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**FAREWELL
AMBASSADOR SANTOS,
WELCOME TO AMBASSADOR
LIMA
AUSTRALIA AND BRAZIL:
CLOSER BY GEOLOGY,
HISTORY AND
UNITED BY COMMON VALUES**

**BRAZIL'S ELECTION IN THE
GLOBAL CONTEXT**

ABCC 40th Anniversary

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MESSAGE FROM THE ABCC

President's Report for 2017- 2018

There's no doubt that these are tumultuous political times globally, but especially in Australia and Brazil. History would say Australia's economic performance seems little affected by what Prime Minister holds office year to year – although it upsets the party faithful no end when PM's are handed early retirement by their colleagues. In Brazil, after the first positive year of economic growth after 2 years of contraction, the economic future is very much linked to the politics of the recent general election.

Through these politically choppy waters which our members, their companies, and our diplomatic and trade staff have to navigate, the Australia Brazil Chamber of Commerce's raison d'être seems to me to be more important than ever. In such volatile times, in which the best business decisions are needed to ensure survival, the ABCC is a safe harbour in which members can share others' experiences and views before making those difficult business decisions.

The ABCC's primary objective is to connect and support businesses and business people in both countries with what they need so that their businesses end up being stronger and more successful than if they were not members of the ABCC. To achieve this objective, the ABCC needs to be financially stable and lead selflessly by professionals who can both understand and help solve member needs.

I am pleased to say that 2017/2018 was a year of financial stability and growth for the ABCC and most pleasingly a year during which we were able to retain and attract amazing talent to the ABCC Board right across Australia.

High profile events throughout the year including; the September 2017 World Chambers Conference, the 2017 Christmas Party, the farewell reception in October 2017 for 25 university leaders from Brazil visiting Australia under the ABRUEM delegation (Associação Brasileira dos Reitores das Universidades Estaduais e Municipais) and a number of cocktail events and business briefings with our Australian Ambassador to Brazil, His Excellency Ambassador John Richardson, Brazil's Ambassador to Australia, His Excellency Ambassador Manuel Innocencio Santos and Australia's Senior Trade Commissioner to Brazil, Mr Greg Wallis, were all very well attended by members and guests.

The higher profile events were interspersed with our ever-popular Mix@6 in Melbourne, Sydney and Brisbane which continue to prove to be a relaxed way for members and friends to connect in a social environment on a regular basis. Our co-chamber associations and events have also been a really great way to share diversity of views and cultures amongst business colleagues working in other countries and parts of the world.

We continued to publish our popular newsletter, Boletim Brazil, which during the course of the year published high quality self-sourced material on many legal, commercial and political issues to do with doing business between Australia and Brazil. None of the above achievements would be possible without the amazing energy and commitment of my fellow directors. Each of them commits their time and effort to the success of the ABCC totally voluntarily. Without that commitment and their energy, the great things that have been achieved during the last 12 months would not have been anywhere near possible and for that I thank them most sincerely.

Finally, it has been a great honour to serve a third year as ABCC President, I take great satisfaction in the successes achieved this year and very much look forward to working with the ABCC in the years to come as we deliver on our vision of creating Australia's pre-eminent business chamber serving the exciting Latin America market.

The end of 2018 brought with it new diplomatic appointments and the ABCC welcomes His Excellency Ambassador Sérgio Eduardo Moreira Lima who recently commenced his post to Australia and His Excellency Ambassador Timothy Kane who is now based in Brasilia. I'd also like to take this opportunity to acknowledge and thank Ambassador Santos and Ambassador Richardson for their support and commitment during their posts to Australia and Brazil respectively.

Robert Grant

President

Australian Brazil Chamber of Commerce

This is a modified version of the report delivered at the ABCC's AGM on 25 October 2018, by Rob Grant, ABCC President.



Farewell Ambassador Santos

As 2018 drew to a close, so too did Ambassador Manual Innocencio de Lacerda Santos Júnior's post to Australia. The ABCC recently caught up with Ambassador Santos to ask about his Australian experience and what's ahead for the future.

1. When did your Australian post commence and where had you been based prior to coming to Australia?

I arrived in Canberra on January 6th, 2016, and presented my Credentials to the Governor General on February 24th of the same year. I was posted before as Ambassador to São Tomé and Príncipe (2006-2009) and to Indonesia (2009-2011), and as Consul General in Faro, Portugal (2011-2015).

In my diplomatic career, which I started in 1974, I have been posted in Bonn, Prague, Baghdad, Bonn again, and Toronto.

2. What were the highlights of your Australian post?

Among the many important developments for the bilateral relationship during my tenure in Canberra, I would certainly include:
the two visits of the Governor-General to Brazil, in 2016, for the Olympics and the Paralympics in Rio de Janeiro;
the visits of different ministers from both sides, including the visit of the Brazilian Minister for Tourism and the visits of the Australian Ministers for Trade and for Agriculture; and
In 2017, a mission to Brazil from the Australian Parliament.

