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Embassy of India

Brasília

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AUGUST 2026

DOING BUSINESS IN BRAZIL

दिनेश भाटिया
Dinesh Bhatia

भारत का राजदूत, ब्राज़ील
Ambassador of India, Brazil

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Message from Ambassador

It is my great pleasure to present the first edition of "**Doing Business in Brazil** compiling analysis and assessment of demography, economy, regulatory framework & key sectors of economy of Brazil for information of all Indian businesses considering to initiate business with or investment in Brazil.

2. This first edition of this compilation is intended to serve as a ready reference for businesses, investors and policymakers seeking to understand the Brazilian market, its institutional framework and the opportunities available across key industries.

3. Brazil was the first country in the region with whom India established diplomatic relations in 1948, soon after latter's independence. This relationship between the two large and vibrant democracies was elevated to Strategic Partnership in 2006. Both countries enjoy close political and economic partnership besides growing people to people relations.

4. In recent years, India has emerged as one of the top trading partners of Brazil climbing to fifth place in 2025. The trend continues in 2026. Brazil, besides being an agricultural powerhouse, also offers tremendous opportunities for Indian businesses in energy, mining & minerals, logistics, infrastructure, defence, information & digital technologies and pharmaceuticals.

5. The two recent State Visits, of Prime Minister Narendra Modi to Brasilia on 8 July 2025 and of President Lula da Silva to New Delhi in February 2026, have provided unprecedented inspiration to deepen the partnership based on mutual respect, shared values, strong economic ties and democratic traditions. In this context, this compilation would help enable an informed decision and creating a suitable strategy by Indian businesses to undertake the entry and / or expansion of their economic activities in Brazil – the biggest country in terms of geography, the largest economy and the most important trading partner of India in Latin American region.

Dinesh

(Dinesh Bhatia)

01/ OVERVIEW

//POLITICAL

FEDERAL REPUBLIC

Got independence from Portugal on 7 September 1822

First Constitution in 1824, First Republic in 1891, last major reform in 1988

LEGISLATIVE

81 Senators (8 year term)

513 Deputies (4 year term)

EXECUTIVE

President & Vice President (4 years term with consecutive limit of 2 terms)

JUDICIARY

Supremo Tribunal Federal - STF is the highest judicial court with Constitutional Review and Final Court of Appeal.

26 states and 1 Federal District. Brazil has three tiers of federation– Union, State (26) and Municipal (5500+)

