# Brazil in Africa: Ambitions and Achievements of an Emerging Regional Power in the Political and Economic Sector

### Gerhard Seibert

### Instituto Universitário de Lisboa (ISCTE-IUL) Centro de Estudos Africanos (CEA)

### Introduction

Thanks to Brazil's geographic and demographic size and steady economic growth in recent years, the country has succeeded in consolidating its position as an emerging middle power in the international political system. The strengthening of south-south cooperation in general and the renewal of relations with Africa in particular are integral parts of Brazil's political ambitions in a new global context. President Lula da Silva's (2003-2010) many visits to African countries and the significant increase in the number of Brazilian embassies in Africa reflect the importance of the continent as part of Brazil's new global foreign policies. The considerable growth in trade with African countries over the last decade is another proof of increasing Brazilian interest in Africa. This paper examines the development of relations between Brazil and Africa at political and diplomatic, commercial and development cooperation level in the last decade.

### History of Brazil's Africa Policy

The beginning of Brazil's relations with Africa goes back to the colonial period under the Portuguese when the first African slaves were deported to Brazil in 1538.<sup>1</sup> Until the mid-19<sup>th</sup> century hundreds of thousands of Africans were shipped to Brazil as slaves. Furthermore, until independence in 1822, Brazil maintained contacts with the Portuguese African colonies on various levels the through common colonial power Portugal. After Brazil's independence, the end of the slave trade (1850) and the beginning of European colonialism in the late 19<sup>th</sup> century trade relations were limited to South Africa, which accounted for 90 per cent of Brazil's trade with Africa.<sup>2</sup>

After World War II, close ties with Portugal, the former colonial power, resulted in support of the Salazar regime (1926-1974) by Brazilian governments. This changed in 1961 when Brazilian foreign policy advocated self-determination for the colonized peoples as part of the country's so-called independent external policy (1961-1964). After the establishment of Brazil's military regime in 1964, however, initially there was renewed support for the Portuguese regime that categorically rejected decolonization, since Portugal officially considered its colonies to be

<sup>&</sup>lt;sup>1</sup> Visentini 2009.

<sup>&</sup>lt;sup>2</sup> Visentini/Pereira n.d.

overseas provinces (since 1951). Brazil was the only developing country that voted against the resolutions on Portugal's colonial policy in the United Nations General Assembly In 1972 foreign minister Mário Gibson Barboza made a trip to Zaire (now the DRC) and eight West African countries to increase bilateral trade and cooperation. However, at the same time the Brazilian government supported Portugal's colonial policy. In November 1973 Brazil was one of seven countries, which voted against the UN Resolution that recognized Guinea-Bissau's unilateral declaration of independence of September that year. Shortly afterwards the 1973 oil crisis encouraged the Brazilian government to change its Africa policy to prevent a potential oil boycott that threatened domestic economic growth.<sup>3</sup> In the late 1960s and early 1970s Brazil achieved an average annual growth of 10 per cent in seven consecutive years.<sup>4</sup> It was the potential threat to Brazil's economic growth, the demand for raw materials and the search for new export markets that prompted the military regime to undertake new initiatives in Africa as part of the so-called policy of responsible ecumenical pragmatism. Following the Portuguese Revolution on 25 April 1974 Brazil's military regime pursued closer ties with the Portuguese colonies in Africa. To demonstrate its new African policy, in July 1974 Brazil recognized the independence of Guinea-Bissau, before it was recognized by Portugal in August 1974. In November 1975 Brazil became the first country to recognize the leftwing MPLA-regime in Angola. In this period, Brazil appeared in Africa as another developing country and a member of the G77, a group of developing countries established in 1964. Subsequently, foreign trade with Africa increased and large Brazilian companies began their engagement there. General João Figueiredo (1979-1985), the last military ruler, was the first Brazilian president to make a state visit to Africa when he paid official visits to the five Portuguese-speaking countries in 1983.<sup>5</sup>

Since then recent domestic and global political events such as the end of the military dictatorship in 1985, the fall of the Berlin Wall in 1989, the country's foreign debt crisis and low economic growth have influenced Brazil's relations with Africa. In the 1980s and 1990s Brazil's average annual growth was only 2.2 per cent and 1.8 per cent respectively.<sup>6</sup>

The first civil government after the end of the military dictatorship under President José Sarney (1985-1990) did not significantly change the military regime's foreign policy options, though it still launched some new initiatives. On a proposal by Brazil and with the support of African countries, in 1986 the United Nations General Assembly introduced the South Atlantic Peace and Cooperation Zone (ZOPACAS) to promote regional peace, security and cooperation and prevent the proliferation of nuclear weapons in the South Atlantic. The United States voted against the resolution. In addition to Argentina, Brazil and Uruguay, 21 coastal

<sup>&</sup>lt;sup>3</sup> Selcher 1976:34-35.

<sup>&</sup>lt;sup>4</sup> White 2002:227.

<sup>&</sup>lt;sup>5</sup> Visentini 2009, White 2010:222.

