



## U.S.–Brazil CEO Forum

### **STATEMENT OF BRAZILIAN AND U.S. CEO PRIORITIES**

September 1, 2009

*The Chief Executive Officers constituting the private sector membership of the U.S. – Brazil CEO Forum developed priorities and recommendations at the Fourth Meeting of the Forum on July 21<sup>st</sup>, 2009 in Washington, DC. Over the course of the next two years, the CEOs will work with their governmental partners on the priorities outlined below.*

**The United States and Brazil can work together to champion trade as a strategy for economic growth and recovery and to fight protectionist trends.** We challenge our governments to move forward together in key areas. Both the U.S. and Brazilian CEOs renew the call for completion of the Doha round and for commercially meaningful progress toward a strong, multilateral rules-based trading system. We encourage our governments to find creative alternatives to trade disputes, seeking to expand trade rather than inhibit it. The U.S. and Brazilian CEOs are unified in their support for expansion of free and fair trade and elimination of tariffs on ethanol and other products. Continuation of the General System of Preference for Brazil recognizes the strategic importance of this relationship and offers a practical, short-term solution to the lack of a more comprehensive bilateral trade accord. Both Brazil and the U.S. share a commitment to help bring greater political, economic, and social stability to Africa, Haiti, and other developing regions, and develop bridges between the U.S. and Brazil that generate jobs and opportunities in all participating nations. The CEOs will continue to focus attention on these issues and recommend actions to advance these priorities.

**A Bilateral Tax Treaty (BTT) remains a high priority of U.S. and Brazilian business leaders** – Despite the challenges inherent in establishing a Bilateral Tax Treaty, the CEOs feel strongly that this work should be pursued because of its importance to strengthening economic ties between the two countries. The BTT has been a top priority for both countries. Brazil is the only nation with a Gross National Product over \$1 trillion that does not have a BTT with the United States. The U.S. and Brazil seemed closer than ever in October 2008, but progress has stalled. We applaud the recent agreement between the two negotiation teams to exchange data regarding the impact of specific provisions of the BTT on each nation, but both sides will have to intensify efforts to overcome the significant differences that remain.

**Our two nations should adopt a Trade and Investment Framework Agreement (TIFA) as a precursor to reaching a bilateral agreement on free and fair trade** – The U.S. and Brazil enjoy a constructive working relationship on trade and investment issues, but the two nations have not established a formal strategic framework and principles for dialogue on trade and investment issues. The CEOs encourage both governments to use the TIFA as a roadmap for establishing bilateral agreement for free and fair trade.

**Information Technology Agreement (ITA)** – The U.S. and Brazilian CEOs think this proposal may have merit and will recommend a course of action to the two governments after further study.

**Establishment of an Education Tax Credit will enhance competitiveness in Brazil** – Educational improvement is a critical priority identified by CEOs in both nations. The CEO Forum Education and Workforce Development Working Group is working on a Corporate Education Tax Credit legislation that would grant companies in Brazil a tax credit for money invested in education and workforce training and development.

**Our government and private sector leaders will collaborate on energy matters.** Our meeting reached a consensus among private sector and government leaders on the need to accelerate cooperation in the energy arena, including alternative and renewable energy research and development; sharing of best practices on sustainable land use, environmental protection, and climate change; planning for energy independence and energy security; expansion of joint exploration of new energy sources; harmonizing codes and standards to ensure the global movement of advanced biofuels; and reviews of commoditization of biofuels.

**The U.S. and Brazil CEOs agree that improving the countries infrastructure – roads, railways, ports, bridges, airports, utilities, etc. – is an important step in encouraging more direct foreign investment both ways, as well as helping existing companies to expand their presence in the two nations** The CEOs urge the Brazilian government to make lasting improvements in the country's infrastructure. Additionally, the CEOs support the Brazilian government's effort to encourage U.S. firms to participate in infrastructure-building in Brazil as a way to spur competition and strengthen business ties between the two countries.

**Building on recent accomplishments, we encourage our governments to work together on customs modernization, visa reform, and further expansion of air routes.** The U.S. and Brazil have made important strides in improving the movement of people and goods across our borders, and more can be accomplished. The U.S. government has significantly reduced visa waiting times in Brazil. A Commercial Officer has been added to the Brazil Consulate in Chicago. The Brazilian Congress is considering visa reform legislation. Brazil and the U.S. signed an agreement to increase passenger and cargo flights, which was an essential prerequisite to attaining our objective of complete freedom of air travel between our two countries.

**We believe there are more ways to expand innovation and entrepreneurship.** Brazilian and U.S. companies would like to see our countries improve methods and processes for benchmarking competitiveness. The CEOs charged a Competitiveness Working Group to develop a benchmarking scheme for enhancing global competitiveness of both the U.S. and Brazilian economies. They found that while each nation is in a different stage of economic competitiveness, both share common challenges in the areas of macroeconomic stability, educational improvement, and innovation. The U.S. and Brazilian CEOs intend to build on this work and ensure that their priorities help both nations improve in these three areas.