



*DIFFERÄNCE Insider's tips:*

# Brazil

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# About Brazil

## Geography

Brazil is the fifth largest country by geographical area in the world with 8,514,876 square kilometers (3,286,488 square miles) and the fifth most populous (183,9 million in 2007).

The country is located in eastern South America. It's bordered on the north by Guyana, Venezuela, Suriname and French Guiana, on the northwest by Colombia, on the west by Peru and Bolivia, on the southwest by Paraguay and Argentina, on the south by Uruguay and on the east by the Atlantic Ocean. Its highest point is Neblina Peak with 2,994 m.

The topography is composed basically of plateaus and plains. Plateaus prevail and the Guiana Highlands, on the extreme north, and the Brazilian Highlands, on the central-west, are the most important.

The most significant plains are the Amazon Plain on the north, the Pantanal Plain on the southwest and the Coastal Plain. Brazil has the largest river in the world, the Amazon.

The Amazon Rainforest, which covers the hydrographic basin of the river, is the largest equatorial forest in the world. Brazil has different kinds of vegetation.

The most prominent vegetation includes: the Amazon Rainforest on the north, Cocais Forest on the mid-north, Atlantic Forest from the northeast to the south, Araucarias Forest on the south, Caatinga on the northeast, Cerrado in the center, the Pantanal Complex on the southwest, the fields on the extreme south with scarce spots in some states of the country and coastal vegetation on the east coast.

## Government

Brazil - officially the Federative Republic of Brazil - is a presidentialist federative republic formed by the union of 26 federal states, the Federal District and the municipalities.

The power is divided among the Executive Power, the Legislative Power and the Judiciary Power, which are totally independent from each other and carry equal political weight. It has a multi party political system.

The executive power is exerted by a President, who is both head of State and head of government, elected every 4 years.

The current president is Luis Inacio Lula da Silva who is on his second term after reelection in 2006. The legislative power is bicameral, with the Federal Senate, 81 members, and the Chamber of Deputies, 513 members, elected by direct vote for terms of 8 and 4 years, respectively.

The Constitution currently in place was promulgated in 1988. The official language is Portuguese, spoken in almost the entire territory.

## Economy

Brazil is the largest economy in Latin America and the ninth in the world. The country has a free market and an exporting economy. Brazil has a solid economy, built in recent years. After a credibility crisis suffered by the country in 2002, inflation is under control, exports have risen, and the economy is following a moderate growth path. The country's currency,

the Real, has become stronger against the dollar since 2004. Despite its macro-economic stability that reduced inflation and interest rates and raised the per capita income, there are still differences between the urban and rural population, the northern and southern states and the poor and the rich. Some challenges for the government include the need of promoting better infrastructure, modernizing the taxation system and the labor laws and reducing income inequality. Brazil has a GDP (Gross Domestic Product) of R\$ 2,558 trillion (year of 2007), with a growth of 5.4% in 2007 (IMF). However, the great inequality and poverty affect wealth distribution, generating a per capita income of only R\$ 13.515. The economy has mixed industry and agriculture that are becoming increasingly more dominated by the services sector. Recent administrations expanded the competition in maritime ports, railways, telecommunications, generation of electricity, distribution of natural gas and airports (although the aviation crisis has tormented the country) with the aim of promoting infrastructure improvement. Brazil began to move towards exports in 2004 and even with a strong Real it reached US\$ 160,649 billions (+16,6%) in exports, US\$ 120,610 billions (+32%) in imports and a net exports of merchandise of US\$ 40,03 billions in 2007. The most important Brazilian products are coffee, oranges, bananas and alcohol production from sugar cane. It's a great exporter of vehicles and parts, textiles, minerals and metals. The cement and chemical industries are also very important.

## Climate

One of Brazil's positive aspects is its climate, which is almost always very pleasant. The climate is tropical in almost the entire territory, but it's subtropical and temperate in the southern regions.

In the north and in the seacoast the climate is hotter and humid but in the inlands and higher places, as in cities like Sao Paulo, the climate is more moderate. The extreme south can be very cold. The highest temperatures are in Rio de Janeiro, where it's colder in July.

## Religion

Brazil is a religiously diverse country, inclined to tolerance and mobility among religions. The majority of the Brazilian population is Christian (89%), most of them Catholics. The slaves, who came mainly from Africa, brought with them their own religious practices that survived the oppression from the colonialists, giving birth to Afro-Brazilian religions. In the second half of the 19<sup>th</sup> century Spiritism began to be promoted in Brazil, and now Brazil is the country with the greatest number of spiritists in the world today.

In the last decades, the Protestant religions have grown rapidly in number of adherents, reaching a significant parcel of the population. Likewise, it's increasing the percentage of those who declare that they are not affiliated with any religion, a group that is exceeded only by the number of nominal Catholics and evangelicals.

