

Brazil Sets Trade Records, Due To Chinese Demand

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Brazil had record trade figures in 2011, logging \$256 billion in exports and maintaining a \$29.7 billion surplus on the back of high commodity prices and strong Chinese demand, officials said Monday.

Exports to China hit \$44.3 billion, an increase of more than 43 percent over 2010. In 2009 China surpassed the U.S. as Brazil's biggest trading partner.

"It was an exceptional year for Brazilian foreign trade," said Alessandro Teixeira, deputy trade minister, who said China represented 17 percent of Brazil's exports.

Brazil's booming middle class and its growing consumption also led to a record year for imports into Latin America's biggest economy, with \$226.3 billion worth of goods flowing into the nation, an increase of 25 percent over 2010.

Brazil is a commodities superpower, and Teixeira said strong production and high prices for iron ore, soybeans and crude oil aided the trade balance.

The Trade Ministry said total trade with China was \$77.1 billion.

That outpaced trade with the U.S., Brazil's No. 2 partner with \$60.1 billion in bilateral trade. Argentina was Brazil's third-largest partner in trade, with a total of \$39.6 billion flowing between the two nations.

Teixeira, announcing the figures at a news conference, said the ministry expects 2012 to be another record year for Brazilian trade.

He warned, however, there are concerns about the continuing crisis in Europe and if it could contribute to a slowdown in China's economic expansion.

Should China's growth slow, it would not only dampen its appetite for Brazil's commodities, but may trigger a drop in global prices for those goods, hurting Brazil across the board.

However, Teixeira said Brazil has rapidly diversified its trading partners in the past decade, and that the nation is working to deepen trade with several nations and blocs, principally looking to Africa as a continent where Brazil could see large future growth in exports.

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