



# The Sports Goods Export Promotion Country Report on Brazil



BRAZIL— COUNTRY IN SOUTH AMERICA

October, 2019

## ABOUT THE COUNTRY



**Capital: Brasilia**  
**largest city: Sao Paulo**  
**Population 208 million**  
**Area 8.55m sq km (3.3m sq miles)**  
**Major language Portuguese**  
**Major religion Christianity**  
**Currency -Brazilian real (BRL)**  
**Exchange rate as on October 2019**  
**1 USD = 4.15 BRL, 1 BRL = 17.20 INR**

Brazil is South America's most influential country, a rising economic power and one of the world's biggest democracies. Federative Republic of Brazil is the largest country in both South America and Latin America. At 8.5 million square kilometers (3.2 million square miles) and with over 208 million people, Brazil is the world's fifth-largest country by area and the fifth most populous.

Its capital is Brasília, and its most populated city is São Paulo. The federation is composed of the union of the 26 states, the Federal District, and the 5,570 municipalities. It is the largest country to have Portuguese as an official language and the only one in the Americas. It is also one of the most multicultural and ethnically diverse nations, due to over a century of mass immigration from around the world.

Bounded by the Atlantic Ocean on the east, Brazil has a coastline of 7,491 kilometers. It borders all other South American countries except Ecuador and Chile and covers 47.3% of the continent's land area. Its Amazon River basin includes a vast tropical forest, home to diverse wildlife, a variety of ecological systems, and extensive natural resources spanning numerous protected habitats. This unique environmental heritage makes Brazil one of 17 megadiverse countries.

## **Popular Sports in Brazil**

It is not very hard to state that football – or soccer, is the most popular sport in Brazil. However, other modalities are gaining ground and supporters. There is a popular saying in Brazil that every kid dream of becoming a professional football player. This might not be entirely true, but

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## Popular Sports in Brazil (Contd)

preferences. Soccer is a national passion, but nowadays, for many people, it is not the only one. Other sports are becoming more and more popular for different reasons. There is no doubt that the ease of watching anything nowadays is a major factor, especially since broadcasters are now airing international competitions of diverse modalities, and due to live streaming services.

Since it is not possible to quantify precisely the number of practitioners of each sport, the list below will introduce the ones that are more commonly watched as well.

Football is Brazil's favorite sport, period. According to FIFA (Fédération Internationale de Football Association), there are 13.2 million football players in Brazil, not considering those who practice it merely for fun. Brazil is known as the country of some of the most talented players in the world, and is the only national team which has won five FIFA World Cup titles. Volleyball- No other sport can match Football's popularity, but Volleyball is probably the one that gets closer. Swimming- It is not hard to understand why Swimming is popular in a country that has a coast with more than 7,000 km. It might be important to highlight that saying you do not know how to swim may seem a bit strange to some Brazilians. Athletics- Athletics is not one single sport, but a group of them, which helps make this popular. But different modalities related to Running and Jumping are encouraged by teachers in many public schools, even though competitors complain about the lack of investment on the professional competitors by the government.

Both Futsal and Beach Soccer - known as Futebol de Areia - are variations from the country's most popular sport, and were created in Brazil. The first one refers to indoor football, where each team has only five players and the court is smaller than a regular pitch. It is very popular among young students, since it is easier to find an indoor court than a football pitch available. The second one is the football version played in a sand pitch. The abundance of beaches also explains the popularity of this sport. Judo-Even though Judo is not so hyped nowadays as other similar sports in Brazil, it is considered the most practiced martial art in the country. The 2006 Atlas do Esporte Brasileiro states that more than 2 million people practicing Judo, which was originally invented in Japan. Kids and youngsters are responsible for a big share in the number of practitioners. Surfing - Brazil has several beaches suitable for it, and it is one of the most popular extreme sports in the country. It is hard to not find a surfer while you are visiting a Brazilian beach. Variations of this sport - like Bodyboarding and Standup Paddle - are also popular. Skateboarding - Like in any other country, Skateboarding is practiced mainly by young people, although there are some older supporters as well.

## Trade with Brazil

Brazil is one of the most important trading partners of India in the entire LAC (Latin America and Caribbean) region. India-Brazil bilateral trade has increased substantially in the last two decades. In last decade, the bilateral trade registered handsome annual growth every year, and reached to a peak of US\$11.4bn in 2014 making India the 8th largest trading partner.