Many adherents of the Afro-Brazilian religions, as well as some sympathizers with Spiritism, are also denominated "Catholics" and follow the Catholic Church rituals. This kind of tolerance with syncretism is a historical trait that is peculiar to the religiosity in the country.

## Legislation

In order to be admitted into Brazilian territory, all foreign nationals must carry a passport valid for a minimum of

six months from the date of their intended arrival in Brazil (except Argentinean, Chilean, Uruguayan and Paraguayan citizens entering Brazil by land, who need only a photo ID).

Upon arrival, all travelers must present to Customs the form Declaração de Bagagem Acompanhada - DBA (it translates as “Accompanied Baggage Declaration”) duly filled in; the flight attendants always distribute copies of the form during flight. In the Customs area, the foreign traveler must go to the “Goods to Declare” desk whenever his or her baggage includes:

- animals, plants, seeds, foodstuffs and medications subject to health inspection, weapons and ammunition;
- other goods, when the traveler wishes get proof of their admittance into Brazil;
- goods subject to the regime of temporary importation, when their listing on the DBA is required (for instance, goods worth over US\$ 3,000.00);
- goods not considered by Brazilian law as baggage (such as goods brought for commercial or industrial purposes);
- valuables (cash, checks or traveler’s checks) worth over R\$ 10,000.00 (or equivalent in foreign currency).

The foreign traveler may also be required to present an International Immunization Certificate upon arrival in Brazil. The National Health Surveillance Agency (ANVISA) requires travelers to present a Yellow Fever International Immunization Certificate when they are coming from or have called at the following countries:

#### **FROM AFRICA**

- Angola - Benin - Burkina Faso - Cameroon - Democratic Rep. of Congo - Gabon - Gambia - Ghana - Guinea - Liberia - Nigeria - Sierra Leone - Sudan

#### **FROM SOUTH AMERICA**

- Bolivia - Colombia - Ecuador - French Guiana - Peru - Venezuela

# *Appointment Alert!*

## *Making appointments*

The greatest official holiday in Brazil is Carnival. It lasts five days, ending on Ash Wednesday. The school vacations are from December to February (summer), including Christmas, New Year's and Carnival. In July there can be some days of school recess and in October there is the Sick-of-it-All Week (Semana do Saco Cheio), when the schools are closed. On these occasions the families with younger children can take some time for vacation.

The working hours are the best to set up appointments, going generally from 8:30 or 9 am. to 6 pm., but it's important to emphasize that Brazilians also like to talk about business during lunches and dinners. Lunch breaks are usually for one hour but they can easily last up to two hours. Try to set up your appointments from 10 am. to midday and after 2 pm. to 5 pm.

Brazilians behave naturally and spontaneously in meetings, and it's easy to realize when the negotiations begin and end. Generally it's the host who begins the conversation. A friendly environment will always prevail in a meeting with foreigners. A Brazilian meeting can revolve, for the most part, around personal topics, and it may appear that Brazilians lack objectivity. However, be aware of Brazilians' capacity for conducting business while talking about personal affairs and don't underestimate their importance.

Business meetings are settled 15 days in advance and usually there is an e-mail or call to confirm the attendance a day before the meeting.

Never show up in a company or office without a previous appointment. You certainly won't be received and the Brazilian executive may have a rude reaction.

It's normal for Brazilians to be 10 to 15 minutes late for a meeting. Be ready for such delay but program yourself to arrive at the appointed time, even if you have to wait for the Brazilian colleagues.

# *Business Dress*

## *Guidelines for business dress*

How a person dresses is very important to Brazilians. This means that it will reflect upon you and the company you represent.

As for dressing in the professional environment, Brazilian businessmen wear a tie and suit while businesswomen wear pants, skirts and blouses in a more formal but always very feminine way, especially in the city of Sao Paulo. In other cities, like in the northeast region, a more informal way of dressing is observed and casual business dress prevails.

Banking and law are the business fields where people dress more formally in Brazil.

Brazilians follow the latest fashion trends. Women and men tend to worry about their appearance. Shoes must be stylish, polished and in good condition.

Avoid wearing ties with drawings and figures or that are too colorful. For Brazilians, they give the impression that you are not projecting a serious image.

Businesswomen usually polish their nails and wear light make-up in the working environment.

Never wear the colors of the Brazilian flag, green and yellow. It's not a suitable combination.

Tip: Bags are never to be placed on the floor, because it's considered a sign of bad luck regarding money in Brazil.

# Conversation

## *Welcome topics of conversation*

Brazilian communication is cordial, complex, informal and highly personal.

Men usually greet each other by shaking hands and giving a gentle slap on the back. Women are usually greeted by shaking hands and a kiss near the face (air kiss).

