

Senate



Sénat

CANADA

**STANDING SENATE COMMITTEE ON  
FOREIGN AFFAIRS AND INTERNATIONAL TRADE**

***INTENSIFYING STRATEGIC  
PARTNERSHIPS  
WITH THE NEW BRAZIL***

**May 2012**

Ce rapport est aussi disponible en français.  
Des renseignements sur le comité sont donnés sur le site :  
[www.senate-senat.ca/foraffetrang.asp](http://www.senate-senat.ca/foraffetrang.asp).

Information regarding the committee can be obtained through its web site:  
[www.senate-senat.ca/foraffetrang.asp](http://www.senate-senat.ca/foraffetrang.asp).

***INTENSIFYING STRATEGIC PARTNERSHIPS  
WITH THE NEW BRAZIL***



## TABLE OF CONTENTS

TABLE OF CONTENTS.....	v
ACKNOWLEDGEMENT .....	vii
THE COMMITTEE .....	ix
ORDER OF REFERENCE .....	xiii
EXECUTIVE SUMMARY .....	1
RECOMMENDATIONS.....	5
MAP OF BRAZIL .....	9
I. INTRODUCTION .....	11
II. BRAZIL’S STORY .....	14
III. CANADA-BRAZIL RELATIONS .....	18
RECENT DEVELOPMENTS .....	19
IV. INTENSIFYING CANADA-BRAZIL RELATIONS.....	22
AFFIRMING BRAZIL AS A PRIORITY COUNTRY .....	22
FOCUSING ON CANADIAN ADVANTAGES .....	23
A. EDUCATION .....	24
THE GOVERNOR GENERAL’S EDUCATION MISSION.....	26
1. Promoting Language Skills .....	27
2. Creating Pathways From Language Training to Post-Secondary Education and Career Development.....	28
3. Skills-Training and Vocational Partnerships.....	28
4. Leveraging Private Sector Linkages .....	28
B. SCIENCE AND TECHNOLOGY .....	29
1. Collaborating on Security and Defence Technology .....	30
2. Leveraging Private Sector Involvement and Investment .....	31
3. Promoting Technology and Knowledge-Transfer in Priority Sectors.....	31
C. “SCIENCE WITHOUT BORDERS” .....	31
D. INFRASTRUCTURE AND THE OLYMPIC LEGACY.....	33
E. COMMERCIAL PARTNERSHIPS .....	36
1. Agricultural Collaboration .....	37
2. Energy and the Extractive Industry.....	39
3. Other Sectors .....	41
4. Raising Canada’s Profile.....	42
<i>Best Practices for an Effective Public Service and Public-Private Partnerships</i>	43

5.	Reviewing the Canadian Commercial Corporation .....	44
F.	REGIONAL AND GLOBAL INITIATIVES.....	44
1.	Security and Defence Collaboration .....	45
2.	Partnering in International Assistance.....	47
3.	Third-Party Partnerships .....	47
V.	MEASURES TO ENABLE OPPORTUNITIES .....	48
A.	VISAS .....	48
B.	STRENGTHENING TIES BETWEEN CANADA AND MERCOSUL .....	51
C.	OVERCOMING DOMESTIC CHALLENGES.....	52
	Canada-Brazil CEO Forum.....	55
D.	ENGAGING BRAZIL’S FEDERAL STRUCTURE .....	56
VI.	CONCLUSIONS.....	57
VII.	A FINAL WORD.....	61
	APPENDIX A -- SELECTED LIST OF AGREEMENTS AND FRAMEWORKS BETWEEN CANADA AND BRAZIL .....	63
	Political, Defence and Development.....	63
	Commercial and Economic.....	63
	Agriculture .....	63
	Mining and Energy .....	64
	Science and Technology, Space and Education.....	64
	APPENDIX B – WITNESSES – 40.3 .....	67
	APPENDIX C – WITNESSES – 41.1 .....	69
	APPENDIX D – TRIP TO BRASILIA, SAO PAULO AND RIO DE JANEIRO.....	73

# ACKNOWLEDGEMENT

## **Intensifying Strategic Partnerships with a New Brazil**

This report is the last in a series by the Standing Senate Committee on Foreign Affairs and International Trade looking at the emerging economies of Brazil, Russia, India and China, commonly known as BRIC.

It explores the implications of Brazil's emergence as an economic and political force in our own hemisphere and internationally, and highlights the economic, political and social opportunities that stand to be gained through stronger Canada-Brazil relations.

The committee is grateful to all those who took time to meet with us, whose insights were invaluable in shaping the study before you.

I extend my personal appreciation to the Government of Brazil and the numerous parliamentarians for their assistance. In particular, I would like to thank H.E. Piragibe Dos Santos Tarragô, Ambassador of Brazil in Ottawa, for his guidance and advice.

I would also like to express my gratitude to all the dedicated professionals from the Department of Foreign Affairs and International Trade Canada, both in Brazil and in Canada, from the Canadian Embassy in Brazil, and from the Consuls General of Canada in Sao Paulo and in Rio de Janeiro, whose commitment to Canada-Brazil relations was reflected in the support they and their staff provided the committee.

My appreciation also goes to the members of the committee and their staff, whose dedication, sustained through one-and-a-half years of hearings, enabled us to evoke the range of issues involved in advancing Canada-Brazil cooperation. In particular, I would like to thank the members of the Committee's Steering Committee: Senator Percy Downe, Deputy Chair of the Committee, and Senator Doug Finley. Their diligence and commitment were instrumental in helping the committee navigate the nuances of a complex topic.

The committee's researchers, Natalie Mychajlyszyn and Brian Hermon, its clerk, Line Gravel, and its translators deserve special mention for the hard work and professionalism they put into the study, through mountains of evidence to its successful completion.

On behalf of the entire committee, I would like to express our sincerest hope that the government finds this study, and the recommendations it puts forward, a useful contribution in the ongoing pursuit of stronger Canada-Brazil relations.

*Senator Raynell Andreychuk  
Chair of the Committee*



## THE COMMITTEE

The following Senators have participated in the study:

\*The Honourable Raynell Andreychuk, Chair of the Committee

\*The Honourable Percy Downe, Deputy Chair of the Committee

and

The Honourable Senators:

\*Pierre De Bané, P.C.,

\*Doug Finley,

\*Suzanne Fortin-Duplessis,

\*Janis G. Johnson,

\*Frank Mahovlich,

Pierre Claude Nolin,

Fernand Robichaud, P.C.,

Hugh Segal,

\*David P. Smith, P.C., and,

\*Pamela Wallin.

\*Indicates senators who participated in the fact-finding mission to Brasilia, Sao Paulo and Rio de Janeiro

**Ex-officio members of the Committee:**

The Honourable Senators Marjory LeBreton, P.C. (or Claude Carignan) and James Cowan (or Claudette Tardif)

**Other Senators who have participated from time to time in the study:**

The Honourable Senators Comeau, Duffy, Mockler, Poirier, Smith (*Saurel*) and Stratton.



## **Staff of the Committee:**

Brian Hermon, Analyst, Parliamentary Information and Research Service, Library of Parliament,  
Natalie Mychajlyszyn, Analyst, Parliamentary Information and Research Service, Library of Parliament,  
Louise Pronovost, Administrative Assistant, and  
Line Gravel, Clerk of the Committee.

## **Other Staff who have assisted the Committee from time to time in the study:**

Mona Ishack, Senior Communications Officer, Senate of Canada.



## ORDER OF REFERENCE

Extract from the *Journals of the Senate*, Tuesday, June 21, 2011:

The Honourable Senator Carignan, for the Honourable Senator Andreychuk, moved, seconded by the Honourable Senator Marshall:

That the Standing Senate Committee on Foreign Affairs and International Trade be authorized to examine and report on the political and economic developments in Brazil and the implications for Canadian policy and interests in the region, and other related matters.

That the papers and evidence received and taken on the subject during the Third session of the Fortieth Parliament and any other relevant Parliamentary papers and evidence on the said subject be referred to the Committee; and

That the committee submit its final report to the Senate no later than December 31, 2012 and that the committee retain all powers necessary to publicize its findings until March 31, 2013.

The question being put on the motion, it was adopted.

Gary W. O'Brien  
*Clerk of the Senate*



## EXECUTIVE SUMMARY

**A new era of Canada-Brazil relations is unfolding. Important steps, including high-level visits, agreements signed, and growing bilateral trade, are taking Canada's relations with this increasingly influential country to new levels.**

**This report of the Standing Senate Committee on Foreign Affairs and International Trade offers ten recommendations on how the Government of Canada can intensify its relations with Brazil for the long-term benefit of Canadian and Brazilian interests and prosperity.**

**Noting that Canada-Brazil bilateral trade has increased over 150% since 2002, for a total of \$6.7 billion in 2011, reflecting a comparable increase in people-to-people contacts, the Committee recommends that the Government of Canada implement the Memoranda of Understanding and agreements in place between them, and explore further strategic initiatives by which to continue strengthening relations between Canada and Brazil.**

Strategic engagement involves matching Canada's expertise with Brazil's immediate priorities, in order to lay the foundation of a long-term partnership. The Committee recommends that **the Government of Canada focus its attention in its relations with Brazil on education, science and technology, investment and trade, infrastructure, and regional and global partnerships where Canadian advantages and leadership are of value-added to Brazil.**

In this respect, building on its strong foundation as the primary venue for English-language training for Brazilian students, the Committee recommends that **the Government of Canada apply the necessary resources and support to sustain education as a key driving force in intensifying Canada-Brazil relations.**

The Governor General's April 2012 education mission to Brazil together with more than thirty Canadian university presidents led to **75 agreements worth almost \$17 million between Canadian and Brazilian universities**, and an announcement by Canada that it will be welcoming an estimated 12,000 Brazilian students and scholars under President Rousseff's "Science without Borders" (*Ciência sem Fronteiras*) program. With the inaugural student intake expected in September 2012, the Committee recommends that **the Government of Canada support efforts by Canadian colleges to participate in "Science without Borders" and encourage the Canadian private sector to explore avenues for offering internships to Brazilian students under this program.**

Brazil's search for partnerships in science and technology both as commercial ventures and in terms of research and development offers further opportunities for collaboration. Indeed, Brazil's own record in research and development – including its commercialisation capacity in

aerospace with the evolution of Embraer, in agriculture through EMBRAPA (the Brazil Agricultural Research Corporation), and in oil and gas through Petrobras – makes it a promising partner for Canadian companies and institutions. Brazil has expressed its interest in exchanging knowledge and technology in the agriculture, mining, engineering, aerospace, and oil and gas sectors. Canada's recent experience as host of the 2010 Olympic and Paralympic Winter Games can be leveraged to help accelerate the relationship with Brazil, which presently is preparing to host two major international sporting events. To raise the profile of Canadian companies, the Committee recommends that **within the next twelve months, the Government of Canada explore the possibility of concluding a Memorandum of Understanding on infrastructure cooperation with Brazil for a strategic investment directly linked to the 2014 FIFA World Cup and 2016 Olympics.**

As a trading nation whose economic prosperity relies in large part on the presence of Canadian commercial interests in foreign markets, Canada can certainly ill afford to ignore as big a country as Brazil, particularly with the potential offered by its growing middle class. Opportunities for strategic investment and trade in services, as well as in goods, exist across many sectors, but are particularly notable in **agriculture** as well as in **energy and the extractive industry**.

The Committee strongly believes that Canada and Brazil have an opportunity to develop a strategic partnership on global food security. As two agricultural powerhouses, the two countries are well-placed to capitalise on their strengths, reinforce the capacities of the other with knowledge and technology-transfers, and work together to enhance the supply of food for the world. Accordingly, the Committee recommends that **the Government of Canada accelerate a strategic partnership with Brazil that focuses on their respective expertise in agriculture and promotes global food security, supports collaboration between IDRC and Brazil's agricultural research centres, and directly engages the Canadian International Development Agency and the Brazilian Cooperation Agency (ABC).**

Brazil's regional and global influence presents many opportunities for strategic collaboration on regional and global issues of common concern. In particular, the Committee recommends that **the Government of Canada continue to strengthen its security and defence cooperation with Brazil by collaborating with Brazilian counterparts on training for remote patrols and surveillance, particularly by air and water; creating officer exchanges and projects that expand on relations established through the Military Training and Cooperation Program; and carrying out joint peacekeeping, humanitarian and disaster relief exercises with the Brazilian military.**

Moreover, Brazil's transition from aid recipient to aid donor has opened up valuable opportunities for a strategic partnership between it and Canada on international assistance. Accordingly, the Committee recommends that **the Government of Canada and the Canadian International Development Agency collaborate with the Brazilian Cooperation Agency**

**(ABC) on concrete initiatives that reflect best practices and priorities on international assistance.** Such collaboration would facilitate opportunities to collaborate strategically on third-party partnerships in international assistance in a manner that capitalises on their respective strengths and overlapping interests.

The Committee also believes that the Government of Canada could consider measures for easing the flow of people between Canada and Brazil. In this regard, the Committee recommends that **the Government of Canada make the necessary policy and program changes to facilitate the ten year multiple entry visa to be transferable to a new passport of a foreign country that expired within that ten-year period; examine the feasibility of increasing resources to the visa and immigration section of the Canadian diplomatic mission in Sao Paulo that is responsible for approving all Brazilian visa applications; and, immediately assess whether Brazil meets the conditions for visa-exempt travel by Brazilian citizens to Canada.**

The time has also come for Canada-MERCOSUL relations to evolve and deepen. Talks announced in June 2011 on options for enhancing commercial relations between Canada and MERCOSUL – a trade bloc comprising Brazil, Argentina, Uruguay and Paraguay – open new prospects for Canada to promote more open trade in the region. The Committee further recommends that **the Government of Canada engage and pursue commercial opportunities with MERCOSUL and its member states.**

The Committee believes that the Canada-Brazil CEO Forum launched in August 2011 offers another vital tool by which to build bridges between the Brazilian and Canadian business communities, improve awareness, share market intelligence, and increase the likelihood of successful engagement.

Moreover, Canada-Brazil relations would benefit from a more focused political and commercial engagement with multiple levels of governments, given that Brazilian federal, state and municipal authorities often have close ties with the country's key industrial leaders.

Unmistakably, an appreciation of a “New Brazil” and a “New Canada” is at the heart of intensifying these strategic partnerships. Indeed, such an appreciation is vital to acting on the importance Brazil holds for Canada and its regional and global interests. Brazil's pivotal role in shaping our own backyard means that Canada should approach it decisively and with policies strategically developed to cater to the opportunities it offers, even as Canada considers the possibilities arising from all of the emerging countries.

In this context, Canada-Brazil relations are on track to enter a new era. Our relationship exists on multiple levels, between businesses as well as people-to-people links, i.e. youth, students, tourists, families, and artists. Enhanced engagement at all levels will pay dividends for the Canada-Brazil relationship long into the future. It should be encouraged for the prosperity of both populations, for strengthening mutual understanding, and for a partnership that is long, long overdue.

## RECOMMENDATIONS

### RECOMMENDATION 1:

**Noting that Canada-Brazil bilateral trade has increased over 150% since 2002, for a total of \$6.7 billion in 2011, reflecting a comparable increase in people-to-people contacts, the Committee recommends that the Government of Canada implement the Memoranda of Understanding and agreements in place between them, and explore further strategic initiatives by which to continue strengthening relations between Canada and Brazil.**

### RECOMMENDATION 2:

**That the Government of Canada focus its attention in its relations with Brazil on education, science and technology, investment and trade, infrastructure, and regional and global partnerships where Canadian advantages and leadership are of value-added to Brazil.**

### RECOMMENDATION 3:

**That the Government of Canada apply the necessary resources and support to sustain education as a key driving force in intensifying Canada-Brazil relations.**

### RECOMMENDATION 4:

**That the Government of Canada support efforts by Canadian colleges to participate in President Rousseff's "Science without Borders" program and encourage the Canadian private sector to explore avenues for offering internships to Brazilian students under this program.**

#### **RECOMMENDATION 5:**

**That within the next twelve months, the Government of Canada explore the possibility of a memorandum of understanding on infrastructure cooperation with Brazil for a strategic investment directly linked to the 2014 FIFA World Cup and 2016 Olympics.**

#### **RECOMMENDATION 6:**

**That the Government of Canada accelerate a strategic partnership with Brazil that focuses on their respective expertise in agriculture and promotes global food security, supports collaboration between IDRC and Brazil's agricultural research centres, and directly engages the Canadian International Development Agency and the Brazilian Cooperation Agency (ABC).**

#### **RECOMMENDATION 7:**

**That the Government of Canada, through the Department of National Defence and other relevant departments and agencies, continue to strengthen its security and defence cooperation with Brazil and develop strategic partnerships by:**

- collaborating with Brazilian counterparts on training for remote patrols and surveillance, particularly by air and water;**
- creating officer exchanges and projects that expand on relations established through the Military Training and Cooperation Program; and**
- carrying out joint peacekeeping, humanitarian and disaster relief exercises with the Brazilian military.**

#### **RECOMMENDATION 8:**

**That the Government of Canada and the Canadian International Development Agency collaborate with the Brazilian Cooperation Agency (ABC) on concrete initiatives that reflect best practices and priorities on international assistance.**

#### **RECOMMENDATION 9:**

**That the Government of Canada:**

- **make the necessary policy and program changes to facilitate the ten year multiple entry visa to be transferable to a new passport of a foreign country that expired within that ten-year period;**
- **examine the feasibility of increasing resources to the visa and immigration section of the Canadian diplomatic mission in Sao Paulo that is responsible for approving all Brazilian visa applications; and,**
- **immediately assess whether Brazil meets the conditions for visa-exempt travel by Brazilian citizens to Canada.**

#### **RECOMMENDATION 10:**

**That the Government of Canada engage and pursue commercial opportunities with MERCOSUL and its member states.**



# MAP OF BRAZIL





## I. INTRODUCTION

Brazil's economic and political transformation and consequent impact on the western hemisphere and the world offer many valuable opportunities for Canada to strengthen its relations with this increasingly influential country, reinforce their mutual equality and understanding, and ultimately benefit the people and prosperity of both countries. In order to maximise these opportunities and realise their full benefit and potential now and in the future, Canada's engagement with Brazil needs to intensify and, most importantly, needs to be strategic.

Accordingly, the Standing Senate Committee on Foreign Affairs and International Trade concludes from its study of the implications of Brazil's transformation for Canadian policy and interests that the Government of Canada undertake strategic partnerships that match priorities and expertise in key sectors with the most promise: education, science and technology, infrastructure, investment and trade, and regional and global affairs. Moreover, these strategic partnerships and the Canada-Brazil relationship in general would benefit from an update of Canada's visa regime regarding Brazil and an improved understanding of Brazil's commercial climate.

The Committee was motivated to undertake its study of Brazil as a natural extension of its earlier study of the rise of Russia, India and China. That Brazil counts itself among the BRIC group of states is without question given that, due to a combination of sheer size of territory and population, rapid economic growth and growing middle class, these four countries have emerged as dominant powers in the world economy and key drivers of global trade and investment. The BRIC countries comprise more than 40% of the global population and cover over a quarter of the world's land area.<sup>1</sup> Their global share of gross domestic product (GDP) has grown from 11% in 1990 to approximately 25% today.<sup>2</sup> By 2020, it is expected that the four economies will be responsible for almost 50% of the increase in global GDP.<sup>3</sup> The size of the middle class of the four countries is expected to more than double that of the G-7 by 2020.<sup>4</sup>

Such economic influence has extended into international relations, where, facing a world in flux, the BRIC states are applying their political weight and shifting global priorities to reflect their interests. In challenging the norms and standards of a system that was not of their making, they are redefining the rules of the game and leaving their mark on international governance and multilateral fora. Out of this changing world, new political and trade opportunities are emerging just for the taking by those who recognise that a new game with new rules is in play.

---

<sup>1</sup> [Global Sherpa](#), 2011.

<sup>2</sup> [Global Sherpa](#), 2011.

<sup>3</sup> Goldman Sachs, "[Introducing Growth Markets](#)," April 2011.

<sup>4</sup> [Global Sherpa](#), 2011.

Brazil's role in this changing landscape and the implications for Canadian policy and interests merit deeper understanding. Many Canadians are not very familiar with Brazil, despite sharing a hemisphere and multicultural societies. At the same time, the Committee came away from its fact-finding mission to Brazil with an impression that many Brazilians did not fully appreciate that Canada is not an adjunct of the United States; that the "new Canada" is a country that over the last several years has strategically and successfully broadened its perspective, particularly regarding trade opportunities, to include new partners and markets well beyond our southern neighbour.

Canada-Brazil relations are not among the most advanced. And yet, Brazil cannot be ignored. With a population of almost 200 million, a rapidly growing middle class, the sixth largest GDP in the world, and ambitious regional and global agendas, Brazil is leveraging its influence in ways that are affecting Canadian priorities. Already Brazil has asserted its influence on free trade negotiations in the Summit of the Americas<sup>5</sup> and at the World Trade Organisation,<sup>6</sup> has staked out its position regarding United Nations Security Council reform,<sup>7</sup> played a leading role in the creation of new regional institutions, and is a key player in the G-20. Therefore, determining how Brazil matters to Canada and what can be done to enhance our relations are questions that need answers.