At a more technical level, I should also mention missions to Australia carried out by experts from our Ministries for Agriculture, to learn more about the Australian legislation on pesticides, and for Health, to exchange experiences in the area of E-health, among others.

I would especially like to highlight the signing of the bilateral agreement on cooperation in the areas of Science, Technology and Innovation, which opens important avenues to strengthen even more the important links we already have in this area.

Finally, I cannot leave without mention the significant increase in the bilateral investment and trade flows. During my time in Canberra, Brazil has become the main Australian trade partner in Latin America.

3. What industry sectors were a particular focus in the bilateral relationship during your time here?

Among others, I would like to underscore the strong focus given to the education sector. Brazil is the eighth country of origin of foreign students in Australia, with more than 30 thousand enrolments per year. I worked hard to ensure that our respective institutions, especially our universities, can work together not only for sending students to each other but also to develop joint research and development projects. The more than 100 agreements already in place between our universities constitute an incredible asset that we need to cultivate.

4. What industry sectors hold particular promise over the coming years for the Australia-Brazil relationship?

It follows naturally from what I said before that the sectors of education, science and technology would continue to be some of the most promising for the continuous deepening of the Brazil-Australia relationship. I believe is also important to build on the initiatives already developed in the fields of agriculture and health, where we have a lot to learn from each other. Equally, the implementation of the MoU on cooperation in the field water management, signed between the agencies of our two countries in the first semester of 2018 holds significant promise.

5. How is the new Bolsonaro government likely to affect the Australia-Brazil relationship?

I am convinced that the new Government will work further towards the full exploration of the enormous potential of cooperation between our two countries. We must not forget that Captain Arthur Phillip spoke Portuguese fluently, having sailed with the Portuguese Royal Navy for many years. Because of his close friendship with the Portuguese Vice-Roy in Rio de Janeiro, in 1788, the officers and crew of the First Fleet were allowed to disembark and mingled with the locals in Rio for a month. When they sailed on, they filled their boats with what they thought was rum, but was actually cachaça, our sugarcane distillate. Australia's founding was toasted with cachaça – that is a VERY strong link...

6. What will you miss about Australia?

Now, that is a very difficult question... Just about everything: the excellent wine, the fantastic food (kangaroo steaks are right up at the top), the informality and keen sense of humour of the Australians, which is very similar to the Brazilian posture towards life, and, last but not least, the great friends I have made there. 7. Where are you moving to next? God knows... I will probably be assuming a position in our Ministry of External Relations, as soon as the new Government has taken office.



VIC Director, Richard Hancock, Previous Ambassador of Brazil Manuel Santos, QLD Director Anna White



Australia and Brazil: closer by geology, history and united by common values

His Excellency Sergio E. Moreira Lima, Ambassador of Brazil in Australia



There was a time when the lands, which became Australia and Brazil, were part of one single continent. Two hundred million years ago, the large continental mass crust broke away and separated them. Even if that geological theory is disputed, the connections between the two giant territories of the South provide a remarkable foundation for understanding and facing our common contemporary challenges in conserving our rich and unique heritage and biodiversity. They are also related to our historic and cultural traditions, as well as to our common values as two of the great multicultural societies and representative democracies in the world.

Historically, the links between Brazil and Australia were enriched by geographical reasons, such as deep ocean movements, maritime surface and wind currents; logistic reasons, the strategic stop for repairs and crucial supplies for English vessels on their voyages to the Southern Pacific region; and political ones, such as the old alliance between Portugal and England and the decision of the former to allow English ships to disembark in Rio de Janeiro, a city within Portuguese overseas territories in the Americas which would become the capital of Brazil.

The book "Rio de Janeiro on the Route to the Southern Seas", by Pedro Menezes (2004), brought to light a relatively unknown Brazilian collection in the Archives of the Australian National Library, produced mostly by English researchers, artists and travellers. It is well documented there that both Captain James Cook, in 1768, in the HMS Endeavour, and Captain Philip, in 1788, in the First Fleet, stopped in Rio de Janeiro on their exploratory mission to Australia. Most fleets that followed did the same and took away with them Brazilian plants, seeds, sugar cane cachaça among other amenities.

This represents an important early historical link between Australia and Brazil. The two continental size countries of the Southern Hemisphere were in a way very early connected to the point that goods and plants from Brazil went to help the settlement and development of Australia. The coast of Brazil was vital to those who travelled to the young colony of New South Wales. Those passages forged connections that would last into the future. They provided a safe harbour, supplies, new sailors and friendship. Recently the Brazilian Embassy in Canberra organized an exhibition on the subject.