Brazilians are known for their ability to talk naturally about intimate and personal topics. So, don't be surprised by the personal nature of questions, which is typical of Brazilians. To introduce a conversation with Brazilians it's advisable to approach topics like soccer, weather, traffic (if you are in Sao Paulo), a cultural event taking place or that will take place in the city, music, and improvement of economic indicators of the country. Do not expect conversations with a high level of politicization.

Topics like poverty, security, deforestation, religion, racism, corruption, social inequality, and comparisons between the Brazilian and Argentinean soccer teams should be avoided.

Brazilians are proud of being able to laugh even at themselves. Expect spontaneity. Brazilians are considered a bit loud because they all speak at the same time and in a tone of voice that is a bit higher than usual.

During a conversation, a Brazilian will usually interrupt to add something or make a comment before someone else has concluded his/her turn to speak. That's not perceived by Brazilians as rudeness or lack of interest in what is being said.

Brazilians touch each other a lot during a conversation. The intention is to get as close as possible. Closeness inspires trust, and trust inspires long term relationship.

Brazilians are not used to giving orders but advice, since they can get easily offended with straight talk and not cordial conversation.

Brazilian communication is complex, including elements of verbal and non-verbal communication and great use of body language.

Women are a recurrent subject in mens talk.

# *First Name ou Title?*

## *Respectfully addressing others*

Brazilians are as informal as they are hierarchical. For example, first names are used frequently but titles are observed.

In formal situations, for superiors, use titles like Mr. and Mrs. followed by their surnames. In informal situations persons always use their first name. The terms “Seu” (for men) and “Dona” (for women) are used with a certain regularity. Doctors and lawyers are always called Doctor.

# *Gift Giving*

## *Selecting and presenting an appropriate business gift*

Brazilians do not expect gifts and they are not important to establish a business relationship. It's advisable to give only company materials like: pens, pen drivers, agendas or any other giveaway without great material value. Expensive gifts can be understood as bribes and are not welcomed.

The best gifts are good quality whiskeys and wines, music CDs, and pens. Flowers for the hostess or gifts for the kids are great for dinners at home. Avoid gifts that reflect only your personal taste.

# *Let's make a deal!*

## *What you should know before negotiating*

### Language

The official Brazilian language is Portuguese. In a business environment English is widely used and understood, especially in the main business centers - southwest and south regions. Brazilians do not perceive themselves as Hispanics, since they were colonized by Portugal, and also don't like to be called Latinos.

Before you start speaking in Spanish or any other language, always ask if the person is familiar with the language.

### Corporate Culture

The public and the private mix a lot in a business environment with Brazilians. Bridging a strong personal relationship will be very important to close deals and to build a lasting partnership. At each negotiation, friendships are established and an exchanging of favors is always expected.

Brazilians have as a trait the attraction for risks but they are extremely against the methods and process. It's difficult for them to meet the deadline that was previously agreed upon. Another important trait is that Brazilians are very emotional and transfer it to the negotiation table.

Initially, there is always some kind of mistrust and, due to that, constant meetings, business lunches and dinners are important to establish a trustworthy relationship.

Face-to-face negotiation is extremely important to close a deal. It's advisable to set up an appointment for an introduc-

tion and then continue the negotiation by e-mail or phone. In such a way, the negotiation will have better chances of success.

Once the mistrust is overcome, the Brazilian inclination is towards group work and full loyalty is expected from the team. Pointing the finger at any member of the team amounts to betrayal.

Another way to establish trust is to have previous references from persons who are acquainted with both sides. Networking is an important facilitator to get a first contact and the possibility for negotiation in Brazilian companies.

Hire local lawyer and accountant's offices. The Brazilian executive will feel safer negotiating in such a manner.

Hire a local agent (usually referred by the accountant) because it will facilitate the bureaucratic proceedings.

In a first business meeting, Brazilians greet each other shaking hands and afterwards exchange business cards.

Business cards are expected to have the company's name and the name and position of the contact person, preferably with information in Portuguese and in the language of the foreign company involved in the negotiation.

Promotional material or other documents of the foreign company should be in Portuguese and English or in the language of the negotiator.

When entering in a room for a meeting, it's the norm to greet and be introduced to all persons who are already in the room.

The meetings are generally conducted in a casual manner.

One side makes an expository introduction and immediately afterwards the other side asks questions.

Before reaching the topic to be discussed in the meeting, there is usually an informal conversation about generalities to promote a friendly environment among the persons who are attending the meeting. It's not advisable to initiate the meeting going straight to the point. It can be perceived as rudeness by the Brazilians.

In a meeting Brazilians will argue in favor of their views, show their points of view and open space for concessions. It's important to keep a consistency in your negotiation team.

When a negotiation process is already in place, avoid changing the persons involved, because relationships are personal for Brazilians and that's the way to establish a trustworthy relationship. Changing the negotiation team in the middle of the process is a sure step to failure.