Canada has already undertaken several key initiatives in recent years that acknowledge Brazil's growing significance and that are advancing our relations with this increasingly influential country.<sup>8</sup> Moreover, Brazil has a strong interest in deepening its relationship with Canada.<sup>9</sup> As one witness noted, given recent global economic challenges and Canada's positive standing in contrast to other advanced economies, "Canada has suddenly piqued Brazil's interest."<sup>10</sup> According to another:

The president of Brazil has a great interest in expanding the relationship with Canada. She is very interested in our experiences across a range of issues quite apart from trade and investment. I think we have turned the page in terms of the high-level dynamic.<sup>11</sup>

---

<sup>5</sup> Alfredo Cabral and Priya Shankar, "Brazil Rising: The Prospects of an Emerging Power," *Foresight*, 1 July 2011, p.13; Daudelin (written submission), p. 1; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 8.

<sup>6</sup> The Economist Intelligence Unit, "Country Report: Brazil," November 2010, p. 5; Agriculture and Agri-Food Canada (AAFC), 40:3, Issue no. 15, p. 47.

<sup>7</sup> Foreign Affairs and International Trade (FAIT), 40:3, Issue no. 12, p. 7.

<sup>8</sup> Hewitt, 40:3, Issue no. 17, pp. 30, 52; Hester, 40:3, Issue no. 15, p. 65; Haslam, 40:3, Issue no. 12, pp. 36, 46, 50; Council of the Americas/Americas Society (COA/AS), 40:3, Issue no. 16, p. 32; Export Development Canada (EDC), 40:3, Issue no. 14, p. 18; FAIT, 41:1, Issue no. 1, pp. 35.

<sup>9</sup> FAIT, 40:3, Issue no. 12, p. 10; Brazil-Canada Chamber of Commerce (BCCC), 41:1, Issue no. 2, p. 10; Fausto, Sao Paulo, Brazil, 1 December 2011.

<sup>10</sup> Canadian Foundation for the Americas (FOCAL), 40:3, Issue no. 13, p. 33.

<sup>11</sup> FAIT, 41:1, Issue no. 1, p. 40.

Indeed, Brazilian authorities have “noted with satisfaction” the special attention Canada has been giving Brazil.<sup>12</sup>

However, mechanisms and entreaties that will accelerate the Canada-Brazil relationship and that have immediate impact need to be implemented. Strategic engagement that matches Canadian expertise with Brazil’s priorities and that is based on mutual equality will vault our relations forward, ensuring that Canada is not left behind and marginalised from a potentially significant partnership. In this respect, Canada is but one of many countries that are seeking a deeper engagement with Brazil as it pursues its priorities and interests; without a strategic course of action to follow, Canada risks losing out on building a key foundation that would pay dividends now and into the future.

This report represents the Committee’s findings and offers ten recommendations on how the Government of Canada can accelerate its relations with Brazil for the long-term benefit of Canadian and Brazilian interests and prosperity. Taking into account recent bilateral visits and initiatives, it is intended to resonate with policy, business, academic and other relevant stakeholders as they consider what immediate steps to take.

It bears noting that this report is not typical of those prepared by this Committee. First, the new Brazil is *terra incognita*, yet by virtue of its dynamism, influence, and the opportunities it offers, it is very much a country that needs to be better understood by the policy, academic, and business communities in Canada. Therefore, the report is the first step of a fact-finding exercise in what is a steep learning-curve about one of the world’s most influential countries. Second, while our reports are normally intended to inform Canadians and Canadian decision-makers, this report is also directed at Brazilian officials and businesses who are interested in better understanding what Canada has to offer. Third, given its introductory purpose, the report offers more suggestions than recommendations for action by the Government of Canada. These are intended as much to highlight new considerations that arise as Canada looks to strengthen its relations with Brazil as to generate avenues for debate and continued discussion about the changing world and what policy changes are required in order to achieve objectives.

Since the Committee began its study in November 2010, it has held more than twenty hearings and has heard from more than fifty witnesses. The Committee also travelled to Brazil from 27 November to 2 December 2011 for six days of meetings with nearly 60 interlocutors to assess opportunities for deepening our relations. The Committee’s witnesses in Ottawa and interlocutors in Brasilia, Sao Paulo and Rio de Janeiro included Brazil’s Secretary General for External Relations; Brazil’s Undersecretary General for Political Affairs I (North America, Europe and Multilateral Affairs); the Brazilian Ambassador to Canada; Canadian government officials from the Department of Foreign Affairs and International Trade, the Department of

---

<sup>12</sup>Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 9.

National Defence, the Canadian International Development Agency, Agriculture and Agri-Food Canada, Transport Canada, the Canadian Food Inspection Agency, Export Development Canada, and the Canadian Commercial Corporation; Brazilian government officials from the Ministries of Foreign Relations, Agriculture, Finance, Development, Industry and Trade, Mines and Energy, Science, Innovation and Technology, as well as the Central Bank of Brazil; Brazilian parliamentarians; independent analysts of Brazil and South America; industry associations representing agriculture, forestry, tourism, post-secondary education and manufacturing; several Canadian and Brazilian businesses and the Brazil-Canada Chamber of Commerce; municipal, state and provincial representatives responsible for trade and commercial development; and university representatives, among others.

Given the nature of the Committee's mandate, the report's recommendations focus on policy and action within the domain of the Government of Canada. The report is based on the premise that the government has a vital role to play in shaping Canada's bilateral relations for the benefit of Canadians and on behalf of various constituencies, including those in the commercial sector. Indeed, it goes without saying that as the government is a key agent of Canada's foreign policy and diplomatic relations, it is critical that it play a strong role in facilitating a new chapter in Canada-Brazil relations for the welfare of all Canadians.

The report begins with an overview of Brazil's status today and recent developments in Canada-Brazil relations. The next section outlines areas for strategic partnerships in education, science and technology, infrastructure, commerce and regional and global affairs that would intensify our relations. The final section considers measures that would enable these and other opportunities for deepening Canada-Brazil relations, before turning to conclusions about the new era of relations unfolding between Canada and Brazil.

## II. BRAZIL'S STORY

Brazil's political, economic and social achievements over the last several decades are without doubt.<sup>13</sup> Since 1985, following twenty-one years of military rule and human rights abuses, it has enjoyed consecutive peaceful transitions of presidential authority. Moreover, its regular, transparent and fair elections, vibrant media and press, and commitment to civil liberties ensure that Brazil ranks among the most stable democracies in the region, an achievement reinforced by

---

<sup>13</sup> Juan De Onis, "Brazil's Big Moment: A South American Giant Wakes Up," *Foreign Affairs* (November/December 2008); de Castro Neves, 41:1, Issue no. 4; Morton, 41:1, Issue no. 4.

the lack of any significant linguistic, cultural, racial, ethnic, religious or regional internal conflict.<sup>14</sup>

Its economic growth, to the point that some reports<sup>15</sup> indicate that Brazil has surpassed the United Kingdom to become the world's sixth largest economy, has been nothing short of spectacular.<sup>16</sup> For most of its history, it has been a relatively closed economy and frequently experienced boom-and-bust economic cycles. The most recent of these was the "economic miracle" that lasted from the late 1960s to the early 1970s and that was followed by a period of economic volatility, declining growth, increased foreign debt, and triple-digit inflation. In the 1980s and 1990s, Brazil's leadership liberalised its trade and adopted an economic stabilisation plan that eventually tamed hyperinflation and introduced a new currency, the *real*. The effect of these policies was the gradual rise in Brazil's GDP from growth rates that averaged 2.1% from 1995-2001, reaching 1.4% in 2001, 1.0% in 2002, and 1.2% in 2003, before attaining levels of 5.7% in 2004, 3.1% in 2005, 3.7% in 2006, and a period high of 6.1% in 2007.<sup>17</sup> Brazil was not unaffected by the financial crisis that hit the world in 2008 and saw its growth rates decline to 5.2% in 2008 and -0.3% in 2009, but it rebounded to achieve growth rates of 7.5% in 2010 and 3% in 2011.<sup>18</sup> Moreover, its economic fundamentals have remained relatively stable since 2008, achievements all the more remarkable when compared to other major economies in the same period.<sup>19</sup>

A key ingredient in Brazil's economic story is the diversity of its economy. Brazil's strong service sector reinforces its industry and manufacturing base. Moreover, Brazil's abundant natural resources have played important roles in its growth and have made it a mining, energy and agricultural power at a time of high commodity prices and global demand.<sup>20</sup> Recent discoveries of large offshore, pre-salt oil deposits have the potential to transform Brazil into one of the world's largest oil producers.<sup>21</sup> It has the second-largest proven oil reserves in South America after Venezuela, the vast majority of which are located off the country's southeast

---

<sup>14</sup> The Economist Intelligence Unit, *Brazil: Country Profile 2008*, p. 8; Bethell, supplementary submission, "[Brazil: Regional Power, Global Power.](#)" June 2010.

<sup>15</sup> Centre for Economics and Business Research, "[Brazil has Overtaken the UK's GDP.](#)" 26 December 2011.

<sup>16</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, pp. 5-7; Wood, 41:1, Issue no. 1, p. 43; Daudelin, 40:3, Issue no. 13, p. 7; The Economist Intelligence Unit, "Country Report: Brazil," September 2011, p. 9; Ministry of Finance, Brasilia, Brazil, 28 November 2011; Central Bank, Brasilia, Brazil, 28 November 2011; de Castro Neves, 41:1, Issue no. 4; Morton, 41:1, Issue no. 4.

<sup>17</sup> The Economist Intelligence Unit, *Brazil: Country Profile 2003*, p. 29; The Economist Intelligence Unit, *Brazil: Country Profile 2008*, p. 19.

<sup>18</sup> The Economist Intelligence Unit, "Brazil: Country Report," March 2012, p. 18.

<sup>19</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>20</sup> Cabral and Shankar, "Brazil Rising," p. 6; FAIT, 40:3, Issue no. 12, p. 7; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 31; BCCC, 41:1, Issue no. 2, p. 9; Fausto, Sao Paulo, Brazil, 1 December 2011; Federation of Industries of the State of Rio de Janeiro (FIRJAN), Rio de Janeiro, Brazil, 2 December 2011; Investe Sao Paulo, Sao Paulo, Brazil, 30 November 2011; Ministry of Finance, Brasilia, Brazil, 28 November 2011; Daudelin, 40:3, Issue no. 13, p. 7.

<sup>21</sup> United States Energy Information Administration, "[Country Analysis Briefs: Brazil.](#)" 28 February 2012.

coast. State-controlled Petrobras dominates Brazil's offshore oil and gas sector and has invested billions in pre-salt exploration and production.<sup>22</sup> Indeed, Brazil's commitment to research and development regarding these off-shore oil fields has placed it within reach of even greater wealth.

As Brazil's economy has grown, so has the size of its middle class. It is now estimated to number almost 100 million, or about half its population, having grown in size from one-third of the population at the beginning of the 1990s.<sup>23</sup>

Brazil is using its political and economic resources to reduce poverty and inequality. Between 1990 and 2009, the share of families living below the poverty line decreased from 42% to 21%, and the share of families living in extreme poverty dropped from 20% to 7%.<sup>24</sup> Inequality also has dropped systematically, declining by an annual average rate of 1.2% for the past twenty years.<sup>25</sup> As Brazil's Ambassador to Canada noted, key to the reduction in poverty and inequality have been social inclusion policies, such as improved access to education, real increases in the minimum wage, greater access to credit by consumers, universal access to health services, and conditional cash transfer programs such as *Bolsa Familia* (small cash grants issued on condition of school attendance and health immunisation).<sup>26</sup> Underprivileged youth, some of whom the Committee met at the Casa Sao Jose in Sao Paulo, are seeing greater access to social programs, health, and self-esteem initiatives that will stand them in good stead regarding Brazil's future.<sup>27</sup>

Brazil's story is further enhanced by its political and economic confidence, which has propelled the country towards a more active role on the regional and international stages.<sup>28</sup> Brazil has emerged from its non-aligned, Third World past to become an influential, if not ambitious, new force in the global system. As Brazil asserts itself, the realities of being among the top-tier players will impose the burden of responsibility for leadership and action in the face of global crises.

In many respects, these increased activities have been manifested in the multilateral and bilateral alliances Brazil has been forging regionally and internationally. On the regional level, Brazil has pursued a policy of greater political and economic engagement in Latin America and has sought

---

<sup>22</sup> Ibid.

<sup>23</sup> Marcelo Neri, Director Center for Social Policies, Getulio Vargas Foundation, transcript of proceedings from a panel discussion, "Brazil's Social and Political Transformation," Brookings Institution, Washington, D.C., 8 October 2010; Julia Sweig, "A New Global Player: Brazil's Far-Flung Agenda," *Foreign Affairs* (November/December 2010); FAIT, 40: 3, Issue no. 12, p.7; Fausto, Sao Paulo, Brazil, 1 December 2011; FIRJAN, Rio de Janeiro, Brazil, 2 December 2011; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011; Ministry of Finance, Brasilia, Brazil, 28 November 2011; [Focus: Brazil](#), *The Economist*, 1 November 2011.

<sup>24</sup> United Nations Development Program (UNDP), "[Assessment of Development Results Brazil: Evaluation of UNDP Contribution](#)", 15 June 2011, p. 11.

<sup>25</sup> [Focus: Brazil](#), *The Economist*, 1 November 2011.

<sup>26</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 6.

<sup>27</sup> Casa Sao Jose, Sao Paulo, Brazil, 1 December 2011.

<sup>28</sup> Haslam, 40:3, Issue no. 12, p. 42.

to expand the influence of South American organizations such as MERCOSUL, UNASUL, and CELAC.<sup>29</sup> Nonetheless, its assumption of regional leadership is not surprising given that it accounts for more than 50% of South America's territory, population, resources and GDP.<sup>30</sup>

Internationally, Brazil has forged links with other growth markets such as China, India, Russia and South Africa through ad hoc groupings such as BRIC and IBSA.<sup>31</sup> It has also strengthened ties with Turkey and countries in the Middle East.<sup>32</sup> Indeed, former President Lula undertook several high profile visits to Israel, the West Bank, and Jordan, and attempted to raise Brazil's potential as a broker (with Turkey) over Iran's nuclear interests, as well as in the Israeli-Palestinian negotiations.<sup>33</sup>

Brazil is also presenting itself as a global leader in South-South partnerships.<sup>34</sup> In this way, it is more generally looking to improve global governance by broadening the diversity of views and to strengthen the South as a political and economic force.<sup>35</sup> Accordingly, it has become a key player within the G-20 and the World Trade Organization (WTO) and has become the de facto leader of the WTO agricultural G-20 group of developing nations.<sup>36</sup>

Brazil is making significant diplomatic inroads as well in Africa, capitalising on its demographic and linguistic heritage with that continent in order to strengthen political partnerships, share its expertise and pursue commercial opportunities in agriculture and mining.<sup>37</sup> In addition to its increased activities regarding development assistance, Brazil has opened sixteen new embassies in Africa in the last sixteen years, and former President Lula visited Africa ten times between 2002 and 2010.<sup>38</sup> One interlocutor referred to a Brazilian military general's reference to Brazil

---

<sup>29</sup> Bethell, 40:3, Issue no. 16, p. 38. Mercado Común del Sur (MERCOSUL) was established in 1991 and comprises Brazil, Argentina, Paraguay and Uruguay. Its objective is to facilitate the free movement of goods, services, capital and people among the member countries. The Union of South American Nations (UNASUL) is an intergovernmental union integrating two existing customs unions: MERCOSUL and the Andean Community of Nations. Its membership comprises all twelve countries in South America. The Community of Latin American and Caribbean States (CELAC) presents itself as an alternative multilateral forum to the Organization of American States. According to its mandate, CELAC aims to encourage regional integration and political coordination among its member states.

<sup>30</sup> Bethell, supplementary submission, "[Brazil: Regional Power, Global Power.](#)" June 2010.

<sup>31</sup> The India, Brazil, South Africa Dialogue Forum (IBSA) is a tripartite grouping for promoting international cooperation among these countries in the areas of agriculture, trade, culture, and defence among others. Alfredo Cabral and Priya Shankar, "Brazil Rising: The Prospects of an Emerging Power," *Foresight*, 1 July 2011, p. 12.

<sup>32</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 8.

<sup>33</sup> EIU, "Country Report: Brazil," November 2010, p. 5;

<sup>34</sup> Thiago, Brasilia, Brazil, 28 November 2011; Spektor, Rio de Janeiro, Brazil, 2 December 2011; Collor, Brasilia, Brazil, 29 November 2011; Wood, 41:1, Issue no. 1, p. 45.

<sup>35</sup> Spektor, Rio de Janeiro, Brazil, 2 December 2011; FAIT, 40:3, Issue no. 12, p. 8; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 8.

<sup>36</sup> AAFC, 40:3, Issue no. 15, p. 47.

<sup>37</sup> Spektor, Rio de Janeiro, Brazil, 2 December 2011; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 8.

<sup>38</sup> Levi Jordan, "[Into Africa: Brazil Deepens Ties.](#)" Americas Society/Council of the Americas, 18 June 2010;.

having not ten but 36 neighbours, including some of the African countries along the Atlantic Ocean to emphasise the allure of Africa in Brazil's foreign policy orientation.<sup>39</sup>

Brazil also has played an active role in the promotion of such global priorities as counter-terrorism, law enforcement, regional economic development, and global climate change mitigation.<sup>40</sup>

A traditional contributor to United Nations peacekeeping missions, Brazil has recently participated in missions to Liberia, the Central African Republic, Côte d'Ivoire, and East Timor.<sup>41</sup> As a symbol of its growing global influence, Brazil has headed up the United Nations Stabilisation Mission to Haiti (MINUSTAH) since this peacekeeping mission was established in 2004.

Brazil's enormous sense of pride and confidence in its achievements and status is readily apparent.<sup>42</sup> Over the course of the study, numerous witnesses and interlocutors in Ottawa and in Brazil spoke to the Committee about the hope, optimism, enthusiasm and sense of opportunity that exists throughout the country today. To crown these achievements, Brazil will host the 2014 FIFA World Cup (matches are scheduled to be held in twelve cities, including Sao Paulo, Rio de Janeiro, Brasilia, Belo Horizonte and Recife) and Rio de Janeiro will host the 2016 Summer Olympics. As one witness said, "[T]his is not the developing country that emerged from a lengthy dictatorship a quarter century ago. Brazil is now a vibrant consolidated democracy and an emerging global power that demands recognition."<sup>43</sup>

### III. CANADA-BRAZIL RELATIONS

There is no doubt that Brazil is a country with whom Canada needs to develop a more robust and mature relationship. The bilateral relationship is not starting anew, and Canada can build on its historic ties with Brazil marked by high-profile Canadian investments that benefitted Brazilians in the past. These include Brookfield Asset Management (formerly Brascan) that played a central role in providing electricity to Sao Paulo and Rio de Janeiro in the early twentieth century, a service fondly remembered by Brazilians to this day.<sup>44</sup>

---

<sup>39</sup> Spektor, Rio de Janeiro, Brazil, 2 December 2011.

<sup>40</sup> Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 32.

<sup>41</sup> De Onis, "Brazil's Big Moment;" Jordan, "Into Africa."

<sup>42</sup> HB Global Advisors, 41:1, Issue no. 3, pp. 67, 73.

<sup>43</sup> Haslam, 40:3, Issue no. 12, p. 36.

<sup>44</sup> Hewitt, 40:3, Issue no. 17, p. 41; Hester, 40:3, Issue no. 15, p. 62; BCCC, 41:1, Issue no. 2, p. 10; FIRJAN, Rio de Janeiro, Brazil, 2 December 2011; Bell, 41:1, Issue no. 1, pp. 18, 19; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

The development of deeper engagement would also benefit from several commonalities between the two countries. Both countries have multicultural societies, stemming in part from waves of immigration from western and eastern Europe and the Middle East. Their aboriginal peoples also hold an important place in the fabric of each country's history and culture. Canada and Brazil also share wealthy resource economies featuring oil and gas, strong mining and agricultural sectors, and common experiences as recent or future hosts of global sporting events, such as the Olympic and Paralympic Games.<sup>45</sup> Both countries also maintained relative economic stability during the recent global financial and economic crisis, buoyed by solid financial sectors and the sound policies adopted in response to the crisis.<sup>46</sup> The countries also hold in common core values such as democracy, security and prosperity, and "the people-to-people ties among non-government actors are strong, diversified and growing."<sup>47</sup>

Building on the historic ties and commonalities between Canada and Brazil, the development of a more robust engagement will greatly transform their relationship that otherwise has featured periods of benign neglect, such as during Brazil's period of authoritarianism, and episodes of commercial rivalry and misunderstandings, such as during the 1990s.<sup>48</sup> These latter instances may well have been in part a function of the climate of global trade at the time and the tempo of disputes being brought to the newly-established World Trade Organisation's (WTO) for settlement. Indeed, the WTO ruled on the disputes between Canada and Brazil and an agreement was also separately reached involving the Organisation for Economic Co-operation and Development (OECD). With these incidents now well in the past, both countries have moved on and stand ready to enter a new, mutually rewarding phase in their relationship.