<sup>&</sup>lt;sup>6</sup> Ribeiro 2010:65.

African countries belong to ZOPACAS. Between 1988 and 1998 ZOPACAS ministerial meetings took place every two years. Thereafter the organization led a shadowy existence.

At a summit in the Brazilian city of São Luís de Maranhão in 1989, the heads of state of Brazil, Portugal and the five official Portuguese-speaking African countries (PALOP) decided to establish a community of the seven Portuguese-speaking countries modelled on the example of the Commonwealth. Brazil and the PALOP share a common past of Portuguese colonization and, consequently, the six countries speak the same official language. However, during the Sarney government Africa policy was not considered a priority.<sup>7</sup> Besides, the foreign debt problem, a legacy of the military regime, conditioned the country's foreign policy. Consequently, foreign policy initiatives in Africa remained largely restricted to Nigeria, an important oil supplier, and the PALOP. With the exception of São Tomé, at the time Brazil maintained embassies in all Portuguese-speaking African countries.<sup>8</sup> In the short period from 1985 to 1990 the share of Africa in Brazilian exports declined from 7.9 per cent to 3.2 per cent and imports from 13.2 per cent to 2.8 per cent.<sup>9</sup> Africa's share in Brazil's foreign trade dropped back to the levels of the 1950s and 1960s. Due to its own economic problems Brazil was no longer able to grant import credits to African countries, while many of them were also hit by economic crises in the 1980s. With the exception of a few large companies, such as the oil company Petrobras and the construction company Norberto Odebrecht, Brazilian companies showed little interest in investing in Africa.

During the 1990s Brazil gradually replaced its image as another developing country by that of a potential developed country.<sup>10</sup> The foreign policy of Fernando Collor de Mello's government (1990-1992) focused primarily on close relations with the United States and the European Community, as well as its South American neighbours. In 1991 Mercosul, the South American economic community, was created by Brazil, Argentina, Paraguay and Uruguay. During this period political and economic relations with Africa were not considered as important. Africa did not play any role in Brazil's public opinion either. The foreign policy of Itamar Franco's government (1992-1995) also focused predominantly on the consolidation of Mercosul and on approaching other regional powers such as China, Russia and India. Between 1992 and 1996 Brazilian exports to Africa stagnated at about \$1.5 billion, less than in 1985. Of the 34 Brazilian diplomats in Africa in 1983, only 24 remained in their posts in 1993, while the number of diplomats in Europe and North and South America increased in the same period.<sup>11</sup> At the same time, however, Itamar Franco pursued the initiative of setting up a community of Portuguesespeaking countries.

<sup>&</sup>lt;sup>7</sup> Ribeiro 2008:41.

<sup>&</sup>lt;sup>8</sup> Ribeiro 2008:57.

<sup>&</sup>lt;sup>9</sup> Ribeiro 2008:52.

<sup>&</sup>lt;sup>10</sup> Barbosa e tal. 2009:63.

<sup>&</sup>lt;sup>11</sup> Ribeiro 2007.

The government of Fernando Henrique Cardoso (1995-2002) also gave priority to foreign relations with the United States, Europe and South American neighbours. Africa policy remained largely limited to the PALOP, Nigeria and South Africa, which had come back into sight after the end of apartheid. Economic problems resulted in the closure of the Brazilian embassies in Addis Ababa, Dar-as-Salaam, Yaoundé, Kinshasa, Lomé and Lusaka.

Meanwhile the government took the opportunity to act as a mediator in conflicts. Brazil sent 1,200 soldiers on the UN Angola Verification Mission III (UNAVEM III, 1995-1997), the country's largest participation in UN peace missions. In 1994, for the first time Brazilian troops had taken part in UN peace missions in Mozambique.<sup>12</sup> The goal of participation in UN peace missions in Africa was to glean African countries' support for Brazil's claim to a permanent seat on the UN Security Council.

Finally, after years of preparation, Brazil, Portugal, Angola, Mozambique, Guinea-Bissau, Cape Verde and São Tomé and Príncipe founded the Community of Portuguese-speaking Countries (CPLP) in Lisbon in 1996.<sup>13</sup> The dissemination and promotion of Portuguese and the mutual cooperation between member states are the principal goals of the CPLP. Brazil associates its claim for an adequate role in international political organizations with the international improvement of the Portuguese language. In turn, the orthography treaty (Acordo Ortográfico) for the unification and spelling of Portuguese, agreed upon in 1990 and finally also ratified by Portugal in 2008, was also expected to contribute to international recognition of the language. One of the concrete goals is the introduction of Portuguese as an official UN working language. In addition, for Brazilian foreign policy the CPLP constituted a preferential communication channel with the PALOP, particularly Angola and Mozambique, which, in turn, were important mediators for Brazil in Southern Africa. Brazil has maintained close political and economic relations with Angola since its independence in 1975. The Brazilian presence in West Africa has remained fairly modest in comparison with Southern Africa.

