

Minister Burns - Rio Governor Witzel, 19/08/19 – Meeting Note

**Attendees**

**UK:** Minister Burns (CB); [REDACTED] CG Rio; Emily Shirtcliff, Minister-Counsellor São Paulo [REDACTED]

**Brazil:** Wilson Witzel, Rio State Governor [REDACTED] s.40

**Actions**

[REDACTED]  
[REDACTED] s.35

**Note**

**WW** welcomed CB to Rio. He noted his admiration for the UK, and Churchill in particular (drawing a personal connection, given his own Jewish heritage); so a close bilateral relationship was very important to him. He noted the very challenging context in Rio when he took over [REDACTED]

**S.27** \_His aim was to enhance investment, highlighting the huge opportunities in Rio including in energy; he also noted the importance of tourism. He hoped the UK could partner in a range of projects, and could also become a hub for tourism. While underlining that violence against tourists was very rare, he acknowledged the security challenge, but highlighted his administration's restructuring of the police leading to a 26% drop in the homicide rate. He hoped for UK support on security and organised crime.

**CB** was grateful for the warm welcome. Brazil was his first overseas visit as a Minister, and this was his first meeting. He praised the Governor's ambition for fiscal stability and reducing violence. UK stood ready to work together on a range of issues, including security (noted expertise on facial recognition). He agreed on the importance of Rio's energy sector, and particularly wanted to partner in renewables, where UK had expertise which could support Brazil's environmental protection work.

**s.40** \_commented on the role of the Prosperity Fund in supporting energy transition (the largest PF project in Rio). **WW** wanted to provide assistance to UK firms to invest in energy projects.

Given the range of opportunities, and the importance of our institutions working together, [REDACTED]

[REDACTED] **WW** had not planned to come to London so soon, but on reflection agreed to do so, suggesting late November. [REDACTED]

[REDACTED] s.35

**WW** stated Rio's ambition for a 'Tax Free Importing Zone', which would launch soon. **CB** commented on HMG's plan for 10 Free Ports.

**WW** noted a range of infrastructure projects launching soon, and would welcome UK investment and expertise in these. [REDACTED]

[REDACTED] s.27, s.35

WW invited CB to visit Rio again, suggesting as an observer to his Mayoral meeting (in September), and offered for him to accompany WW to Carnival.

### Minister Burns – Infrastructure Minister Freitas, 20/08/19 – Meeting Note

#### Attendees

UK: Minister Burns (CB); Liz Davidson, DHM; Emily Shirtcliff, Director Trade Brazil; [REDACTED]  
[REDACTED]

Brazil: Minister Freitas (TF); [REDACTED] s.40

#### Action

[REDACTED]  
[REDACTED] s.27

#### Note

TF opened by underlining the new Administration's reform agenda, which included a huge emphasis on infrastructure projects, presenting significant opportunities for foreign investors. He set out his programme up to 2022, which included railways; airports; ports; highways – the purpose was connectivity. Large returns (8% guarantees) were offered. These reforms, coupled with macroeconomic reforms in the pipeline (pensions; social security; tax; financial services) should result in an increase in Brazil's credit rating. The government would support the investment climate by offering large returns, and increased security through reform of arbitration systems and judicial oversight. [REDACTED]

CB was impressed by the administration's economic reform agenda (reminiscent of Thatcher's reforms), which were about creating positive conditions for investment. The UK could support this drive, given our strength in services, including financing and project management (use of established companies provided greater certainty for investors), and could help sustainable growth and environmental support through our expertise in renewables and green financing. TF agreed there was huge potential, given complementarity of our economies in terms of specialisation and need. Thanked CB for offer of support on renewables, noting Brazil's Green Bonds. Agreed on importance of project management and consultation - legislation was coming, based on World Bank best practice (a vote would take place in Congress this week, which he expected to pass).

CB offered full support [REDACTED] s.27 and asked about objectives. TF clarified that these were to identify potential investors; demonstrate potential; clarify timelines; and agree G-2-G communication.

