

EU - Brazil Summit

EU27 deficit in trade in goods with Brazil of 9 bn euro in 2008, surplus of 3 bn in trade in services

Brazil tenth trading partner of the EU27

Between 2000 and 2008, the value of **EU27** exports of goods to **Brazil** grew by 56%, while imports nearly doubled. This led to an increasing **EU27** deficit in trade in goods with **Brazil**, up from 1.8 billion euro in 2000 to 9.5 bn in 2008. In the first half of 2009, the value of **EU27** exports to **Brazil** fell to 9.3 bn compared with 12.0 bn in the first half of 2008, and imports decreased to 12.6 bn from 17.5 bn. As a result, the **EU27** trade deficit with **Brazil** fell, reaching 3.3 bn in the first half of 2009, compared with 5.5 bn in the same period of 2008. It should be noted that the fall in the value of **EU27** trade with **Brazil** recorded between the first half of 2008 and the first half of 2009 is in line with the general downward trend in the **EU27**'s total external trade over the same period.

The share of **Brazil** in the **EU27**'s total external trade in goods remained around 2% between 2000 and 2008. In the first half of 2009, the share of **Brazil** in the **EU27**'s total trade was 1.8% for exports and 2.1% for imports. **Brazil** was the **EU27**'s tenth most important trading partner.

On the occasion of the third **European Union - Brazil** summit, which will take place on 6 October in **Stockholm**, **Eurostat**, the **Statistical Office of the European Communities**, issues data on trade and investments between **Brazil** and the **EU**.

Germany, one third of EU27 exports to Brazil and one fifth of imports

Among the **EU27** Member States, **Germany** (3.1 bn euro or 33% of EU exports of goods) was by far the largest exporter to **Brazil** in the first half of 2009, followed by **France** and **Italy** (1.2 bn or 13% each) and the **United Kingdom** (0.7 bn or 8%). The **Netherlands**¹ (2.7 bn or 21% of EU imports) was the largest importer, followed by **Germany** (2.5 bn or 20%), the **United Kingdom** and **Italy** (1.3 bn or 10% each), **France** (1.2 bn or 10%), and **Spain** (1.1 bn or 9%).

Germany (+0.6 bn euro) recorded the largest surplus in trade with **Brazil** in the first half of 2009, followed by **Austria** (+0.2 bn). The largest deficits were observed in the **Netherlands**¹ (-2.1 bn euro), the **United Kingdom** (-0.6 bn), **Spain** (-0.5 bn) and **Belgium** (-0.4 bn).

Half of **EU27** exports to **Brazil** in the first half of 2009 were machinery and vehicles² and one fifth each were chemicals and other manufactured goods², while food & drink and raw materials² accounted for 30% each of imports. At the detailed level, the main **EU27** exports to **Brazil** were motor vehicles and parts, aircraft and parts and medicine, while the main imports were iron ore, soya beans and oilcake, crude oil and coffee.

EU27 trade in goods with Brazil

million euro

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Brazil									
Exports	16 854	18 570	15 737	12 397	14 165	16 063	17 738	21 297	26 354
Imports	18 661	19 602	18 359	19 112	21 719	24 118	27 194	32 776	35 830
Balance	-1 807	-1 032	-2 623	-6 716	-7 553	-8 055	-9 457	-11 479	-9 476
Total Extra-EU27									
Exports	849 739	884 707	891 898	869 236	952 954	1 052 720	1 159 324	1 240 908	1 309 221
Imports	992 698	979 145	936 972	935 245	1 027 522	1 179 569	1 351 813	1 433 399	1 565 019
Balance	-142 959	-94 438	-45 073	-66 010	-74 568	-126 849	-192 489	-192 491	-255 798
Brazil / Total									
Exports	2.0%	2.1%	1.8%	1.4%	1.5%	1.5%	1.5%	1.7%	2.0%
Imports	1.9%	2.0%	2.0%	2.0%	2.1%	2.0%	2.0%	2.3%	2.3%

EU27 Member States' trade in goods with Brazil

million euro

	Exports		Imports		Balance	
	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09
EU27	11 995	9 280	17 522	12 559	-5 527	-3 279
Belgium ¹	825	581	1 374	963	-548	-382
Bulgaria	32	20	67	44	-36	-23
Czech Republic	113	73	75	55	38	18
Denmark	170	133	196	104	-27	29
Germany	4 059	3 083	3 199	2 466	860	617
Estonia	12	6	9	5	3	1
Ireland	82	103	85	47	-3	56
Greece	19	13	120	91	-101	-78
Spain	691	565	1 523	1 114	-833	-549
France	1 434	1 214	1 626	1 226	-192	-12
Italy	1 580	1 176	2 065	1 308	-485	-132
Cyprus	0	0	51	7	-51	-7
Latvia	1	1	5	2	-4	-1
Lithuania	25	1	13	12	13	-11
Luxembourg	13	6	7	4	6	2
Hungary	39	28	45	44	-5	-16
Malta	2	1	16	5	-14	-3
Netherlands ¹	577	508	3 740	2 651	-3 163	-2 143
Austria	308	283	81	82	226	201
Poland	169	55	151	82	18	-27
Portugal	141	102	713	422	-572	-319
Romania	42	14	173	97	-131	-83
Slovenia	14	10	70	61	-56	-50
Slovakia	28	12	15	9	13	3
Finland	325	296	200	176	125	120
Sweden	469	274	299	154	170	120
United Kingdom	824	721	1 603	1 328	-779	-607
Total Extra-EU27	652 930	520 456	778 329	589 935	-125 399	-69 479
Brazil / Total	1.8%	1.8%	2.3%	2.1%		