Africa policy in the context of global aspirations

President Lula da Silva's presidency (2003-2010) coincided with the first decade of the 21<sup>st</sup> century, which was been marked by three characteristics: a) the emergence of a space for the affirmation of a new polycentrism in response to the unilateralism of President George Bush's strategy and the relative weakening of US power and prestige; b) the expansion of the world economy followed by an acute financial crisis that particularly debilitated developed western countries, resulting in the

<sup>&</sup>lt;sup>12</sup> Ribeiro 2007.

<sup>&</sup>lt;sup>13</sup> After independence in 2002 East-Timor became the eighth member state; associated observers of the CPLP are Equatorial Guinea and Mauritius (since 2006) and Senegal (2008).

replacement of the G7 by the G20 and c) a leadership vacuum in Latin America caused by diversion of attention by the United States and the increasing diversity of political regimes due to radical regimes in Venezuela, Bolivia and Ecuador.<sup>14</sup> Furthermore, since 2000 Brazil has enjoyed sustained economic growth and decreasing social inequality in a context of political stability that was achieved under President Sarney in the mid-1990s.<sup>15</sup> When he came to power in January 2003 Lula da Silva gave Brazilian foreign policy a global dimension to further the country's quest for a greater role in a new world political order. This included South American integration through Mercosul, good relations with its traditional partners the United States, Europe and Japan and the strengthening of relations with South Africa, India, China and Russia, as well as the extension of relations with Central America, the Arab countries and Africa. Invoking 76 million inhabitants of African origins, forty per cent of the total 190-million population, Lula da Silva considered the strengthening of relations with Africa to be Brazil's political, moral and historical obligation. An economic goal of Brazilian foreign policy is the development of new export markets to create employment within the country in order to reduce poverty. More than 25 per cent of Brazil's population lives below the poverty line.

Brazil has favoured a multilateral approach in its involvement in the international arena in search of a greater role in a changing global political order. In 2003, together with India and South Africa, Brazil established the IBSA Dialogue Forum to promote trilateral south-south cooperation among the three regional powers in key areas such as trade, energy, agriculture, science, and culture. The IBSA has established seventeen government-level working groups that regularly exchange know-how and experience in key areas relevant to developing countries. The three regional powers are "multiethnic and multicultural democracies" and share the common ambition of becoming permanent members of a reformed UN Security Council.<sup>16</sup> The IBSA also operates a development fund with a modest annual contribution of \$1 million per member that has undertaken projects in Guinea-Bissau, Cape Verde and Burundi.<sup>17</sup> Since 2008 IBSA has held four summits of heads of state and government of the three countries. Back in 2003, Brazil participated in the creation of the G20 (developing nations) set up at the 5<sup>th</sup> WTO Ministerial Conference in Cancun, Mexico. The G20 includes China, India and South Africa and is a bloc of 24 developing countries that promote the abolition of state subsidies for agriculture and trade protectionism in the framework of a new world trade agreement.

At the first summit of the BRIC (Brazil, Russia, India, China) in June 2009 inYekaterinburg (Russia) the four countries demanded more say for emerging powers in the IMF and the United Nations, as well as a more stable international monetary system.

<sup>&</sup>lt;sup>14</sup> Ricupero 2010:28.

<sup>&</sup>lt;sup>15</sup> White 2010:226.

<sup>&</sup>lt;sup>16</sup> Barbosa et al 2009:66.

<sup>&</sup>lt;sup>17</sup> White 2010:238.

It is expected that the four emerging powers will account for almost half of the world's GDP growth by 2020.<sup>18</sup> The second BRIC summit held in Brasilia in April 2010 supported transformations in global governance on all relevant levels. At the third summit in Hainan, China, in April 2011, South Africa formally joined the grouping and the acronym became BRICS. China has become Brazil's most important foreign investor and trading partner, but is also a major competitor with regard to manufactured goods and resources in Africa.<sup>19</sup>

The driving force behind the Lula da Silva government's expansive Africa policy was also domestic reasons. It addressed the political demands of the Afro-Brazilian emancipation movement (Movimento Negro) and the growing interest of Brazil's public in Africa. Lula da Silva stressed several times that, outside Africa, Brazil was the country with the largest black population and was therefore closely related to Africa. He owed his electoral victory in October 2002 to a considerable extent to the votes of Afro-Brazilians. In early 2003, immediately after Lula took office, the legal introduction of African history and Afro-Brazilian history and culture in Brazilian public and private school curricula was one of his government's first measures (Law 10.639 of 9 January 2003). In turn, this legislation resulted in a considerable expansion of courses on African history at Brazilian universities in order to train the necessary teachers. Affirmative action policies include the promotion of Afro-Brazilian historical heritage such as the *quilombos*, runaway slave communities. Once ignored by local authorities and considered a symbol of negativity, they have become a "cherished national treasure" and a showcase of Lula da Silva's social policies. Furthermore, Brazil maintains ties with traceable communities of former slaves who returned to Africa from Brazil, in Benin, Ghana, Nigeria and Togo.<sup>20</sup> Brazil's historical-cultural affinity with Africa in foreign policy has been considered a moral obligation and a comparative advantage in relations with African countries.