The relationship between Brazil and Australia is much older and deeper than one might think. Early in the 20th century, both countries fought for the same fundamental rights and freedoms during the First and the Second World Wars. They were also founding members of the United Nations. As such, they established diplomatic relations in 1945. The first Australian representation in Latin America was inaugurated in Rio de Janeiro in 1946, the same year Brazil opened its legation in Canberra. Together, in the defence of their own national interests, they helped to shape multilateralism and an international order based on principles, values and on rules emanating from the community of nations. As a consequence of a growing multicultural society and a political system founded on a constitutional liberal democracy, both countries contributed to the Bretton Woods system and to the idea of sovereign equality of nations, which constitute the basis for multilateralism. As members of GATT/WTO, Australia and Brazil have worked together to introduce agriculture into the disciplines of the organization. The Cairns Group – aiming at reducing agricultural subsidies and promoting a level playing field in the multilateral trading system - is an expression of such partnership and effort.

The idea of a capital in the centre of Brazil is as old as the country itself. Yet the conception of Brasilia, which was built in the 1950's and founded in 1960, already foreseen in the country's Constitutions, has benefited somewhat in its implementation on the building of Canberra in 1913, and its development during the 20th century. Brazil and Australia are not only large continental masses, but they also represent two of the biggest world economies and are members of the G20, which enhances their responsibilities. Both countries are working together with the international community to address global challenges, such as economic stability, food and energy security, climate change, as well as to promote international cooperation, peace and security. They are key partners in the attainment of the United Nations' sustainable development goals for 2030, as well as in preserving – and adjusting, whenever necessary - the multilateral trading system in order to enhance its functions and effectiveness.

Australia and Brazil: closer by geology, history and united by common values

Sérgio E. Moreira Lima, Ambassador of Brazil

In 2012, during the visit of Prime Minister Julia Gillard to Brazil, the two countries established a strategic partnership, which comprises an agenda of increased bilateral cooperation based on the shared values of democracy, human rights, cultural diversity, importance of trade, multilateralism, environmental protection, defence of international peace and security and promotion of development with social justice.

The main purpose of the two governments is to turn into reality the enormous potential of the bilateral relationship. Brazilians and Australians are beginning to understand that distance should not be a factor in our interaction. São Paulo is much closer to Sydney than to Tokyo or Beijing. Few would argue that geography should be a major influence in Brazil's trade and investments with Japan or with China. Few would doubt that a direct flight from São Paulo or Rio de Janeiro should be established to Sydney and Melbourne. These would be much shorter flights than, for instance, the current London to Perth link. In fact, Brazil and Australia are still to bridge not only the mutual knowledge gap, but also the misperceptions which are the result of decades of old truths and stereotypes.

The flow of Brazilian students to Australian universities in the last decade is an encouraging signal in this regard. Current estimates point to over 20,000 Brazilian students in education institutions in this country. Many of the Brazilians who have migrated to Australia are highly-skilled professionals, educated in some of the best colleges and universities in Brazil. They represent indeed an important foundation for our present and future connections. Many are scientists or IT experts who were brought to fill gaps in the Australian labour market. Some are executives with great international expertise in management of different economic activities. Most have settled in Sydney, Brisbane, Melbourne, Perth, Adelaide and Canberra. Some created or established their own firms here in Australia. They are also lawyers, doctors, professors and representatives of liberal professions. Another positive factor in the bilateral relationship is the increase in the number of Brazilian tourists visiting Australia every year. It is estimated that on a yearly basis 50,000 Brazilians come to visit this country.

Bilateral trade alone does not reflect the size of both countries' economies. It could and should be quadrupled in a short period of time. Trade flows have stayed at the same levels in the last ten years, except for the occasional spikes or plunges. Only 0.2% of the Brazilian exports and 0.62% of the imports came to or from Australia in 2018, which ranks it as the 32nd most important country for Brazilian exports and the 55th for Brazilian imports. Excuses like distance cannot explain this weak performance, since to Singapore, for instance,

Brazilian exports are nine times bigger than to Australia, both being practically equally distant from Brazilian shores. Neither is it accurate to argue that both countries concentrate on mineral and agricultural exports and therefore are competitors rather than partners in trade, since 73% of Brazilian exports to Australia are manufactured products. Brazil could, for instance, export all kinds of airplanes to Australia, it being the third largest producer of commercial aircrafts, which fly all over the world including Australia. As a matter of fact, this year would mark the 40th anniversary of the Brazilian company Embraer's presence in this country. The same would apply to aircraft used in agriculture, executive jets as well as military equipment. Besides the Super-Tucano training aircraft, Brazil will be launching this year its first transport military jet airplane, the KC-390, which could potentially meet the needs of the Australian air-force and also be used for emergency situations as a consequence of natural disasters in the Pacific region.

The new Brazilian government is committed to liberal policies and to improving conditions for the expansion of foreign trade and investments. 2019 will be the third year of economic recovery, after the recession of 2015 and 2016 – the worst in our recorded history. According to the IMF, a GDP growth of 2.5% is expected for Brazil this year. In fact, the expectations and the statistics point to a new cycle of economic expansion. The two countries should attach due priority to policies that would help to boost bilateral trade in goods and services in a sustainable way. Brazil has been focused on Mercosur and its dealings with partners in Latin America and Europe, while Australia has engaged in several free trade agreements and other arrangements with countries around the Indo-Pacific. The time has come for us to work together in this area.