// DEMOGRAPHICS

+ 213 M
POPULATION

103 Females for every 100 males

25
people per KM2

87.4 Urbanized

0.39 %

Annual Population Growth Rate

19.8 %	69.3 %	10.9 %
Under 15	Between 15-64	Over 65

PORTUGUESE

Official Language

Spanish, German, Italian

Other spoken languages

20.5%

103 Females for every 100 males

94.7%

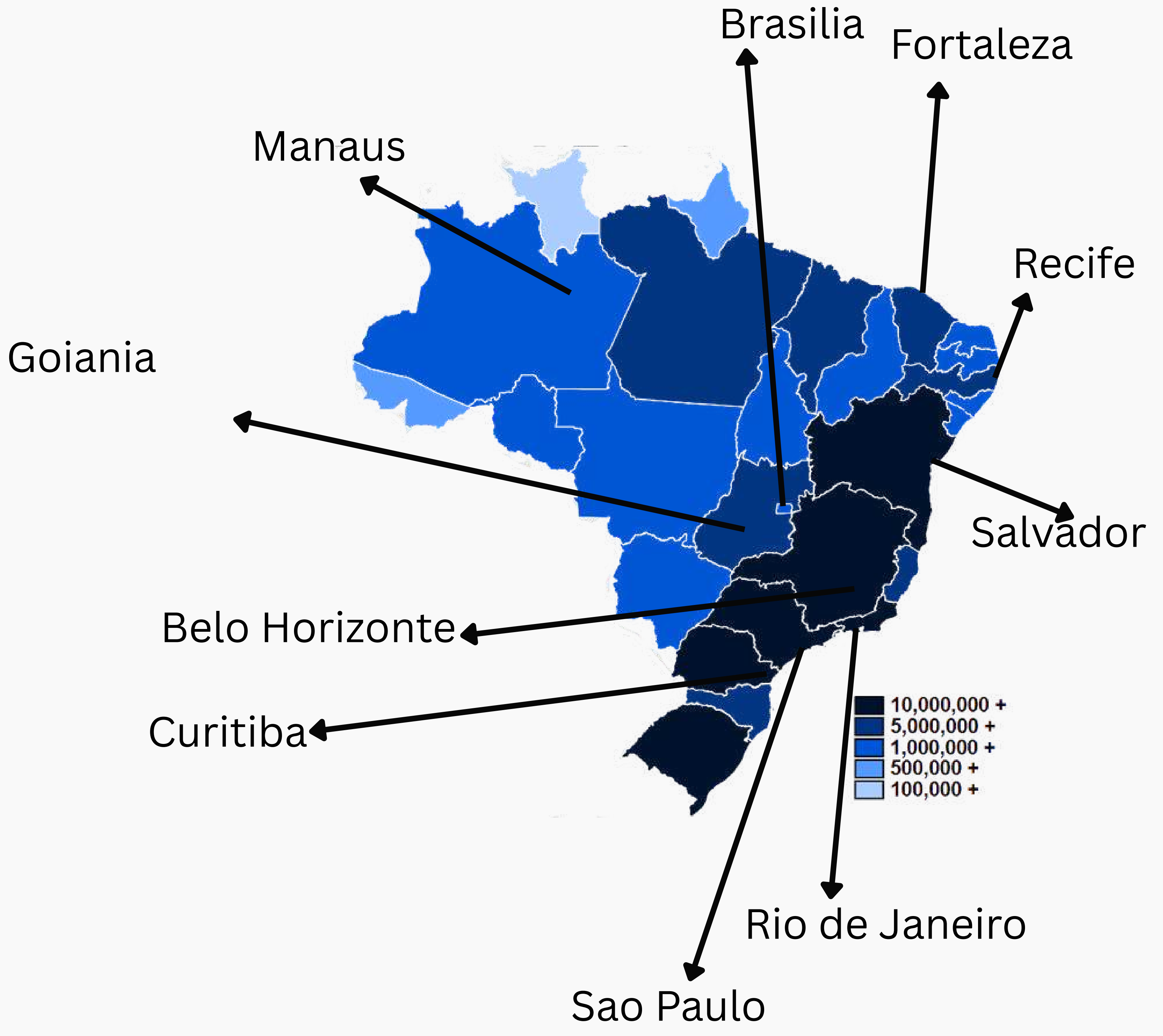
Literacy rate of age >15

23.1 %

Population below poverty line

// DEMOGRAPHY

State	Population
Sao Paulo	11,895,578
Rio de Janeiro	6,729,894
Brasilia	2,982,818
Fortaleza	2,574,412
Salvador	2,568,928
Belo Horizonte	2,416,339
Manaus	2,279,686
Curitiba	1,829,225
Recife	1,587,707
Goiania	1,494,599



Source: IBGE

// ECONOMIC INDICATORS

Nominal GDP: R$ 12.7 tn (~ USD 2.64 tn) in 2025 as per IBGE & IMF

As per IMF, real GDP grew at a rate of 2.3% in 2025 and expected to grow with a rate of 1.5%

Inflation (in 2025): 4% (consumer prices YoY)

Unemployment rate: 6% in 2025

Main export sectors: Mineral Fuels & Crude oil ≈13–17%, Oil & Agriculture ≈ 13–17 %, Ores, slag and Ash (Iron Ore) ≈ 9–10%

Top trade partners: China (27.1 %), United States (13.2 %), Argentina (4.9 %), Germany (3.3 %), India (2.4 %).

Foreign Direct Investment inflows (2024): Gross FDI US$ 41.3 bn (Financial and Auxiliary service- 19.5%; Services- 19.0%; Industry- 18.7%; Crop, livestock and mining= 10.6%)

TOTAL TRADE
(as of July 2026)

US$ 388.06 bn
(+ 8.24 % YoY)

Exports (FOB)

US$ 218.55 bn
(+ 10.46 % YoY)

Imports (FOB)

US$ 169.51
(+ 5.51 % YoY)

Source: MDIC and BCB

Brazil is world's largest producer of Soybeans (~ 160 mn tonnes about 40% of world production), Orange juice (101 mn tonnes about 70% of world production)

Brazil grows nearly one third of world's coffee (~4 mn tonnes) and one quarter of world's sugar (~43.7 mn tonnes)

Brazil produces nearly quarter (24%) of world's sugar (43.7 mn tonnes) and major exporter of beef (USD 17.337 bn in 2025)

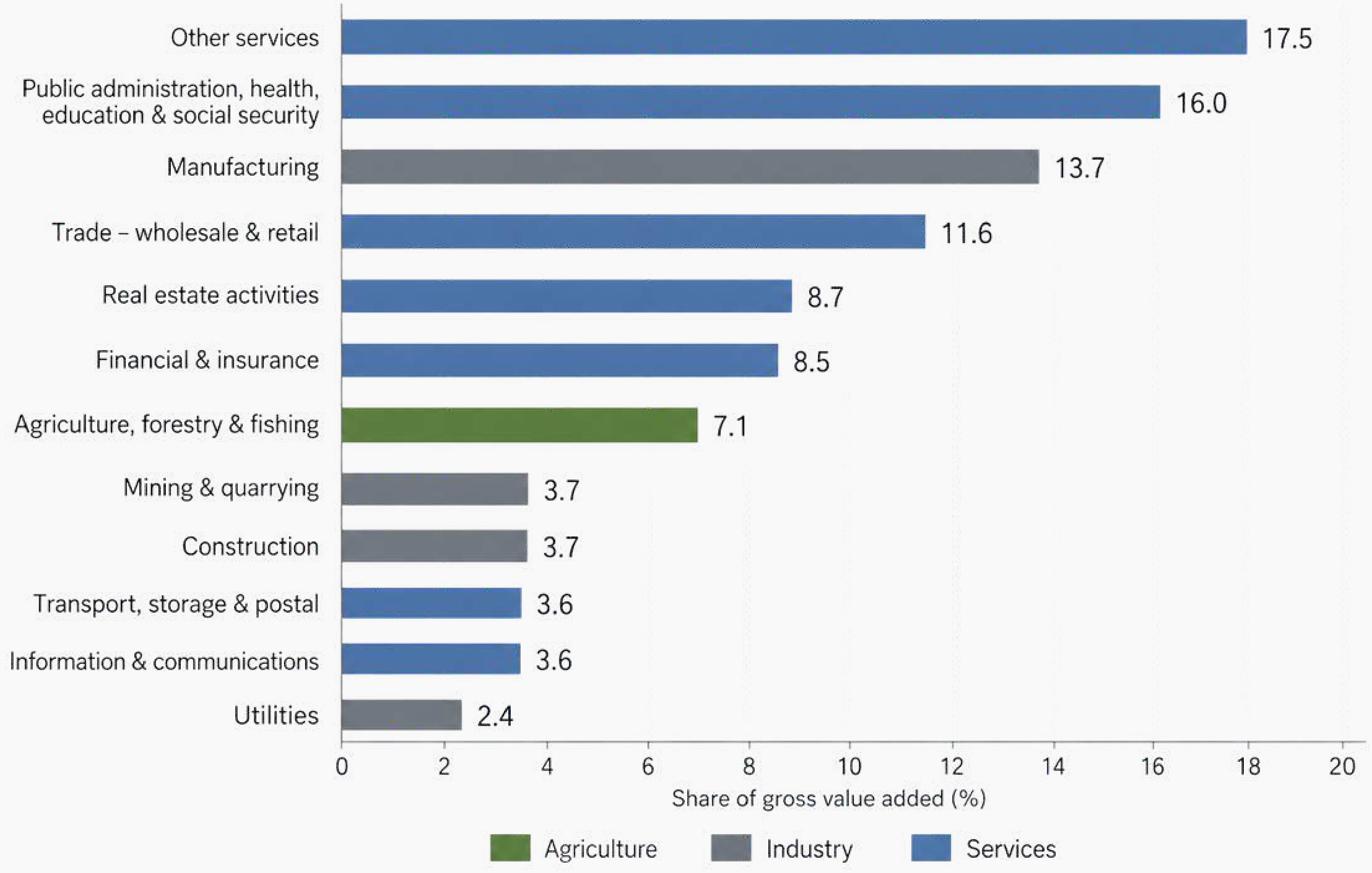
Major exporter of Crude Petroleum (US$ 44.536 bn in 2025), 2nd largest producer of Iron ore ~ 440 mn tonnes in 2025 (with exports US$ 28.978 bn in 2025)

