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## NEWS RELEASE

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### Brazil and Sub-Saharan Africa Pursue Steadily Stronger Economic and Political Ties: New Report

**BRASILIA, December 13, 2011** – A new report released in Brazil today by the World Bank and the Brazilian think-tank, Institute for Applied Economic Research (IPEA), says that trade, private investment, and other forms of economic cooperation between Sub-Saharan Africa and Brazil have surged significantly over the last decade, with trade earnings alone between the two now in excess of US\$20 billion and rising. Brazil's private investment in Sub-Saharan Africa is also growing quickly, especially in key strategic areas such as infrastructure, energy and mining.

According to the new report—**Bridging the Atlantic, Brazil and Sub-Saharan Africa: Partnering for Growth**—'the new Africa coincides with the global Brazil' at a time of dramatic global change, with a deep economic crisis in the North, a fast-changing financial architecture, with middle-income and emerging economic performers increasingly exerting their influence on key global decisions.

The report describes how Brazil and Africa have strong historic and cultural links and similar climatic conditions. Once connected through the transatlantic slave trade, more than 200 years ago, they are now forging strong partnerships through knowledge sharing, trade and investments. Brazil has the largest African Diaspora after Nigeria. More than 50% of Brazilians are of African descent. Since 2002, during President Lula's mandate, the Brazilian government has continuously confirmed Brazil's interest in contributing to the development of its continental neighbor.

*"Brazil and Africa are natural partners, with emerging economies playing a bigger role in the global agenda and new South-South arrangements becoming stronger, the traditional model of 'development cooperation' is being questioned,"* says the **World Bank's Vice President for Africa, Obiageli Ezekwesili**, whose regional team co-authored the new report. *"This model of aid based on the 'developed North' providing aid to the 'developing South' is no longer valid. So this report gives us a strong knowledge that will enable us, African governments, and the Brazilian government to continue to forge concrete partnerships that will generate winning results for both regions."*

Brazil's economic growth, its success in narrowing social inequality and its development experience offer lessons for African countries. Brazil has now 37 Embassies in Africa compared to 17 in 2002. Equally, Brasilia, hosts the largest number of African Embassies in the southern hemisphere; 17 are newly open adding to the 16 already there. In 2010, 57.2% of Brazilian investments in international development projects went to Africa, the largest recipient, followed by Latin America with 37.4%.

*"Brazil's commitment to Africa is unwavering. Not even ten months into her term President Dilma Rousseff has already set foot on the continent, having already visited Angola, Mozambique and South Africa in October. Brazil's model of cooperation with Africa – one that is based on mutual respect and recognition of local needs – is not only good for Africa and for Brazil. It may well serve as a model for other countries and regions in the developing world. In a time when most of the rich world is mired in their own economic*

*problems, developing countries must be both creative and proactive in order to find their way out of poverty,"* says **His Excellency Mauro Vieira, Ambassador of Brazil to the United States.**

Trade between Brazil and Africa increased from US\$2 billion in 2000 to US\$12 billion in 2010. There are still constraints in transport (both maritime and air), telecommunications and flow of information among others that contribute to keeping trade volumes limited. However, it is expected that this will change in the short and medium term as African economies continue to grow. Brazilian firms have been present in Africa since the 1980's especially in Lusophone countries. Now, they are present in Anglophone and Francophone countries investing in infrastructure, mining, oil and energy. Brazilian SME's are targeting the developing middle class markets. Bigger companies are diversifying its areas of operation.

This south-south cooperation between Brazil and Africa, based on knowledge sharing, trade and investment, brings important lessons to the World Bank, whose recently approved Strategy for Africa highlights south-south partnerships as a key tool for implementing the new strategy.

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