There is ample goodwill between the Brazilian and the Australian governments. However, much work remains to be done. Governments cannot increase trade by themselves, they must be always aware of the needs of the private sector. There is no sense in a free trade agreement if the barriers to trade are not tariffs, but excessive red tape and onerous legislation, for instance. Governments need the input of the private sector to focus the priority of their negotiations, and in this regard the chambers of commerce and business councils play a pivotal role. As Ambassador of Brazil, I intend to carry out the task of negotiating the agreements that will make Australia more attractive to Brazilian exporters and importers and Brazil more appealing to Australian investors. I hope to count on the good work and the advice of the chambers and councils to make sure that rather than pieces of papers, Brazil and Australia will be negotiating the instruments that will enable us to do away, once and for all, with the idea of a tyranny of distance over our economic relations.

Brazil's Election in the Global Context

By Rob Grant, ABCC President

Brazil electing its new president, Jair Bolsonaro, on 28 October 2018 is a variation on a global theme. Although many local factors came to play in his success, the overall result of October's election – the historically low rate of re-election of State Governors (only 9 out of 20), Deputies (50% are first time elected) and Senators (26% re-elected) along with an “outsider” such as Bolsonaro winning is aligned to results being seen throughout many developed economies over the past few years. How Brazil's still-developing economy manage this result is being watched closely by all.

1. The Global Context

The world is going through a mounting tide of authoritarian neoliberalism. This is the outcome of three converging processes:

- the crisis of economies, political systems, and institutions of representation after the global financial crisis that started in 2007;
- the decomposition of neoliberal democracies, and
- the hijacking of mass discontent by the far right.

The diffusion of neoliberalism has eliminated millions of skilled jobs, especially in the advanced capitalist economies, as entire professions either disappeared or were exported to cheaper countries. Around the world, employment opportunities in the public sector have declined because of privatisations and the contraction of state agencies and state-owned enterprises.

Employment stability has declined, and wages, labour relations, and living conditions have deteriorated. Informal workers have suffered severe losses, both directly and through the declining availability of opportunities for stable employment. In turn, formal workers are afraid that their jobs may be exported while, at the same time, they must endure increasingly stressful and precarious work.

Similar pressures are felt by an indebted, anxious and increasingly vulnerable middle class. Around the world, the remnants of previously privileged social strata lament their inability to secure better material circumstances for their offspring. The political counterpart of these economic processes is that, under neoliberalism, workers tend to become increasingly divided, disorganised, and politically impotent. Their political influence has declined almost inexorably.

These transformations have also tended to evacuate the political sphere of participation, representativeness, and legitimacy. Consequently, the “losers” are increasingly unable to resist neoliberalism, or even to conceptualise alternatives. These processes help to explain the worldwide decline of left-wing parties, their supporting organisations, trade unions, and other forms of collective representation.



While this has supported the consolidation of neoliberalism, it has also promoted mass disengagement from conventional politics, created powerful tendencies toward apathy and anomie, and undermined the ideological hegemony and political legitimacy of neoliberalism.

Large social groups are aware of their losses under neoliberalism and, increasingly, distrust the "democratic" institutions that systematically support the reproduction of neoliberalism and bypass their dissatisfactions. These groups are systematically led by right-wing politicians and the mainstream media to blame "the other" for the disasters inflicted by neoliberalism — especially the poor, immigrants, foreign countries, and minority religions.

The paradox of authoritarian neoliberalism is that it promotes the personalisation of politics through "spectacular" (often fleeting) leaders, operating in the absence of intermediary institutions (parties, trade unions, social movements, and, ultimately, the law), and who are strongly committed both to neoliberalism and to the expansion of their own personal power. Interestingly, these leaders promote economic programs that harm their own political base, such as radicalised forms of globalisation and financialisation that increase the power of the neoliberal elite.

2. From Alliance Politics to the Far Right

The political history of Brazil in the last fifteen years can be read in the power struggles between clashing alliances. Between 1999 and 2005, Lula and the PT built an "alliance of losers," an umbrella of groups whose only commonality was the experience of losses under neoliberalism. They included the urban and rural unionised working class, especially skilled manual and office workers, the lower ranks of the civil service, and sectors of the professional middle class; large segments of the informal working class; several prominent members of the business community, especially among the internal bourgeoisie; and right-wing oligarchs, landowners, and local politicians from impoverished regions.

Between 2005 and 2013, Presidents Lula and Dilma Rousseff led an "alliance of winners," made up of those groups that had won the most during the PT administrations. This included the domestic bourgeoisie, most formal-sector workers, and large segments of the informal working class. In contrast with the alliance of losers, the alliance of winners had a narrower top — due to the PT's loss of support from the internationalised bourgeoisie, the mainstream media, and the middle class — attached to a massively larger base, especially among informal workers.