Due to economic recession of Brazil started in 2015, and the global drop in commodity prices affected Brazil's overall global trade. Consequently, the negative impact was felt in the bilateral trade as well; it came down to US\$7.9 bn in 2015 and US\$5.64 bn in 2015. However, with recovery in Brazilian economy in year 2017, the bilateral trade rose back to US\$7.6 bn, with a handsome 34.71% growth, the highest among the top 10 trading partners of Brazil. During 2017, India's exports to Brazil were US\$2.94 bn and India's imports from Brazil were US\$4.66 bn with India having a trade deficit of USD 1.7 Billion; and India rose to 10th position from 11th position in year 2016. The balance of trade has generally been in favour of India, except 2009, 2012 and 2016 when it was slightly in favour Brazil. Diesel imports from India, which used to form 40-50% of the export basket, has seen a continuous slump since 2014. It further declined in both volume and value terms in year 2017 when India exported 76 million kg worth USD 43 Million (1.46% share) as against 465 Million kg worth USD 169 Million in the last year, resulting in a humongous decline of -74.67% in dollar terms y-o-y. This resulted in slipping to 8th spot as top exporters of diesel oil to Brazil from 2nd position in year 2016. The main items of export from India to Brazil are diesel, organic chemicals and pharmaceutical products, man-made filaments, nuclear reactors, boilers, machinery and mechanical appliances, textile products (synthetic filaments/fibres, cotton, apparels, accessories etc.). Main items of Brazilian exports to India were Petroleum products, mainly crude oil, cane sugar, copper ore, soya oil and gold.

Import of Toys and Sports Goods (9503, 9504, 9506, 9507) in Brazil from world and India's position is shown in below tables:

#### 9503 wheeled toys; dolls; puzzles of all kinds

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018
	World	2,27,422	2,51,959	2,88,319
1	China	1,85,715	2,05,394	2,42,242
2	Viet Nam	8,034	9,005	10,986
3	Mexico	11,455	8,299	9,888
4	Indonesia	5,562	8,223	7,087
5	Malaysia	4,785	6,940	4,304
6	Hong Kong, China	3,161	3,261	2,770
7	Paraguay	1,592	2,087	2,712
8	India	312	604	1,436
9	Canada	1,000	1,146	955
10	United States of America	814	1,406	878

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## 9504 Video game consoles, table or parlour games, bowling alley equip.

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018
	World	22,762	52,417	58,973
1	China	20,923	48,576	55,945
2	USA	465	2,148	823
3	Hong Kong, China	560	421	523
4	Germany	110	169	272
5	South Korea	28	68	247
6	Portugal	136	201	241
7	Japan	121	146	172
8	Poland	11	16	97
9	Israel	13	24	89
10	United Kingdom	50	174	61
24	India	17	18	1

## 9506 All kinds of sports equipment

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018
	World	94,066	1,31,669	1,38,847
1	China	58,398	86,700	93,444
2	USA	5,936	6,359	8,382
3	Hungary	2,505	3,128	6,219
4	Pakistan	3,062	3,990	3,958
5	Viet Nam	1,650	2,192	3,346
6	Italy	3,997	3,861	2,776
7	Thailand	1,812	2,438	2,323
8	Hong Kong, China	743	2,418	2,315
9	Slovakia	2,258	3,242	931
10	Indonesia	530	505	791
13	India	279	530	397

## 9507 Fishing rods, fish-hooks etc, hunting or shooting requisites

Rank	Exporters	Imported value in 2016	Imported value in 2017	Imported value in 2018
	World	8,267	10,176	11,573
1	China	5,526	6,800	8,110
2	South Korea	621	917	1,192
3	Malaysia	714	511	540
4	Paraguay	279	517	536
5	Japan	411	485	381
6	Hong Kong, China	182	258	203
7	USA	182	188	166
8	Viet Nam	54	74	105
9	Estonia	29	120	79
10	France	47	75	68
29	India	0	0	0

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## Preferred sports brands in Brazil

### **NIKE**

Nike enjoyed a very favourable year, sponsoring the French football team (FIFA World Cup winner), the Croatian team (the other finalist) and the third-placed Belgian team. The brand also sponsored the official ball and had several advertising boards within the stadiums.

### **ADIDAS**

Nevertheless, adidas do Brasil remained the leading company in sportswear in value terms in 2018. This is because it has more than one brand in the country, with adidas, adidas Kids and Reebok.

### **CCM**

Designed and made in its own factory located in Brazil, CCM is one of the largest activewear brands dominating the Brazilian market today, with an ever-growing international presence.