## RECENT DEVELOPMENTS

Accordingly, in recognition of Brazil's growing importance and the opportunities arising from its economic growth, Canada has undertaken several initiatives over the past few years that aim to broaden and deepen this relationship.

For instance, the Prime Minister's visit to Brazil in August 2011 - the first since 2004 - was a clear signal that Canada considers Brazil to be a global power and an important economic

---

<sup>45</sup> FAIT, 40:3, Issue no. 12, pp. 8-9, 23; EDC, 40:3, Issue no. 14, p. 4; Canadian Food Inspection Agency, 40:3, Issue no. 15, p. 51; Canadian Tourism Commission, 40:3, Issue no. 17, p. 13.

<sup>46</sup> FAIT, 40:3, Issue no. 12, p. 8; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 33; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Central Bank, Brasilia, Brazil, 28 November 2011; Wood, 41:1, Issue no. 1, p. 42.

<sup>47</sup> FAIT, 40:3, Issue no. 12, p. 8.

<sup>48</sup> In the 1990s, Canada and Brazil disputed the legality of government subsidies to their respective regional aircraft manufacturing business, Bombardier and Embraer. The negative climate created by these disputes was intensified by Canada's imposition of a ban on Brazilian beef imports in 2001 over the lack of confirmation that the imports were not infected by bovine spongiform encephalopathy (BSE - mad cow disease), which remained in force for almost one month.

partner. President Rousseff has accepted the Prime Minister's invitation to visit Canada which, once acted upon, will make her the first Brazilian president to do so since 2001.<sup>49</sup>

Accompanied by the Ministers of Foreign Affairs, International Trade, Public Works and Government Services, and the Minister of State for Foreign Affairs (Americas), the Prime Minister and the President of Brazil signed several high-profile agreements in areas where Canadian and Brazilian interests intersect and that signal what each country can offer the other.<sup>50</sup> In this respect, the two leaders agreed to hold an annual Strategic Partnership Dialogue at the foreign minister level to discuss key regional and global issues. They also signed a Memorandum of Understanding (MOU) on Olympic Games Cooperation and agreements on air transportation and social security.<sup>51</sup> The Prime Minister and President also signed a MOU on International Development Cooperation Effectiveness, a recognition of the new phase in their engagement on development assistance following the termination in 2011 of the Canadian International Development Agency's (CIDA) bilateral development assistance program in Brazil after 43 years.<sup>52</sup>

In addition, the Prime Minister announced that 11 scholarships had been granted under the first-ever Canada–Brazil scholarship program and that both countries would work on a Science and Technology Action Plan to streamline and enhance bilateral education cooperation, and encourage contributions by the private sector. The two countries also expressed support for the Brazil-Canada 3.0 conference in 2012, which would gather together government officials, researchers and private-sector representatives related to the information and communications technology sector. They also affirmed their desire to initiate a space cooperation dialogue and agreed to explore possible avenues for cooperation in the use of outer space for peaceful purposes.<sup>53</sup>

The Prime Minister and the President of Brazil also launched the Canada–Brazil CEO Forum, which will advise the two governments on the development of bilateral trade and investment relations. The co-chairs of the Canada-Brazil CEO Forum are Rick Waugh, President and Chief Executive Officer of Scotiabank, and Murilo Ferreira, Chief Executive Officer of Vale. Their prominence in Canada-Brazil commercial relations testifies to the high level of commitment of all stakeholders to this initiative.<sup>54</sup>

---

<sup>49</sup> FAIT, 41:1, Issue no. 1, p. 40.

<sup>50</sup> See Appendix A.

<sup>51</sup> FAIT, 41:1, Issue no. 1, pp. 32-33; Prime Minister of Canada, [Brazil–Canada Joint Statement](#), Brasilia, 8 August 2011.

<sup>52</sup> Canadian International Development Agency (CIDA), 41:1, Issue no. 4, p. 30.

<sup>53</sup> FAIT, 41:1, Issue no. 1, p. 33; Prime Minister of Canada, [PM underscores importance of scientific cooperation and higher education](#), Brasilia, 8 August 2011.

<sup>54</sup> FAIT, 41:1, Issue no. 1, p. 32. Other members of the CEO Forum include James L. Balsillie, Co-Chief Executive Officer, Research In Motion; Pierre Beaudoin, President and Chief Executive Officer, Bombardier Inc.; Tye W. Burt, Chief Executive Officer, Kinross Gold Corporation; Charles Cartmill, President and Chief Executive Officer,

Other recent Canadian initiatives for deepening relations with Brazil have included several agreements and frameworks for bilateral cooperation in areas such as diplomacy, international development, education, agriculture, energy, science and technology, and trade, among other areas of common interest.<sup>55</sup>

In April 2012, the Governor General of Canada undertook a high-level visit to Brazil.<sup>56</sup> He headed a delegation of more than thirty Canadian university presidents who participated in the second Conference of the Americas on International Education held in Rio de Janeiro, which provided a valuable opportunity to develop academic collaboration. This was the second visit to Brazil by a Canadian Governor General in five years, the last occurring in 2007 and which focused on youth, culture and international development.

Several ministerial and departmental visits have also taken place between the two countries in recent years.<sup>57</sup> These have included ministers and officials representing foreign affairs, trade, defence and labour.

Growing commercial relations are another indication of Canada's interest in engaging the new Brazil. This interest is firmly entrenched in Canada's Americas Strategy, of which Brazil is a centrepiece, and in Canada's Global Commerce Strategy, where Brazil is named as one of 13 priority markets.<sup>58</sup>

**In 2011, bilateral merchandise trade between Canada and Brazil totalled \$6.7 billion, an increase of 14.7% from the 2010 total of \$5.9 billion. Indeed, since 2002, Canada-Brazil bilateral trade has increased over 150%.** In 2011, Canadian exports to Brazil increased 11% from 2010 to total \$2.8 billion. In that same year, Canadian imports increased 18% from 2010 to total \$3.9 billion. In 2011, Brazil dropped in rank from its ninth position to become Canada's eleventh-largest destination for exports globally, but remained its second largest destination for exports in Latin America, after Mexico. At the provincial level, British Columbia and Saskatchewan accounted for more than one-half of the value of exports to Brazil in 2011,

---

LED Roadway Lighting Ltd.; Ray Castelli, Chief Executive Officer, Weatherhaven; and J. Bruce Flatt, Senior Managing Partner and Chief Executive Officer, Brookfield Asset Management, Inc. The Canadian Council of Chief Executives, represented by its president and chief executive officer, the Honourable John P. Manley, will serve as secretariat to the Canadian participants. FAIT, "[Six Canadian Business Leaders named to new Canada-Brazil CEO Forum.](#)" 5 January 2012.

<sup>55</sup> FAIT, 41:1, Issue no. 1, p. 33. See selected list in Appendix A.

<sup>56</sup> FAIT, 41:1, Issue no. 1, p. 34.

<sup>57</sup> FAIT, 41:1, Issue no. 1, p. 31.

<sup>58</sup> For more information on Canada's Americas Strategy, see: FAIT, "[Canada's Engagement in the Americas.](#)" Along with China, India and Russia, Brazil is identified by the Government as one of the 13 priority markers where "Canadian opportunities and interests have the greatest potential for growth." FAIT, "[Seizing Global Advantage: A Global Commerce Strategy for Securing Canada's Growth and Prosperity.](#)" March 2009.

exporting \$721.0 million and \$593.4 million, respectively. Quebec and Ontario followed, with \$543.7 million and \$520.8 million, respectively.<sup>59</sup>

Canada is also increasing its investment presence in Brazil, with the stock of direct investment in Brazil reaching \$9.7 billion in 2010. Brazil is Canada's 11<sup>th</sup> largest foreign destination for investors, with Canada's stock of investment in Brazil increasing over the 2005 to 2010 period. Brazil is also a significant source of foreign investment in Canada, with a stock of direct investment of \$13.5 billion in 2010. Brazil is the eighth largest source of foreign investment in Canada, and the most important Latin American source. While the stock of Brazilian direct investment in Canada in 2010 remained below its 2008 peak of \$14.5 billion, the stock increased substantially over the 2005 to 2010 period. Since 2006, the stock of Brazilian direct investment in Canada has exceeded the stock of Canadian direct investment in Brazil.<sup>60</sup>

Illustrative of the level of Canadian interest in deepening commercial engagement with Brazil and capitalising on the opportunities its economic growth offers, the Minister of International Trade led a 19-member trade mission to Brazil in June 2011. Another similarly significant demonstration was the announcement during the Minister's Americas visit that Canada and MERCOSUL (of which Brazil is one of four members) agreed to hold exploratory discussions on ways to enhance trade relations.<sup>61</sup>

## IV. INTENSIFYING CANADA-BRAZIL RELATIONS

### AFFIRMING BRAZIL AS A PRIORITY COUNTRY

**The high-level visits, the numerous agreements and fora for dialogue, and growth in commerce are important steps that will take Canada's relations with this increasingly influential country deeper and on a more equal basis than ever before. However, while these initiatives get Canada in the door, they are long-term in their impact and the opportunities they promote risk being squandered in the interim if the momentum is not sustained and attention and resources are diverted to less significant endeavours.**

It is also important to recall that Canada is competing for access to Brazil against numerous other countries who have been engaging this increasingly influential country for some time. These include France, Germany, China, the United Kingdom, Israel, Korea, Spain, Norway and the

---

<sup>59</sup> Statistics Canada.

<sup>60</sup> Alexandre Gauthier and Katie Meredith, *Canadian Trade and Investment Activity: Canada-Brazil*, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 25 October 2011.

<sup>61</sup> FAIT, 41:1, Issue no. 1, pp. 31; FAIT, [Minister Fast Visits Paraguay and Brazil](#), 29 June 2011.

United States.<sup>62</sup> Indeed, in terms of commercial relations, many of these countries have an advantage over Canada in the strong ties between their governments and industries in international business promotion.<sup>63</sup>

Accordingly, Canada's engagement with Brazil needs to accelerate in order to seize on the momentum of the initiatives in place.

#### **RECOMMENDATION 1:**

**Noting that Canada-Brazil bilateral trade has increased over 150% since 2002, for a total of \$6.7 billion in 2011, reflecting a comparable increase in people-to-people contacts, the Committee recommends that the Government of Canada implement the Memoranda of Understanding and agreements in place between them, and explore further strategic initiatives by which to continue strengthening relations between Canada and Brazil.**

#### **FOCUSING ON CANADIAN ADVANTAGES**

To maintain its relations with Brazil as a prime area of concentration, the Committee believes that the Government of Canada needs to focus on those opportunities that allow for meaningful and practical collaboration and that offer the most immediate benefit for Canada-Brazil relations. It believes that a strategic, focused and value-added approach in education, science and technology, infrastructure, investment and trade, and regional and global initiatives that matches Canada's expertise with Brazil's priorities and strengthens perceptions of mutual equality would be particularly rewarding. As one witness remarked, "Canada is not the biggest or fastest, so we have to be the smartest."<sup>64</sup> Accordingly, the Committee further recommends:

#### **RECOMMENDATION 2:**

**That the Government of Canada focus its attention in its relations with Brazil on education, science and technology, investment and trade, infrastructure, and regional and global partnerships where Canadian advantages and leadership are of value-added to Brazil.**

---

<sup>62</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 13; Collor, Brasilia, Brazil, 28 November 2011.

<sup>63</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 25.

<sup>64</sup> Association of Universities and Colleges of Canada (AUCC), 41:1, Issue no. 3, p. 27.

## A. EDUCATION

The Committee strongly believes that education partnerships are central to moving Canada-Brazil relations faster and deeper. In other words, **collaboration in education is the key driving force for strengthening Canada-Brazil relations and offers a wide range of strategic partnership opportunities.** Indeed, Brazil's priorities in education, i.e. its "soft infrastructure," are natural areas where Canadian expertise and leadership can build on existing linkages and have immediate value-added impact.<sup>65</sup> Education encompasses formal schooling at universities and colleges, but also in general terms the transfer of knowledge and skills associated with the development and application of human capital for economic activity and prosperity. More emphatically, strengthening collaboration in education would be mutually beneficial for Canada and Brazil as well as benefit their relationship now and long into the future. Such collaboration would create enduring links among youth, professionals, businesses and institutions, which could be leveraged to deepen our engagement even more. These links would also pay dividends in terms of greater mutual awareness and understanding as well as expanding opportunities for tourism and travel exchanges.

Accordingly, due to the demands of an expanding and modernising economy as well as a growing youth demographic, Brazil is searching for partnerships and linkages with foreign universities and colleges to help it produce an educated and trained workforce until the capacity of its own post-secondary and vocational institutions develops further.<sup>66</sup> Given the number of forthcoming world events that Brazil is hosting, the development of English- and French-language skills is also noted among its priorities. Brazil is also looking for immediate ways to address its shortage of qualified professionals in sectors such as the technical trades, services, construction, engineering and project management.

They need trained people. They have a huge infrastructure build that needs to take place with the PAC [Aceleração do Crescimento (growth acceleration program)], the Olympics and World Cup. They have railroads and ports that need to be built. Everything needs to be done quickly. They do not have the trained personnel to do it.<sup>67</sup>

Canada has much to offer Brazil regarding its education priorities. In particular, Canadian universities and colleges are known for their high quality, cutting-edge and affordable programs, particularly in priority sectors such as engineering and the technical trades. They are also well-

---

<sup>65</sup> McCoy Global, 41:1, Issue no. 2, p. 31; Bell, 41:1, Issue no. 1, p. 28; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011.

<sup>66</sup> AUCC, 41:1, Issue no. 3, p. 27; SNC-Lavalin, 41:1, Issue no. 2, p. 31; McCoy Global, 41:1, Issue no. 2, p. 31; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011.

<sup>67</sup> BCCC, 41:1, Issue no. 2, p. 13.

regarded for providing a safe, secure and welcoming environment.<sup>68</sup> Indeed, “universities are an unleveraged asset”<sup>69</sup> that could facilitate Canada’s strategic engagement with growth markets such as Brazil.

Moreover, international education partnerships benefit Brazilian and Canadian students and prepare them for success in an increasingly globalised world. The presence of and interaction with international students in the classroom bring different experiences to various subject matters.<sup>70</sup> Such experiences also build lasting relations and have long-term benefits in terms of networks and mutual understanding.<sup>71</sup> The \$6.5 billion contribution to the Canadian economy, the creation of 83,000 jobs and production of over \$291 million in revenue of foreign students are also well-documented.<sup>72</sup>

At the Roundtable on Education in Sao Paulo and in other meetings, the Committee heard about the exchanges and partnerships already in place between a number of Brazilian and Canadian post-secondary institutions, including universities and colleges, business administration and vocational programs alike.<sup>73</sup> With 500 Brazilians studying in Canada, however, there is significant scope for growing this dimension of the bilateral relationship with immediate impact.<sup>74</sup>

Canada and Brazil are just starting to put in place frameworks by which to collaborate on education. For instance, in August 2011, the two countries agreed to develop an education Action Plan to streamline and enhance bilateral education cooperation, and encourage contributions by the private sector (see Appendix A). In addition, the “Canada-Brazil Awards: Joint Research Projects Scholarship Program” announced in August 2011 will grant scholarships to Canadian and Brazilian students.<sup>75</sup> These are in addition to the Brazil-Canada Forum on Technical and Professional Education established in 2010 and that has resulted in several MOUs between Canadian colleges and Brazilian federal institutions.<sup>76</sup>

However, in order to seize on the momentum of these initiatives and elevate them into truly strategic partnerships, focused measures that leverage Canada’s value to Brazil regarding education are required. That Brazil highly regards Canada’s education system reinforces the

---

<sup>68</sup> AUCC, 41:1, Issue no. 2, p. 33.

<sup>69</sup> AUCC, 41:1, Issue no. 3, p. 34.

<sup>70</sup> AUCC, 41:1, Issue no. 3, pp. 26, 32.

<sup>71</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>72</sup> AUCC, 41:1, Issue no. 3, p. 26; Association of Canadian Community Colleges (ACCC), 41:1, Issue no. 3, p. 30; Roslyn Kunin & Associates, Inc., [Economic Impact of International Education in Canada: Final Report](#), 2009.

<sup>73</sup> Roundtable on Education, Sao Paulo, Brazil, 30 November 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; AUCC, 41:1, Issue no. 3, pp. 26, 43; ACCC, 41:1, Issue no. 3, pp. 41-42.

<sup>74</sup> AUCC, 41:1, Issue no. 3, p. 35.

<sup>75</sup> Prime Minister of Canada, [PM underscores importance of scientific cooperation and higher education](#), Brasilia, 8 August 2011; Collor, Brasilia, Brazil, 29 November 2011.

<sup>76</sup> ACCC, 41:1, Issue no. 3, p. 30; ACCC, [ACCC hosts the 2nd Brazil-Canada Forum on Technical and Professional Education](#), 11 November 2011.

potential collaboration in this sector as an opportunity to be seized.<sup>77</sup> Many of these measures potentially can be included in the education Action Plan under negotiation, which itself should be concluded in a timely manner in order to have immediate effect. For instance, enhanced faculty and student exchanges in Brazil's priority areas would reinforce Canada's value-added collaboration. The Committee encourages the Government of Canada to sustain political will and resources necessary to elaborate and implement these initiatives with short-term milestones and objectives.<sup>78</sup> To further sustain the momentum and reinforce the circle of benefactors and investors, such initiatives should be encouraged to overlap with others, such as the Brazil-Canada Science and Technology Committee and the Canada-Brazil CEO Forum.<sup>79</sup> Accordingly, the Committee recommends:

### RECOMMENDATION 3:

**That the Government of Canada apply the necessary resources and support to sustain education as a key driving force in intensifying Canada-Brazil relations.**

## THE GOVERNOR GENERAL'S EDUCATION MISSION

The Committee strongly believes that the Governor General's April 2012 education mission to Brazil together with more than thirty Canadian university presidents is a powerful testament of the importance of education in Canada-Brazil relations. As an example of the types of strategic measures Canada needs to promote in order to develop partnerships and highlight Canada's value-added to Brazil, the mission served as a high profile focal point from which a wide range of education partnerships between Canada and Brazil have arisen.<sup>80</sup> Indeed, during the mission **Canadian and Brazilian universities signed 75 agreements worth almost \$17 million** covering student and faculty exchanges and mobility, scholarships, the development of joint academic programs, and research collaboration in engineering, biotechnology, health sciences, agriculture and business among other disciplines.<sup>81</sup> The mission was served by the Governor General's message on the importance of "diplomacy of knowledge," i.e. the ability and willingness to work together and to share our learning across disciplines and borders, and included discussions and meetings at the Pontificia Universidade Católica do Rio de Janeiro and

---

<sup>77</sup> AUCC, 41:1, Issue no. 3, p. 33; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011.

<sup>78</sup> Rojas, 40:3, Issue no. 14, p. 22; Roundtable on Education, Sao Paulo, Brazil, 30 November 2011; ACCC, 41:1, Issue no. 3, p. 29.

<sup>79</sup> AUCC, 41:1, Issue no. 3, p. 28.

<sup>80</sup> AUCC, 41:1, Issue no. 3, p. 27; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011; Roundtable on Education, Sao Paulo, Brazil, 30 November 2011.

<sup>81</sup> <http://www.aucc.ca/brazil/news/>.

Universidade Estadual de Campinas, and a Canada-Brazil University Presidents Roundtable.<sup>82</sup> This mission and various actual and potential educational partnerships are elements that the Government of Canada should integrate into the education Action Plan under negotiation between Canada and Brazil.

The mission is all the more noteworthy for its impact on Canada-Brazil relations by virtue of the Governor General himself. More specifically, his high office as well as his professional background at several Canadian universities as a professor of law, principal, vice-chancellor and president lent profile and credibility to the mission. In order not to lose the momentum of and gains achieved from the April 2012 mission, the Government of Canada should follow it up with regular exchanges led by the Governor General.

This mission's importance for deepening Canada-Brazil relations is reflected in other ways as well. For instance, education partnerships that arise from the mission could bear fruit in a wide range of areas where Canada and Brazil are collaborating now and in the future. Moreover, the mission provides a model for leveraging the stature and experiences of prominent individuals and envoys in high-office, which the Government of Canada should apply more regularly in order to enhance Canada's relations with Brazil in other areas.

### **1. Promoting Language Skills**

One area of education collaboration to have benefitted from the Governor General's mission is language skills development. Indeed, agreements to enhance language training were among those signed during the mission. Canada can build on its strong foundation as the largest venue for English-language training for Brazilian students in order to make further immediate in-roads in this regard. Notably, the Government of Canada should establish a project to cooperate with the Municipal Olympic Enterprise in Rio de Janeiro to carry out English- and French-language training in municipal schools, one of many social development projects of the Enterprise related to the 2016 Olympic and Paralympic Games.