Lula da Silva's twelve official trips to Africa reflect the importance given by his government to relations with the continent as part of Brazil's south-south diplomacy in staking a claim as a global player.<sup>21</sup> His diplomatic engagement with Africa is even more impressive when compared to the attention given to this continent by his predecessors. In his eight years in office, President Cardoso only visited Angola and South Africa, in 1996, while Itamar Franco made no visits to Africa at all. President Sarney paid a single visit to Angola in 1989 and Collor de Mello made a four-country trip to Angola, Zimbabwe, Mozambique and Namibia in 1991.<sup>22</sup> During his first four-

<sup>&</sup>lt;sup>18</sup> Sweig 2010.

<sup>&</sup>lt;sup>19</sup> Sweig 2010.

<sup>&</sup>lt;sup>20</sup> Captain 2010:192-193.

<sup>&</sup>lt;sup>21</sup> In comparison, during his first term Lula da Silva travelled to Europe 17 times visiting nine different countries, while during his second term he made 15 journeys to Europe to visit fourteen different countries.

<sup>&</sup>lt;sup>22</sup> Ribeiro 2010:69.

year term (2003-2006) Lula da Silva travelled to Africa five times and visited seventeen different countries, a few of them twice. The destinations make clear that while Brazil's political and economic interests in Africa go far beyond the PALOP countries and Southern Africa, these countries have still maintained their importance. In November 2003 he visited São Tomé and Príncipe, Angola, Mozambique, Namibia and South Africa. In December that year he paid visits to Egypt and Libya. In July 2004 he went to São Tomé (to attend the CPLP summit), Gabon and Cape Verde. In April 2005 he visited Cameroon, Nigeria, Ghana, Guinea-Bissau and Senegal. In February 2006 he travelled to Algeria, Benin, Botswana and South Africa. In November that year he attended the first Africa-South America summit in Abuja, Nigeria. During his second term (2007-2010) Lula visited the following African countries: Burkina Faso, Congo-Brazzaville, Angola and South Africa (October 2007), Ghana (April 2008; the 12<sup>th</sup> UNCTAD Conference), Mozambique (2008), Libya (July 2009, the 13<sup>th</sup> African Union Summit), Cape Verde (ECOWAS/Brazil Summit), Equatorial Guinea, Kenya, Tanzania, Zambia and South Africa (July 2010), and Mozambique (November 2010).<sup>23</sup> Several bilateral trade and cooperation agreements were signed during these state visits. At the same time, official visits by African heads of state and governments in Brasília have increased accordingly since 2003.

During Lula's first term in office, by reopening representations in Addis Ababa, Dar-Es-Salaam, Yaoundé, Kinshasa, Lomé and Lusaka and opening new ones in São Tomé, Khartoum, Cotonou, Gaborone, Conakry and Malabo, his government increased the number of Brazilian embassies in Africa from 18 to 30.<sup>24</sup> Since 2007 the number has increased to 34. In the same period the number of African ambassadors accredited in Brasília rose from 16 to 25. These numbers reflect a considerable increase in mutual interests. In addition, the Brazilian government has granted debt relief and new credits to several countries.

Besides bilateral relations with African countries, the Brazilian government has also promoted multilateral cooperation between Mercosul and regional organizations in Africa. The first summit of heads of State of Africa and South America (ASA) held in November 2006 in Abuja (Nigeria) was a joint initiative of former presidents Lula da Silva and Obasanjo. A second Africa - South America summit took place in Margarita Island, Venezuela, with the participation of 49 African and 12 South American heads of state. Furthermore, after almost ten years of interruption, during a ministerial meeting in Luanda in 2007 ZOPACAS was revived and the Luanda Action Plan (Plano de Accão de Luanda) was approved to strengthen economic, political, environmental and security cooperation in the South Atlantic. In December 2010 Brasília hosted a ZOPACAS Round Table to revitalize the organization and discuss cooperation possibilities among its members. In April 2009 the Southern African Customs Union (SACU) and Mercosul signed a preferential trade agreement in Lesotho to facilitate trade and investments in both regions. In July 2009 the African Union invited Lula da Silva as guest of honour in recognition of his efforts in strengthening Africa-South America relations at its 13<sup>th</sup> summit in Libya. In July 2010, during the ECOWAS-Brazil summit in Sal (Cape

<sup>&</sup>lt;sup>23</sup> http://www.presidencia.gov.br/info\_historicas/galeria\_pres/Lula2

<sup>&</sup>lt;sup>24</sup> Ribeiro 2007.

Verde), Lula da Silva was honoured for his efforts in bringing Brazil closer to Africa during his eight-year presidency.