The Rousseff administration recomposed its support base and, between 2013-14, relied on a "progressive alliance" mainly made up of organised formal workers; a large mass of disorganised working poor; and leftist groups organised into parties, social movements, and NGOs.

Once again, the alliance had narrowed at the top and widened at the base. This was sufficient to secure Rousseff's re-election in 2014, but the disorganised support of the poor would prove to be unable to sustain her in power. The following years were marked by the weakening and erosion of the progressive alliance, culminating in the impeachment of the president when her mass support became extremely low. In contrast, the right-wing opposition has clustered around a growing "neoliberal alliance" or an elite-led "alliance of privilege." It includes the internationalised bourgeoisie; the vast majority of the urban middle class; and small and mid-sized entrepreneurs, the mainstream media, and sections of the informal workers — many of them having benefitted greatly during the PT governments, and clustered around conservative evangelical sects.

3. The Rise of Jair Bolsonaro

Five years of political tensions and degradation of democracy lead up to the October 2018 presidential elections. The elections revolved around the confrontation between two political phenomena of great historical significance. On the one hand, the political talent of Lula, who, even from jail, managed to put together an alternative candidate and outsmart his potential competitors in the centre-left, paving the way for Fernando Haddad's exponential growth in opinion polls.

However, Lula's political acumen was unable to stem the tide of a far-right mass movement led by a deputy who emerged far ahead in the first round of the elections.

Despite a none-to-illustrious career, Bolsonaro made enormous gains, both among the business community — desperate for any viable alternative to the PT — and among workers (especially the informal working class), who flocked to Bolsonaro in the millions during the campaign.

Mass support for Bolsonaro was supported by four platforms:

- the fight against corruption (the traditional way in which the Right has gained mass traction in Brazil, for example, in 1954, 1960, 1989, and 2013);
- conservative moralism (pushed by the evangelical churches);
- the claim that "security" can be achieved through state-sponsored heavy handed police and military action; and
- a neoliberal economic discourse centred on slashing the (corrupt) state, that is parasitical upon the "honest" citizens.

Defeating the PT and overthrowing Dilma Rousseff were, then, part of a wider process of shifting Brazil's political centre of gravity upwards (within the social pyramid), and to the right (in terms of the political spectrum). These shifts have created, for the first time in more than half a century, a far-right mass movement with broad penetration in society. This not only drained potential support for the PT candidate, but also led to the implosion of the traditional centre-right parties, which were devastated by Bolsonaro's rise.

4. The Future?

The October 2018 elections in Brazil have provided four specific lessons:

First, the political centre of gravity in Brazil has shifted to the right. From the south to the centre-west, passing through the prosperous southeast, the right-wing electorate has achieved a solid majority. Given the importance of these regions, the Left is electorally hemmed in.

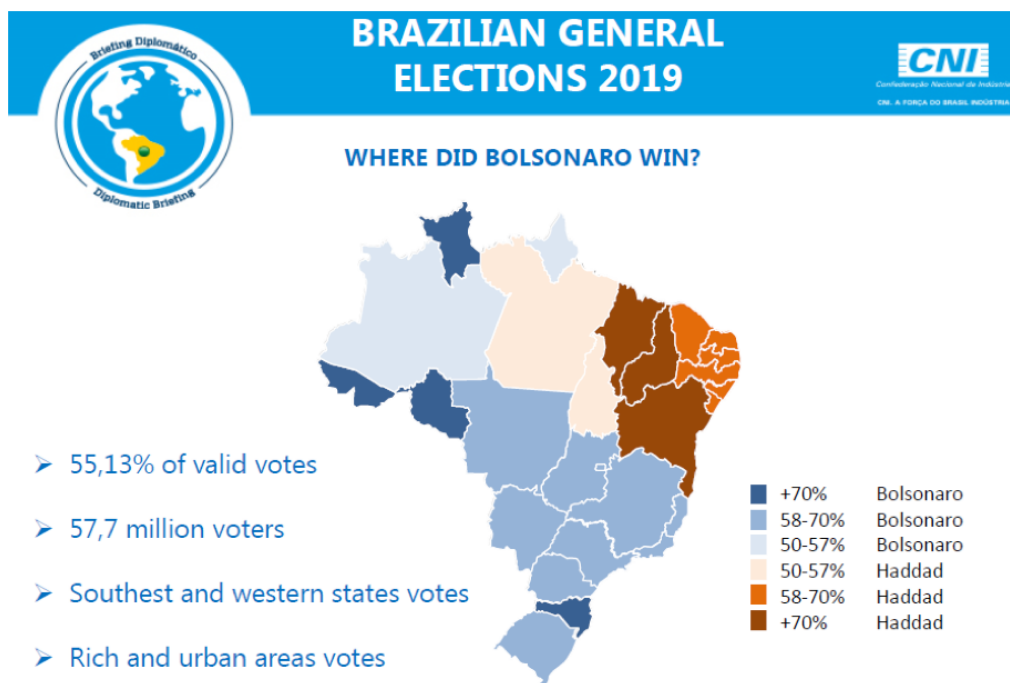
Second, since 2013, Brazilian politics has been defined by a convergence of dissatisfactions that has consolidated a neoliberal alliance around an economic and political program that has the potential to be economically excluding and challenging of Brazil's open model of citizenship.