Moreover, while up to 16,000 study permits and temporary resident visas were issued in 2010 to Brazilians to allow them to study in mostly English as a second language programs, the ties between the youth of our two countries would strengthen by promoting programs in French as a second language.<sup>83</sup>

---

<sup>82</sup> Governor General of Canada, Official Visit to the Federative Republic of Brazil, [http://www.gg.ca/document.aspx?id=14502&lan=eng#April28\\_CamWebcast](http://www.gg.ca/document.aspx?id=14502&lan=eng#April28_CamWebcast) .

<sup>83</sup> Students wishing to study English as a Second Language (ESL) in Canada for a period of under 6 months are issued a temporary resident visa. According to Citizenship and Immigration Canada, roughly 13,000 such visas were issued to Brazilian students in 2010. ESL students studying in Canada for a period of 6 months or longer are issued a study permit. Approximately 3,000 study permits were issued to Brazilian students in 2010. Citizenship and Immigration Canada (CIC), 41:1, Issue no. 3, p. 9; Hewitt, 40:3, Issue no. 17, p. 30; FAIT, 40:3, Issue no. 12, pp. 10, 25; Bell, 41:1, Issue no. 1, p. 23.

Language training should not be restricted to students alone. Brazilian faculty members would also benefit from intensive English and French language training. These opportunities should also be made available to students and faculty from parts of Brazil that otherwise do not have access to them.

Neither should it be restricted to Brazilians. Improved knowledge of Portuguese among Canadian students and faculty would deepen linkages now and well into the future.

## 2. Creating Pathways From Language Training to Post-Secondary Education and Career Development

Canada-Brazil collaboration on education could also bear fruit strategically regarding options for language students to remain in Canada and further their education. The Committee heard from one witness of the opportunity lost for deepening engagement between Canada and Brazil with the return to Brazil of the 16,000 second-language students following the completion of their programs.<sup>84</sup> Part of the concern is the perceived lack of opportunity for these students to continue their education or to develop their careers with practical work experience in Canada. These witnesses believe that **Canada-Brazil relations would be enhanced if, having learned either English or French, the students were able to extend their stay and pursue a degree or study in a vocational program at a university or college, or find employment or an internship at a Canadian enterprise.**

## 3. Skills-Training and Vocational Partnerships

Another area of education collaboration that can benefit Canada-Brazil relations is value-added partnerships to enhance vocational and skills-training in key professions such as welding. Such partnerships could be facilitated by agreements involving the federal and provincial governments and the relevant post-secondary institutions. Moreover, regulatory and visa barriers that prevent Canadians and Brazilians from practicing and enhancing their trade in the other jurisdiction need to be overcome.<sup>85</sup> Accordingly, the Committee suggests that the Government of Canada examine the value of a dedicated labour mobility agreement with Brazil to facilitate the movement of labourers from key professions and vocations between Canada and Brazil.

## 4. Leveraging Private Sector Linkages

The Governor General's mission highlighted the role of the private sector from both countries in education and strengthening skills-training. For instance, the Canada-Brazil Innovation Forum and the visit of the Governor General's delegation to the Universidade Estadual de Campinas emphasised the private sector's interest in enhancing education partnerships, particularly

---

<sup>84</sup> AUCC, 41:1, Issue no. 3, p. 35.

<sup>85</sup> Canadian Manufacturers and Exporters (CME), 41:1, Issue no. 2, p. 32.

regarding the commercialisation of research resulting from these endeavours and as key stakeholders in innovation. Agreements were also signed during the mission between some Canadian and Brazilian universities to allow for cooperative work terms, training or internships in the private sector.<sup>86</sup> Supplementary steps in this direction would include offers of internships or scholarships by Canadian companies in the mining, oil and gas, and aerospace sectors that operate in Canada or in Brazil in order to build capacity and experience. As an example of the role the private sector can play in this regard, Brookfield Asset Management has a scholarship program to allow high potential Brazilian youth in financial need to study at Canadian universities, and offers internships at Brookfield Brazil for Masters of Business Administration students from York University.<sup>87</sup> Moreover, universities and colleges should be encouraged to partner with industry associations and bilateral commercial fora such as the Brazil-Canada CEO Forum to consider private-public-partnerships in education and training. Rio Tinto Alcan's partnership with the University of Quebec at Chicoutami is a model to be considered.<sup>88</sup>

## B. SCIENCE AND TECHNOLOGY

Brazil's search for partnerships in science and technology both as commercial ventures and in terms of research and development offers valuable opportunities for many strategic collaborations. Indeed, Brazil's proven record in research and development, not to mention commercialisation capacity in aerospace with the evolution of Embraer, in agriculture through EMBRAPA (the Brazil Agricultural Research Corporation),<sup>89</sup> and in oil and gas through Petrobras, makes the country a promising partner for Canadian companies and institutions. Strategic collaborations would also build on the work carried out by Canada's International Development Research Centre (IDRC) involving Brazil's national institutions and other research centres, including EMBRAPA, and Canadian universities to support scientific and technological innovation and to develop research in economics, health, agriculture, education, sustainable development, social issues, forestry and water management.<sup>90</sup>

As the Committee heard from one witness:

Canada, through IDRC and other organizations, has contributed to Brazil's transformation via networks and alliances in scientific research, innovation and production. We need to continue this support. Facilitating greater cooperation

---

<sup>86</sup> <http://www.aucc.ca/brazil/>.

<sup>87</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; <http://www.aucc.ca/brazil/>.

<sup>88</sup> AUCC, 41:1, Issue no. 3, p. 34.

<sup>89</sup> Established in 1973, the [Brazilian Agricultural Research Corporation](#) (Empresa Brasileira de Pesquisa Agropecuária – EMBRAPA) provides “feasible solutions for the sustainable development of Brazilian agribusiness through knowledge and technology generation and transfer.” Funded jointly by public and private sources, it also coordinates the National Agricultural Research System, which includes most public and private entities involved in agricultural research in Brazil. EMBRAPA also carries out projects with other countries in order to promote knowledge of technical and scientific activities.

<sup>90</sup> International Development Research Centre (IDRC), 40:3, Issue no. 15, pp. 31, 32, 37-40, 44.

between Brazilian and Canadian researchers is ... also in Canada's own enlightened self-interest.<sup>91</sup>

The long-term benefits to Canada and to Canadian interests of strategic collaboration and engagement with Brazil on science and technology are many. Given the role that a science and technology capacity plays in enhancing commercial efficiency, innovation and competitiveness, Brazil would become a more attractive commercial partner and make collaborative efforts more mutually beneficial. As well, in an increasingly globally competitive market, such collaborations keep Canadian businesses and the innovation sector competitive and relevant. Canada also benefits by enhancing its reputation in innovation as well as research and development.<sup>92</sup>

In recent years, Canada and Brazil have put in place a collection of notable frameworks and memoranda of understanding to collaborate on science and technology that match Brazil's priorities with Canada's leadership in this area. In particular, these include agreements to cooperate on aerospace, hydroelectricity, mining, solar energy, ocean technology, health, nanotechnology, biotechnology, as well as technology related to energy, agriculture, and oil and gas. They also include agreements to engage in dialogue on space cooperation and to develop a Science and Technology Action Plan (see Appendix A).<sup>93</sup>

The Brazilian president's strong desire to engage with Canada on science and technology was reiterated to the Committee by our Brazilian interlocutors.<sup>94</sup> The Committee encourages the Government of Canada to sustain political will and resources necessary to elaborate and implement the initiatives in place with short-term milestones and objectives.<sup>95</sup> The circle of stakeholders and benefactors should be widened as much as possible and should be encouraged to overlap with others, such as the Canada-Brazil CEO Forum, for maximum effect.<sup>96</sup>

To sustain the momentum of these initiatives and accelerate Canada-Brazil relations, strategic partnerships in science and technology are required. Many of these partnerships can serve as cornerstones of the Science and Technology Action Plan under negotiation, which itself should be concluded in a timely manner in order to have immediate effect.

## 1. Collaborating on Security and Defence Technology

---

<sup>91</sup> IDRC, 40:3, Issue no. 15, p. 34.

<sup>92</sup> IDRC, 40:3, Issue no. 15, p. 34.

<sup>93</sup> Rojas, 40:3, Issue no. 14, p. 22; Hester, 40:3, Issue no. 15, p. 76; Ministry of Science and Technology, Brasilia, Brazil, 29 November 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>94</sup> LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 75; Collor, Brasilia, Brazil, 29 November 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ministry of Science, Technology and Innovation, Brasilia, Brazil, 29 November 2011; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011.

<sup>95</sup> Rojas, 40:3, Issue no. 14, p. 22; Roundtable on Education, Sao Paulo, Brazil, 30 November 2011; ACCC, 41:1, Issue no. 3, p. 29.

<sup>96</sup> AUCC, 41:1, Issue no. 3, p. 28.

Brazil's priority in terms of obtaining and developing its own capacity for space and defence technologies match Canada's leadership and expertise, providing a foundation for a strategic partnership to intensify their relations. In this respect, opportunities exist for cooperation on technologies related to security preparedness, remote sensing, and satellites and surveillance capability and that coincide with Brazil's defence priorities concerning border management and surveillance of the Amazon and the Atlantic Ocean.<sup>97</sup> Notably, Canada's MacDonald Dettwiler and Associates (MDA) Ltd. was singled out as a company of interest for Brazil in terms of building its surveillance capacity.<sup>98</sup>

## 2. Leveraging Private Sector Involvement and Investment

To meet Brazil's priority of increasing private sector involvement and investment in research and innovation, strategic partnerships that improve linkages among the Brazilian and Canadian private sectors with research centres and universities should be created.<sup>99</sup> Such partnerships could concentrate on the value of commercialising existing technologies as a potential source of revenue of such activities. Moreover, there should be regular interactions and input among the Canada-Brazil Joint Committee for Cooperation on Science, Technology and Innovation, the Joint Economic and Trade Council between Canada and Brazil, and with the Brazil-Canada CEO Forum, particularly regarding the development of the Science and Technology Action Plan.

## 3. Promoting Technology and Knowledge-Transfer in Priority Sectors

Brazil's expressed interest in engaging with Canada regarding the transfer of technology and knowledge in its priority sectors of agriculture, mining, engineering, aerospace, and oil and gas is another opportunity for developing a strategic partnership that should not be passed up.<sup>100</sup> Canada's leadership and cutting-edge innovation in these areas is in demand the world over. By collaborating with Brazil in this way, Canada will open up important commercial opportunities as well as cement its links with a rising regional and global power.

## C. "SCIENCE WITHOUT BORDERS"

The Committee strongly supports the Governor General's announcement during his meeting with President Rousseff that Canada will be welcoming an estimated 12,000 Brazilian students and scholars under President Rousseff's "Science without Borders" (*Ciência sem Fronteiras*) program.<sup>101</sup> The program offers scholarships to 100,000 Brazilian students – 75,000 financed by

---

<sup>97</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>98</sup> Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

<sup>99</sup> Ministry of Science, Technology and Innovation, Brasilia, Brazil, 29 November 2011.

<sup>100</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 35; Hewitt, 40:3, Issue no. 17, p. 44; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 48; BCCC, 41:1, Issue no. 2, p. 10.

<sup>101</sup> <http://www.gg.ca/document.aspx?id=14506&lan=eng>; Association of Universities and Colleges of Canada, "Canada's universities to welcome thousands of Brazilian students," news release, 22 March 2012; Canadian Bureau

the Brazilian public sector and 25,000 by the private -- to study abroad in the science and technology fields by way of partnerships involving foreign countries, domestic and foreign universities and colleges, and the private sector.

With the inaugural student intake expected in September 2012, this initiative is to be commended for moving Canada-Brazil relations in the right direction. As a high-profile measure, participation in this program offers an invaluable opportunity for Canada to build a strategic partnership with Brazil and accelerate their relations.<sup>102</sup> Indeed, it is an example of the type of fruit that can be borne by the Governor General's education mission.

By participating in the "Science without Borders" program either through the support of the partnership between the Association of Universities and Colleges of Canada and the Canadian Bureau for International Education, through Mitacs' Globalink program,<sup>103</sup> or through their own arrangement, Canadian universities are taking a crucial step in enhancing an education profile among Brazilian students that could continue to pay dividends long after the program ends. Indeed, by offering such incentives as language training, academic study, research internships and off-campus work placements, Canadian universities are offering Brazilian students in this program a value-added experience.<sup>104</sup> Other benefits of the program include those related to educational partnerships as elaborated in the section on education and the goodwill generated between Canada and Brazil by participating in the President's own program. Moreover, Canada's participation not only puts it in the same league as United Kingdom, France, and Germany among others who already have arranged for thousands of the scholarships, but also makes it the second-largest host behind the United States.<sup>105</sup>

The Committee also welcomes the steps taken by the Brazilian government and some Canadian universities to overcome potential obstacles and, thereby, enabling Canada's participation in the program and signalling the importance of the program for Canada-Brazil relations. In the first instance, the "Science without Borders" program will cover the domestic tuition of Brazilian students while studying at Canadian universities and thereby meet a condition of the program; however, because Brazilian students otherwise would be required to pay the higher international tuition at Canadian universities, the Brazilian government will pay the difference for

---

for International Education, "[Brazil's Science without Borders-Canada Scholarships Launched](#)," news release, 20 March 2012; <http://www.aucc.ca/brazil/>.

<sup>102</sup> Saskatchewan Trade and Export Partnership (STEP), 40:3, Issue no. 16, p. 21; SNC-Lavalin, 41:1, Issue no. 2, p. 24; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>103</sup> <http://www.mitacs.ca/>; <http://www.mitacs.ca/globalink>.

<sup>104</sup> Association of Universities and Colleges of Canada, "[Canada's universities to welcome thousands of Brazilian students](#)," news release, 22 March 2012.

<sup>105</sup> AUCC, 41:1, Issue no. 3, p. 36; ACCC, 41:1, Issue no. 3, p. 36; <http://www.gg.ca/document.aspx?id=14499&lan=eng>.

undergraduate students. In the second instance, some universities have agreed to offer discount fees for Brazilian graduate students in order to entice their enrolment.<sup>106</sup>

Canada's participation in the "Science without Borders" program is a good, pragmatic strategy that will deepen Canada-Brazil relations. Indeed, by consolidating an initiative pursued by Canadian universities with Government of Canada support, it serves as a model for approaching Brazil more effectively and cohesively.

However, Canada's involvement in the "Science without Borders" program could be enhanced with the participation of Canadian colleges and the private sector. In this regard, building on their strong reputation in Brazil in the field of vocational and technical education, Canadian colleges should secure as many of the 15,000 of the 100,000 scholarships as possible that are allocated to college students. It is a testament to the strong educational ties that already exist between the two countries that Canada was called upon as Brazil's first choice for this category of scholarships in the program.<sup>107</sup>

In addition, Canadian companies, either in Brazil or in Canada, should be encouraged to consider avenues for offering internships and skills-training to Brazilian students to complement the value-added offered by Canadian universities.<sup>108</sup>

The Committee recommends:

#### **RECOMMENDATION 4:**

**That the Government of Canada support efforts by Canadian colleges to participate in President Rousseff's "Science without Borders" program and encourage the Canadian private sector to explore avenues for offering internships to Brazilian students under this program.**

#### **D. INFRASTRUCTURE AND THE OLYMPIC LEGACY**

Canada's recent experience as host of the 2010 Olympic and Paralympic Winter Games offers a strategic advantage for collaborating with Brazil on its hard infrastructure (i.e. the large physical networks, such as roads, airports, railways and bridges that are necessary for efficient trade, communication, transportation and movement of people) priorities and that should be harnessed in order to accelerate their relationship.

---

<sup>106</sup> "Canadian universities bridge foreign tuition gap to attract thousands of Brazilian students," *Globe and Mail Update*, 25 March 2012; <http://www.aucc.ca/brazil/>.

<sup>107</sup> ACCC, 41:1, Issue no. 3, pp. 30, 33.

<sup>108</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

Brazil's priorities are due in part to Brazil hosting major world events in the next five years. These include the 2014 FIFA World Cup and the 2016 Olympic and Paralympic Summer Games in Rio de Janeiro, the infrastructure and budgetary needs for which are estimated to be US\$15 billion and US\$14 billion, respectively.<sup>109</sup> Rio de Janeiro's infrastructure priorities related to these events alone include the construction of stadiums and sporting facilities, urban infrastructure, property and natural space development, housing and accommodation, and hospitality services. They also include the development of a Bus Rapid Transit system and the Light Rapid Transit system to facilitate high capacity intra-city transportation and links to airports.<sup>110</sup>

Opportunities for collaboration exist particularly regarding investments and knowledge-transfer and reflect Canada's expertise in a variety of areas related to large international events, notably organisation, security, event management, infrastructure, and telecommunication requirements among others that has been explicitly sought by Brazilian organisers.<sup>111</sup> One witness told the Committee that, "the Brazilians welcome our expertise and knowledge on how we made the [Olympic] games a success."<sup>112</sup> As the Ambassador of Brazil to Canada remarked, while the time-frame is short, it is not too late to realise opportunities for contracts and subcontracts regarding these projects. He also provided a warning, however: "do not leave it to the last moment."<sup>113</sup>

The August 2011 Memorandum of Understanding (MOU) on Olympics Cooperation provides an important vehicle by which Canada's expertise in this area can match up with Brazil's infrastructure priorities and Canada's engagement with Brazil can strengthen.<sup>114</sup> It also serves as a vital foundation on which to build additional forms of infrastructure partnerships beyond these high-profile events. In this respect, Brazil's numerous infrastructure priorities result from the fast pace of its economic growth outstripping its supply.<sup>115</sup> The infrastructure priorities in Rio de Janeiro alone include the development of the Açu superport industrial complex to facilitate oil exports, projects in the construction industry, urban development, sanitation, energy, steel mills construction, dockland revitalisation, shipyards, coal and thermoelectric plants, renewable

---

<sup>109</sup> FAIT, [Canada Trade Mission to Brazil](#), June 2011; Canadian Commercial Corporation (CCC), 41:1, Issue no. 3, 52; CME, 40:3, Issue no. 16, p. 24; HB Global Advisors, 41:1, Issue no. 3, p. 68; Bombardier, 41:1, Issue no. 2, p. 66; EDC, 40:3, Issue no. 14, p. 6; FIRJAN, Rio de Janeiro, Brazil, 2 December 2011.

<sup>110</sup> Municipal Olympic Enterprise, Rio de Janeiro, Brazil, 2 December 2011.

<sup>111</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 10.

<sup>112</sup> EDC, 40:3, Issue no. 14, p. 16.

<sup>113</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 17.

<sup>114</sup> CCC, 41:1, Issue no. 3, pp. 52, 60; CME, 40:3, Issue no. 16, pp. 24, 29; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 63; HB Global Advisors, 41:1, Issue no. 3 p. 68; EDC, 40:3, Issue no. 14, p. 5; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; FIRJAN, Rio de Janeiro, Brazil, 2 December 2011.

<sup>115</sup> EDC (written submission), p. 2; Fausto, Sao Paulo, Brazil, 1 December 2011; Bell, 41:1, Issue no. 1, p. 28; Wood, 41:1, Issue no. 1, p. 50; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

energy, and exploration platforms.<sup>116</sup> The state's projection for investments (public, private, foreign, and domestic) in infrastructure for 2011-2013 total US\$20.4 billion, with 46% devoted to energy infrastructure and 33% to transportation and logistics.<sup>117</sup> To meet the needs of Brazil's growing economy, according to one projection, the infrastructure industry will need to grow at a rate of nearly 7% per year until 2014 and attract more than US\$500 billion in planned government spending.<sup>118</sup> That infrastructure is unevenly distributed throughout the country reinforces the opportunities that are available for collaboration.<sup>119</sup>

As the Committee heard from one witness, "with more than 4,300 firms involved in infrastructure exports and investment," Canada has what it takes to match the priorities of Brazil's infrastructure industry.<sup>120</sup> Indeed, Canadian companies are already having an impact regarding Brazil's infrastructure priorities. For instance, SNC-Lavalin was singled out during our meetings for its mining engineering projects in Minas Gerais state. In addition, Bombardier has expanded its activities in Brazil from maintaining and servicing metro vehicles in Sao Paulo to building a "revolutionary" monorail system in Sao Paulo that will reduce travel time across the city from more than two hours to forty minutes.<sup>121</sup> With some parts being developed in Kingston, Ontario and the assembly and production taking place in Brazil, this project symbolizes the value-added technology and global value chain integration that can benefit both Canadian and Brazilian companies.<sup>122</sup>

Notwithstanding these activities, the lower profile of Canadian companies relative to those from other countries means that they face considerable competition. To improve their competitiveness and take advantage of the window of opportunity, the Government of Canada should seize on the momentum of the MOU on Olympic Cooperation and consider measures that raise the profile of Canadian infrastructure companies, their expertise and comparative advantages. In order not to lose the opportunities, action on these measures need to be undertaken within the next twelve months. They might include an agreement on a strategic investment involving the private sector that has long-lasting impact and is directly linked to a priority project related to the 2014 FIFA World Cup and 2016 Olympics. They might also include a trade mission that focuses on infrastructure. Accordingly, the Committee recommends:

---

<sup>116</sup> FIRJAN, Rio de Janeiro, Brazil, 2 December 2011.

