

Country Report Brazil

Chemical industry data and facts

September 2024

Brazil: number one in Latin America

In 2023, the Brazilian chemical and pharmaceutical industry generated a turnover of 105.2 billion euros. Compared to the previous year, sales fell sharply by over 20 percent. Lower prices and declining global demand in industry caused sales to slump again after the previous year's boom. However, Brazil's chemicals industry still ranks 10th among the top-selling chemical industries in terms of sales. But Brazil is not only a major producer of chemicals, it is also a major market. With a consumption of almost 152 billion euros, Brazil is the sixth largest consumer of chemicals and pharmaceuticals.

However, the corona pandemic and industrial weakness have left their mark. Production has fallen by around 1 per cent per year over the last five years.

Nevertheless, the Brazilian chemical and pharmaceutical industry is investing in its facilities. Investments in the sector rose by 2.3 per cent per year over the last five years to 4.2 billion euros in 2023.

FOCUS ON BASIC CHEMICALS

Brazil's chemical industry is broadly based. One focus is on basic chemicals – especially petrochemicals and polymers. The country's wealth of raw materials favours production here. Another focus is on industry-related fine and speciality chemicals, which accounted for around a quarter of industry sales in 2023. The share of pharmaceuticals in chemical sales has tended to decline in recent years.

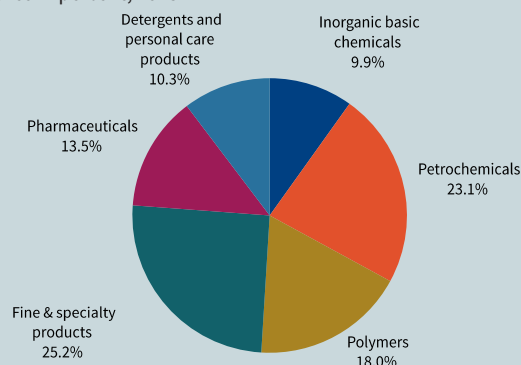
Brazil's trade balance in chemicals was clearly negative, at minus 46.7 billion euros. In 2023, no sector managed to achieve a trade surplus again. In particular, inorganic chemicals and pharmaceuticals were imported on a large scale.

GERMANY'S MOST IMPORTANT TRADING PARTNER IN LATIN AMERICA

In 2023, Germany exported chemicals and pharmaceuticals worth 3.8 billion euros to Brazil, slightly less than in the previous year but significantly more than in the years before. This represented 1.5 per cent of German chemical and pharmaceutical exports. However, only 0.3 per cent of German chemical and pharmaceutical imports came from Brazil. These were goods worth 540 million euros. The German chemical trade balance with Brazil was thus clearly positive. German chemical and pharmaceutical companies are also active locally with sales and production facilities. The industry's direct investment in Brazil in 2021 (more recent data is not available for Brazil) amounted to 2.2 billion euros. A total of 48 subsidiaries of German chemical and pharmaceutical companies were active in Brazil. Together, they generated a turnover of 8.1 billion euros and employed 21,000 people.

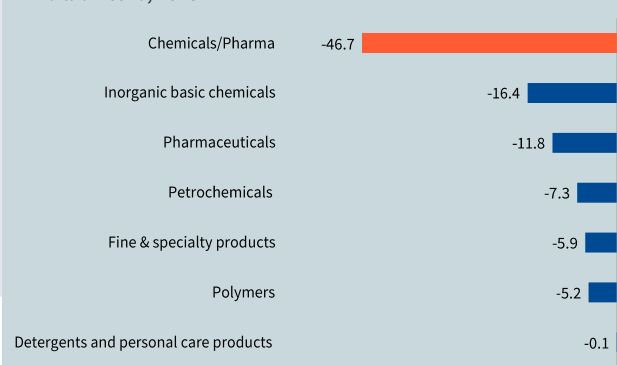
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Structure of Brazil's chemical industry
shares in percent, 2023



Sources: Chemdata International, VCI

Brazil's trade balance for chemicals
in billion euro, 2023



Sources: Chemdata International, VCI