Brazil accounts for ~90% of global mine production of Niobium (used to strengthen steel alloys, create powerful superconducting magnets, and manufacture high-temperature aerospace components)

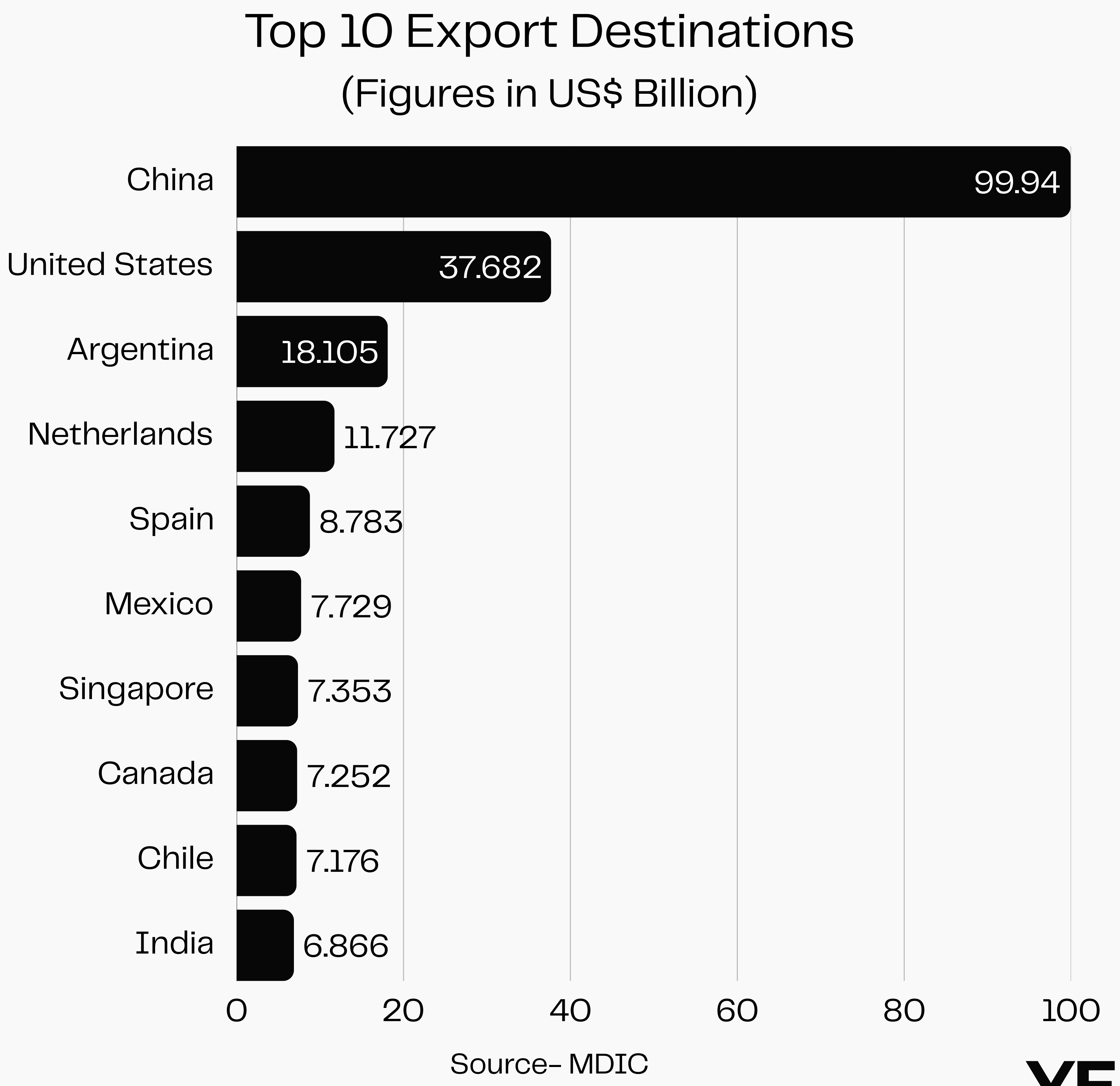
Brazil produces ~35 bn litres Ethanol annually which is about 25-30 % of global fuel ethanol production

