

# [News story: Joint statement from UK-Brazil Joint Economic and Trade Committee](#)

On 28 March 2018 the United Kingdom Secretary of State for International Trade, Dr Liam Fox, and the Brazilian Minister for Industry, Foreign Trade and Services, Marcos Jorge de Lima, co-chaired the tenth UK-Brazil JETCO meeting held in London.

The ministers reaffirmed their commitment to the JETCO and noted significant advances since the last meeting in Brazil in December 2016. The ministers announced the initial conclusion of the Joint Trade Review, with the exchange of trade and investment information, and identified opportunities to facilitate and deepen trade between the UK and Brazil.

They also reiterated their commitment to engage further on facilitating increased trade, creating opportunities and enhancing bilateral economic relations. This includes continuation of the development of the UK government's Prosperity Fund programme in Brazil.

## **Global economy**

Brazil and the UK welcomed the encouraging signs of trade liberalisation and a increase in global trade growth. Brazil has resumed growth as structural reforms have been carried through. Both countries reiterated their belief that a combination of a more responsible, more transparent, more predictable macroeconomic framework, aligned with international standards, is crucial for sustainable economic growth and development.

Brazil and the UK remain advocates for free markets and free trade. International cooperation is vital to make the global economy work for everyone and address shared global challenges. Both sides committed to strengthen co-operation in the G20, World Trade Organization (WTO), Organisation of Economic Cooperation and Development (OECD) and other multilateral bodies to that end.

## **Bilateral economic relationship**

In 2016, the value of trade between Brazil and the UK was £5.4 billion for goods and services. Brazil represented a significant share of UK total exports to Latin America and the UK represented 8.3% and 7.4% of Brazilian total exports to and imports from the European Union, respectively.

Both countries also reiterated their support for the timely conclusion of an ambitious and balanced EU-Mercosur Free Trade Agreement (FTA) and Association Agreement. Additionally, in support of continuity and certainty in the UK-Brazil economic and trade relationship, the countries agreed to work closely

to ensure the continuation of important EU agreements as the UK leaves the EU.

## Trade

Brazil and the UK discussed the progress on bilateral trade since the agreement in [JETCO 2016](#) to work on a Joint Trade Review. Ministers welcomed the insightful and useful work to identify trade opportunities to the benefit of both the economies, respecting both EU and Mercosur competence.

In particular, ministers agreed that the UK and Brazil would:

- expand the Trade Steering Group, established at the 2016 JETCO, with 2 work streams covering trade and investment in goods and services
- ensure the goods and services work streams coordinate work to improve the business environment for firms and increase opportunities in bilateral trade
- continue work under the goods work stream to consider trade facilitation, exports culture and technical assistance for Brazil through the Prosperity Fund
- aim to develop a roadmap for sector-based discussions before the next JETCO
- develop a dialogue between private sectors of both sides on services
- welcome the signature on 23 February of a memorandum of understanding between the Brazilian National Economic and Social Development Bank (BNDES) and [UK Export Finance](#) to finance infrastructure projects through co-financing and co-investments mechanisms. UKEF has already announced up to £3 billion to support UK exports to Brazil

## Multilateral trading system

Brazil and the UK agreed on the importance of the WTO framework and recognised the efforts for the Buenos Aires Ministerial Conference in December 2017. Both countries emphasised the importance of a stable and predictable global trading system.

Brazil and the UK reinforced their willingness to expedite implementation of the trade facilitation agenda, with the full and timely implementation of the [WTO Trade Facilitation Agreement](#), significantly reducing transaction costs for businesses importing and exporting goods and services. The UK welcomed Brazil becoming an observer of the [Government Procurement Agreement](#) in the WTO.

As the UK prepares to leave the EU, it will look to Brazil as a key partner in the WTO and for its support in re-establishing itself as an independent member of the WTO.

## Intellectual property (IP) and innovation

Ministers were pleased to witness the signing of a Memorandum of Understanding on bilateral Patent Prosecution Highways (PPH). The pilot

programme, which will commence in autumn 2018, builds on work initiated under the UK-Brazil Memorandum of Understanding on IP. It will support UK and Brazilian businesses via prioritised examination of patents already granted by one of the offices. Brazil is engaged in many actions addressed to patent process efficiency and welcomes UK efforts to support some of these actions in the context of Prosperity Fund projects.

Building on a memorandum of understanding on innovation signed in 2016, Brazil and the UK launched that year a joint call for the development of smart city technologies. Of the 7 projects selected in that call, 4 are already in implementation. Both countries agreed to extend and deepen the collaboration on innovation by launching a bilateral dialogue on social finance and skills for the future in the wake of the Brazil-UK Science, Technology and Innovation Year, launched in February 2018.

### **Trade facilitation – Prosperity Fund**

Ministers confirmed the positive cooperation on trade facilitation driven by the UK government's Prosperity Fund and recognised the continuous effort of both countries to create a comprehensive multi-year programme. This will reduce costs of trade and create opportunities for an additional number of companies to participate in international trade chains.

Building on commitments from JETCO 2016, both ministers celebrated the progress in designing a programme which aims to:

- reduce the time and cost to import and export in Brazil through the implementation of technical solutions in Ports.
- support an additional number of micro, small and medium enterprises to export, import and participate in global value chains
- increase Brazil's compliance with OECD instruments, moving towards accession
- reduce the time for analysis and granting of patents and trademarks
- identify issues in which Brazil and the UK could further develop regulatory practices
- confirm the intention to work on a 4 year trade regulatory coherence programme to deliver technical assistance with a view to improve regulatory practices in Brazil

The British Deputy Head of Mission (DHM) in Brazil Liz Davidson and Minister Marcos Jorge de Lima signed a Memorandum of Understanding confirming the intention to take this work forward in the coming years, once the programme is fully approved by the UK government.

### **Building Information Modelling (BIM)**

Ministers strengthened the positive cooperation on Building Information Modelling (BIM) driven by signing the Memorandum of Understanding between MDIC, PPI and BEIS, acting through the UK BIM Task Group.

## **Private sector outcomes**

Ministers were pleased that business representatives were able to contribute to the JETCO and will continue to have discussion on the subjects developed during JETCO through a dialogue between private sectors on both sides to seek to increase bilateral trade relations.