### **LAUF**

his relatively young brand, created in 2010, knows how to make a name for themselves, and by getting in on the athleisure trend, they're doing just that. Known for not compromising fashion for function, LAUF allows its wearers to revel in both, and their ad campaigns show it. Taking a sharp turn away from the traditional sportswear shoots, the high-end editorial images featured on their Instagram share a story that assures viewers they've landed someplace leaps and bounds away from their average gym.

### **NU BODY**

The baby of this bunch, newcomers Nu Body are here to represent 2016 with a look indicative of today's style: the highly refined throwback. Brazilian designer Andre Lima and lingerie line Hope come together to form this budding brand, bringing bodysuits, leggings, top and jackets to make for an easy integration to any wardrobe, using killer colors and tight cut lines.

## Supermarkets In Brazil

According to the research done in 2014 made by the Brazilian Supermarket Association (Abras), the supermarket sector revenue was BRL 258.7 billion. About 65% of the total amount went to the ten largest supermarket chains in Brazil.

### **Companhia Brasileira de Distribuição**

Grupo Pão de Açúcar was founded in 1948 by Valentim dos Santos Diniz. The company is currently controlled by the French Grupo Casino, one of the world's leader in the food retail business. Brands by Grupo Pão de Açúcar

### **Carrefour Comércio e Indústria Ltda.**

The French group came to Brazil in 1975, bringing the concept of hypermarkets to the country. Carrefour had at some point more than 500 stores, but downsized their operations significantly over the past few years. Brands by Carrefour

Carrefour, Carrefour Selection, Viver, Carrefour Kids, Carrefour Baby, Carrefour Discount and Tex.

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### **Wal-Mart Brasil Ltda.**

This US giant came to Brazil in 1995. The group operates in 18 Brazilian states in the Northeast, Southeast, South and Central-Western regions.

### **Brands by Wal-Mart**

Sentir Bem, Bom Preço, Great Value, Equate, Ekonomico, Top Chef, Member's Mark, Bakers&Chefs, Confiare, Select Edition, Simply Basic, George, 725, Athletic Works, Supertech, Ozark and Pro Works.

### **Cencosud Brasil Comercial Ltda.**

Cencosud is originally from Chile and expanded to Brazil through acquisition of several Brazilian supermarket chains. In Brazil since 2007, the company has been showing an aggressive growth strategy throughout South America.

### **Companhia Zaffari Comércio e Indústria**

Zaffari is a Brazilian group that was founded in 1935, in the state of Rio Grande do Sul. The business remains under the command of its founders, the Zaffari family.

## Trade Agreement with India

Brazil and India are part of MERCOSUR Trade Agreement. MERCOSUR is a trading bloc in Latin America comprising Brazil, Argentina, Uruguay and Paraguay. MERCOSUR was formed in 1991 with the objective of facilitating the free movement of goods, services, capital and people among the four member countries.

A Framework Agreement had been signed between India and MERCOSUR on 17th June 2003 at Asuncion, Paraguay. The aim of this Framework Agreement was to create conditions and mechanisms for negotiations in the first stage, by granting reciprocal tariff preferences and in the second stage, to negotiate a free trade area between the two parties in conformity with the rules of the World Trade Organization.

As a follow up to the Framework Agreement, a Preferential Trade Agreement (PTA) was signed in New Delhi on January 25, 2004 between MERCOSUR and India to promote the expansion of trade by granting reciprocal fixed tariff preferences with the ultimate objective of creating a free trade area between the parties.

The India-MERCOSUR PTA provides for five Annexes. These have been signed between the two sides on March 19, 2005, upon the conclusion of G-20 Meeting in New Delhi. The major products covered in Indian offer list are meat and meat products, organic & inorganic chemicals, dyes & pigments, raw hides and skins, leather articles, wool, cotton yarn, glass and glassware, articles of iron and steel, machinery items, electrical machinery and equipment, optical, photographic & cinematographic apparatus.

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The major product groups covered in the offer list of MERCOSUR are food preparations, organic chemicals, pharmaceuticals, essential oils, plastics & articles, rubber and rubber products, tools and implements, machinery items, electrical machinery and equipment.

India - MERCOSUR PTA came into effect from 1<sup>st</sup> June 2009.

For detailed MERCOSUR PTA please visit <https://www.indiantradeportal.in/vs.jsp?lang=1&id=0,1,63,75>

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