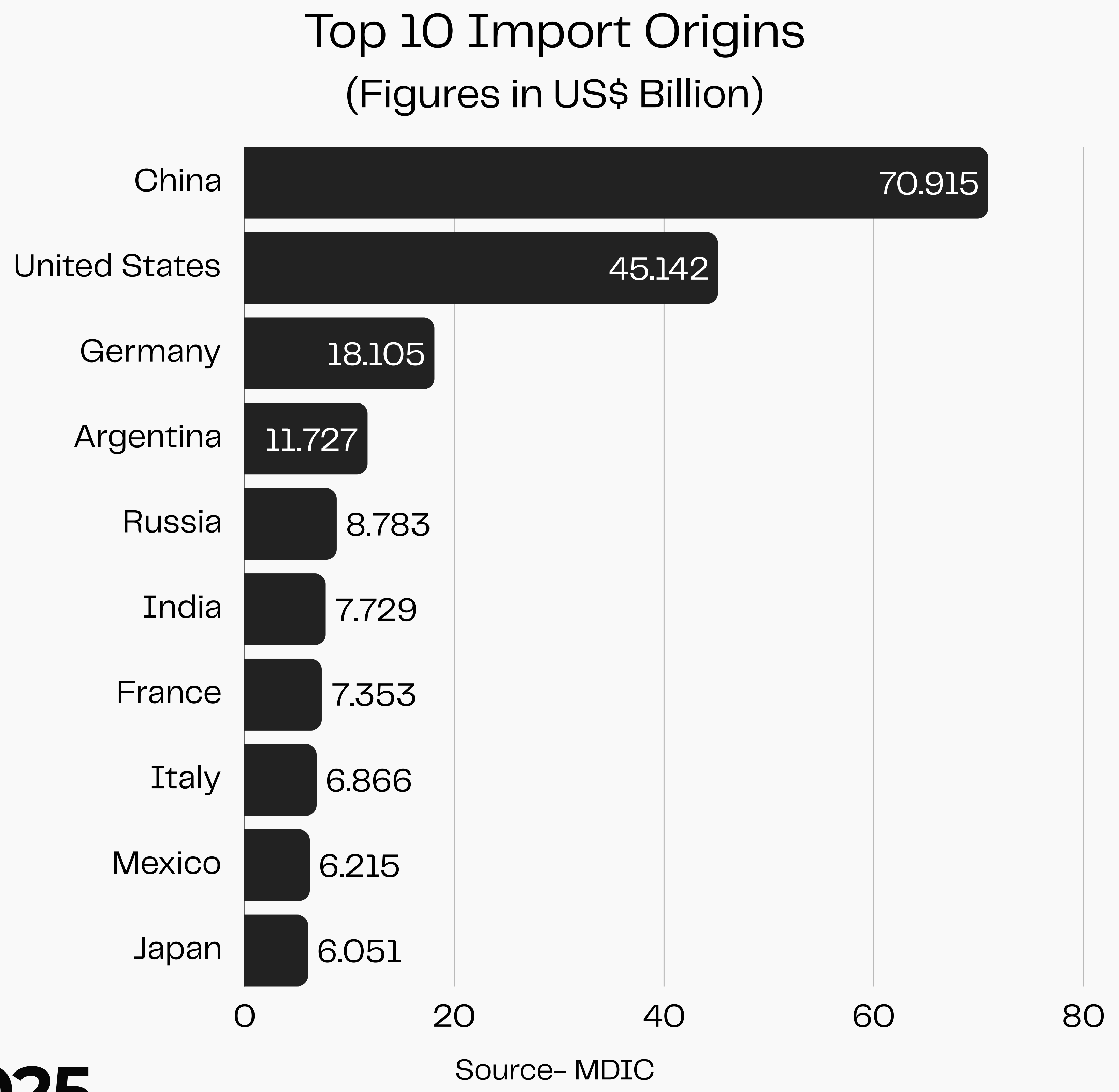
Brazil's Economic Structure by Activity, 2025

Share of gross value added (%)



Source: IBGE. Totals may not sum exactly to 100 due to rounding.