<sup>117</sup> FIRJAN, Rio de Janeiro, Brazil, 2 December 2011.

<sup>118</sup> EDC, 40:3, Issue no. 14, p. 5.

<sup>119</sup> Investe Sao Paulo, Sao Paulo, Brazil, 30 November 2011.

<sup>120</sup> EDC, 40:3, Issue no. 14, p. 5.

<sup>121</sup> Bombardier, 41:1, Issue no. 2, p. 66.

<sup>122</sup> Bombardier, 41:1, Issue no. 2, p. 73.

## RECOMMENDATION 5:

**That within the next twelve months, the Government of Canada explore the possibility of concluding a Memorandum of Understanding on infrastructure cooperation with Brazil for a strategic investment directly linked to the 2014 FIFA World Cup and 2016 Olympics.**

### E. COMMERCIAL PARTNERSHIPS

Brazil's economic growth and search for commercial partnerships offer a wealth of opportunities by which Canada can capitalise on its affinities with Brazil to turn expertise and priorities into strategic collaborations and intensify their relations.<sup>123</sup> Such collaboration would strengthen the perception of equality between the two countries. As one witness noted:

It is a relationship in terms of business ... of equals. Their firms are sophisticated, internationalizing and have technology and management practices to offer. Our engagement has to be at that kind of level or essentially looking for joint business opportunities that are profitable to everyone.<sup>124</sup>

Canada's deepening commercial relations with Brazil should be as much about investment and services as they should be about trade in goods.<sup>125</sup> In other words, enhancing our commercial engagement in terms of investment and trade in services will reap significant dividends for our long-term relations with Brazil. As our other reports from the study of the rise of China, India and Russia and its implications for Canada noted, investment and trade in services play significant roles in the new global economy in terms of laying out and developing the commercial capacities necessary for goods to be manufactured and traded. Accordingly, strategic partnerships with Brazil that focus on investments and services would develop its knowledge and innovation capacity, generate particular benefit to Brazil's economy, integrate it deeper into global value chains, and strengthen the commercial capacity of a Canadian partner. Moreover, such collaborations could potentially extend to third markets, thereby cementing Canada's place among Brazil's preferred partners. As stated by one witness: "[Brazilians] will be interested in collaboration to build on existing strengths in the two countries to produce

---

<sup>123</sup> FAIT, 40:3, Issue no. 12, pp. 9, 18, 19; Haslam, 40:3, Issue no. 12, p. 46; Daudelin, 40:3, Issue no. 13, p. 9; FOCAL, 40:3, Issue no. 13, p. 33; North South Institute, 40:3, Issue no. 13, p. 37; EDC, 40:3, Issue no. 14, pp. 4, 5-7, 12, 15; Rojas, 40:3, Issue no. 14, p. 22; CME, 40:3, Issue no. 16, p. 9; Hewitt, 40:3, Issue no. 17, p. 28; Bell, 41:1, Issue no. 1, p. 23; BCCC, 41:1, Issue no. 2, p. 17; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 8; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011;

<sup>124</sup> Haslam, 40:3, Issue no. 12, p. 46.

<sup>125</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; EDC, 40:3, Issue no. 14, p. 6.

technologies, services and advantages that can then be either sold in each country or marketed to third countries, to the benefit of both.”<sup>126</sup>

As a trading nation whose economic prosperity relies in large part on the presence of Canadian commercial interests in foreign markets, Canada can certainly ill afford to ignore as big a country as Brazil, particularly with the potential offered by its growing middle class.<sup>127</sup> This point is especially critical as Canada’s traditional markets, such as the United States and Europe, continue to experience economic volatility and uncertainty.<sup>128</sup>

Opportunities for strategic investment and trade in services, as well as in goods, exist across many sectors, but are particularly notable in the agriculture and energy and extractive industries.

### 1. Agricultural Collaboration

The Canadian and Brazilian agricultural sectors share many affinities. Not only are both countries world leaders in the production and export of beef, poultry, and dairy, but the agriculture industry plays a significant role in both economies.<sup>129</sup>

However, these affinities have not fully translated into strong commercial relations between the two countries. Canada is Brazil’s 15<sup>th</sup> largest source of agricultural imports, comprising 1.7% of the country’s market share.<sup>130</sup> Indeed, from a global perspective, Brazil imports fewer agricultural products than other major economies in general, importing only US\$9.2 billion in 2010.<sup>131</sup> In 2010, Canada had a significant trade deficit with Brazil in the agriculture and food products category. In that year, Canada exported \$156.0 million in agriculture and food products to Brazil, while it imported \$997.3 million. Likewise, the largest export product was non-durum wheat, representing approximately 60% of all agricultural exports; imports consisted mostly of sugar, coffee and orange juice.<sup>132</sup>

Accordingly, recent initiatives have been undertaken to deepen agricultural engagement in terms of investment, knowledge-transfer, and services that would then translate into enhanced trade in goods. These initiatives have involved in particular collaboration between our countries involving Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency. For instance, the Brazil–Canada Consultative Committee on Agriculture (CCA), established in 2006,

---

<sup>126</sup> Hewitt, 40:3, Issue no. 17, p. 46.

<sup>127</sup> EDC, 40:3, Issue no. 14, pp. 5-7, 12, 15, 17; FOCAL, 40:3, Issue no. 13, p. 33; Haslam, 40:3, Issue no. 12, p. 46; Daudelin, 40:3, Issue no. 13, p. 9; CME, 40:3, Issue no. 16, p. 9; CCC, 41:1, Issue no. 3, p. 51; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; FAIT, 40:3, Issue no. 12, pp. 9, 18,19; North South Institute, 40:3, Issue no. 13, p. 37.

<sup>128</sup> EDC, 40:3, Issue no. 14, p. 4; Daudelin, 40:3, Issue no. 13, p. 9; STEP, 40:3, Issue no. 16, p. 23.

<sup>129</sup> AAFC, 40:3, Issue no. 15, p. 46; Ministry of Agriculture, Brasilia, Brazil, 29 November 2011; Haslam, 40:3, Issue no. 12, p. 45; EMBRAPA, Brasilia, Brazil, 29 November 2011; CFoA, 40:3, Issue no. 15, p. 8.

<sup>130</sup> AAFC, 40:3, Issue no. 15, p. 46.

<sup>131</sup> AAFC, 40:3, Issue no. 15, p. 46.

<sup>132</sup> Agriculture and Agri-Food Canada, [Brazil: At a Glance](#), December 2011.

has discussed over the course of its many meetings among other issues, domestic agricultural policies, food safety and standards, enhanced scientific cooperation and innovation, multilateral negotiations and tariffs. In addition, Agriculture and Agri-Food Canada and EMBRAPA concluded a Memorandum of Understanding in 2009 on scientific and technical cooperation. In August 2011, the two countries confirmed their interest to continue collaboration in the areas of agricultural policy, research, sanitary and phytosanitary measures and the agri-environment and to work towards the removal of barriers to bilateral trade in agricultural products.<sup>133</sup>

Notwithstanding these initiatives, the Committee believes that there are promising opportunities by which to galvanise strategic partnerships between Canada and Brazil based on trade, as well as on investment and services.<sup>134</sup> For instance, there are opportunities for increasing Canadian exports to Brazil of wheat and barley, in large part due to the climate conditions in Brazil being less than ideal for these grains. Indeed, as the Committee heard from one witness, Brazil is the third largest importer of wheat in the world.<sup>135</sup> Moreover, Canada's leadership in functional and healthy foods offers an attractive opportunity for exports to Brazil as well as for investments in Brazil's own capacity to produce these foods. The potential is not insignificant as Brazil's population becomes more affluent, the size of its middle class increases, and demand for these high-value foods increases.<sup>136</sup>

There are also opportunities to work together based on Canada's expertise in grading system for grains, agricultural science and research, and livestock genetic services.<sup>137</sup> There is also potential for cooperation regarding agricultural manufacturing and processing, transportation and storage, food safety and animal health capacity, GMO research, dairy and beef, and plant breeding.<sup>138</sup> That Canada is the top potash exporter to Brazil portends well for Brazil's agricultural growth with strong Canadian content.<sup>139</sup>

### **Collaboration on Global Food Security**

The Committee strongly believes that Canada and Brazil have an opportunity to develop a strategic partnership on global food security.<sup>140</sup> As two agricultural powerhouses, the two

---

<sup>133</sup> [Brazil-Canada Joint Statement](#), Brasilia, Brazil, 8 August 2011.

<sup>134</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011.

<sup>135</sup> Canadian Federation of Agriculture, 40:3, Issue no. 15, p. 9.

<sup>136</sup> Canadian Federation of Agriculture, 40:3, Issue no. 15, p. 25.

<sup>137</sup> STEP, 40:3, Issue no. 16, p. 18; Canadian Food Inspection Agency, 40:3, Issue no. 15; Ministry of Agriculture, Brasilia, 29 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

<sup>138</sup> Canadian Food Inspection Agency, 40:3, Issue no. 15; Canadian Federation of Agriculture, 40:3, Issue no. 15, pp. 21, 22; STEP, 40:3, Issue no. 16, pp. 8, 18; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>139</sup> STEP, 40:3, Issue no. 16, p. 7; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011.

<sup>140</sup> STEP, 40:3, Issue no. 16, pp. 8, 21; Canadian Federation of Agriculture, 40:3, Issue no. 15, p. 14; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011.

countries are well-placed to capitalise on their strengths, reinforce the capacities of the other with knowledge and technology-transfers, and work together to enhance the supply of food for the world.<sup>141</sup> More specifically, Canada and Brazil can collaborate to develop pulse crops and cereal grains in order to meet growing global demand in these products.<sup>142</sup> That increasing food security is a priority theme for the Canadian International Development Agency (CIDA) opens up opportunities for synergies between CIDA and the Brazilian Cooperation Agency (ABC). Brazil's recent endeavours regarding agricultural development in Africa and the transfer of its knowledge based on similar climate conditions offers tremendous potential for third-party collaboration.<sup>143</sup> Given the focus on agricultural research undertaken by IDRC, there are also opportunities here to deepen our strategic engagement on food security through its activities and collaborations with Brazil's EMBRAPA and other research institutions. Accordingly, the Committee recommends:

#### **RECOMMENDATION 6:**

**That the Government of Canada accelerate a strategic partnership with Brazil that focuses on their respective expertise in agriculture and promotes global food security, supports collaboration between IDRC and Brazil's agricultural research centres, and directly engages the Canadian International Development Agency and the Brazilian Cooperation Agency (ABC).**

Moreover, given that both countries export agricultural products to the same markets, there exist opportunities to collaborate and address access issues as they develop.<sup>144</sup> As one witness noted, Brazilian companies are welcoming such alliances.<sup>145</sup>

## **2. Energy and the Extractive Industry**

A strategic partnership in the energy and extractive industries between Canada and Brazil that focuses on investment and trade in services is vital to sustaining the momentum of recent agreements between the two countries. These include the 2009 Memorandum of Understanding on Sustainable Development in Minerals and Metals and the August 2011 decision, based on the

---

<sup>141</sup> Canadian Food Inspection Agency, 40:3, Issue no. 15; Ministry of Agriculture, Brasilia, 29 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

<sup>142</sup> STEP, 40:3, Issue no. 16, p. 18.

<sup>143</sup> ["How to feed the world: The emerging conventional wisdom about world farming is gloomy. There is an alternative."](#) *The Economist*, 26 August 2010.

<sup>144</sup> Canadian Food Inspection Agency, 40:3, Issue no. 15, p. 51.

<sup>145</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 35.

“converging interests in energy-related matters, including offshore oil and gas, biofuels and renewable,” to establish an Energy Dialogue to enhance bilateral dialogue and collaboration on energy issues.<sup>146</sup>

Indeed, the match of Canadian expertise in oil and gas with Brazil’s own rapidly expanding sector holds tremendous opportunities by which the two countries can deepen their relations and confirm their places as global leaders in the industry.<sup>147</sup>

Brazil’s 2007 discovery of off-shore oil fields stands out in particular in this regard. The development of these fields is expected to turn Brazil into a major oil producer, to the benefit of the state-controlled oil company, Petrobras, one of the ten largest corporations in the world.<sup>148</sup> The opportunities and potential benefits for Canadian commercial interests are evident as Petrobras is expected to invest nearly US\$200 billion in Brazil’s oil and gas sector in the next five years.<sup>149</sup> As well, figures from the Ministry of Mines and Energy in Brasilia indicate that oil production in Brazil is expected to nearly double from 2.3 billion barrels per day to 5.5 billion by 2020. Brazil’s oil refining capacity is also predicted to increase by nearly 1.5 billion barrels per day with the construction of four refineries.<sup>150</sup> The country is also developing its on-shore oil industry.

The opportunities for strategic partnerships based on investment and trade in services in this sector are reinforced by Brazil’s interest in Canada’s expertise in off- and on-shore oil and gas extraction.<sup>151</sup> Brazilian officials have shown particular interest in Canadian expertise in equipment and technology, skills regarding geological surveys and discoveries, services, as well as the development and implementation of corporate social responsibility and conservation principles.<sup>152</sup> In recognition of the gains to be had from partnering with such a dominant player in the global oil landscape, many Canadian companies are already taking advantage of these opportunities, as the number of companies conducting business with Petrobras has increased from only eight in 2000 to more than 60 Canadian firms now.<sup>153</sup>

---

<sup>146</sup> [Brazil-Canada Joint Statement](#), Brasilia, Brazil, 8 August 2011.

<sup>147</sup> Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ministry of Mines and Energy, Brasilia, Brazil, 29 November 2011; Secretary General for External Relations, Brasilia Brazil, 28 November 2011; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011; SNC-Lavalin, 41:1, Issue no. 2, p. 25; McCoy Global, 41:1, Issue no. 2, pp. 26, 29, 37; EDC, 40:3, Issue no. 14, p. 4.

<sup>148</sup> Sweig, “A New Global Player.”

<sup>149</sup> EDC, 40:3, Issue no. 14, p. 5.

<sup>150</sup> Ministry of Mines and Energy, Brasilia, 29 November 2011.

<sup>151</sup> FAIT 41:1, Issue no. 1, pp. 32, 38; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011.

<sup>152</sup> Ministry of Mines and Energy, Brasilia, 29 November 2011; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011.

<sup>153</sup> EDC, 40:3, Issue no. 14, pp. 5, 14.

Other opportunities stem from Brazil's activities in mining, in particular the extraction of iron ore, bauxite and manganese, which have transformed the country into one of the world's largest producers and exporters of raw and processed minerals. This status offers tremendous opportunities for laying out next steps in the implementation of the 2009 MOU on Sustainable Development in Minerals and Metals, such as by way of exchange of knowledge, equipment, and technology.<sup>154</sup>

Strategic partnerships in energy would build on the strengths and priorities of both countries and intensify the energy dialogue. As the Committee heard from one witness, Brazil's energy demand is growing at a rate of 5% per year; to meet this demand, Brazil will need to invest about \$5 billion per year in new power generation and about \$10 billion a year in transmission and distribution.<sup>155</sup> The Committee in particular heard about opportunities related to Brazil's expansion of its renewable energy, including wind power.<sup>156</sup> Already, Brazil is among the world's largest producers of hydropower and derives 45% of its energy needs from renewable sources such as water, ethanol and biomass. Moreover, hydroelectric power plants supply roughly 75% of the electrical energy generated in the country.<sup>157</sup> Brazil also possesses the world's sixth largest uranium reserve. The number of nuclear reactors is expected to increase from two in 2010 to three by 2015, and to seven by 2030.<sup>158</sup> Brazil's natural gas supply is also predicted to rise from almost 120 million cubic metres a day in 2011 to almost 200 in 2020.<sup>159</sup>

### 3. Other Sectors

While there is significant potential for developing strategic partnerships in the agriculture, energy and extractive industries, tremendous opportunities also exist for growing Canada's commercial relations with Brazil in other sectors by way of trade, investment, services and knowledge transfer.<sup>160</sup> For instance, the opportunities in the **aerospace industry** focus in large part on Brazil's globally competitive company, Embraer. In this respect, the Committee would like to emphasize (as many have) that the rivalry of the past between Bombardier and Embraer over government subsidies has been replaced by a healthy intra-industry partnership.<sup>161</sup> As one witness remarked, "Embraer is buying input from Canada. It is selling planes in Canada, and Bombardier is selling planes and equipment into Brazil now. Even in the aerospace sector, we

---

<sup>154</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011; SNC-Lavalin, 41:1, Issue no. 2, p. 25, McCoy Global, 41:1, Issue no. 2, pp. 26, 29, 37; EDC, 40:3, Issue no. 14, p. 4.

<sup>155</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 25.

<sup>156</sup> Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011.

<sup>157</sup> Secretariat for Social Communication Presidency of the Republic of Brazil, "Climate Change in Brazil: Key Facts and Figures," November 2011, p. 15.

<sup>158</sup> Sweig, "A New Global Player."

<sup>159</sup> Ministry of Mines and Energy, Brasilia, 29 November 2011.

<sup>160</sup> CME, 41:1, Issue no. 2, p. 9; Bell, 41:1, Issue no. 1, p. 23.

<sup>161</sup> Bombardier, 41:1, Issue no. 3, p. 65; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

have a mature relationship.”<sup>162</sup> The Committee heard about opportunities for Canadian aerospace leaders to cooperate with Embraer on the development of a cargo plane for the defence sector.<sup>163</sup> At the same time, given that Embraer is not the only aircraft manufacturer in Brazil, a number of opportunities exist for Canadian companies to capitalize on the growing demand in this sector and to expand its network to include other Brazilian aerospace companies.<sup>164</sup>

As Brazil’s middle class grows, increases in discretionary income and growing interest in travel could benefit Canada’s **tourism industry**.<sup>165</sup> Indeed, in recent years, the number of Brazilian tourists coming to Canada has been increasing, reaching a high of approximately 80,000 in 2010.<sup>166</sup> This number is expected to grow further as airlines provide more service, including non-stop direct access, between Brazil and Canada to meet growing demand.<sup>167</sup> One witness noted the appeal of Canada to the Brazilian tourist:

To be frank, the appeal is the raw size and the elements of nature. I would say Canada has a young perspective or vision to most Brazilians. They see it as almost a bit of a natural paradise ... . They would see skiing and athletic pursuits as being extremely enticing.<sup>168</sup>

In the **forestry industry**, there are opportunities for increased exports of forestry and paper products. There is also potential for greater cooperation between Canadian and Brazilian companies regarding the transfer of knowledge, equipment and technology, particularly concerning forest management and sustainable practices.<sup>169</sup>

#### 4. Raising Canada’s Profile

Canada’s efforts to establish meaningful partnerships with Brazil commercially as well as in other areas of concentration discussed here are challenged by a profile that is overshadowed in Brazil’s crowded trade and investment landscape. That Canada can compete is without question, as the experience of LED Roadways Ltd. to provide Sao Paulo with an advanced and energy efficient lighting system for the city’s roads demonstrates.

---

<sup>162</sup> FAIT, 40:3, Issue no. 12, p. 13.

<sup>163</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>164</sup> EDC, 40:3, Issue no. 14, p. 11; Bombardier, 41:1, Issue no. 3, pp. 65-66.

<sup>165</sup> EDC, 40:3, Issue no. 14, p. 15; Canadian Tourism Commission, 40:3, Issue no. 17; Bell, 41:1, Issue no. 1, p. 23.

<sup>166</sup> Canadian Tourism Commission, 40:3, Issue no. 17, p. 15.

<sup>167</sup> Canadian Tourism Commission, 40:3, Issue no. 17, pp. 15, 21; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>168</sup> EDC, 40:3, Issue no. 14, p. 15.

<sup>169</sup> Canadian Forestry Association, 40:3, Issue no. 15.