EU27 trade in goods with Brazil by product
million euro

	Exports		Imports		Balance	
	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09
Total	11 995	9 280	17 522	12 559	-5 527	-3 279
Primary goods:	642	445	11 498	8 123	-10 856	-7 678
<i>Food & drink</i>	278	224	4 722	3 836	-4 444	-3 612
<i>Raw materials²</i>	206	162	5 568	3 692	-5 362	-3 529
<i>Energy</i>	158	58	1 208	596	-1 050	-537
Manufactured goods:	10 838	8 274	5 774	3 896	5 065	4 378
<i>Chemicals</i>	2 263	2 027	976	831	1 287	1 197
<i>Machinery & vehicles²</i>	6 183	4 530	1 771	1 494	4 411	3 036
<i>Other manuf'd goods²</i>	2 392	1 716	3 026	1 571	-634	145
Other	515	562	251	540	264	22

Increasing EU27 surplus in trade in services with Brazil

In 2008, the **EU27** exported 9.0 bn euro of services to **Brazil**, while imports amounted to 6.1 bn, meaning that the **EU27** had a surplus of 2.9 bn in trade in services with **Brazil**, compared with +0.6 bn in 2006 and +1.6 bn in 2007. The surplus in 2008 was mainly due to transport (+1.0 bn), royalties & license fees, construction services and travel (+0.4 bn each). **Brazil** accounted for around 1.5% of total extra-EU27 trade in services.

EU27 trade in services with Brazil
million euro

	Credit			Debit			Net		
	2006	2007	2008*	2006	2007	2008*	2006	2007	2008*
Total	5 259	6 417	9 012	4 650	4 791	6 100	609	1 626	2 911
of which:									
Transportation	2 119	2 320	2 652	1 497	1 577	1 629	622	743	1 023
Travel	1 221	1 403	1 747	1 441	1 408	1 325	-220	-5	422
Other services	1 921	2 694	4 530	1 712	1 804	3 137	210	890	1 394
of which:									
<i>Communications services</i>	97	123	125	71	77	90	25	45	35
<i>Construction services</i>	317	407	583	87	112	163	230	296	419
<i>Insurance services</i>	92	95	107	51	48	51	41	48	56
<i>Financial services</i>	145	206	215	109	129	194	35	77	22
<i>Computer and information services</i>	239	242	298	76	61	69	163	181	228
<i>Royalties and license fees</i>	294	414	463	11	21	39	283	393	425
<i>Other business services</i>	618	1 086	2 611	1 165	1 211	2 403	-547	-125	208
<i>Personal cultural and recreational services</i>	6	7	:	31	50	:	-25	-43	:
<i>Government services, n.i.e.</i>	42	40	53	86	84	76	-44	-44	-24
Total extra-EU27	447 080	498 523	520 479	378 555	414 399	445 044	68 525	84 124	75 435
Brazil / total extra-EU27	1.2%	1.3%	1.7%	1.2%	1.2%	1.4%			

* Provisional data
: Data not available

Large rise in Brazilian investment in the EU27 in 2008

EU27 Foreign Direct Investment (FDI) flows to **Brazil** moved from investment of 15.3 bn euro in 2007 to disinvestment of 3.4 bn in 2008, while **Brazilian** direct investment into the **EU27** increased from 1.6 bn in 2007 to 6.9 bn in 2008.

EU27 FDI flows with Brazil (million euro)

	2005	2006	2007	2008*
EU27 FDI in Brazil (outward)	8 435	6 476	15 295	-3 422
Brazilian FDI in the EU27 (inward)	2 924	1 310	1 560	6 947
Net EU27 FDI flows (outward minus inward)	5 511	5 166	13 735	-10 369

* Provisional data

1. Dutch imports and therefore the trade deficit are over-estimated because of the "Rotterdam effect" where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports. This then has a positive effect on the external trade balances with Brazil of those Member States to which the goods are re-exported as these shipments would be recorded as intra-EU trade with the Netherlands rather than extra-EU trade with Brazil. To a lesser extent, Belgian trade figures are similarly over-estimated.
2. **Raw materials** includes animal skins and furs, oil-seeds, rubber, wood, wood pulp, textile fibres, minerals, metal ores and animal oils and fats.
Machinery and vehicles includes power generating and industrial machinery, computers, electric and electronic parts and equipment, road vehicles and parts, ships, airplanes and railway equipment.
Other manufactured goods includes articles made of leather, rubber and wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.

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