

Overall performance

Brazil's regulatory environment supports the creation of businesses and provides a high level of protection for insolvency. This promotes competition between suppliers which, coupled with a resilient financial sector, helps to attract capital supply for infrastructure projects. The funding capacity of the Brazilian government together with slow economic growth indicate potential challenges in publicly funding future major infrastructure projects.

Drivers	Rank (716)	Rank change (2017-20)	Score (100)	Emerging	Aspiring	Contender	Top performer	Global leader
 Governance	46	↓ 2	50					
 Regulatory frameworks	49	↓ 4	56					
 Permits	43	↑ 10	69					
 Planning	49	↓ 3	67					
 Procurement	38	↓ 13	75					
 Activity	57	↑ 12	23					
 Funding capacity	53	—	27					
 Financial markets	34	↑ 1	40					

Brazil at a glance



\$8,797
GDP per capita
(USD, 2019)



210 million
Population
(2019)



2.9% of GDP
Infrastructure investment
(2019 estimate)



1.9% of GDP
Infrastructure gap
(2019 estimate)



65.5
Infrastructure quality
(0-100, 100 is best, 2019)



\$3,656 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



92.8/100

Cost to start a business

According to the World Bank, the average cost of starting a business is 4.2% of income per capita, substantially lower than the Americas average of 31.4% of income per capita. Brazil is the second cheapest Americas country in which to start a business, trailing only Chile (at 2.7% of income per capita).



92.7/100

Financial stability

Despite the recent recession, Brazil's financial sector has remained resilient. The International Monetary Fund notes that Brazil has prudent lending standards, high interest margins and fees that support profitability and help banks to remain liquid. The long-term impact of the COVID-19 pandemic is a concern.



81.2/100

Strength of insolvency framework

Brazil has a solid framework for reorganisation and bankruptcy which governs formal insolvency. This ensures investors have appropriate protection and helps attract investment for potential infrastructure projects.

Opportunities to grow



0/100

Dealing with construction permits

According to the World Bank, in Brazil it takes 338 days to obtain a construction permit, one of the longest timeframes among InfraCompass countries. Expediting this process could significantly impact investment in infrastructure by helping to reduce delays.



No

Environmental impact analysis

According to the World Bank, Brazil does not have a standardized requirement for environmental impact assessment. However, Brazil has policy guidelines and a systematic framework in place to determine and mitigate the potential environmental impact of all new infrastructure developments through its planning process, and an environmental assessment of all PPP projects are mandatory by law.



No

Market sounding and/or assessment

According to the World Bank, there is no regulated requirement to undertake market soundings in Brazil. Adding one could allow the government to determine if there is an interest from investors and lenders to provide commercial financing for projects.

For guidance on how to improve these metrics, please see the [Brazil Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	1,847	Population (million, 2019)	210	Unemployment rate (2019)	12.2%
GDP per capita (\$US, 2019)	8,797	Urbanisation ratio (2018)	87.0%	Inflation rate (2019)	3.8%
GDP growth rate (annual, 2019)	0.9%	Gross Government Debt (% of GDP, 2019)	92.0%	Digital Adoption Index (0-1 best, 2016)	0.68
GDP per capita growth rate (annual, 2019)	-1.8%	Sovereign risk rating (2019)	42	Gini coefficient (0-100 worst, 2017)	53.3

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.nihub.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	13.6 ↓	Cost to start a business	92.8 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	53.5 ↑	Dealing with construction permits	0 -
Recovery rate	18.2 ↑	Product market regulation, network sectors	51.4 -	Quality of land administration	55 ↑
Rule of law	44.4 ↓	Regulatory (including competition) quality	43.7 ↓	Registering property	78.1 ↑
Shareholder governance	46.7 -	Strength of insolvency framework	81.2 -	Time required to start a business	70.2 ↑
Political stability and absence of violence	44 ↑	Investment promotion agency?	Yes -		

PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	52.4 ↓	Infrastructure investment	35.6 ↑
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	50 -	Private infrastructure investment	31.2 ↑
Preparation of PPPs	47 ↑	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	13.5 ↑
Economic analysis assessment?	Yes -	Procurement of PPPs	50 -	Value of closed infrastructure deals with foreign equity sponsorship	33.3 ↑
Market sounding and/or assessment?	Yes -	PPP contract management	75 -		
Environmental impact analysis?	Yes -				

FUNDING CAPACITY		FINANCIAL MARKETS	
GDP per capita	11.2 ↑	Domestic credit to private sector	29.7 ↓
Gross government debt	38.3 ↓	Financing through local equity market	42.1 ↑
Long term GDP growth trend	11.5 ↓	Stocks traded	97.4 ↑
Summary credit rating	40 ↑	Financial depth	39.5 ↓
		Financial stability	92.7 ↓

Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.
 'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.