Never leave a meeting in the middle of it or before its end because, for Brazilians, it will look like you have more important things to do than this negotiation.

Brazilians have a strong notion of hierarchy that encompasses power concentration and acceptance of inequality within companies. However, the treatment among persons is informal with the use of "you" (você) between persons of high-ranking positions and their subordinates, despite the fact that everybody is aware that hierarchy surfaces through other ways.

Although several more technical spheres are involved in the negotiation, the higher spheres, like the companies' board of directors and presidency, are responsible for the final endorsement to close the deal.

Contracts are always signed with the date, place, signature from both sides, payment terms and conditions and delivery conditions.

## Working environment

Leaving work without finishing it or leaving the workplace at the regular time, even if desired, in some regions, especially Sao Paulo, is not something that will be accepted well by your Brazilian colleagues. The number of worked hours is a valued asset in Brazilian business culture.

The relationships between chiefs and subordinates are made without confrontation in points that could generate arguments, something that demonstrates aversion to conflicts and passivity.

It's common for people to gather during the working hours to have a break and drink coffee in a company. This is the moment when people get closer and establish a connection of "friendship" in the working environment.

Not participating in the company's functions or informal events can be perceived as lack of consideration by the workmates.

In the majority of the companies, only directors and presidents have individual offices. Secretaries are only for high-ranking executives.

Brazilians are always open to new ideas but don't deal well with criticism that, most of the time, is taken personally and not perceived as directed to the executed task.

# *Prosperous Entertaining*

## *Entertaining for business success*

Lunches can be set up to discuss something that is under negotiation or can be a continuation of a meeting that happened just before the lunch. When the Brazilian executive is the client, he expects the vendor to pay the lunch or dinner bill.

Always make a reservation in a renowned restaurant with good references.

The main meals are breakfast, between 7 and 9 am, lunch, usually between midday and 2 pm, and dinner, which takes place from 7 pm. Celebrating dinners take place from 9 pm. Brazilians try to have their meals with their families.

It's advisable to arrive on time for a business lunch or dinner. For social dinners, Brazilians usually arrive half an hour late. For more informal social events, like parties, Brazilians can arrive up to an hour or two hours late.

It's not advisable to ask for alcoholic beverages during lunch, but up to two shots of alcoholic beverage is acceptable at dinner.

Brazilians observe eating etiquette and for them it demonstrates sophistication and refinement. They always wash their hands before eating and the food is never touched with the hands, not even fruits or birds. They always use a fork and knife. Brazilians use a fork and knife in the continental style, with the knife in the right hand and the fork in the left one. The napkin, most of the time made of fabric, is used after drinking and eating.

Never use tooth picks while you are still sitting at the table because it's not regarded as good manners, as well as burping or throwing kernels or fish spine in the plate.

Before the first sip, people usually propose a toast by raising their glasses and saying "Saúde". It's important to drink immediately after the toast. Toasts are made with less ceremony than in other cultures.

Brazilians, in the majority, used to drink coffee after meals, and it's usually ordered with the bill.

In the majority of restaurants, the tip is already included in the bill. However, it's valid to ask the waiter. For independent services like supermarket delivery boys and taxi drivers, the tip can be given according to convenience.

If you receive an invitation, it's important to confirm if you will attend or not. This can be done in an informal way; however, it's important to know that Brazilians can show up at an event even after having said that they wouldn't go and may not go even after confirming their presence.

Brazilians are used to having a Happy Hour among workmates after work in bars near the office. In these meetings it's acceptable to have some glasses of beer or any other alcoholic beverage. Avoid speaking about workmates who are not present. It's expected that each one pay his/her own bill.

The Brazilian workmate or business partner will only invite you to an event in his/her house if a closer relationship has been established. When invited, in case you are accompanied by your spouse, it's advisable to carry some flowers, a chocolate box or a bottle of alcoholic beverage for the host.

In Brazilian events, food and drinks are the responsibility of the host. So, avoid asking your guests to bring something. Events never have a fixed time to end.

# *Public Behaviour*

## *Acceptable public conduct*

Be spontaneous. That's what Brazilians value most in personal contacts.

Generally, in a formal introduction, Brazilians shake hands and say their first name. In informal situations women are greeted with a kiss near the face (air kiss). Persons greet each other with expressions like "Oi, tudo bem?" or "Olá, como vai?". Visual contact is important to Brazilians. When leaving, they frequently use the word "Tchau" and shake hands.

It's not permitted to smoke in closed spaces like shopping centers, restaurants, shops, etc.

Despite the fact that Brazilians are very receptive and seem to become close very quickly, topics like salaries, matrimonial status and age should be avoided.

Try not to reinforce male chauvinism towards women. Although Brazilians have a good sense of humor, they can be offended with jokes about Brazilian women.