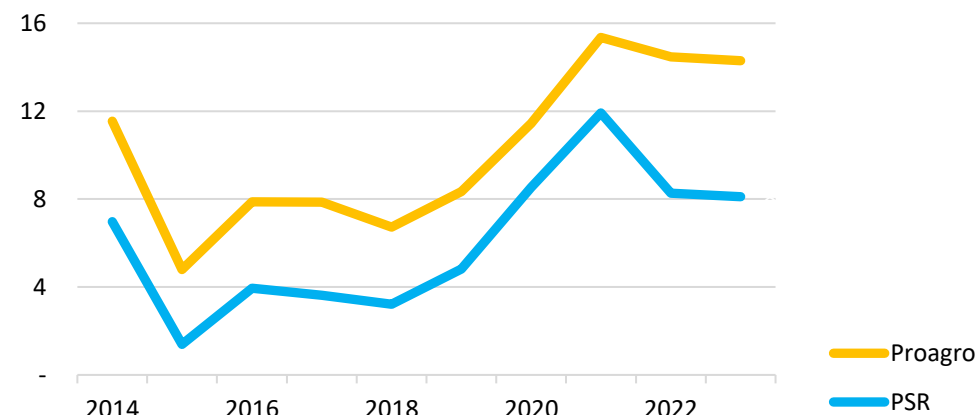
Agriculture

- Major global exporter of agricultural products
- Major hurdle is reducing dependence on government
- Proagro & PSR

GDP Growth – Agriculture
%



Sum Insured
USD billion



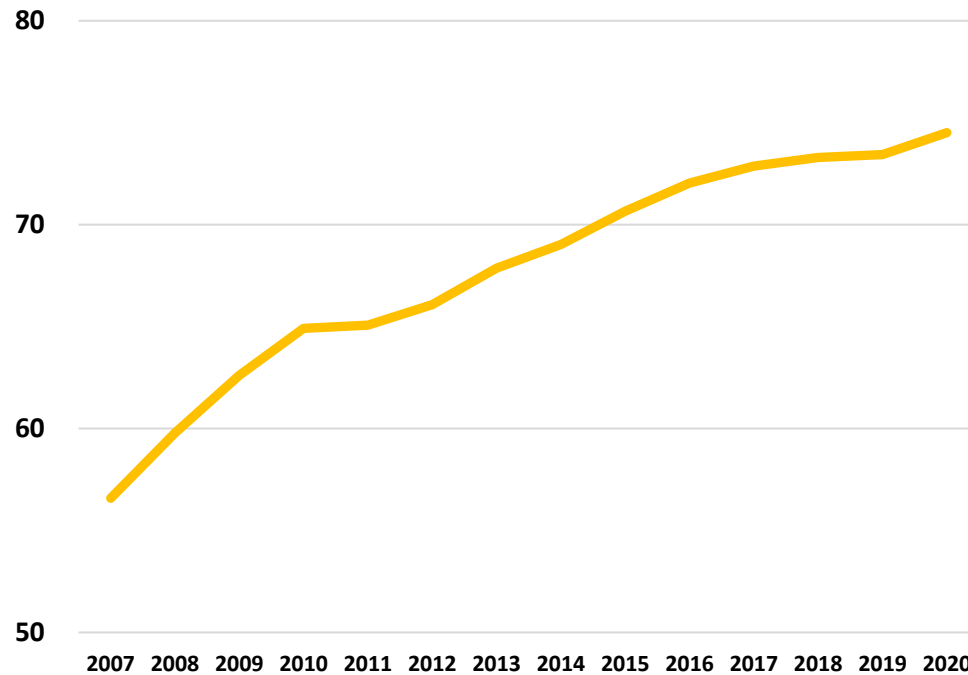
Source:
IBGE, BCB, MAPA



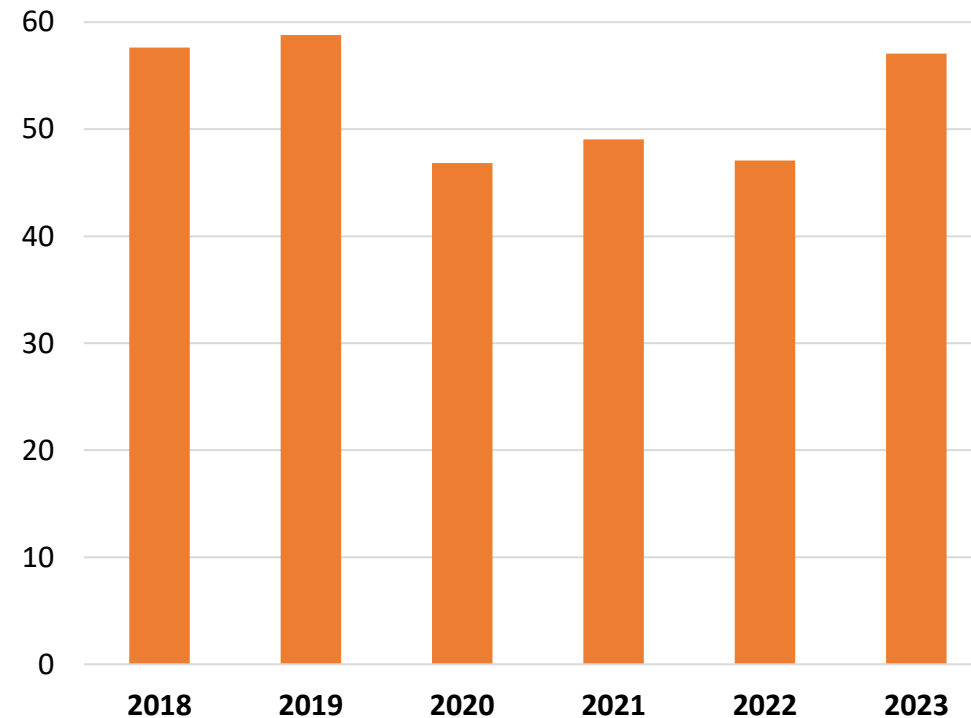
Healthcare

Anvisa

Growth of health insurance plans in total
healthcare spending
%



Health Assistance Premiums
USD billion





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Superintendência de Seguros Privados - SUSEP

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Contato

Sem informação

Sem informação

Sem informação

14

Seguindo

10

Conjuntos de Dados

INFO

A SUSEP é o órgão responsável pelo controle e fiscalização dos mercados de seguro, previdência privada aberta, capitalização e resseguro. Autarquia vinculada ao Ministério da Fazenda, foi criada pelo Decreto-lei nº 73, de 21 de novembro de 1966. Missão "Desenvolver os mercados supervisionados, assegurando sua estabilidade e os direitos do consumidor."

Sobre

CNPJ

-

Poder

-

Organização Pai

-

Esfera

-

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Conjunto de Dados 10

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Última modificação



10 Conjuntos de dados



Resultado de Primeira Instância dos Julgamentos dos Processos Sancionadores
Arquivos contendo dados referentes ao resultado de primeira instância dos julgamentos dos

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