Currently six of Brazil's 21 existing cultural centres (*Centros Culturais Brasileiros*), which are attached to the country's local embassies, are based in Africa. The African locations Bissau, Luanda, Maputo, Praia and São Tomé are no surprise, since these centres are expected to disseminate Brazil's language, literature and audiovisual and scenic arts. The sixth cultural centre is based in Pretoria, South Africa. Independent of government cultural policies, since the 1980s Brazilian *telenovelas* (soap operas) have enjoyed increasing popularity in Africa. At the same time, Brazilian Pentecostal churches have expanded on the African continent, particularly the controversial Igreja Universal Reino de Deus (IURD), which has been active in another nineteen African countries in addition to the five PALOP countries.

Since 2003 the number of African students at Brazilian universities has also increased significantly as a result of education agreements with African countries. The government Programa Estudante Convênio de Graduação (PEC-G) provides foreign students with places at Brazilian universities. Angola, Cape Verde, Congo and Guinea-Bissau are the African countries that have sent most students to Brazil. In 2008 the Brazilian government announced for 2010 the establishment of an Africa university called Universidade Federal de Integração Luso-Afrobrasileira (Unilab) in Redenção (Ceará) to contribute more to the academic training of Africans. The location Redenção was chosen because it was the first Brazilian city to abolish slavery, in 1883. Finally Unilab was inaugurated on 25 May 2011. It was designed to accommodate 5,000 students, half of whom would be Africans. Unilab campuses have been planned in other CPLP countries.

Brazilian investments and trade relations

The Brazilian diplomatic visits and local embassies have considered the representation of Brazilian companies' economic interests in Africa to be one of their main tasks. In turn, the majority of Brazilian businessmen contact their country's local diplomatic representations directly to get assistance in doing business in the country. The Brazilian Development Bank (BNDES) has become the main funding agency for projects undertaken by Brazilian companies in Africa. By September 2007 BNDES had approved 29 projects in Africa worth \$742 million.<sup>25</sup> BNDES has granted the Angolan government a \$1.75 billion line of credit to finance Brazilian enterprises' infrastructure and construction projects.<sup>26</sup> Six out of the top twenty Brazilian transnational companies have invested in Africa.<sup>27</sup> These companies operate mostly in a few strategically important sectors (energy, mining, construction, infrastructures). In 2009, Brazil's total investments in Africa exceeded \$10 billion, almost 6.4 per cent of the country's total

<sup>&</sup>lt;sup>25</sup> Babosa et al. 75.

<sup>&</sup>lt;sup>26</sup> White 2010:231.

<sup>&</sup>lt;sup>27</sup> Barbosa et al 2009:82.

direct foreign investment of \$157 billion.<sup>28</sup> Angola hosts more than one hundred Brazilian companies, which is by far the largest number of all African countries.<sup>29</sup> Unlike Chinese companies, which often employ their own workers, Brazilian companies use the local workforce on their projects.<sup>30</sup>

The Brazilian company that has been engaged in Africa the longest is the oil company Petrobras, which has operated in Angola's oil sector since 1979. In 2006 Petrobras signed an agreement on gas and oil exploration and biofuel production of in Mozambique. Furthermore, the company participates in offshore oil production in Tanzania, Nigeria, Equatorial Guinea, Senegal and Libya.<sup>31</sup>

The construction company Norberto Odebrecht currently operates in eight African countries.<sup>32</sup> In 1982 the company started building the Capanda hydroelectric dam in Angola with a planned electricity production capacity of 520 MW. Due to the civil war in Angola construction work was interrupted several times. Meanwhile the Brazilian government has granted Angola additional loans to complete the dam. In addition Odebrecht has been engaged in the construction of roads, housing and industrial plants the extension of the drinking water supply and urbanization projects in Angola. The company has established a sugar cane plantation for the production of ethanol. Odebrecht is the largest private-sector employer in Angola, currently employing 26,000 local people.<sup>33</sup> Odebrecht has performed mining and tunnelling work in South Africa and built a dam in Botswana. In Mozambique the company has been in charge of the infrastructure construction of a coal mine in Moatize (Tete province). The company carried out oil drilling in Gabon and Congo-Brazzaville, repaired a railway line in Liberia and built a container harbour in Djibouti. In the past Odebrecht also received large orders in Cameroon, Mauretania, Ruanda and former Zaire (now the DRC). In 2009, Africa generated income of \$2.42 billion for Odebrecht, about 10 per cent of the company's total earnings.<sup>34</sup>

Another Brazilian construction company, Camargo Corrêa, has been engaged in the construction of roads, schools and hospitals in Angola. In addition the company heads a

<sup>&</sup>lt;sup>28</sup> AfDB 2011:4.

<sup>&</sup>lt;sup>29</sup> White 2010: 224.

<sup>&</sup>lt;sup>30</sup> AfDB:2011:11;

<sup>&</sup>lt;sup>31</sup> www.petrobras.com.br

<sup>&</sup>lt;sup>32</sup> www.obdebrecht.com

<sup>&</sup>lt;sup>33</sup> AfDB 2011:6.

