

DELEGATION OF THE EUROPEAN UNION TO BRAZIL

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Classification:
UNCLASSIFIED

To: EDITA HRDA, Managing Director Americas, EEAS

Subject: BRAZIL – Weekly report: 30 October – 05 November

Summary:

Art. 4(1)(a) 3rd indent

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5. Brazilian unemployment rate fell below 12% for the first time since 2017. However, the majority of the new job posts were created within the informal sector of the labour market.

6. Agriculture Minister Blairo Maggi announces the reopening of Russian market to Brazilian meat.

7. As part of its debt reduction plan, Petrobras has entered into an agreement to sell its 50% stake in PetroAfrica and should receive up to US 1.530 billion.

Art. 4(1)(a) 3rd indent

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Detail:

Art. 4(1)(a) 3rd indent

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Art. 4(1)(a) 3rd indent

Out of scope

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Economic developments

5. The national unemployment rate fell, in the third quarter, from 12.1% to 11.9%: Nevertheless, the growth of the employed population occurred mostly in the informal sector of the labour market - 1.2 million out of the 1.4 million jobs created during the period, according to the Brazilian Institute of Geography and Statistics (IBGE). This group includes employment in the private sector without a formal contract and self-employed workers without registration as legal entity. Almost 5 million people (4.3% of the work force), have been defined as discouraged workers, as they are not actively seeking employment or do not find employment after long-term unemployment.

6. Almost a year after banning imports of beef and pork from Brazil, Russia has announced, 31 October, the reopening of its market: The reopening does not include BRF and JBS companies which are the largest pork and beef producers in the country, respectively. According to information from the Russian Health Service, five slaughterhouses will be authorized to export beef and four will be able to export pork. The reopening takes effect from 1 November. The Moscow decision, in fact, represents a reduction in the number of establishments authorized to export. Before the embargo, which began in December 2017, 18 Brazilian slaughterhouses were allowed to export pork and 30 slaughterhouses were allowed to sell beef.

7. Petrobras announced, 1 November, the selling of its 50% stake in PetroAfrica to Petrovida – which includes Vitol, Africa Oil and Delonex Energy. PetroAfrica (Petrobras Oil & Gas B.V.) is a joint venture between Petrobras (50%) and BTG Pactual (50%) and concentrates oil and gas production assets in Nigeria. Currently, Petrobras' production share in these assets is of the order of 21 thousand barrels per day of oil. As part of its debt reduction plan, the company has made a commitment to raise US 21 billion in partnerships and divestments in 2017-2018.

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Art. 4(1)(a) 3rd indent

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