YEAR 2025

Source: MDIC

// FOREIGN TRADE 2025

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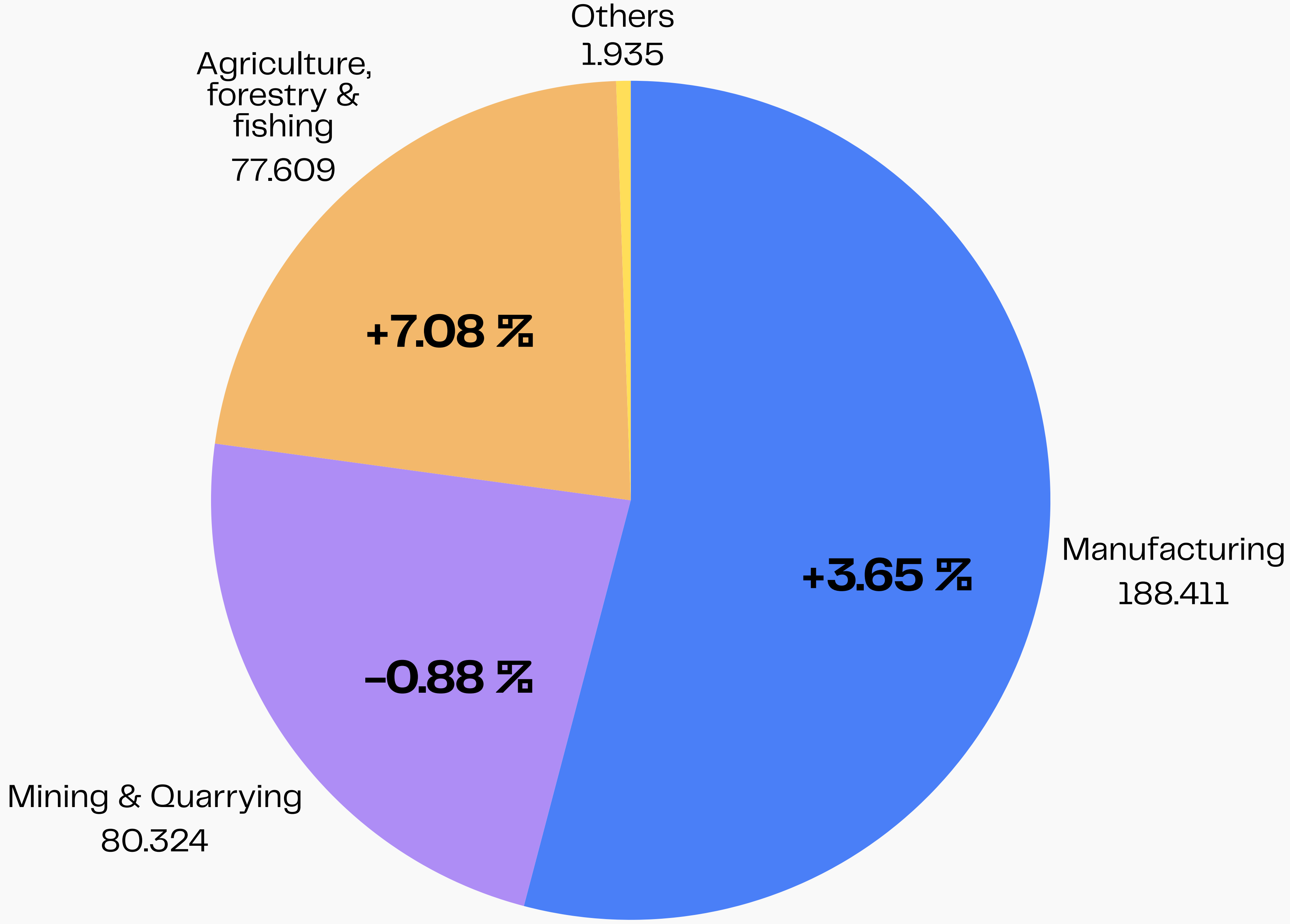
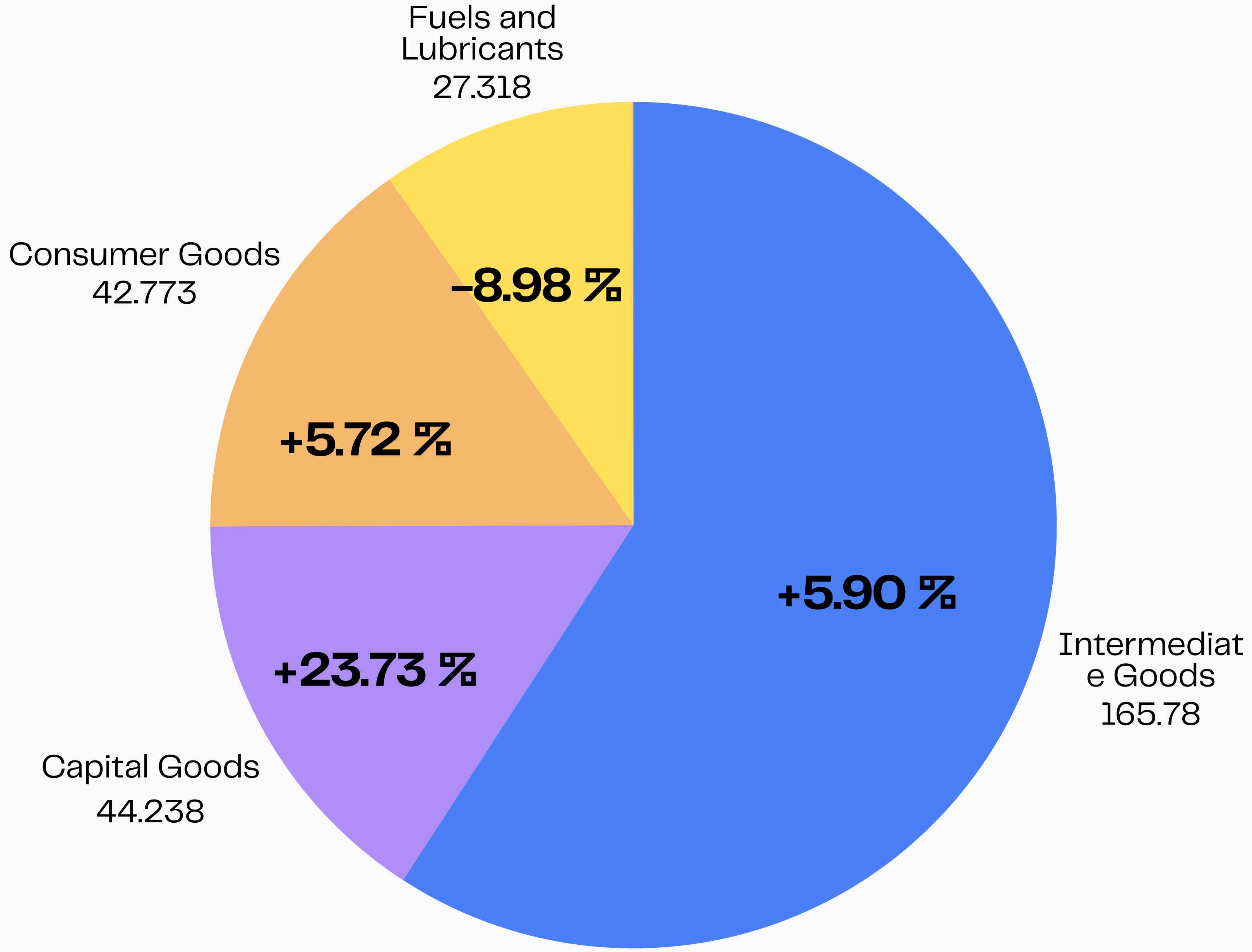
Exports- US$ 348.279
(% indicate YoY growth)