<sup>&</sup>lt;sup>34</sup> AfDB 2011:6.

consortium<sup>35</sup> that has been entrusted with the Mphanda-Nkuma hydroelectric dam on the Zambezi in Mozambique.<sup>36</sup>

Since 2000 the Brazilian bus body manufacturer Marcopolo has operated a production plant in Johannesburg, South Africa. The company exports buses to Angola, Nigeria and other African countries. The company Vale (formerly Companhia Vale do Rio Doce), now the world's second largest mining company, operates in seven African countries.<sup>37</sup> In 2007 Vale and the Mozambican government signed an agreement on coal mining in Moatize. The mining complex, a \$1.3 billion investment, is expected to extract 11 million tons of coal for steel and energy production annually. Vale has involved another twenty Brazilian companies in the construction of the mining complex, which has estimated total coal reserves of 838 million tons. The beginning of coal extraction, expected to create 4,500 jobs, was planned for late 2010. In March 2009 Vale and African Rainbow Minerals (ARM) signed a joint venture agreement on a 50% stake each in the Canadian company Teal Minerals, which operates copper mines in Zambia and the DRC, as well as a gold mine in Namibia.<sup>38</sup> Altogether, Vale has invested about \$2.5 billion in Africa, predominantly in the mining industry.<sup>39</sup>

After the United States, Brazil is the world's second largest producer of ethanol. A study by the Brazilian Foundation Getúlio Vargas has recommended Angola and Mozambique as favourable locations for the production of ethanol and other biofuels in Africa. As a leader in biofuel technology Brazil has shown a keen interest in producing it in African countries. The state-owned Embrapa (Empresa Brasileira de Pesquisa Agropecuária – Brazilian Company for Agricultural and Stock-Raising Research) promotes scientific cooperation, including the transfer of biofuel technology from Brazil to Africa. Embrapa's African office is in Accra, Ghana. In August 2007, eleven of the company's 24 international projects were located in Africa.<sup>40</sup> In late 2010, the Brazilian government announced that it would invest \$300 million in a sugar-cane plantation in Ghana, which was expected to make ethanol the country's fourth largest export after cocoa, gold and timber. Similar biofuel deals worth hundreds of millions of dollars were signed with Mozambique, Angola, Congo-Brazzaville and Nigeria.<sup>41</sup>

Even in the years before Lula da Silva took office, Brazil's trade with Africa increased, but from 2003-2008 it rose sharply (Table 1). From 1999 to 2007 total Brazilian exports

<sup>38</sup> Visentini 2009.

<sup>39</sup> AfDB 2011:5.

<sup>40</sup> Barbosa e tal. 76.

<sup>41</sup> AfDB 2011:4.

<sup>&</sup>lt;sup>35</sup> Including Electricidade de Moçambique (EDM) and the Mozambican company Energia Capital

<sup>&</sup>lt;sup>36</sup> www.camargocorrea.com.br

<sup>&</sup>lt;sup>37</sup> www.vale,com

grew by 345 per cent, while exports to Africa increased by 542 per cent.<sup>42</sup> From 2000 to 2008, Brazilian exports to Africa increased more than sevenfold, while imports from Africa rose fivefold. Due to the international financial crisis in 2009 exports decreased by 14.3 per cent, while imports dropped by 46.3 per cent. In 2008 and 2009 Brazil's trade with Africa reached \$25.93 billion and \$17.16 billion respectively, considerably less than China's, which was \$106.84 billion and \$91 billion respectively. Brazil was also overtaken by India's trade with Africa, which that reached \$32 billion in 2008.<sup>43</sup> In 2008 Africa's share in Brazil's exports and imports accounted for 5.1 per cent and 9.1 per cent, considerably more than the ratio of 2.4 per cent and 5.2 per cent respectively in 2000, but much less than in 1985. In 2009 the share of African imports dropped to 6.6 per cent and in 2010 further to 6.2 per cent. Despite rising exports, the Brazilian trade balance with Africa has remained negative. A large part of the foreign trade is transacted with only five countries: Algeria, Egypt, Nigeria, Angola and South Africa, which together bought almost two thirds of Brazilian exports to Africa and represented 85 per cent of imports in 2010. The largest imports from Africa come from the oil producers Nigeria and Algeria, while Egypt, South Africa and Angola are Africa's biggest consumers of Brazilian imports. From Algeria, Angola and Nigeria Brazil imports almost exclusively oil, which dominates the country's trade with Africa, while South Africa is primarily a supplier of coal and ores. Mineral products, oil and gas account for 80 per cent of Brazilian imports from Africa. In comparison, Brazilian exports to the continent are much more diversified, including agricultural products (sugar, dairy, meat and cereals), vehicles and parts, nuclear reactors and machinery, ores and ash. Within the PALOP group, oil-rich Angola has been by far Brazil's largest trading partner. In November 2010 Apex-Brasil, the Brazilian Agency for the Promotion of Exports and Investments inaugurated in Luanda its eighth business centre abroad and the first in Africa.<sup>44</sup> In comparison, foreign trade with Mozambique, Guinea-Bissau, Cape Verde and São Tomé and Príncipe has been insignificant and largely limited to exports from Brazil. However, together with Angola the four countries are among the main recipients of Brazil's technical cooperation in Africa.

