

The Economical growth of Brazil

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Abstract

Brazil has a large area in its country. It has diverse population, but it is not a developing country as its GDP growth is low, health conditions are not bright, education sector is in its primary stage of development, infant mortality rate is high and employment rate is also very high.

Keywords: Brazilian economy, economy analysis, GDP

Introduction

Brazil is the largest country in both South America and Latin America. Its capital is Brasilia and is the largest country to have Portuguese as an official language (Baer, 2008). The **Brazilian real** is the official currency of Brazil. It is subdivided into 100 centavos. The population of Brazil in the year 2015 was 207,848 and the land area in kilometers in 2015 was 8,358,589. Gross domestic product in current US\$ in 2015 was around 1,772,589 millions (comprehensive growth, 2012). The Brazil Exchange Rate Real lost its value amid the turbulent political scenario of the country. The Brazilian real (BRL) sunk in value against the U.S. dollar in April 2015 and a wave of political noise generated in the country. Then the Exchange rate, BRL per EUR (2015) was 3.70 (madison, 2017).

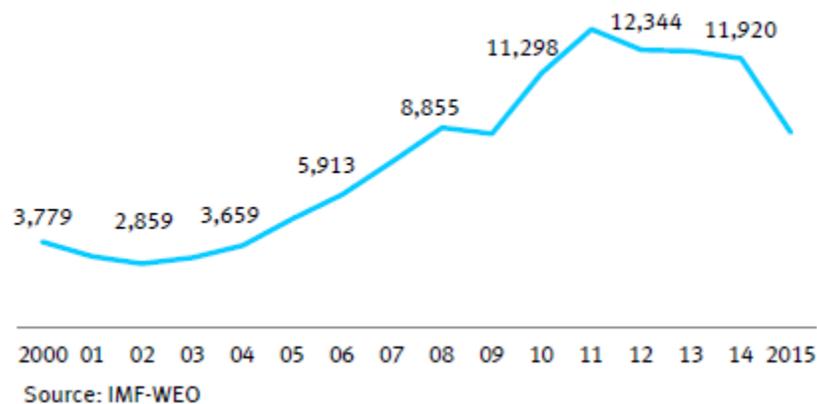


Figure 1. Gross Domestic Product (GDP) Per Capita in Current Us \$ Economy and Finance

The Gross Domestic product per capita was 655 in the year 2000 and increased to 1773 by 2015. The GDP per capital per capita was 3779 in 2000 and increased only 4891 by the year 2015. The GDP changed on the previous year. It was + 4.4 in the year 2000 and decreased to -3.8 in fifteen years (Aman, 2012). The general government income was stagnant since 2000 to 2015 i.e. 31.2 and the expenditure rose to 34.5 to 42.0.

The Government Debt in Brazil increased to 73.7 BRL Million from 65.6 BRL Million in June of 2018. The Government Debt in Brazil averaged 2822162.91 BRL Million from 2006 until 2018, reaching an all time high of 5186540.04.BRL Million in July of 2018 and a record low of 1336644.90 BRL Million in December of 2006. Inflation Rate in Brazil averaged 351.81 percent from 1980 until 2018, reaching an all time high of 6821.31 percent in April of 1990 and a record low of 1.65 percent in December of 1998 (Carvalho, 2017). The inflation rate in 2000 was 7.0 per cent and rose to 9.0 by the year 2015.

The stock of inward and outward foreign direct investment (FDI) was 122.3 and increased to 486.0 and 51.9 to 181.4 respectively from the year 2000 to 2015 (Piccin, 2012). FDI stocks are the accumulated value held at the end of the reference period (typically year or quarter) (Lisboa, 2013).

The agriculture, forestry, fishing and industry declined from 5.5 to 5.2 and 26.7 to 22.7 from the year 2000 to 2015 whereas the services had an increase from 67.7 to 72.0.

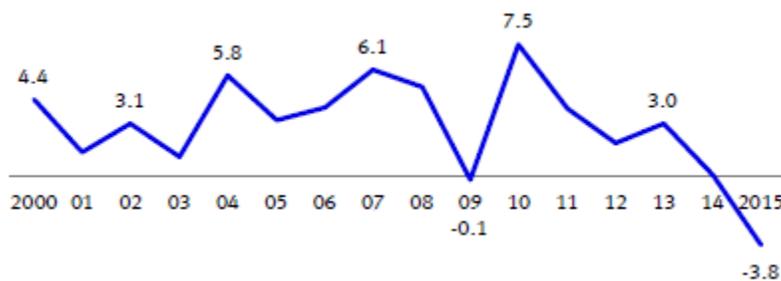


Figure 2. Real gross Domestic Product (GDP) change on previous year in %

COUNTRY PROFILE BRAZIL

Population

Brazil's population is very diverse, comprising many races and ethnic group. The population of Brazil increased from 207,848 in 2015 from 175,786 in 2000 and thus the population density rose to 25 from 21. The population percentage of Brazil aged under 15 decreased from 29.7 to 23.0 whereas the population of aged 65 and older increased from 65.3 to 69.1 (Paulo, 2012).

The Percentage of total population of foreign origin decreased from 0.4 to 0.3 in fifteen years. The Fertility Rate, births per women also decreased from 2.36 to 1.79 in fifteen years and hence the population change also deteriorated from +1.51 to +0.86. There was an increase in the life expectancy at birth of both men and women from 66.3 to 70.7 in case of male and 74.0 to 78.2 in case of female from the year 2000 to 2015.