Third, the Brazilian right is deeply divided. While the Left, in defensive mode, can unite under Lula's shadow, the Right — surprisingly, given its hegemony over the institutions of the state and its ability to overthrow Dilma Rousseff — cannot generate strong leaders, nor unify around its own program of neoliberal reforms. Its traditional political parties are imploding, leaving in power a collective of inexperienced, idiosyncratic, and reactionary politicians.

Fourth, the worst economic contraction in Brazilian history and the most severe political impasse in the past century have profoundly degraded Brazilian democracy.

How global political shifts generally and Brazil's new President specifically, affect the country's two-generation-old democratic experiment will reach a crescendo over Jair Bolsonaro's next 4 years in office. Resolving the conflict between neoliberalism and democracy in developed economies is proving challenging enough (sic. Trump's USA and UK's Brexit) – for Brazil it looks simultaneously like an insurmountable challenge and a generational reform opportunity.

Source: National Confederation of Industry, Diplomatic Briefing, 2018



Reverse Logistic Recycling in Brazil

GABRIELA CIANTELLI AND ANNA WHITE

For many years, raw materials have been transformed into value-added products which are distributed, sold, used and simply put in the bin. In this linear economy, these bins have typically been disposed of in landfills or sent to other countries for disposal, particularly China. However, in February 2017, China announced its National Sword Policy which banned the importation of 24 solid wastes to ensure that China is no longer treated as the "world's bin". This has forced governments, industry and consumers to look for alternatives through a circular economy model which includes reverse logistics whereby solid waste materials are treated as a valuable material available for re-use or recycling.

In Brazil, reverse logistic arrangements are regulated by the Solid Waste Law (Law 12305/2010) which has seen the introduction of take-back systems for the collection of a range of waste products and packaging. Brazil's various take-back systems provide a reference point which have relevance to the further development of waste management options in Australia in the wake of China's National Sword Policy, including through product stewardship arrangements.

The Product Life Cycle and Reverse Logistics in Brazil

The product life cycle involves a number of steps including the development of a product by obtaining raw materials and inputs which go through a production process, and once used/consumed, the product is then sent for final disposal.

Reverse logistics essentially opens up the product life cycle to facilitate the collection and restoration of solid waste by a particular industry sector to enable it to be reused within the product's original life cycle or another production cycle.

In Brazil, the Solid Waste Law imposes mandatory requirements on manufacturers, importers, distributors and sellers to structure and implement reverse logistic take-back systems for wastes including:

- agrochemicals and their packaging;
- batteries;
- tyres;
- lubricant oils, their residues and packaging;
- fluorescent light bulbs, sodium and mercury vapor bulbs and mixed bulbs;
- electronic products and their components.

These take-back systems must be developed and implemented independent of any government solid waste management services. Through a shared responsibility regime, manufacturers, importers, distributors and sellers are required to take all necessary measures to ensure the implementation and operation of a reverse logistic system, including to:

- implement procedures for the purchase of used products or packaging;
- provide waste collection points; and
- work in partnership with cooperatives or other forms of associations of waste collectors.



The arrangements to implement reverse logistic systems are set out in sector specific agreements. Failure to implement those arrangements can impact on a party's ability to secure necessary environmental licenses to operate their business.

In October 2018, the Brazilian Ministry for Environment published Ordinance No. 394/2018 to establish a Guidance Committee for the Implementation of Take-Back Systems. The Committee will prepare a schedule for the implementation of take-back systems where these are not yet in place and will consider if any existing take-back agreements should be reviewed.

Brazilian examples

Examples of reverse logistic take-back systems operating in Brazil include:

- Tyres – With a goal of collecting one scrap tyre for every new tyre sold, scrap tyres have been incorporated as raw material into the production of asphalt in parts of Brazil. For example, part of the Imigrantes Highway in the State of São Paulo, was built from asphalt with crushed tyre which is approximately 30% more durable, more viscous and less abrasive than traditional asphalt and therefore more stable to roll and emits less dust.
- Batteries - Battery collection points are commonly found throughout Brazil including at Assai Supermarkets. Batteries are recycled at a facility called Suzaquim which turns the batteries into material for the manufacture of refractory products.



- **Pharmaceutical products and their packaging** - Many collection points can be found inside pharmacies throughout Brazil where consumers can deposit expired pills and their packaging for return to the manufacturers for appropriate disposal and recycling. In October 2018, the Brazilian Ministry for Environment published Ordinance No. 394/2018 to establish a Guidance Committee for the Implementation of Take-Back Systems. The Committee will prepare a schedule for the implementation of take-back systems where these are not yet in place and will consider if any existing take-back agreements should be reviewed.