#### Table 1

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Export	1347	1989	2363	2862	4247	5981	7456	8578	10170	8692	9262
Export	1547	1909	2303	2002	4247	5901	7450	0570	10170	0092	9202
Import	2907	3331	2676	3291	6183	6657	8111	11347	15761	8465	11302
Balance	-1560	-1342	-312	-429	-1936	-675	-656	-2769	-5592	+228	-2041

Brazil's trade with Africa in millions of US\$ f.o.b

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

<sup>&</sup>lt;sup>42</sup> Barbosa e tal. 2009:78-79.

<sup>&</sup>lt;sup>43</sup> AfDB 2011:2.

<sup>&</sup>lt;sup>44</sup> Angop, 29-11-2010.

### Table 2

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Export	2.4	3.4	3.9	3.9	4.4	5.0	5.4	5.3	5.1	5.7	4.6
Import	5.2	6.0	5.7	6.8	9.8	9.0	8.9	9.4	9.1	6.6	6.2

### Africa's share in Brazil's foreign trade %

Calculations based on data from the Ministério do Desenvolvimento, Indústria e Comércio Externo

### Table 3

Brazil's trade with Angola in millions of US\$ f.o.b.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Export	106.3	142.0	199.6	235.5	357.2	521.3	837.8	1,218.2	1,974.6	1,333.0	947.1
Import	31.4	174.8	11.6	7.6	3.8	0.1	459.5	946.3	2,236.4	137.7	500.7

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

#### Table 4

Brazil's trade with South Africa in millions of US\$ f.o.b.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Export	302.2	424.1	478.2	734.0	1,037.2	1,371.1	1,462.7	1,757.9	1,754.8	1,259.7	1,310.0
Import	227.8	286.0	181.7	202.2	268.1	341.5	434.9	522.3	722.9	433.2	753.3

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

## Table 5

Brazil's trade with Nigeria in million of US\$ f.o.b.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ext	246.9	416.9	507.6	469.7	505.2	953.2	1,373.6	1,512.4	1,535.6	1,066.5	862.5
Imp	733.6	1,376.2	1,094.6	1,521.7	3,501.0	2,643.0	3,918.3	5,281.1	6,703.3	4,760.6	5,919.7

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

### Table 6

#### Brazil's trade with Algeria in million of US\$ f.o.b.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ext	41.4	44.8	86.9	153.7	348.5	384.3	456.7	501.2	632.5	714.2	838.9
Imp	1,508.5	1,097.8	998.9	1,123.0	1,944.5	2,831.2	1,970.7	2,236.4	2,501.4	1,381.7	2,361.3

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

#### Table 7

Brazil's trade with Egypt in million of US\$ f.o.b.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ext	298.8	424.6	386.1	462.1	623.6	868.2	1,349.5	1,238.4	1,408.6	1,444.0	1,967.5
Imp	35.8	47.0	24.8	34.6	33.5	31.1	37.8	52.8	217.9	87.8	168.8

Source: Ministério do Desenvolvimento, Indústria e Comércio Externo

Brazil's development cooperation

Brazil is simultaneously a developed country and a developing country, a donor and a recipient of development aid. According to OECD data, in 2009, the country received ODA of \$309.24 million.<sup>45</sup> In turn, Brazil provides more than 80 countries with technical and financial aid. According to a survey by the Instituto de Pesquisa Económica Aplicada (IPEA) published in December 2010, from 2005 to 2009 Brazil spent almost 2.9 billion reais (\$1.72 billion) on humanitarian aid, scholarships for foreigners, technical, scientific and technological cooperation and contributions to international organizations. Brazil's modest technical cooperation is the responsibility of Agência Brasileira de Cooperação (ABC), set up in 1987, which reports to the foreign ministry, also known as *Itamaraty*. The ABC budget increased from 15.6 million reais (\$9.6 million) in 2006 to 52.5 million reais (\$32.36 million) in 2010. For 2011 the budget was expected to increase to 92 million reais, but due to government expenditure cuts the annual budget maintained the 2010 amount.<sup>46</sup> In comparison, the Dutch NGO OxfamNovib spent almost €160 million in 2010, <sup>47</sup>more than seven times the ABC budget. The ABC project budget for 2009-2011 was \$70 million, shared

<sup>&</sup>lt;sup>45</sup> http://stats.oecd.org/Index.aspx?DatasetCode=TABLE2A (11-05-3011)

<sup>&</sup>lt;sup>46</sup> Martins 2011.

<sup>&</sup>lt;sup>47</sup> http://www.jaarverslagoxfamnovib.nl/

equally between Africa and South America. Brazilian diplomats claim that its development aid has not been linked to the country's political and commercial interests, but guided by solidarity.<sup>48</sup> Thanks to their common colonial history and official language the PALOP countries are the preferential partners of Brazilian cooperation in Africa. The five countries account for 55 per cent of technical cooperation.