### *Best Practices for an Effective Public Service and Public-Private Partnerships*

*During some of our hearings on the potential for strengthening commercial ties between Canada and Brazil, Transport Canada and the Saskatchewan Trade and Export Partnership (STEP) testified about the August 2011 Canada-Brazil Open Skies Air Transport Agreement and their activities in Brazil, respectively. While their testimony was very useful, the Committee was particularly impressed with their operating procedures and sought to single them out as models to be emulated across the public service as well as in public-private partnerships that promote federal and provincial exports to the world.*

*More specifically, Transport Canada was exemplary in its foresight to anticipate the opportunities for the airline industry given the positive direction in which Canada-Brazil relations were moving. The Committee sought to highlight in particular among their best practices the extensive consultation it carried out with key stakeholders, such as the airline industry, tourism groups as well as other government departments, and also their needs-assessment study of air travel between Canada and Brazil. In the Committee's opinion, the process was commendable in its efficiency and led to a decision that would maximise mutual benefits for Canada and Brazil. The professionalism and expertise Transport Canada officials displayed in their presentation to the Committee also greatly assisted the members in their understanding of a subject matter which, due to our mandate, we hear about only infrequently. **These best practices should be encouraged across the public service.***

*In addition, the Committee was particularly impressed with the effectiveness of STEP's unique arrangement as a corporate entity led by export-oriented companies, yet supported by the Saskatchewan government to represent the province on all issues related to trade and exports. STEP's international activities are symbolic of the increased involvement of the provinces in pursuing trade opportunities, some of whom share space with Canadian diplomatic missions. Accordingly, the Committee recommends that **the Government of Canada take note of STEP's model and investigate the possibility of applying it at the federal level and of expanding it across Canada to include provinces where the arrangement is not yet in place.** Such an investigation should take into account the infrastructure already in place to promote Canadian trade and exports, specifically the Department of Foreign Affairs and International Trade and the Canadian Trade Commissioner Service. The Committee also believes that **opportunities for overseas collaboration among provincial and federal government representatives should be examined.***

While the June 2011 trade mission to Brazil raised Canada's profile and promoted opportunities for Canadian enterprises (notably, LED Roadways Ltd. had not considered the commercial opportunities in Brazil until it participated in the June 2011 trade mission to Brazil<sup>170</sup>), the Government of Canada can undertake other measures to ensure that Canadian companies do not

---

<sup>170</sup> LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 79.

continue to be disadvantaged by a low profile. In this respect, Canada's competitiveness would benefit from the Government of Canada establishing a high-profile investment strategy based on Canada's advantages and that corresponds with Brazil's own investment commitments. A pilot project might be considered in this regard.

## 5. Reviewing the Canadian Commercial Corporation

The Committee heard about the challenges faced by the Canadian Commercial Corporation (CCC), whose mandate is to assist in the development of trade between Canada and foreign governments regarding contracting and procurement services, particularly in infrastructure but also increasingly in security and defence. Specifically, Brazil's procurement laws promote competitive tenders rather than government-to-government contracting, which is CCC's regulatory method of operation. Moreover, foreign companies bidding on Brazilian procurement contracts need to be involved in a joint venture with a Brazilian company.<sup>171</sup>

CCC plays a valuable role in complementing the services offered by Export Development Canada and the Trade Commissioner Service and raising the profile of Canadian companies in highly competitive markets. Given the growth of commercial opportunities in Brazil and other markets, the Committee suggests that the Government of Canada review CCC's mandate with a view to updating its instruments in order to maximise its support of Canadian commercial interests and to raise the competitiveness and profile of Canadian companies.

## F. REGIONAL AND GLOBAL INITIATIVES

Brazil's regional and global influence presents many opportunities by which it and Canada can collaborate strategically as equals in areas of common interest and, thereby, deepen their relationship.<sup>172</sup> Such strategic collaborations are increasingly significant and have important implications for widening the alliances Canada can draw on while navigating regional and global dynamics.

In this context, the annual Bilateral Political Consultations and the Strategic Partnership Dialogue will be critical frameworks to explore opportunities for joint action and to "better learn each other's perspectives on bilateral relations and global issues."<sup>173</sup>

---

<sup>171</sup> CCC, 41:1, Issue no. 3, pp. 47-49, 52.

<sup>172</sup> Bethell, supplementary submission, "[Brazil: Regional Power, Global Power.](#)" June 2010; EIU, "Country Report: Brazil," September 2011, p. 23; Sweig, "A New Global Player;" Bethell, 40:3, Issue no. 16, p. 38; FAIT, 40:3, Issue no. 12, pp. 8, 13, 15-16; North-South Institute, (written submission), p. 1; FOCAL, 40:3, Issue no. 13, p. 33; Collor, Brasilia, Brazil, 29 November 2011; Daudelin, 40:3, Issue no. 13, pp. 8, 12, 14-15, 25-28; Hewitt, 40:3, Issue no. 17, pp. 29, 38, 48; Haslam, 40:3, Issue no. 12, pp. 33, 35, 36, 42; North-South Institute, 40:3, Issue no. 13, p. 30; Rojas, 40:3, Issue no. 14, pp. 21-22; Council of the Americas/Americas Society, 40:3, Issue no. 16, pp. 32-33; North-South Institute, 40:3, Issue no. 13, p. 31; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 20; Bell, 41:1, Issue no. 3, p. 28.

<sup>173</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 9.

However, to sustain their momentum, strategic partnerships that specifically reflect overlapping regional and international interests are required. One possibility is a strategic partnership on human rights, specifically corporate social responsibility. Brazil's strong advocacy of corporate social responsibility in the region overlaps with Canada's leadership, leading to opportunities for collaboration to widen its practice in the region and beyond.<sup>174</sup>

Another possibility is a strategic partnership on global financial issues. Their relatively solid performances during the global financial crisis and sound banking systems, as well as their membership in the G-20, can serve as the basis for collaboration to address the challenges of the global economic system.<sup>175</sup>

### 1. Security and Defence Collaboration

Canada and Brazil have been collaborating on security and defence issues in many ways. For instance, they have cooperated closely in the United Nations Mission to Haiti (MINUSTAH), which is led by Brazil.<sup>176</sup> This cooperation has been in addition to a close working relationship at the Conference of Defence Ministers of the Americas<sup>177</sup> and the Inter-American Defense Board. Through such bodies, they have cooperated on the development of strategies for joint military engagement, defence capacity building and training, and defence governance issues.<sup>178</sup> Bilaterally, since 1998, more than 180 Brazilian military personnel have received training through Canada's Military Training and Cooperation Program (MTCP); many have also received training in peace support operations at the Pearson Peacekeeping Centre.<sup>179</sup> Moreover, Canada and Brazil have been consulting regularly on defence cooperation in the bilateral Political-Military Talks that are held among officials from the Department of Foreign Affairs and International Trade (DFAIT), the Department of National Defence (DND), and the Brazilian Secretary of External Relations in Brazil.

However, developing a strategic partnership in security and defence, particularly regarding mutual interests in regional security issues, such as drug-trafficking and other illicit trade, and

---

<sup>174</sup> FOCAL, 40:3, Issue no. 13, p. 54.

<sup>175</sup> North-South Institute, 40:3, Issue no. 13, p. 49; Rojas, 40:3, Issue no. 14, p. 22; FAIT, 40:3, Issue no. 12, pp. 8–9, 16; Canadian Food Inspection Agency, 40:3, Issue no. 15, pp. 51, 53; Hewitt, 40:3, Issue no. 17, p. 32; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 33; FOCAL, 40:3, Issue no. 13, p. 52; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011.

<sup>176</sup> Council of the Americas/Americas Society, 40:3, Issue no. 16, pp. 32–33; Haslam, 40:3, Issue no. 12, p. 36; FAIT, 40:3, Issue no. 12, pp. 16–17; Goncalves, Brasilia, Brazil, 28 November 2011; FAIT, 40:3, Issue no. 12, p. 16; Hewitt, 40:3, Issue no. 17, p. 32.

<sup>177</sup> The Conference of Defence Ministers of the Americas (CDMA) was created in 1995 to provide a forum for debate and cooperation for the countries of the Hemisphere, including on such topics as confidence and security building measures, peace support operations, civil-military relations, and emerging threats such as transnational organized crime and terrorism. Nine meetings have been held since 1995, including the most recent one in November 2010 in Santa Cruz de la Sierra, Bolivia. Canada hosted the 2008 meeting of the CDMA in Banff.

<sup>178</sup> Department of National Defence, 41:1, Issue no. 4, p. 29.

<sup>179</sup> Jill Sinclair, Department of National Defence, written submission, 26 October 2011.

terrorism, would sustain the momentum of these engagements and intensify Canada-Brazil relations.<sup>180</sup> In addition, their collaboration in Haiti offers opportunities to pursue a strategic partnership on peacekeeping and humanitarian and disaster relief exercises. Additional opportunities exist to strengthen our engagement on security and defence through officer exchanges at the Canadian Forces College, the Canadian Army Command and Staff College, and the Royal Military College, similar to exchanges that Canada already has with many countries, including from the Gulf Cooperation Council.<sup>181</sup>

Canada and Brazil can also intensify their relationship by partnering to develop Brazil's capabilities to monitor airspace, land and territorial waters and improve strategic mobility as described in its 2008 National Strategy of Defense.<sup>182</sup> In this respect, the increased value of Brazil's natural resources and sensitivity to regional instability means that it has become increasingly concerned with improving security in remote and porous access routes such as the Amazon and along what it calls the "blue Amazon" - the Atlantic coast where oil development has become lucrative.<sup>183</sup> Brazil's priority in achieving such capabilities matches with Canada's own expertise in defending, securing and surveilling vast remote territories, as it does in the Arctic, and presents an invaluable opportunity to be seized. Accordingly, the Committee recommends:

#### **RECOMMENDATION 7:**

**That the Government of Canada, through the Department of National Defence and other relevant departments and agencies, continue to strengthen its security and defence cooperation with Brazil and develop strategic partnerships by:**

- **collaborating with Brazilian counterparts on training for remote patrols and surveillance, particularly by air and water;**
- **creating officer exchanges and projects that expand on relations established through the Military Training and Cooperation Program; and**

---

<sup>180</sup> FAIT, 40:3, Issue no. 12, p. 16; Collar, Brasilia, Brazil, 29 November 2011.

<sup>181</sup> FAIT, 40:3, Issue no. 12, p. 16.

<sup>182</sup> Ministry of Defense (Brazil), *National Strategy of Defense: Peace and Security for Brazil*, 2008.

<sup>183</sup> Bethell, 40:3, Issue no. 16, p. 38; Paul Sotero, 40:3, Issue no. 16, p. 50; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 19; Bethell, "[Brazil: Regional Power, Global Power.](#)" June 2010; The Economist Intelligence Unit, "Country Report: Brazil," September 2011, p. 23; Sweig (November/December 2010); Collor, Brasilia, Brazil, 29 November 2011.

- **carrying out joint peacekeeping, humanitarian and disaster relief exercises with the Brazilian military.**

## 2. Partnering in International Assistance

Brazil's transition from aid recipient to aid donor has opened up valuable opportunities for a strategic partnership between it and Canada on international assistance. These opportunities build on the countries' experience in co-funding development projects in Haiti.<sup>184</sup>

The Memorandum of Understanding (MOU) on International Development Cooperation Effectiveness signed during the Prime Minister's visit to Brazil in August 2011 is a significant step in this direction. To seize on its momentum, the Committee believes that the agreement and its intention for Canada and Brazil to cooperate on improving the latter's international development infrastructure and aid delivery system would benefit from concrete initiatives that share best practices from Canada's international assistance experience. Notably, the Committee heard from its interlocutors during its fact-finding mission that Brazil is interested in a partnership that focuses on the development of qualifications and knowledge of international assistance, including skills in program management, accountability methods, and accounting practices.<sup>185</sup> Accordingly, the Committee recommends:

### **RECOMMENDATION 8:**

**That the Government of Canada and the Canadian International Development Agency collaborate with the Brazilian Cooperation Agency (ABC) on concrete initiatives that reflect best practices and priorities on international assistance.**

## 3. Third-Party Partnerships

Third-party partnerships in international assistance offer a valuable opportunity for Canada to collaborate strategically with Brazil in a manner that capitalises on their respective strengths and overlapping interests. Brazil's expertise in sectors that intersect with Canada's priorities, such as health, including maternal, newborn and child health, and education, reinforce the benefit of collaboration and the value of learning from each other's overseas experience.<sup>186</sup> To increase the

---

<sup>184</sup> FOCAL, 40:3, Issue no. 13, pp. 36, 38.

<sup>185</sup> Secretary General for External Relations, Brasilia, Brazil, 28 November 2011; FOCAL, 40:3, Issue no. 13, p. 36.

<sup>186</sup> Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

value and benefit of these international assistance partnerships, they should emphasise economic development in order to create new markets for export.<sup>187</sup>

Moreover, overlapping interests in certain regions serve as another basis by which the two countries can build a strategic partnership. In this respect, Brazil has expanded development programs in the western hemisphere and in Africa – particularly in the Portuguese-speaking (lusophone) countries – which overlaps with regions where Canada focuses its aid, such as the Caribbean, Peru, Bolivia, the Horn of Africa, and Ghana.<sup>188</sup> Third-party cooperation in Mozambique and Haiti stand out as a particular opportunity given their importance to Brazil and that they are countries of focus for Canada.

## V. MEASURES TO ENABLE OPPORTUNITIES

In addition to accelerating recent initiatives in education, science and technology, infrastructure, investment and trade, and regional and global affairs, the Committee believes that the Government of Canada needs to adopt measures that would ease challenges and enable wider opportunities for deepening relations with Brazil. These challenges exist regarding Canada's current visa regime, the difficulty of doing business in Brazil, and complications arising from overlapping jurisdictions. As Brazil's Secretary General for External Relations told the Committee, we have not yet seized on the full potential of the Canada-Brazil relationship.<sup>189</sup>

### A. VISAS

The Committee believes strongly that Canada-Brazil relations can take a significant and positive leap forward if the visa requirement for Brazilian citizens was more efficiently and expeditiously managed. Brazilian witnesses and interlocutors perceived that simply requiring a visa, not to mention the lengthy processing time of applications, the uncertainty of a positive response and the need to surrender one's passport while waiting for a reply, have hampered the development of Canada-Brazil relations.<sup>190</sup> At the same time, the Committee heard about the negative impact that requiring a visa in order to travel to Brazil can have on timely business negotiations, which

---

<sup>187</sup> Hewitt, 40:3, Issue no. 17, pp. 30, 46.

<sup>188</sup> Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011; CIDA (written submission), p. 3.

<sup>189</sup> Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

<sup>190</sup> McCoy Global, 41:1, Issue no. 2, p. 35; Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011; BCCC, 41:1, Issue no. 2, p. 8; CME, 40:3, Issue no. 16, pp. 10, 19; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Canadian Forestry Association and Canadian Institute of Forestry, 40:3, Issue no. 15, p. 23; Canadian Tourism Commission, 40:3, Issue no. 17, pp. 8–10, 14, 16, 21; Hewitt, 40:3, Issue no. 17, p. 39; Bell, 41:1, Issue no. 1, p. 23; Collor, Brasilia, Brazil, 29 November 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

can involve obtaining a letter of invitation from one's partner and having to give up one's passport for up to six weeks.<sup>191</sup>

The Committee heard that Canada's cumbersome visa regime has affected the full potential of commercial relations and tourism opportunities with Brazil. For commercial interests, the process impedes the rhythm of business, which is often spontaneous and quick. The Committee also heard that the visa process has limited the number of Brazilian tourists coming to Canada.<sup>192</sup>

The problem surrounding the visa requirement results in part from the increasing number of applications for Temporary Resident Visas (TRVs), which have increased from about 40,000 in 2009, to more than 60,000 in 2010 and to approximately 80,000 in 2011, and from insufficient resources to process applications despite efforts to improve the situation as discussed below.<sup>193</sup>

The Committee believes strongly that the status quo about how Canadian visas are issued is not acceptable. The long-term impact of the situation includes limiting how far and how quickly Canada-Brazil relations can go. Indeed, the situation amplifies the growing but unintentional disconnect between the more globalised world and the primary function of visas. Whereas the Canadian government is identifying markets such as Brazil as priorities for expanding commercial exchanges, it maintains a procedure that ultimately restricts the movement of the people who are at the heart of these relations.<sup>194</sup> While the security of Canadians is legitimately paramount, the primary imperative of visas as a mechanism to keep people out may need to be updated to facilitate people coming in.

Brazilian citizens require a visa to enter Canada despite the high approval rate of applications, the low levels of illegitimate refugee claims, the low number of applications submitted for further security screening and, the low number of cases involving fraudulent documents.<sup>195</sup> Moreover, Brazil today is experiencing a different set of political and economic conditions than was the case in 1987 when the visa requirement was imposed in response to the high number of asylum applications.<sup>196</sup> Under these circumstances and with Brazilian applications displaying a low pattern of risks,<sup>197</sup> it would appear that one solution to the high volume of applications and the limited resources for processing them would be to lift the visa requirement for Brazilian citizens.<sup>198</sup> As the Committee heard from one witness, the net benefit would outweigh the risks. It also bears noting that Brazilian citizens do not require visas for travel to the United Kingdom or to the Schengen-area countries of the European Union.

---

<sup>191</sup> McCoy Global, 41:1, Issue no. 2, pp. 28-29.

<sup>192</sup> Canadian Tourism Commission, 40:3, Issue no. 17, p. 16.

<sup>193</sup> CIC, 41:1, Issue no. 3, p. 7.

<sup>194</sup> CME, 40:3, Issue no. 16, p. 10.

<sup>195</sup> CIC, 41:1, Issue no. 3, pp. 7, 14; Canadian Border Services Agency, 41:1, Issue no. 3, p. 11.

<sup>196</sup> CIC, 41:1, Issue no. 3, p. 7.

<sup>197</sup> CBSA, 41:1, Issue no. 3, p. 13.

<sup>198</sup> Canadian Tourism Commission, 40:3, Issue no. 17, p. 16; McCoy Global, 41:1, Issue no. 2, p. 34, BCCC, 41:1, Issue no. 2, p. 8; HB Global Advisors, 41:1, Issue no. 3, p. 70.

If after careful multi-departmental study,<sup>199</sup> Brazil is deemed to not yet meet the criteria by which a visa is not required for travel to Canada (i.e. that it has not fallen below the visa refusal rate threshold for visa exemption, among others), then appropriate resources need to be identified, and decisions made in order that the number of applications would be reduced and the application process would be expedited. These steps may include increasing the number of personnel that make decisions on applications. The Committee notes that Canadian authorities are concerned about the visa process and have put measures in place to improve efficiencies, including the establishment of Visa Application Centres (VACs), the use of technology to streamline the application process, the deployment of temporary duty officers to Brazil for six weeks, efforts to simplify the supporting documents required for business travellers, and the introduction of a ten-year multiple entry visa to Canada.<sup>200</sup> However, the decision to approve an application in Brazil is still taken by one of six immigration officers.<sup>201</sup> Moreover, in addition to there being little awareness of the ten-year multiple entry visa option, such a visa is not transferable to a new Brazilian passport (these are valid for five years) as is the case with similar visas to the United States.

How the visa issue is managed might result in a reciprocal arrangement from Brazil's part and access to Brazil by Canadians will be facilitated accordingly.<sup>202</sup>

In order to expedite and improve the efficiency of the issuing of Canadian visas to Brazilian citizens, the Committee recommends:

#### **RECOMMENDATION 9:**

##### **That the Government of Canada:**

- **make the necessary policy and program changes to facilitate the ten year multiple entry visa to be transferable to a new passport of a foreign country that expired within that ten-year period;**
- **examine the feasibility of increasing resources to the visa and immigration section of the Canadian diplomatic mission in Sao Paulo that is responsible for approving all Brazilian visa applications; and,**

---

<sup>199</sup> Supplementary response to questions asked by SCFAIT, 19 October 2011.

<sup>200</sup> CIC, 41:1, Issue no. 3, pp. 7-10, 22.

<sup>201</sup> CIC, 41:1, Issue no. 3, p. 23.

<sup>202</sup> BCCC, 41:1, Issue no. 2, p. 16; Collor, Brasilia, Brazil, 29 November 2011.

- **immediately assess whether Brazil meets the conditions for visa-exempt travel by Brazilian citizens to Canada.**

## B. STRENGTHENING TIES BETWEEN CANADA AND MERCOSUL

As announced in June 2011, the talks between Canada and MERCOSUL - comprising Brazil, Argentina, Uruguay and Paraguay – to consider options for enhancing commercial relations between Canada and MERCOSUL offer a valuable opportunity by which Canada can encourage Brazil to strengthen its values and priorities regarding more open trade.<sup>203</sup> The talks could potentially lead to improved market access, reduced tariffs and non-tariff barriers, enhanced predictability, including in the form of a free trade agreement. Such measures would especially benefit small- and medium-sized enterprises (SMEs) that otherwise are unable to take full advantage of the potential growth such markets offer because their smaller balance sheets make the additional costs of entering these markets prohibitive.<sup>204</sup> As noted by our interlocutors, the aerospace, life sciences, infrastructure, information and communications technology, mining, and oil and gas sectors would benefit in particular from improved market access.<sup>205</sup>

This step to hold talks between Canada and MERCOSUL echoes the conclusions reached by the Committee in its 1995 report on *Free Trade in the Americas*.<sup>206</sup> Specifically, the Committee presciently recommended that Canada pursue stronger relations with the MERCOSUL countries, particularly Brazil, in order to better position Canadian companies. Mindful of the changes to regional and global trade since this 1995 report, the core of this recommendation has stood the test of time and perhaps is even more pertinent today.