Imports- US$ 280.209
(% indicate YoY growth)



YEAR 2025

Source: MDIC

// SERVICES AND TOURISM

9,287,196

foreign tourists in 2025

US$ 7.865 bn incomes
US$ 21.715 bn outgoings

Total services export US$ 45.798 bn in 2024 (+ 6 % YoY) led by Transport (27.02%); Technical, trade-related and other business service (17.36%) and Travel (17.16 %). The main destinations were United States, China, United Kingdom and India.

Source: BCB

// INFRASTRUCTURE

112 +
Airports

18 of which are international

Main airports

GRU- Guarulhos, Sao Paulo
CGH- Congonhas, Sao Paulo
GIG- Galeao, Rio de Janeiro

170 +
Ports (coastline + river)

Ponta da Madeira terminal (MA), Port of Santos (SP), Tubarao Terminal (ES), Angra do Reis Terminal (RJ) handles around 1/3rd total port throughput

272 +
Active smartphone users

Largest smartphone users market in LAC region, ranking 4-6 in smartphone penetration

51.8 %	42.9 %	5.3%
Renewable	Oil & Gas	Others

Main sources of energy

1,563,351 kms+
Brazilian highways network

Including Federal, State and Municipal roads

4,48,000
Registered Health Establishments

Including Outpatient & Primary Care Clinics, Basic Health Units, General and Specialized Hospitals, Diagonstics and Pharmics & vigilance units

Source: ANAC/ANTAQ/FGV/EPC/BNDES/CNES

02/ SETTING UP A BUSINESS

// SETTING UP A BUSINESS

THERE ARE NO RESTRICTIONS ON FOREIGN INVESTMENT

Foreign investors do not require prior approval from the Brazilian government for most investments. However, certain strategic sectors are subject to specific regulations, ownership limits, or approval requirements, including nuclear energy, postal services, healthcare services, media and broadcasting, rural land acquisition, and activities related to national security and defense.

Foreign investors may establish and wholly own Brazilian companies in most sectors. Investments in publicly traded securities generally do not require prior government approval. Foreign investors must register their investment with the Central Bank of Brazil through the electronic registration system (RDE-IED) and comply with registration requirements before the Brazilian tax authorities. Foreign legal entities participating as shareholders or partners must obtain a Brazilian taxpayer identification number (CNPJ) and appoint a legal representative resident in Brazil.

Source: MDIC/World Bank

EASE OF DOING BUSINESS RANKINGS	BRAZIL	INDIA
GLOBAL RANK	**124**	**63**
Starting a Business	138	136
Dealing with construction permits	170	127
Getting electricity	98	22
Registering property	133	154
Getting credit	104	25
Protecting minority investors	61	13
Paying taxes	184	115
Trading across borders	108	68
Enforcing contracts	58	163
Resolving insolvency	77	52

According to the World Bank's Ease of Doing Business Index (2020), Brazil ranked 124th out of 190 economies, while India ranked 63rd, indicating a comparatively more business-friendly regulatory environment in India.

// BUSINESS TYPES

CORPORATION	Sociedade Anônima (S.A.)
Limited Liability Company	Sociedade Limitada (Ltda.)
Single-Owner Limited Liability Company	Sociedade Limitada Unipessoal (SLU)
Branch of Foreign Company	Filial de Empresa Estrangeira
Cooperative	Cooperativa
Consortium	Consórcio Empresarial
Corporate Group	Grupo de Sociedades
Holding Company	Holding Ltda. or Holding S.A.
INVESTMENT FUND	Fundo de Investimento
JOINT VENTURES	Sociedade de Propósito Específico (SPE)

OTHER FORM OF INVESTMENT ENTITIES AND BUSINESS PARTNERSHIP

Sociedade Limitada (Ltda.) is most common form of foreign investment in Brazil.

// GENERAL REGULATORY FRAMEWORK

FINANCIAL ACTIVITIES

Pursuant to the Banking Law (Law No. 4,595), which governs banking and financial activities in Brazil.

ENERGY & NATUAL RESOURCES

The Brazilian electricity sector was reformed and privatized in the mid-1990s by the State and Federal governments

FINANCIAL ACTIVITIES

The Business Environment Law (Law No. 14,195) modified in 2021 the Capital Market Law (Law No. 6,385), which regulates activity.

OIL & GAS

Exploration and production activities are regulated by the Brazilian Petroleum Law (Law No. 9,478/1997), and by subsequent regulatory decrees and ANP resolutions. Hydrocarbon exploration, development and production require a concession, production sharing, or onerous assignment contract granted by the federal government. Law No. 9,478 provides the basic legal framework for downstream activities, which must also comply with state and municipal technical regulations regarding safety and quality standards.

MINING

Mining activities in Brazil are governed by the Brazilian Mining Code (Decree-Law No. 227/1967), as subsequently amended on several occasions.

INSURANCE ACTIVITIES

According to the National Private Insurance System framework (Decree-Law No. 73/1966), only insurers duly authorized by the Private Insurance Supervisory Agency (SUSEP) may insure persons, goods, and any other insurable interest within national jurisdiction.

COPYRIGHT

The legal framework for copyright regulation is set out in the Brazilian Copyright Law (Law No. 9,610/1998), as amended. Protection under this law includes scientific, literary, artistic or educational works, regardless of the processes used for their reproduction.

