



## Inclusive economic growth through internationalisation and trade efficiency

The Brazil Trade Facilitation programme is promoting inclusive and sustainable economic growth in Brazil through the internationalisation of the country's micro, small and medium enterprises and the reduction of trade costs through increased port efficiency. This is a three-year initiative supported by the British government and implemented by Palladium.

To achieve its goals the programme will deliver two world-class digital solutions:

- The Global Trade Hub will connect micro, small and medium enterprises with services that will help them access global markets on one comprehensive online platform.
- The Port Community System will connect all public and private sector stakeholders involved in the running of Brazil's key seaports, reducing export border crossing time by one day and import crossing time by two days – a savings equivalent to between GBP 860,000 and GBP 3.37 million per year.



Photo by Pat Whelen



## Helping small businesses expand and grow their export markets

Brazilian micro, small and medium enterprises (MSMEs) represent only 3.3% of the country's exports. Key challenges facing MSMEs that want to enter or expand their businesses abroad are a lack of awareness of export opportunities, insufficient exporting know-how, and insufficient capacity to meet the demand and requirements of international markets. Although there are several services available to support MSMEs in their exporting journey, the services are not comprehensively organised or do not cover all the steps in the journey.

The Brazil Trade Facilitation programme will address these challenges by delivering a digital one-stop-shop for MSMEs, the Global Trade Hub. Companies accessing the hub will receive tailor-made action plans for reaching foreign markets and will have easy access to the trade services necessary to implement them – services ranging from 'how to export' training to a logistic service that can reduce MSMEs' delivery costs and time.

The programme will deliver the Global Trade Hub by:

- Developing and implementing the digital platform.
- Designing and piloting new trade services to be integrated in the platform.
- Establishing a governance structure to manage the platform.

### Key Results from Year One:

- The programme organised an online matchmaking event that brought together 340 Brazilian MSMEs and 130 international buyers from 53 countries, including the UK. This resulted in immediate sales of GBP 20.6 million.
- More than 400 Brazilian MSMEs participated in the pilots the programme implemented, and 80% of these companies overcame a critical constraint to exporting.
- The Global Trade Hub prototype was defined and the programme began development of the platform.

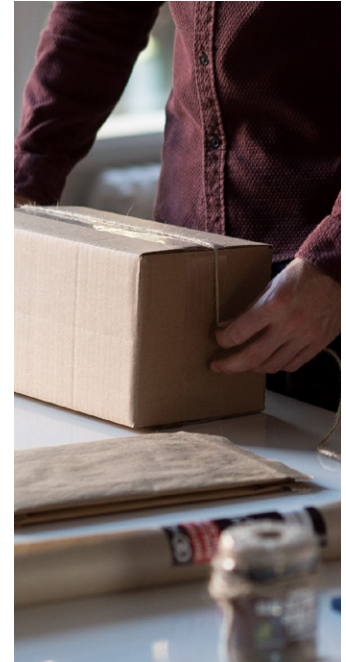


Photo by Bench Accounting

***“The initiative financed by the British Government through the Prosperity Fund is fundamental to enable greater access for Brazilian companies to international trade.”***

**Leonardo Lahud**

Deputy Secretary of Foreign Trade



## Increasing port efficiency and boosting trade

Ninety-one per cent of all Brazilian exports move through seaports. However, delays at the ports are a significant cost to trade, felt particularly by small businesses.

The Brazil Trade Facilitation programme will deliver a digital platform to increase port efficiency. This Port Community System will integrate all existing systems that public and private stakeholders use to manage the running of the ports. It will also provide specific applications suited to needs of each port, such as real-time mapping of dangerous cargo or reducing the time it takes to get vessels in and out of the ports.



The programme will deliver the Port Community System by:

- Developing and implementing the digital platform in Santos, Latin America's largest seaport.
- Mapping and streamlining port-related processes in four leading seaports — Itajaí, Rio de Janeiro, Santos and Suape.
- Establishing a governance structure to manage the platform in Santos.

### Key Results from Year One:

- The programme successfully engaged Brazilian government authorities in committing to port modernisation plans, which are now embedded in the Ministry of Economy's trade facilitation plan for 2021-2022.
- The programme scrutinised over 3400 activities related to operations in the four leading seaports, assessing where efficiency gains could be made to reduce the cost of cross-border trade. In collaboration with hundreds of actors, the programme designed streamlined processes that will reduce the number of activities to 2200, reducing bureaucracy by 34%.



## Promoting gender equality and inclusive economic growth

Gender discrimination and social exclusion of disadvantaged groups – whether based on race, disability, geography, or else - continue to be real and serious challenges in Brazil. The Brazil Trade Facilitation programme will help promote equality and social inclusion by embedding gender equality and social inclusion objectives in all its initiatives and undertaking specific actions to actively tackle bottlenecks faced by women and disadvantaged groups.

Helping women, Afro-Brazilians and the marginalised enter global markets will not only reduce inequalities but also promote economic development more broadly once these groups begin to participate, contribute to, and benefit from economic growth. This is particularly true once key players in the economy - including from the ports community - begin to recognise the value of these groups' contributions and once it is possible for them to gain a fairer share of the benefits of growth.



The programme's support has given female entrepreneurs the skills and confidence to bring their businesses to foreign markets. Sheila Makeda's company, Makeda Cosméticos, is preparing to launch its virtual store and sell products and cosmetics training to Colombia in 2021. (Photo by Makeda Cosméticos)

### Key Results from Year One:

- The programme supported 120 women-led and owned MSMEs to help them move their businesses online and trade internationally. 61% of the participating companies reported improving their online sales as a result, and 75% reported overcoming critical constraints to online exports.
- 48% of participants in the matchmaking event were women-owned MSMEs, and all learning content produced by the Inter-American Development Bank was created with gender and social inclusion in mind.
- A session on gender and social inclusion was run with more than 300 stakeholders from the four port communities and the Brazilian federal government.