Health

The Expenditure on health raised from 7.0 to 8.3 from the year 2000 to 2014. The infant mortality rate dropped from 28.1 to 14.3.

Education

According to the UNESCO data, the public expenditure on education in Brazil grew from 3.9 to 5.9 from 2000 to 2013. The pupil teacher ratio, primary and secondary reduced from 24.8 to 21.2 and 17.3. Students, tertiary per 100,000 inhabitants were 3743.

Labour force

The labor force aged 15+ was 84,665 which increased to 107,368 by 2015 and hence the labor force participation rate (aged 15+) decreased from 68.5 to 67.1. whereas the employment rate (aged 15+) rose from 58.3 to 62.3.

And also employment rate both men and women (aged 15+) increase from 72.6 to 74.1 and 44.6 to 51.4. The self employment rate (aged 15+) was 30.3 in 2000. Unemployment rate tremendously rose from 15.0 to 7.2 from 2000 to 2015 and the employment rate (aged 15 to 24) decreased from 28.4 to 16.8. The long term employment rate and the average labor costs in manufacturing also increased from 4.35 to 11.20 by 2015.

Living Conditions

Gross national income US\$ per capita increased from 3840 in the year 2000 to 9850 in 2014. Consumer price index for food was 100 and increased to 288 by 2015.

Production

Production index of manufacturing industry was 75 in 2000 and rose to 100 by 2010. The production: crude steel increased from 27,865 to 33,256 by 2015. Production: passenger cars expanded from 1352 to 2019 by the year 2015.

Agriculture and Forestry

Agriculture land was 31.3 in 2000 and increased to 33.4. The forest area percentage of land area contracted from 62.4 to 59.3 by 2015. Economically active population in agriculture was 13,333 and decreased to 10,212 by 2015. Index of agricultural production rose from 77 to 135. And the industrial roundwood, removals also increased from 103 to 143.

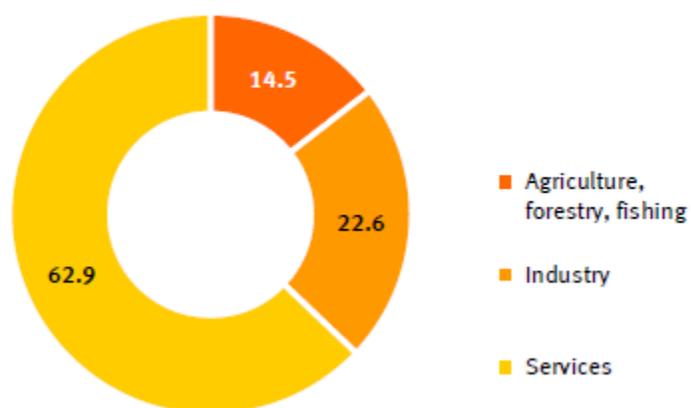


Figure 3. . Employed persons by sector 2013 in %

The Trade balance was -0.7 in 2000 and increased to $+19.7$ by 2015. Export of goods also increased from 55.1 to 191.1 by 2015. Goods exported to Germany also grew from 2.5 to 5.2 by 2015. Share of goods exported to Germany decreased from 4.6 to 2.7. The import of goods increased to 171.4 from 55.9 which was a huge number (guide, 2017). The goods imported from Germany expanded from 10.4 to 4.4. The share of goods imported from Germany was reduced to

6.1 from 7.9. The import and export of goods and services both expanded from 12.5 to 14.3 and 10.2 to 13.0 by 2015 (Donald, 2017).

Transport

The passenger cars per 1000 inhabitants were 133 in 2000. Pump price for gasoline was 0.92 which rose to 1.27 (Erik Thorbecke, 1970). Road sector energy consumption was 245 in 2000 and increased to 327 by 2010. Roads: total network was 9885 in 2000 and 8099 by the year 2010. And the rail: total network was 145 by the year 2015. Air transport: passengers were 178 in 2000 and increased to 487 by 2015 (Santana, 2000).

Environment and Energy

CO₂ emissions from fuel combustion were 1.9 in 2000 and increased to 2.4 by 2014 (Veiga, 2004). Gross electricity consumption was 1887 in 2000 and expanded to 2529 by 2014. Energy consumption also increased from 1066 to 1438. Fossil fuel energy consumption was stagnant in 2000 till 2014 i.e. 58.0. Net energy imports were +21.2 in 2000 and decreased to +13.9 by 2014 (Blanke, 2017).

Science Research and Technology

The research development expenditure (R&D) was 1.0 in 2000 and increased to only 1.2 by 2015. Researchers in R&D sector was 420 in 2000 and by 2010 increased to 698. Resident patent applications were 18 in 2000 and rose to 22 in 2015. Mobile phone subscriptions tremendously expanded from 13.0 to 127.0 by 2015. Internet users also rose to 59.1 from 2.9. Broadband subscribers increased from 0.1 to 12.2. (United Nations framework on development of climate change, 2010)

Conclusion

Brazil has a lot of scope to develop its economy and grow in the field of science, research and technology. This has led to the improvement in the education sector but the employment opportunities are not much. Though the industrialization has increased manifold but along with it has increased the carbon dioxide emissions.

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