Accordingly, the talks between Canada and Brazil– for which the deadline for their conclusion has not been set -- offer an opportunity for Canada to enhance its commercial relations with Brazil and to expand its network of trade arrangements in the hemisphere to include the largest trading bloc in South America. MERCOSUL is a market of approximately 245 million people, represents about US\$2.5 trillion dollars of GDP, and generates US\$675 billion dollars in trade with the world.<sup>207</sup> However, given that the terms of the bloc prohibit members from negotiating

---

<sup>203</sup> Canadian Federation of Agriculture, 40:3, Issue no. 15, pp. 7–8, 15; CME, 40:3, Issue no. 16, pp. 9, 15, 16; CFA and CIF, 40:3, Issue no. 15, pp. 12, 18; Agriculture and Agri-Food Canada, 40:3, Issue no. 15, p. 55; HB Global Advisors, 41:1, Issue no. 3 pp. 69, 72; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 74, Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011; SNC-Lavalin, 41:1, Issue no. 2, p. 32; McCoy Global, 41:1, Issue no. 2, p. 33.

<sup>204</sup> AAFC, 40:3, Issue no. 15, p. 55; HB Global Advisors, 41:1, Issue no. 3, p. 69; CME, 40:3, Issue no. 16, pp. 9, 14, 15.

<sup>205</sup> FAIT, [Canada Explores Deepening Trade Ties with South America's Largest Common Market](#), 24 June 2011.

<sup>206</sup> *Free Trade in the Americas*, Report of the Standing Senate Committee on Foreign Affairs, August 1995.

<sup>207</sup> Source: World Bank data, <http://data.worldbank.org/>. Mercado Común del Sul (MERCOSUL) was established in 1991. It is the fourth largest integrated market after the European Union (EU), the North American Free Trade Agreement (NAFTA), and the Association of South East Asian Nations (ASEAN). FAIT, [Fast Facts on Canada-Mercosur Commercial Relations](#). Canada has the following free trade agreements within the region: NAFTA [United States and Mexico], Costa Rica, Colombia, Peru, Chile, Panama, and Honduras. It is currently negotiating

bilateral trade agreements, to sustain the opportunity, Canada needs to engage actively with all four countries to promote the benefits of stronger commercial ties.<sup>208</sup>

That Brazil is very much interested in enhancing commercial ties between Canada and MERCOSUL is another factor pointing to the need to take advantage of the opportunity presented by these talks. While it has free trade agreements with Israel, Egypt, and others through MERCOSUL, an agreement with an economy such as Canada's would reinforce Brazil's status as a global economic player. Moreover, MERCOSUL's negotiations with other partners have been languishing, such as preferential trade agreements with India and the South African Customs Union, or fluctuating, such as the free trade agreement with the European Union, thereby reinforcing interest in an arrangement with other countries.

The time has come for Canada-MERCOSUL relations to evolve and deepen. To sustain the momentum of these talks and to ensure an immediate, effective outcome, the Committee strongly encourages the negotiations to be completed in a timely manner and according to a firm deadline. It further recommends:

#### **RECOMMENDATION 10:**

**That the Government of Canada engage and pursue commercial opportunities with MERCOSUL and its member states.**

### **C. OVERCOMING DOMESTIC CHALLENGES**

While Canada's commercial relations with Brazil are growing in general, Brazil's reputation as a difficult country in which to do business is an indication of the need to improve awareness of its business climate.<sup>209</sup> Brazil's Ambassador to Canada himself described the "Brazil cost" of doing

---

agreements with the Dominican Republic as well as with the Caribbean Community (CARICOM) [Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago]. These are in addition to other commercial arrangements, including Foreign Investment and Protection Agreements (FIPAs) with Costa Rica, Peru, Uruguay, El Salvador, Panama, Venezuela, Ecuador, Argentina; the Andean Community Trade and Investment Cooperation Arrangement; and the Southern Cone Common Market Trade and Investment Cooperation Arrangement. FAIT, [Negotiations and Agreements](#).

<sup>208</sup> Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011; FAIT 40:3, Issue no. 12, pp. 19, 25; North-South Institute, 40:3, Issue no. 13, p. 50; FOCAL, 40:3, Issue no. 13, p. 35.

<sup>209</sup> Daudelin, 40:3, Issue no. 13, p. 16; CME, 40:3, Issue no. 16, pp. 9, 15; CME, 41:1, Issue no. 2, pp. 15; BCCC, 41:1, Issue no. 2, p. 8; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011; EDC, 40:3, Issue no. 13, p. 14; North-South Institute, 40:3, Issue no. 13, p. 37; Canadian Forestry Association and Canadian Institute of Forestry, 40:3, Issue no. 15, p. 22; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 34; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 63; McCoy Global, 41:1, Issue no. 2, p. 27; Ministry of Development, Industry and Trade, Brasilia, Brazil, 28 November 2011; Wood, 41:1, Issue no.1, p. 50.

business as a “serious problem.”<sup>210</sup> Indeed, Brazil ranks 126<sup>th</sup> out of 182 countries in terms of the ease of doing business.<sup>211</sup> As one witness testified:

Brazil is without question a challenging market. It is one where we see a greater level of success from mature Canadian exporters and investors who have had experience in other markets prior to selecting Brazil as a destination, either for investment or export of goods and services.<sup>212</sup>

The Committee heard many examples of the challenging business climate in Brazil.<sup>213</sup> For instance, overwhelming tax challenges exist and include high import tariffs, complex tax procedures, the number of taxes to be paid (according to one count, 57 different taxes apply in Brazil),<sup>214</sup> a 34% corporate tax rate, a 6% tax on foreign capital, and a 42% tax on foreign services.<sup>215</sup> Other difficulties include local content regulations,<sup>216</sup> including the condition that Petrobras’ foreign partners are limited to joint venture junior positions;<sup>217</sup> restrictions in foreign ownership of rural lands;<sup>218</sup> high levels of regulation and a complex bureaucracy;<sup>219</sup> lengthy customs procedures;<sup>220</sup> complex labour laws;<sup>221</sup> challenging legal and accounting regimes;<sup>222</sup> the absence of a commercial infrastructure involving agents and distributors;<sup>223</sup> weak knowledge of English outside of the major centres;<sup>224</sup> and, issues relating to intellectual property and services.<sup>225</sup> These are in addition to risks to personal security and the uncertainties related to operating in a different social and cultural environment. Aggravating the situation is the

---

<sup>210</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 13.

<sup>211</sup> The International Finance Corporation, “[Doing Business](#),” *The World Bank*, June 2011; North-South Institute, 40:3, Issue no. 13, p. 37.

<sup>212</sup> EDC, 40:3, Issue no. 14, p. 14.

<sup>213</sup> McCoy Global, 41:1, Issue no. 2, p. 27; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

<sup>214</sup> BCCC, 41:1, Issue no. 2, p. 10.

<sup>215</sup> SNC-Lavalin, 41:1, Issue no. 2, pp. 26, 30; CME, 40:3, Issue no. 16, pp. 9, 10; STEP, 40:3, Issue no. 16, pp. 7, 17; EDC, 40:3, Issue no. 13, p. 12; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 63; BCCC, 41:1, Issue no. 2, pp. 7, 8, 10; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 48; Sotero, 40:3, Issue no. 16, p. 48; McCoy Global, 41:1, Issue no. 2, p. 27; CME, (written submission), p. 3; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian Businesses, Rio de Janeiro, 2 December 2011.

<sup>216</sup> McCoy Global, 41:1, Issue no. 2, p. 27; SNC-Lavalin, 41:1, Issue no. 2, p. 35.

<sup>217</sup> BCCC, 41:1, Issue no. 2, p. 7; Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011.

<sup>218</sup> BCCC, 41:1, Issue no. 2, p. 7.

<sup>219</sup> EDC, 40:3, Issue no. 13, pp. 8, 12; Daudelin, 40:3, Issue no. 13, pp. 12-13.

<sup>220</sup> North-South Institute, 40:3, Issue no. 13, p. 37; Daudelin, 40:3, Issue no. 13, pp. 12-13; EDC, 40:3, Issue no. 13, p. 8; CME, 40:3, Issue no. 16, pp. 9, 10; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 48; Sotero, 40:3, Issue no. 16, p. 48; McCoy Global, 41:1, Issue no. 2, p. 27; STEP, 40:3, Issue no. 16, p. 7; CFA and CIF, 40:2, Issue no. 15, pp. 18, 23; SNC-Lavalin, 41:1, Issue no. 2, p. 26; CME, (written submission), p. 3; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, pp. 63, 74; BCCC, 41:1, Issue no. 2, p. 7; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian Businesses, Rio de Janeiro, 2 December 2011.

<sup>221</sup> McCoy Global, 41:1, Issue no. 2, p. 36; BCCC, 41:1, Issue no. 2, p. 11;

<sup>222</sup> EDC, 40:3, Issue no. 14, p. 8.

<sup>223</sup> STEP, 40:3, Issue no. 16, pp. 7, 17.

<sup>224</sup> EDC, 40:3, Issue no. 14, p. 6.

<sup>225</sup> HB Global Advisors, 41:1, Issue no. 3 p. 72; McCoy Global, 41:1, Issue no. 2 p. 28.

influence of narrow political and commercial interests, including corruption and abuse of office.<sup>226</sup>

Although doing business in Brazil presents a number of challenges, to increase their likelihood of success, Canadian businesses can take measures to mitigate them.<sup>227</sup> These measures include developing personal relationships;<sup>228</sup> finding a local partner – public or private -- to overcome language barriers and to navigate the complexities of the tax, customs, regulatory, legal and accounting regimes;<sup>229</sup> leveraging networks with industry associations and key government agencies such as Export Development Canada, the Trade Commissioner Service, Saskatchewan Trade and Export Partnership (STEP) and the Canadian Commercial Corporation (CCC) to gather key market intelligence;<sup>230</sup> building a local presence; and undertaking regular and frequent visits.<sup>231</sup> In particular, Canadian commercial enterprises are encouraged to take a long-term view and to ensure that sufficient financing is in place.<sup>232</sup>

The Committee also heard from witnesses that they are seeing worrisome signs of protectionism in recent Brazilian policies, such as President Rousseff’s “Buy Brazil” and the decision to raise the tariff on imported cars.<sup>233</sup> While Brazil is not the only country adopting policies to benefit its local industries and to shield its national economy and currency from the effects of the global economic crisis, such policies should not take away from the distance Brazil has come in opening its economy and engaging the world. The Government of Canada can encourage this openness and engagement by continuing to reach out to Brazil and exchanging ideas about how to promote national growth without resorting to insular measures.

Other witnesses informed the Committee that, because of a normative ruling published by Brazilian tax authorities in 2000 on how income earned by a non-resident country is treated, Canadian businesses in Brazil are subjected to double taxation.<sup>234</sup> The matter warrants attention in discussions between Canada and Brazil in the context of a possible update of their 1985 double taxation treaty.

---

<sup>226</sup> Haslam, 40:3, Issue no. 12, p. 51; Daudelin, 40:3, Issue no. 13, p. 20.

<sup>227</sup> EDC, 40:3, Issue no. 14, pp. 5-8, 14-17; CME, 40:3, Issue no. 16, p. 13.

<sup>228</sup> EDC, 40:3, Issue no. 14, pp. 8, 15; SNC-Lavalin, 41:1, Issue no. 2, p. 30.

<sup>229</sup> EDC, 40:3, Issue no. 14, pp. 5-7, 15-17; HB Global Advisors, 41:1, Issue no. 3, p. 68; CME, 40:3, Issue no. 16, pp. 10, 13.

<sup>230</sup> EDC, 40:3, Issue no. 14, pp. 7, 8, 14, 15, 17; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, pp. 63, 76; CME, 40:3, Issue no. 16, p. 12; BCCC, 41:1, Issue no. 2, p. 11; HB Global Advisors, 41:1, Issue no. 3, p. 67.

<sup>231</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 25; Roundtable with Independent Analysts, Brasilia, Brazil, 28 November 2011.

<sup>232</sup> EDC, 40:3, Issue no. 14, pp. 5, 17; McCoy Global, 41:1, Issue no. 2, p. 36; Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011.

<sup>233</sup> Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Faust, Sao Paulo, Brazil, 1 December 2011; Wood, 41:1, Issue no. 1, pp. 46, 52; BCCC, 41:1, Issue no. 2, pp. 10-11; Sao Paulo State Government, Sao Paulo, Brazil, 30 November 2011; Fausto, Sao Paulo, Brazil, 1 December 2011; Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011.

<sup>234</sup> BCCC, 41:1, Issue no. 2, pp. 6, 16; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011.

## Canada-Brazil CEO Forum

The Committee believes that the Canada-Brazil CEO Forum launched in August 2011 offers another tool by which the challenges for Canadian entrepreneurs of doing business in Brazil can be mitigated.<sup>235</sup> In this respect, in its engagement of policy discussions about how to increase trade and investment, the CEO Forum offers a vital opportunity to build bridges between the Brazilian and Canadian business communities, improve awareness, share market intelligence, and increase the likelihood of successful engagement.<sup>236</sup> As one witness noted, the CEO Forum “is a good indication from the Brazilians that they have an interest to use this as a means to improve relations, identify problems and look for solutions to those issues.”<sup>237</sup>

The CEO Forum also offers an important vehicle in ensuring that government initiatives are responsive to the interests and priorities of the private sector. As the Committee heard from one witness: “There is a government movement behind this, of course, but we are also responding to a high degree of interest from the Canadian private sector.”<sup>238</sup> According to one witness from the business community:

The CEO Forum is critical because it will really bring in when the rubber hits the road. It will be exactly the companies that need to influence both governments on what needs to be done to allow for better cooperation, investment and trade between the two countries.<sup>239</sup>

As the CEO Forum is in its early stages of activity, the Committee will be monitoring its progress, and will be assessing its effectiveness in collecting input from the business communities in both countries and having that feedback incorporated into government action and policy. The Committee is especially keen to see the CEO Forum play a central role in the exploratory talks on options to strengthen commercial ties between Canada and MERCOSUL.<sup>240</sup> Its input and direct involvement should also be sought with respect to the implementation of agreements and frameworks Canada has concluded with Brazil, whether infrastructure, science and technology, education or others.

---

<sup>235</sup> Hester, 40:3, Issue no. 15, p. 76; FAIT, 40:3, Issue no. 12, p. 10.

<sup>236</sup> Roundtable with Canadian businesses, Rio de Janeiro, 2 December 2011.

<sup>237</sup> BCCC, 41:1, Issue no. 2, p. 15.

<sup>238</sup> FAIT, 40:3, Issue no. 12, p. 20.

<sup>239</sup> BCCC, 41:1, Issue no. 2, p. 15.

<sup>240</sup> CME, 40:3, Issue no. 16, pp. 15, 16; CME 41:1, Issue no. 2, p. 32; FOCAL, 40:3, Issue no. 3, p. 45; SNC-Lavalin, 41:1, Issue no. 2, pp. 26, 34; HB Global Advisors, 41:1, Issue no. 3, p. 69, Roundtable with Canadian businesses, Rio de Janeiro, Brazil, 2 December 2011.

## D. ENGAGING BRAZIL'S FEDERAL STRUCTURE

While Brazil's federal structure and the strong role that certain states play in its political and commercial activities, as well as in fiscal and customs matters,<sup>241</sup> can complicate efforts at deepening engagement, the Committee believes that it can enable opportunities for enhancing relations between the two countries.<sup>242</sup>

In other words, Canada-Brazil relations would benefit from a more focused political and commercial engagement with state governments. The potential long-term impact on Canada-Brazil relations of broadening the scope of contacts in this way is particularly significant given that Brazilian federal and state authorities often have close ties with the country's key industrial leaders.<sup>243</sup> The involvement of multiple levels of government and corporate authorities in the various infrastructure projects (i.e. federal, state, municipal, the Municipal Olympic Enterprise, the Brazil Olympic Organising Committee) emphasises the importance of engaging with all stakeholders rather than with the federal government alone. The influential role played by Canadian provinces and Brazilian states in international trade also lends them to being included in any discussions involving the two countries on options to enhance commercial relations, including the Canada-MERCOSUL talks.

Although not directly related to Brazil's federal structure, the high profile role that municipalities play in influencing the country's commercial and political activities reinforces the notion that all levels of government need to be engaged.

Mindful of the commercial allure of Sao Paulo and Rio de Janeiro, opportunities exist beyond these political and economic powerhouses. Consistent with these opportunities, the Government of Canada is moving in the right direction by expanding its trade representation into the cities of Porto Alegre in Rio Grande do Sul state, Belo Horizonte in Minas Gerais state, and Recife in Pernambuco state.

---

<sup>241</sup> FAIT 40:3, Issue no. 12, p. 19; North-South Institute, 40:3, Issue no. 13, p. 37; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; SNC-Lavalin, 41:1, Issue no. 2, pp. 26, 30; CME, 40:3, Issue no. 16, pp. 9, 10; STEP, 40:3, Issue no. 16, pp. 7, 17; EDC, 40:3, Issue no. 13, p. 12; LED Roadway Lighting, Ltd., 41:1, Issue no. 3, p. 63; BCCC, 41:1, Issue no. 2, pp. 7, 8, 10; Council of the Americas/Americas Society, 40:3, Issue no. 16, p. 48; Sotero, 40:3, Issue no. 16, p. 48; McCoy Global, 41:1, Issue no. 2, p. 27; CME, (written submission), p. 3; Canada-Brazil Chamber of Commerce, Sao Paulo, Brazil, 30 November 2011; Roundtable with Canadian Businesses, Rio de Janeiro, 2 December 2011.

<sup>242</sup> SNC-Lavalin, 41:1, Issue no. 2, p. 34; EDC, 40:3, Issue no. 14, p. 19.

<sup>243</sup> Hester, 40:3, Issue no. 15, p. 63.

## VI. CONCLUSIONS

A new era of Canada-Brazil relations based on equality and mutual respect is unfolding. To accelerate its development and to sustain the momentum of recent initiatives, strategic partnerships that match Canadian expertise with Brazilian priorities in education, science and technology, infrastructure, investment and trade, and regional and global affairs are imperative. As one witness noted, “If we look to a special kind of strategy that draws on the best that Canada has and makes Canada the most attractive to Brazil, we can hit the winning combinations.”<sup>244</sup> In this way, Canada will have defined its space in the new Brazil.

If this new era in Canada-Brazil relations is to have meaning and consequence, it is important to ensure that Canada’s policies are systematic and sustained. In other words, the Committee is convinced that a consistent and focused policy towards Brazil has value. It further believes that the government risks missing this window of opportunity if engagement is sporadic, disconnected from a cohesive plan that links the key initiatives and components of government policy together, and omits a follow-up strategy. The government needs to ensure that, across the relevant federal government departments, Canada’s policies towards Brazil align and duly account for Brazil’s emergence as a global power. The financial and human resources in Canadian federal offices across departments as well as at Canadian diplomatic missions in Brazil that support these policies should be updated accordingly.

An important dimension of the “whole of government” approach to Canada-Brazil relations is the role played by each country’s parliament.<sup>245</sup> Canadian and Brazilian parliamentarians are invaluable resources for reinforcing the political will necessary to implement the agenda set at the government level. Parliaments serve an important function in holding governments to account, ensuring continuity of their policies, and in assuring that agreements and initiatives are not left to lapse because another issue or country has become “fashionable.” The strong ties between Brazilian industry leaders and parliamentarians reinforce the importance of strengthening these intra-parliamentary linkages in the Canada-Brazil relationship. Through regular engagement and exchanges, parliamentarians can help manage potentially contentious issues, build the necessary consensus for overcoming difficulties, and broaden mutual understanding in cases where agreements require legislative ratification.

Canadian parliamentarians can perform a key role in signalling that Canada is taking its relations with Brazil seriously. The overwhelmingly positive response from Brazilian interlocutors to the Committee’s fact-finding mission attests to this.<sup>246</sup> Although Brazil and Canada already

---

<sup>244</sup> HB Global Advisors, 41:1, Issue no. 3, p. 69.

<sup>245</sup> Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 15.

<sup>246</sup> Roundtable with Canadian Businesses, Rio de Janeiro, Brazil, 2 December 2011; Collor, Brasilia, Brazil, 29 November 2011; Undersecretary General for Political Affairs, Brasilia, Brazil, 28 November 2011; Secretary General for External Relations, Brasilia, Brazil, 28 November 2011.

cooperate through ParlAmericas (formerly the Inter-Parliamentary Forum of the Americas), bilateral relations would benefit from greater inter-parliamentary interaction.<sup>247</sup>

Unmistakably, an appreciation of a “New Brazil” and a “New Canada” is at the heart of intensifying these strategic partnerships. That today’s Brazil, with its influence, achievements and aspirations, has emerged politically, economically and socially needs to be better understood. Moreover, as the Ambassador of Brazil to Canada noted, “[M]uch still has to be done to improve Canada’s standing before the Brazilian public.”<sup>248</sup> In this respect, that Canada is neither the country that garnered negative publicity in Brazil over past commercial rivalries nor an extension of the United States – a country that Brazil has at times regarded with suspicion -- needs to be reinforced. At the same time, in recognition of a changing world, Canada’s commercial activities have evolved and will continue to do so, resulting in the development of many areas of expertise and, ultimately, opportunities for partnership with Brazil.