TRADEMARKS AND TRADE NAMES

Trademarks and trade names are governed by the Industrial Property Law (Law No. 9,279) and its implementing regulations. The law provides protection on ownership of a trademark and its exclusive use, after its registration with the National Institute of Industrial Property (INPI)

PATENTS AND UTILITY MODELS

Patents and Utility Models in Brazil are regulated by the Industrial Property Law (Law No. 9,279). The Industrial Property Law provides that patents will be granted for inventions with certain requirements: mainly novelty, inventive step and industrial application. The Industrial Property Law awards a 20-year protection term as from the date of application of each patent.

03/

REGULATORY FRAMEWORK

// ECONOMIC FREEDOM & BUSINESS LAW

• Law No. 13,874/2019, also known as the "Economic Freedom Law," and Law No. 14,195/2021, also known as the "Business Environment Law aim to liberalize the economy and attract both domestic and foreign investment.

• It establishes clear and predictable rules for economic activities, fostering a transparent and stable legal framework for business operations.

• The law introduces pro-business reforms, including streamlined company formation procedures, stronger property rights protection, and investment incentives with legal guarantees for foreign investors.

• It also promotes fair competition and innovation, reinforcing Brazil's position as an attractive destination for investment and economic growth.

// ECONOMIC FREEDOM & BUSINESS LAW

- Law No. 13,874/2019 (Economic Freedom Law) and Law No. 14,195/2021 (Business Environment Law) aim to liberalize the Brazilian economy, eliminate bureaucratic bottlenecks, and attract foreign and domestic investment.

- These frameworks establish predictable, modernized rules for business, fostering a transparent legal environment that prioritizes contractual freedom, presumes private sector good faith, and limits state intervention.

- The legislation introduces pro-business reforms like streamlined company formation, automated operational licensing, stronger property rights protection, and robust legal guarantees for international capital.

- They promote fair competition, innovation, and capital market growth by removing administrative barriers, positioning Brazil as a secure destination for global investment.

- Additionally, these unified regulations protect private assets through clear asset-separation rules, empower minority shareholders, and accelerate operational time-to-market for new corporate ventures.

// NIB & REIDI

• NIB & Federal Incentive Regimes (REIDI, PADIS, Law 14.789)- A comprehensive federal investment framework provides structural tax, customs, and financial incentives designed to secure regulatory stability, protect investor rights, and mitigate long-term country risk.

• It prioritizes capital-intensive, high-impact projects across strategic sectors: infrastructure (logistics, sanitation, and transport), clean energy, technology, critical minerals, bioeconomy, defense, and the health-industrial complex.

• Qualification depends on project compliance with strict regulatory baselines, including sectoral technical approvals, environmental licensing, regional development priorities, or minimum capital expenditure thresholds.

• The framework delivers targeted fiscal relief, including PIS/COFINS suspensions on capital goods, corporate income tax (IRPJ) reductions of up to 75% in regional development zones, federal import duty exemptions via ex-tarifário mechanisms, and accelerated depreciation schedules.

• Investor protection is anchored in legally binding public-private concession contracts and independent regulatory agency frameworks, ensuring structural stability and protecting investments against arbitrary regulatory or fiscal modifications

// TAXES

• Brazil levies taxes at federal, state, and municipal levels, executing a historic transition to a streamlined Dual VAT system.

• The federal government collects Corporate Income Tax (IRPJ), Social Contribution on Net Profits (CSLL), and Customs Duties; legacy revenue taxes (PIS/COFINS) consolidate into the federal Contribution on Goods and Services (CBS).

• States levy Vehicle Tax (IPVA), while municipalities levy Real Estate Tax (IPTU) and Property Transfer Tax (ITBI); legacy state VAT (ICMS) and municipal service tax (ISS) merge into the subnational Tax on Goods and Services (IBS).

• A federal Selective Tax (IS) on harmful goods will phase out the Excise Tax (IPI), except within protected regional economic zones.

• The Corporate Income Tax framework (combining IRPJ and CSLL into a ~34% standard burden) applies to resident companies on their worldwide income.

04/ LABOUR AND SOCIAL SECURITY LEGISLATION

//LABOUR AND SOCIAL SECURITY LEGISLATION

• The **Consolidation of Labor Laws (CLT)** governs most employment relationships in the private sector in Brazil, though specific groups—such as statutory public sector employees and domestic workers—are regulated under separate legal frameworks.

• The **Federal Government** determines the national minimum wage each year through an executive decree based on a legal formula adjusting for inflation and economic growth, setting the **2026** base rate at **BRL 1,621** (approximately **USD 295**).

WORKFORCE

Brazil has a vast and increasingly diverse labor force, supported by an expanding higher education network and a robust technical education system (such as the "S System", including SENAI and SENAC). In 2024, the average annual unemployment rate stood at 6.6%, marking a historic low according to the Brazilian Institute of Geography and Statistics (IBGE). Recruitment methods vary significantly depending on the position and qualifications required—ranging from direct hiring via local platforms (like SINE) to the heavy utilization of specialized boutique recruitment agencies and headhunters for executive, managerial, and advanced technical roles

SALARIES

In Brazil, all formal employees are legally represented by a specific sector union due to the country's "unicidade sindical" framework (one union per sector in a geographic area). However, actual union membership is voluntary, and active affiliation has significantly decreased since the 2017 Labor Reform abolished mandatory union dues. Despite low affiliation, Collective Bargaining Agreements (CCTs and ACTs) remain highly influential, as they automatically cover all formal workers within a sector, regardless of whether they are union members. Wages vary across different regions, and sector-specific wage floors (pisos salariais) are legally established through these annual collective agreements. Conversely, market forces heavily dictate compensation for highly qualified professionals; notably, the law recognizes "hipersuficiente" employees (those with a university degree earning above twice the social security ceiling), granting them the legal autonomy to negotiate contractual terms directly with employers without union mediation.