Brazil's development projects are mainly based on concepts that have already been implemented at home. In Angola ABC has been engaged in agriculture, health and education. The professional training centre in Cazenga is the largest Brazilian technical cooperation project in developing countries. Brazilian projects in Cape Verde include literacy courses, water desalination, vocational training and agricultural projects. In Guinea-Bissau cooperation focuses on the health sector (HIV/AIDS), agriculture (rice and cashew production) and support to the national parliament. In Mozambique technical cooperation is aimed at adult education, scholarships, agricultural research and the treatment of HIV/AIDS patients. Furthermore, in 2003 Brazil promised to build a \$6-million plant for the production of antiretroviral medications in Mozambique. In November 2010 President Lula da Silva visited the factory site in Matola, the opening of which had to be postponed several times. Meanwhile, completion is expected for early 2012. In São Tomé and Príncipe ABC projects include agriculture, handicrafts, AIDS prevention, adult literacy, school scholarships and electronic governance.<sup>49</sup> Altogether, Brazil currently runs fifteen projects in the archipelago with a total budget of \$10.4 million, \$3.2 million of which have already been carried out.<sup>50</sup> In addition, ABC has projects in South Africa, Algeria, Benin, Botswana, Burkina Faso, Cameroon, Congo, Gabon, Ghana, Equatorial Guinea, Mali, Morocco, Namibia, Nigeria, Kenya, Senegal, Sierra Leone, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.<sup>51</sup>

#### Conclusions

Brazil's increasing role as an important player in Africa in recent years has not been completely new, since the country had already established a considerable presence there in the 1970s and 1980s. However, politically and historically the context of Brazil's engagement in Africa has changed considerably. While in the 1970s Brazil – a military dictatorship - appeared in Africa as another developing country, now the country – with a democratic regime - presents itself as an emerging regional power claiming a place in the new international order equivalent to its demographic, political and economic weight. Brazil's Africa policy is an integral part of the country's ambitious global foreign policy. Furthermore, this policy has been legitimized by the country's large population of African descent, which in turn has benefitted from affirmative action policies and the promotion of Afro-Brazilian culture.

<sup>&</sup>lt;sup>48</sup> Martins 2011.

<sup>&</sup>lt;sup>49</sup> www.abc.gov.br

<sup>&</sup>lt;sup>50</sup> Martins 2011.

 <sup>&</sup>lt;sup>51</sup> ABC, A Cooperação Técnica do Brasil Para a África.
http://www.abc.gov.br/download/CatalogoABCAfrica2010\_P.pdf (12-05-2011)

In competition with China and India, the other emerging powers in Africa, Brazil can claim its historical-cultural affinity (slave trade, historical ties, Afro-Brazilian culture) with the continent and the significant proportion of Afro-descendants in its population. This historical and cultural proximity that can be assessed as Brazil's comparative advantage should not obscure the fact that in the first instance Brazil's Africa policy is not the least guided by a quest to secure raw materials and export markets for its own economy in order to increase domestic economic growth. Brazil needs sustainable economic growth to create jobs to fight poverty and hunger at home. The main political goal of strengthening relations with African countries is the support of African governments for Brazil's global political ambitions, particularly playing a greater role in international politics and having a permanent seat in the UN Security Council. At the same time, Brazil shares common political interests with Africa, particularly with regard to agricultural subsidies and trade protectionism, which might be favourable for the continent in future world trade negotiations.

The priority given to Africa by Brazil's diplomacy has resulted in an expansion of the country's representations throughout the continent. In addition, Brazil has launched various multilateral initiatives to promote cooperation with African countries. At the same time, investments by large Brazilian companies in Africa and trade with Africa have also increased considerably. However, proportionally, Brazil's trade with Africa has not reached the levels of the mid-1980s. On the contrary, since 2007 Africa's share in Brazil's foreign trade has even decreased. Brazil's trade is still concentrated on a few countries, most of them oil exporters. The ongoing development of Brazil's oil reserves might reduce imports of African oil as soon as the country has built refining capacities for heavy crude from its pre-salt reserves. Yet, the search for new markets and investment opportunities for Brazilian companies is likely to continue and will create new business opportunities in African countries. Part of these investments is the implementation of new technologies for the still controversial production of ethanol and other biofuels in African countries.

Brazil's development cooperation has been dominated by technical cooperation, frequently based on strategies that have already been implemented at home. It remains to be seen which of these experiences are able to produce the expected results in an African environment. Although in recent years the country's technical cooperation in Africa has expanded and increased in value, in terms of Brazil's economic power the cooperation agency's budget has remained rather modest. In addition, more than half of the projects are carried out in the five Portuguese-speaking countries, while the others are dispersed over 23 countries. Brazil has also raised the number of Africans students in the country by providing scholarships and places at local universities. Because of the language, the majority of these students come from the PALOP countries. Recently, the country inaugurated an Africa university, Unilab, which is expected to admit half of its future 5,000 students from Africa. This is certainly an investment in the future to further strengthen Brazil's relationship with African countries.

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