As Canada takes steps toward a more robust relationship with Brazil, our appreciation of the other’s realities will deepen and the opportunities they promise across political, commercial, security and development spheres will multiply. These steps will enable Canada to make its own space amidst the crowded landscape of countries competing for Brazil’s attention and to stand as a valued partner with one of the most influential countries in the world.

Many Canadian and Brazilian interlocutors with whom we met during our hearings in Ottawa and our fact-finding mission to Brazil were enthusiastic about the future in Canada–Brazil relations. Its potential will be all the more achievable as synergies between the priorities and expertise of the two countries take hold and as both countries exercise the necessary goodwill to apply the resources and effort to see each other differently.

While this report focused on Canada-Brazil relations, its conclusions about systematic, sustained, cohesive policies apply equally to Canada’s relations with all of the BRIC countries. Following our multi-year study of the BRICs, it bears repeating that their influence and dominance of global dynamics, and the range of opportunities emerging from greater engagement with them, means that they are ignored at the peril of Canadian diplomatic interests and economic prosperity. At the same time, Canada should not choose among them - for that matter, among any of the emerging countries - but rather should be open to all possibilities and develop policies catering specifically to the opportunities that each offers individually. Moreover, not all opportunities need to be pursued at once. In order to maximise their reward, Canadian policies need to be strategic and based on synergies that match Canadian expertise with the priorities of each of the four countries.

---

<sup>247</sup> Collor, Brasilia, Brazil, 29 November 2011.

<sup>248</sup> Ambassador of Brazil to Canada, 41:1, Issue no. 5, p. 10.

Once committed, the effort to implement Canada's policies needs to be sustained. What impediments exist are less obstacles as they are challenges that demand perseverance and persistence. As such, Canada will be ready to take advantage of further opportunities that will arise as the landscape of these countries and indeed the world changes. In the process, disagreements and difficulties between Canada and these countries might occur, but we need to always agree that a deeper engagement will be to our mutual benefit. While Canada has much to offer, Brazil and the other emerging countries have many suitors. It is up to Canada to promote itself and define its space with each of them.

This report concentrated on the role that the Government of Canada can play in intensifying Canada-Brazil relations. However, this relationship exists on multiple levels, between businesses as well as people-to-people links, i.e. youth, students, tourists, families, and artists. Enhanced engagement at all levels will pay dividends for the Canada-Brazil relationship long into the future, and should be encouraged. The Governor General's education mission, the "Science without Borders" program, and the Canada-Brazil CEO Forum are exemplary in this respect; beyond the immediate scholastic and commercial benefits, initiatives such as these will go a long way to enhance mutual understanding and bring together the future leaders of our two countries.

In this context, Canada-Brazil relations are on track to enter a new era. A more intense engagement holds many promises for the prosperity of both populations, for strengthening mutual understanding, and for a partnership that is long, long overdue.



## VII. A FINAL WORD

The Standing Senate Committee on Foreign Affairs and International Trade has now concluded four studies on the BRIC (Brazil, Russia, India and China) countries. The studies focus on these countries' emerging or changed status, including their internal dynamics, their international trade and political orientations, and their collective actions. Our concentration was to judge and improve our understanding of these trends and actions, in order to assess their impact on Canadian foreign policy.

The Committee concluded that **consistent political engagement** is critical to ensure Canada is prepared to maximize opportunities for strategic alliances on trade and political initiatives as they arise. By establishing itself as a trusted country whose track record of engagement earns us a stake in the conversation, Canada can be pro-active, rather than re-active, in its relations with BRIC countries.

The Committee's assessment of the Canada-Brazil relationship in particular underlines how outdated assessments in these relations often need to be overcome in order to understand present-day possibilities. Constant people-to-people contact is fundamental in building and maintaining a shared appreciation of our countries' investment in our future.

*Senator Raynell Andreychuk  
Chair of the Committee*



## APPENDIX A -- SELECTED LIST OF AGREEMENTS AND FRAMEWORKS BETWEEN CANADA AND BRAZIL<sup>249</sup>

### Political, Defence and Development

1. **Bilateral Political Consultations:** annual meeting at the level of deputy minister.
2. \*\*\*<sup>250</sup> **Strategic Partnership Dialogue** (August 2011): The foreign ministers of Canada and Brazil will meet yearly to discuss key regional and global issues. It is expected that the foreign minister of Brazil will visit Canada during the first half of 2012 as part of that agreement.
3. **Political-Military Talks.**
4. \*\*\* **Brazil-Canada Cooperation on Defence** (August 2011): a legal framework being negotiated.
5. \*\*\* **Memorandum of Understanding on International Development Cooperation Effectiveness** (August 2011): envisages a development policy dialogue and eventual collaboration between the two countries on joint initiatives in third countries.

### Commercial and Economic

6. **Joint Economic and Trade Council** (1995, 2009).
7. \*\*\* **Exploratory talks between MERCOSUL and Canada** (June 2011): to allow both sides to gather elements needed to assess how best to enhance their trading relationship.
8. \*\*\* **Brazil-Canada CEO Forum** (August 2011): mechanism for the private sector to contribute to increasing trade and investment between the two countries.
9. \*\*\* **Memorandum of Understanding on Cooperation in the Field of Governance and Legacy for the Organisation of Olympic and Paralympic Games** (August 2011): framework for sharing best practices from Canada's Vancouver-Whistler experience while fostering infrastructure opportunities in the context of Brazil's preparations to host the Olympic and Paralympic events.
10. \*\*\* **Air Transport Agreement** (August 2011, updates 1990 agreement): open skies agreement that will facilitate flights to and from each country, thereby promoting trade, tourism and educational exchanges.

### Agriculture

11. **Consultative Committee on Agriculture.**

---

<sup>249</sup> FAIT, 41:1, Issue no. 12, pp. 32-33.

<sup>250</sup> \*\*\* Agreements and announcements made during the Prime Minister's visit to Brazil, August 2011.

12. **Memorandum of Understanding on Scientific and Technical Cooperation in Agriculture** (2009).
13. \*\*\* Confirmation of interest (August 2011): to continue collaboration in the areas of **agricultural policy, research, sanitary and phytosanitary measures and the agri-environment** and to work towards the removal of barriers to **bilateral trade in agricultural products**.

## Mining and Energy

14. **Memorandum of Understanding on Sustainable Development in Minerals and Metals** (2009).
15. \*\*\* **Energy dialogue** (August 2011): to enhance bilateral dialogue and collaboration on energy issues.

## Science and Technology, Space and Education

16. The **Framework Agreement for Cooperation on Science, Technology and Innovation** (into force in April 2010): promotes cooperation between Canadian and Brazilian partners from industry, academia and government to collaborate on joint research and development projects, conferences and exchanges, and to lead to the commercialisation of ideas. Particular subject areas include: ocean technology, life sciences, information and communications technology, clean energy, green technologies and nanotechnology.
17. The **Canada Brazil Joint Committee for Cooperation on Science, Technology and Innovation** (met for the first time in June 2011): provides strategic direction to the implementation of the above-noted 2010 Framework Agreement.
18. Brazil's participation in Canada's **International Science and Technology Partnership Program** (established in 2005): has resulted in "new and collaborative research and development projects with Brazil, notably in the areas of satellite technology, biodegradable plastics, and wavelength converter technology for electrical power."
19. The **2010 Memorandum of Understanding on Scientific Cooperation and Academic Mobility**: complements the Framework Agreement with the purpose of encouraging innovation between the two countries and supporting joint research projects.
20. \*\*\* Agreement on the development of a **Science and Technology Action Plan** by the Joint Committee for Cooperation on Science, Technology and Innovation (August 2011): focusing on the research, development and commercialisation of joint projects in biotechnology and life sciences, ocean technology, information and communications technology, clean energy, green technologies and nanotechnology.
21. \*\*\* Expression of support for the organisation of the '**Brazil-Canada 3.0 Conference**' in 2012 (August 2011): gathering government officials, researchers and private-sector representatives related to the information and communications technology sector.
22. \*\*\* Affirmation of desire to initiate a **Space Cooperation Dialogue** (August 2011).
23. \*\*\* Agreement to explore possible avenues for **cooperation in the use of outer space** for peaceful purposes (August 2011).

24. \*\*\* Recommendation to **enhance the links between educational institutions** from Canada and Brazil (August 2011).
25. \*\*\* Agreement to work on an **education Action Plan** to streamline and enhance bilateral education cooperation, and encourage contributions by the private sector (August 2011).
26. \*\*\* Announcement that funding for the **2005 International Science and Technology Partnership Program** was renewed, with \$5 million in funding over five years being allocated for projects in Brazil (August 2011).
27. \*\*\* Announcement that 11 scholarships had been granted under the first-ever “**Canada-Brazil Awards: Joint Research Projects**” scholarship program as part of the 2010 Memorandum of Understanding for Scientific Cooperation and Academic Mobility (August 2011).
28. \*\*\* The Governor General will lead a delegation of Canadian university presidents to the second **Conference of the Americas on International Education** to be held in Rio de Janeiro, Brazil in April 2012.



## APPENDIX B – WITNESSES – 40.3

<b>Meeting Date</b>	<b>Agency and Spokesperson</b>
November 24, 2010	<b>Foreign Affairs and International Trade</b> Jon Allen, Assistant Deputy Minister, Americas; Neil Reeder, Director General, Latin America and the Carribbean; David Plunkett, Chief Trade Negotiator Bilateral and Regional Relations.
November 25, 2010	<b>As an individual</b> Paul Alexander Haslam, Associate Professor, School of International Development and Global Studies, University of Ottawa.
December 1, 2010	<b>As an Individual</b> Jean Daudelin, Assistant Professor, The Norman Paterson School of International Affairs, Carleton University.
December 2, 2010	<b>FOCAL: Canadian Foundation for the Americas</b> Carlo Dade, Executive Director; <b>The North-South Institute</b> Pablo Heidrich, Senior Researcher – Trade and Development.
December 9, 2010	<b>Export Development Canada</b> Todd Winterhalt, Vice President of International Business Development.  <b>As an Individual</b> Cristina Rojas, Professor, International Affairs, Norman Paterson School of International Affairs, Carleton University.
February 3, 2011	<b>Canadian Federation of Agriculture</b> Ron Bonnett, President.  <b>Canadian Forestry Association and Canadian Institute of Forestry</b> John F. Pineau, Executive Director, Canadian

Institute of Forestry.

- February 9, 2011 **International Development Research Centre (IDRC)**  
Federico Burone, Regional Director, Latin America (by videoconference);
- Agriculture and Agri-Food Canada**  
Blair Coomber, Director General, Bilateral Relations and Technical Trade Policy Directorate;
- Canadian Food Inspection Agency**  
Dr. Louise Carrière, Bilateral Relations and Market Access.
- February 10, 2011 **As an Individual**  
Annette Hester, Research Associate, Canadian International Council.
- February 16, 2011 **Canadian Manufacturers & Exporters**  
Jean-Michel Laurin, Vice President, Global Business Policy.
- Saskatchewan Trade and Export Partnership**  
Lionel LaBelle, President and CEO.
- February 17, 2011 **Council of the Americas/Americas Society**  
Eric Farnsworth, Vice President;
- Woodrow Wilson Center**  
Paulo Sotero, Director, Brazil Institute, Latin America Program;
- Leslie Bethell, Senior Scholar, Brazil Institute, Latin American Program.
- March 3, 2011 **Canadian Tourism Commission**  
Michele McKenzie, President and CEO (by videoconference).
- March 9, 2011 **As an Individual**  
W.E. (Ted) Hewitt, Vice President, (Research and International Relations), University of Western Ontario.

## APPENDIX C – WITNESSES – 41.1

<b>Meeting Date</b>	<b>Agency and Spokesperson</b>
September 28, 2011	<b>Foreign Affairs and International Trade:</b> Neil Reeder, Director General, Latin America and the Carribean Bureau; Susan Harper, Director General, Trade Controls and Technical Barriers Bureau;  <b>As an individual:</b> John P. Bell, Director, Goldcorp Inc.
September 29, 2011	<b>Economist Intelligence Unit:</b> Robert Wood, Senior Editor/Economist;  <b>Queen’s University :</b> Douglas Bland, Former Chair, Defence Management Studies.
October 5, 2011	<b>Brazil-Canada Chamber of Commerce:</b> Eric Bonnor, Chairman; Eduardo Klurfan, Vice-Chair.
October 6, 2011	<b>SNC Lavalin International:</b> Elias G. Ray, Senior Vice President, Latin America;  <b>Transport Canada :</b> Kristine Burr, Assistant Deputy Minsiter, Policy; Marc Rioux, Director, International Air Policy.  <b>McCoy Global :</b> Jim Rakievich, President and CEO;  <b>Canadian Manufacturers &amp; Exporters:</b> Jean-Michel Laurin, Vice President, Global Business Policy.
October 19, 2011	<b>Canada Border Service Agency:</b> Geoff Leckey, Director General, Intelligence and Targeting; Peter Hill, Director General, Post-Border Programs;  <b>Citizenship and Immigration Canada:</b>

David Manicom, Director General,  
Immigration Branch;

October 19, 2011 Sharon Chomyn, Director General,  
International Region;

**Association of Canadian Community  
College:**  
Marie-Josée Fortin, Director, International  
Partnerships.

**Association of Universities and Colleges  
Canada:**  
Paul Davidson, President and CEO.

October 20, 2011 **Canadian Commercial Corporation (CCC):**  
Martin Zablocki, Executive Vice President,  
Chief Operations Officer and Chief Financial  
Officer;  
Joanne Lostracco, Manager, Strategic Policy  
and Government Relations;  
Alexander Jeglic, Legal Counsel.

**Bombardier Inc. :**  
George Haynal, Vice President, International  
and Government Affairs;

**HB Global Advisors Corp.:**  
Michael Woods, Partner,  
Elie Ducharme, Articling student.

**LED Roadway Lighting Ltd :**  
Charles Cartmill, President.

October 26, 2011 **As individuals:**  
Dr. F. W. Orde Morton (by videoconference);  
Joao Augusto de Castro de Neves, Independent  
Political Consultant, Brazil Politics;

**Department of National Defence:**  
Ms Jill Sinclair, Assistant Deputy Minister,  
Policy;

**Canadian International Development  
Agency:**  
Tobias Nussbaum, Director General, Strategic

Policy and Performance Branch;  
Hélène Giroux, Director General, Human  
Development Directorate (PWCB).

November 2, 2011

**Embassy of Brazil:**

His Excellency Piragibe Dos Santos Tarragô,  
Ambassador;  
Paulo Roberto Amora Alvarenga, Minister-  
Counsellor of the Embassy.



## APPENDIX D – TRIP TO BRASILIA, SAO PAULO AND RIO DE JANEIRO

NAME	TITLE AND COMPANY
Mr. Thiago de Aragao	<b>Arko Advice</b> Political Analyst and Partner
Mr. Caio Leonardo Bessa Rodrigues	<b>Mattos Muriel Kestener Advogados</b> Lawyer
Mr. Marcelo Rafael Rech	<b>InfoRel</b> Editor
Ambassador Vera Lucia Barrouin Crivano Machado	<b>Brazilian Foreign Ministry</b> Undersecretary General for Political Affairs I (North America, Europe and Multilateral Affairs)
Minister Carlos Henrique Moojen de Abreu de Silva	<b>Brazilian Foreign Ministry</b> Director General for Canada-US Relations
Counsellor Joao Paulo Ortega Terra	<b>Brazilian Foreign Ministry</b> Director for Canada-US Relations
Mr. Thomas A. Shannon	<b>US Embassy</b> US Ambassador to Brazil
Mr. Wilfrid Grolig	<b>German Embassy</b> German Ambassador To Brazil
Mr. Alejandro de la Pena	<b>Mexican Embassy</b> Mexican Ambassador to Brazil
Mr. Svend Roed Nielsen	<b>Danish Embassy</b> Danish Ambassador to Brazil
Ms Turid B. Rodrigues Eusébio	<b>Norwegian Embassy</b> Norwegian Ambassador to Brazil
Mr. Bruno Saraiva	<b>Central Bank</b> Head of the International Affairs Division

Mr. Alexandre Comin	<b>Ministry of Development, Industry and International Trade</b> Director of Industrial Competitiveness
Dr. Joanisval Brito Gonçalves	<b>Senate of Brazil</b> Senior Advisor
Ambassador Ruy Nogueira	<b>Brazilian Foreign Ministry</b> Secretary-General for External Relations
Dr. Ronaldo Mota	<b>Ministry of Science, Technology and Innovation (MCTI)</b> Secretary
Dr. Marcio de Castro Silva Filho	<b>CAPES</b> Director of International Relations
Mr. Joao José de Nora Souto	<b>Ministry of Mines and Energy</b> Deputy Secretary for Oil, Natural Gas and Renewable Fuels
Mr. Edson Farias Mello	<b>Ministry of Mines and Energy</b> Director of Department of Sustainable Development in Mining
Dr. Damares Monte	<b>EMBRAPA</b> Researcher, International Cooperation Secretariat
Mr. Benedito do Rosa do Espirito Santo	<b>Ministry of Agriculture</b> Director, Trade Department, Agribusiness International Relations
Senator Fernando Alfonso Collor de Mello	<b>Senate of Brazil</b> President of the Commission on External Affairs and Defence
Senator Eduardo Suplicy	<b>Senate of Brazil</b>
Deputy Carlos Eduardo VieiraCunha	<b>Brazilian House of Representatives</b> President of Canada Group
Senator Jarbras de Andrade Vasconcelos	<b>Senate of Brazil</b>

Senator Valdir Raupp de Matos	<b>Senate of Brazil</b>
Ms Rene Zicman	<b>Pontificia Universidade Catolica de Sao Paulo</b> International Relations Advisor
Cintia Bragato	<b>Serviço Nacional de Aprendizagem Comercial (SENAC)</b> Director
Ms Heyd Mas	<b>Mackenzie University</b> Coordinator of Agreements and Programs
Laura Ancona	<b>Paulita University (UNIP)</b> Director of International Relations
Mr. Leandro Tessler	<b>University of Campinas (UNICAMP)</b> Director of International Relations
Mr. José Meireles	<b>Anhembi Morumbi University</b> Director of International Relations
Mr. Giancarlo Takegawa	<b>Air Canada</b> Director General
Mr. James Mohr-Bell	<b>CCBC</b> Executive Director
Mr. Frederico Burone	<b>International Development Research Centre (IDRC)</b> Director General
Mr. Antonio Conde	<b>CCBC</b> Vice President
Mr. Sergio Fausto	<b>Fernando Henrique Cardoso Institute</b> Executive Director

Mr. Hans Schaeffer	<b>Investe Sao Paulo</b> Director of International Relations
Mr. Wilson Roberto Soares	<b>Investe Sao Paulo</b> General Manager of Institutional and International Relations Area
Mr. Rodrigo Tavares	<b>Government of State of Sao Paulo</b> Special Assistant to the Governor on International Affairs
Mr. Newton de Melo	<b>Derex</b> Deputy Director
Sister Monique Bourget	<b>Santa Marcelina Hospital</b>
Sister Natalina Cerchiaro	<b>Casa Sao Jose</b>
Mr. Erlei Guimaraes	<b>Research in Motion (RIM)</b> Director Distribution and Strategic Accounts
Mr. Andre Guyvarch	<b>Bombardier</b> President
Mr. Ronaldo Ramos	<b>Rio Tinto Alcan</b> Director of Finances and Corporate Services
Mr. Paulo Franklin	<b>Embraer</b> Head of Business Collaboration and Strategy
Ms Ester D. B. Nunes	<b>Câmara de Comércio Brasil-Canda (CCBC)</b> Senior Vice President

Mr. Luis Ildefonso Simoes Lopes	<b>Brookfield</b> Senior Managing Partner and CEO
Mr. Viktor Nigri Moszkowicz	<b>Vale S.A.</b> Investor Relations Department
Mr. Julio Cesar Moreira	<b>Gran Tierra Energy Inc.</b> President
Mr. Matias Spektor	<b>Getulio Vargas Foundation (FGV)</b> Coordinator, Centre of Studies for International Relations
Mr. Bernardo Carvalho	<b>Municipal Olympic Enterprise (Rio Cidade Olimpica)</b> Director of Communication
Mr. Carlos Mariani Bittencourt	<b>FIRJAN</b> Vice President
Mr Jamal Khohar	<b>Embassy of Canada to Brazil</b> Canadian Ambassador to Brazil
Abina M. Dann	<b>Consulate General of Canada in Sao Paulo</b> Consul General
Mr. Sanjeev Chodhury	<b>Consulate General of Canada in Rio de Janeiro</b> Consul General