05/ FOREIGN INVESTMENT

//OPPORTUNITIES THAT FAVOR FOREIGN INVESTMENT

Investment opportunities exist across highly lucrative sectors, heavily driven by **financial services, technology infrastructure** (such as massive AI data centers), **the pre-salt oil, natural gas industry and mining**, and **the electricity sector**. Additionally, Brazil's globally dominant **agribusiness industry** continues to be a premier hub for foreign capital. Backed by these high-yield markets, Brazil stands as the **gateway to MERCOSUR**, unlocking access to a massive regional market of **over 285 million consumers**

FOREIGN INVESTMENT LAW: The Brazilian Constitution, alongside Laws No. 4,131 and 14,286, forms the legal framework for foreign investment in Brazil. It guarantees equal treatment for domestic and foreign capital and streamlines investment registration through the Central Bank of Brazil (BCB), securing full repatriation and profit remittance rights.

SPECIFIC TAX INCENTIVES BY SECTOR: Targeted tax incentives and customs regimes across strategic sectors- infrastructure and logistics (REIDI/REPORTO), tech and innovation (Lei do Bem/IT Law), and energy and oil/gas (REPETRO). Agribusiness retains structural exemptions, while regional industrial development is driven by corporate tax cuts via SUDAM, SUDENE, and the ZFM.

TAX INCENTIVE REGIME: Under EC 132/2023, Brazil grants full tax immunity on service exports and runs a Payroll Tax Exemption (Desoneração da Folha) that cuts labor costs if job stability is maintained. While standard corporate tax is 34%, businesses lower effective rates via the "Lucro Presumido" regime or 75% IRPJ regional cuts (SUDAM/SUDENE)

BRAZILIAN "UNICORN" COMPANIES: Securing over 50% of Latin America's entire venture capital, Brazil is the region's premier tech powerhouse. It is home to over 22 active unicorns valued above US$ 1 billion, led by market giants such as iFood, QuintoAndar, Wellhub, Ebanx, Wildlife Studios, Loft, Creditas, Loggi, CloudWalk, C6 Bank, QI Tech, and Unico

//CORPORATE PRESENCE

ONGC
Dr.Reddy's
SUN PHARMA
tcs
TECH mahindra
UPL
SBI
MKU EMPOWERING HEROES
BAJAJ
ROYAL ENFIELD
इंडिया एक्ज़िम बैंक India Exim Bank
IFFCO पूर्णतः सहकारी स्वामित्व Wholly owned by Cooperatives
ZOHO
HCLTech
Sterlite
Novelis
Infosys
wipro
Glenmark A new way for a new world
SAE TOWERS
Mahindra

Indian companies in Brazil

EMBRAER
WEG
Stefanini IT Solutions
Nidec All for dreams
VALE
KUNZ SHOE SOLUTIONS
Fanem

Brazilian companies in India

ABRIFI BRAZILIAN ASSOCIATION OF INDIAN PHARMACEUTICAL INDUSTRY

ABRIFI was formally launched by Ambassador Dinesh Bhatia on 10 February 2026, as an industry association of Indian Pharmaceutical companies to strengthen the bilateral health cooperation. The association facilitate the Indian industry to navigate the complex Brazilian pharamceutical market.

//USEFUL INFORMATION

To start your business in Brazil, you may like to contact the following:

EMBASSY OF INDIA

SES 805, Lote 24, no Setor de Embaixadas Sul, na Asa Sul
Brasília - DF, 70452-901
Phone: +55 61 3248 4006
www.eoibrasilia.gov.in

APEX BRASIL

SAUN Quadra 05, Bloco C, Torre II, salas 1201 a 1701
Centro Empresarial CNC
Asa Norte, Brasília - DF, 70452-901
www.apexbrasil.com.br

Brazil's Single Investment Window (Janela Única de Investimentos)

www.janelaunica.mdic.gov.br/portal/

Brazilian Development Bank (BNDES)

Av. República do Chile, 100 - Centro (Edifício de Serviços) ou 330 (Ventura Corporate Towers), Rio de Janeiro-RJ, 20031-917
www.bndes.gov.br

LOCAL STATE INVESTMENT AGENCY

https://www.gov.br/mre/pt-br/embaixada-camberra/English/trade-and-investment/i-want-to-invest-in-brazil

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05/ PREPARING A BUSINESS TRIP TO BRAZIL

//PREPARING A BUSINESS TRIP TO BRAZIL

CONTACT EMBASSY PRIOR TO THE VISIT

Visitors are encouraged to contact the Embassy of India in Brasilia a few weeks before their trip. They should provide a brief company profile and details of their products or services so that the Embassy can help identify potential importers and business partners. The Embassy will provide relevant market information and a list of prospective Brazilian importers, enabling visitors to establish preliminary business contacts before arrival.

UPON ARRIVAL AT THE AIRPORT

After landing at an International Airport in Brazil, clear immigration and customs. Due care must be taken for connecting flight as major Brazilian carriers (LATAM, Gol etc.) follow different weight limits for baggage.

UPON ARRIVAL AT THE AIRPORT

For your expenses in Brazil, it is convenient to pay in Brazilian Reais. Portuguese is the lingua franca of Brazil. A few business have staff who speak English.

MOVING IN BRAZIL

Like many other Latin American cities, major Brazilian metropolitans, Rio de Janeiro, Sao Paulo, also have their share of crime and violence. Visitors should be very careful with their travel documents and valuables such as jewelry, expensive watches, cameras, camcorders, cell phones, and laptops.

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