- **E-waste** – The increasing use of electronic equipment, their short service life and cheap replacement costs means that the volume of electronic waste produced each year is increasing. Some electronic retailers are now providing collection points for these materials, but there is scope for the recycling of such waste to increase significantly.



Mobile phone electronic inside a store.

Product Stewardship in Australia

The concept of reverse logistics is largely reflected in product stewardship arrangements in Australia. While a legislative framework exists under the Product Stewardship Act 2011 (Cth) for the imposition of mandatory take-back systems, limited mandatory systems are currently in place for waste streams except used oil and television and computer e-waste. This legislation also support co-regulatory systems (such as the Australian Packaging Covenant) and voluntary systems. A number of voluntary systems operate in parts of Australia to varying degrees of success for specific waste streams such as batteries, florescent light bulbs, tyres, paint, beverage containers and pharmaceuticals.

While market-led take-back systems have been favoured in Australia to date for most waste streams, China's ban on waste imports forces Australia to consider whether the shift to a circular economy and the imposition of mandatory systems similar to those found in Brazil may be more appropriate. For example, the tyre stewardship scheme currently in place in Australia is one which may well lend itself best to mandatory regulation to ensure timely participation across the industry and by consumers. The shift to the circular economy depends on clearly established responsibilities across multiple parties in a reverse logistics supply chain and presents further opportunities for industry to innovate to maximize the re-use and recycling of their waste streams.

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Cinco Minutos com.....

DANIEL TEJERA

Capital Planning Manager, Pacific Hydro

1. When and why did you move to Australia?

I moved to Australia in 2008 from Porto Alegre. My wife (Colombian) and I quit our jobs in Brazil and embarked on the challenge of re-starting our lives in Melbourne. We had actually met in Melbourne 5 years earlier when both were here for a gap year to study English and the idea of living in Australia never left us. Less than 2 months after arriving in Australia I got a job in Pacific Hydro and have been in the company since. The company has given me the opportunity to work in different areas of the business which makes things a lot more interesting. I am currently working with strategy and business planning but have worked in Operations and Corporate Finance as well. As I speak Spanish (I was born in Uruguay) and Portuguese it is quite handy when dealing with our business units in Chile and Brazil.

2. What's your favourite thing about living in Australia? No doubt the quality of life, particularly being able to spend time with family in all the green areas around Melbourne. The diversity of people living here is also something that amazes me, that we take for granted after being here for more than 10 years but that was not part of our lives back in Brazil.

2. What's your favourite thing about living in Australia?

No doubt the quality of life, particularly being able to spend time with family in all the green areas around Melbourne. The diversity of people living here is also something that amazes me, that we take for granted after being here for more than 10 years but that was not part of our lives back in Brazil.

3. What do you miss about Brazil when you're in Australia?

Family takes the first spot for sure but that is probably for everyone living abroad. But one thing that comes very close to it is going to a Gremio soccer match. The atmosphere in a soccer stadium in Brazil is something: the chants from the crowd, the tension, the rivalry and even the BBQ on the street from an unknown origin... (Brazilians know what I am talking about).

4. What do you see as the biggest similarity and the biggest difference between Australia and Brazil?

I believe people are very welcoming in both countries and are interested to know more about different cultures. Brazil is also a country built with influences from different people around the world, just that the process happened a lot further back than in Australia. Apart from the differences between an Aussie BBQ, with sausages and cooked with gas, and a Brazilian "churrasco", with picanha and cooked with charcoal, on a more serious note, I think Australia with its massively broad middle class has a critical mass that helps the country to move forward, while in Brazil unfortunately the themes discussed among the population are still around the basics and the biggest reason for that is the low average education level.

5. What bilateral business opportunities are you most excited about between Australia and Brazil?

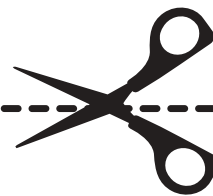
There are some industries that in virtue of the similar characteristics of both countries: mineral resources, big extensions of land and climate; are natural candidates for bilateral business opportunities as mining, agriculture and livestock. For others like software, tourism and services in general I believe Brazil would benefit from incorporating some of the process efficiencies from Australian businesses, which at the same time would be able to gain access to a large market that tends to become more demanding in terms of the quality of service.



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The Majestic Iguazu Falls



**By Valeria Noletto,
Travel Partners.**

Located on the border between Brazil and Argentina in the Iguazu National Park, the Iguazu Falls are home to 275 majestic waterfalls that attract hundreds of thousands of visitors from all over the world every year.

The falls, which are bigger and wider than Niagara Falls in Canada, are listed as a UNESCO Natural World Heritage Site and have been selected as one of the New World's Seven Natural Wonders. They are home to various protected endangered species of fauna and flora, such as the Brazilian Jaguar and araucaria.

Located in Foz do Iguacu in Parana state, the town is an ideal location for exploring Iguazu Falls in both Brazil and Argentina as well as the other attractions in the area such as Itaipu Binacional and Parque das Aves or even Paraguay which shares a border with Brazil and Argentina. The "Friendship Bridge" over the border leads to Ciudad del Este, a popular shopping destination in Paraguay.

Approximately 80% of the falls are located in Argentina and 20% in Brazil with the tallest waterfall – "Garganta do Diabo" – measuring 90 meters high located on the Brazil side. Crossing over from one side to the other is easy and a visit to the area ideally includes both sides which offer different, but complementary experiences. The Brazilian side offers scenic vantage points to enjoy the panorama, whilst the Argentinean side allows visitors to see and experience the waterfalls up-close.



In 2015, approximately 40 thousand Australians visited Brazil and 34% of them visited Foz do Iguacu. There's been an increase in Australian visitors to the area to 37% since 2017 when the Brazilian Government streamlined visa applications by introducing electronic visas for Australian tourists..

You can visit Iguazu Falls anytime of the year although May to July are particularly popular due to high water levels and strong flow.

The easiest way to get there is by air. You can fly to "Foz do Iguassu" airport in Brazil, or to El Aeroparque Jorge Newbery in Puerto Iguazu airport in Argentina.

You can also travel by bus to Foz do Iguacu Bus Terminal on the Brazil side or hire a car. The Iguazu National Park's website is:

<http://www.cataratasdoiguacu.com.br/>

For information on tours on personalised itineraries, please contact **valeria.noletto@travelpartners.com.au**



LAWS OF BRAZIL UPDATE

By Fabiano Deffenti

Brazilian Resident Visas Available for Property Investors

On 21 November 2018, Brazil's National Immigration Council published Normative Resolution 36/2018. The Resolution sets the criteria for obtaining a resident's visa for those purchasing real estate in Brazil. The Resolution is very short and provides that the visa is available if:

- the property is located in an urban area;
- the property contains buildings ("immovable property") that have already been built or are in the process of being built;
- the funds for purchasing the property have been sent to Brazil from abroad and belong to the applicant;
- the applicant supplies a declaration from a bank or financial institution registered in Brazil certifying that the funds were transferred for the purpose of acquiring the property; and
- the property (or group of properties) are worth at least R\$1 million (R\$700,000 if the property is located in Northeastern or Northern regions of the country), alone or in aggregate.

Any amounts invested above the applicable minimums may be financed. The Resolution also allows for joint ownership of properties where each applicant shows that the funds invested surpass the minimum amounts. Where construction has not yet been finalised, the applicant must also provide copies of:

- the purchase agreement for the property, duly registered;
- construction approval (alvará de construção) as required under Brazilian law; and
- the incorporation memorial (memorial de incorporação), duly registered.

Investors may obtain temporary and ultimately permanent resident visas once the investments have been made.

Brazil-China Customs Agreement in Force

On 30 October 2018, Federal Decree 9,542/2018 was published in the official gazette. The Brazil-China Agreement on Mutual Administrative and Customs Matters was signed by the parties on 21 June 2012. The publication was the last step required for the Agreement to come into force in Brazil.

The Agreement aims for the Customs Authorities of each country to assist the other on application of customs laws – and this includes the "prevention, investigation and repression of customs infringements". To this end, the parties may (upon request or otherwise) exchange information relating to:

- the recovery of customs-related rights and customs valuations;
- compliance with bans, preferential taxes and tax exemption measures relating to the import, export, transit of goods and two other customs regimes;
- rules of origin;
- the prevention and repression of customs infringements and drug trafficking.

LAWS OF BRAZIL UPDATE

By Fabiano Deffenti



- Importantly, the Customs Authorities must communicate to each other with or without being requested to do so from the other party "any information available relating to"

- new proven enforcement tactics;
- new tendencies, means or methods to evade customs laws;
- merchandise known to be involved in customs infringements, as well as storage and transportation methods used for the merchandise;
- persons known or suspected to be involved in customs infringements; and
- "any other data that may assist the other Customs Authority with risk evaluation for the purposes of controls and facilitation".

Upon request, the Customs Authority must supply information whenever requested by the other Authority if there are any doubts in relation to the information provided to them. This includes the customs procedures applied to the merchandise.

Moreover, the Customs Authority of each country must furnish information to the other when there are reasonable suspicions to believe that a customs infringement has been or will be committed in the other country. The Authorities must also immediately assist each other whenever there may be "substantial risks to the economy, public health, public safety (including international trade logistic chain or other vital interests" of either country.

The Agreement envisages that the parties assist each other to "guarantee the logistics chain in international commerce". Whenever requested to do so by the other, the receiving Authority must, "to the extent possible, keep especial vigilance" and inform the other party about:

- merchandise, locations means of transport used or suspected to be used to commit customs infringements in the territory of the requesting party;
- activities that could be linked to drug trafficking
- Finally, when requested by its counterpart, a Customs Authority must supply, to the extent possible, information about persons who have committed or are suspected to having committed customs infringements in the requesting party's territory.

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