CB provided an overview of EU Exit – it was not an insular project, but about opening up to parts of the world which had been somewhat neglected (noting UK/Brazil's trade figures, which had significant room for improvement).

### Minister Burns – Itamaraty Minister Moretti, 20/08/19 – Meeting Note

#### Attendees

UK: Minister Burns (CB); Liz Davidson, DHM; Emily Shirtcliff, Director Trade Brazil [REDACTED]

Brazil: Secretary for Trade and International Economic Moretti (NM); [REDACTED] s.40

#### Note

Informal lunch covering a wide range of issues:

[REDACTED] Brazilian reforms. NM underlined the urgency of the reforms. Passage of social security reform through Congress was a good omen for future priorities [REDACTED]

- EU Exit. CB clarified the positive post-exit vision for Global Britain, based on trade with the rest of the world, and supported by measures such as non-discriminatory, skills-based immigration. Underlined investor confidence in the City remained high.

[REDACTED]

[REDACTED] s.27

[REDACTED] s.27, s.35

- Market Access. CB underlined high ambition from UK for bilateral trade, noting that much could also be done outside auspices of an FTA, including on market access. NM agreed. CB noted the importance of environmental protections in the context of economic growth, and referenced the support that the UK could offer through expertise in renewables.

- OECD Accession. NM noted the value of BRA's membership, not least to lock in reforms for future administrations. NM thanked UK for support [REDACTED]

[REDACTED] s.27

## Attendees

**UK:** Minister Burns (CB); Liz Davidson, DHM; Emily Shirtcliff, Director Trade Brazil; [REDACTED]

**Brazil:** Special Secretary for International Trade Troyjo (MT); Yana Dumaresq; [REDACTED]

s.40

## Action

S.27

## Note

**CB** noted that this was his first overseas visit as a Minister. Brazil had been an easy choice, given the scale of the opportunity, and the dynamism of the new administration's economic reforms. There was huge room for bilateral trade to grow, given complementarity of the two economies.

**MT** clarified the 5 economic priorities for the new administration: i) social security reform (getting this through Congress had been seen as a real litmus test of the administration, so getting it through was very positive; ii) tax reform; iii) privatisation (including subsidiaries of Petrobras) and foreign investment; iv) reducing size of government; v) international openness, including reducing protectionism and opening up global trade.

On (v), **MT** mentioned negotiations were ongoing with Canada and Korea, and hinted that EFTA may be concluded, with news hopefully coming soon. [REDACTED]

**S.27, s.35** **CB** absolutely wanted to set ambition high for trade with Brazil. He noted the UK were planning for negotiations with US, New Zealand, Australia, and were thinking about CPTPP. Brazil should be high up the list [REDACTED]

S.27, s.35

S.27

**CB** noted again the scale of UK ambition. There was so much scope for increasing the partnership, including on environmental protections and via UK support for renewables and energy transition. Much could be done outside an FTA, including on Market Access, and the Jetco process was a good vehicle for this. **s.40** set out 4 goods and 4 services priority market access barriers. **MT** responded positively to a proposal to go beyond the goods and services sectors identified in the Trade Review to agree specific market access barriers that we would look to work on bilaterally ahead of the JETCO. Parliamentary arithmetic meant travel would be difficult in the coming weeks, so **CB** invited **MT** to London for the next Jetco. **MT** agreed, [REDACTED]

S.27

MT noted that the Prosperity Fund will be very well received by the public (note: the MoU was jointly signed by both ministers later on the same day).

MT asked about the WTO. CB noted UK had lodged our schedules. WTO needed reform, but UK felt it was an important institution, that bolstered the rules-based order. MT totally agreed, and also highlighted the importance for Brazil of their OECD accession. CB noted UK support.

## Summary

**In his first overseas visit, Minister Burns launches our ambitious £20m Trade Facilitation Prosperity Fund programme and signals strong partnership with Brazil as a liberal, free trade ally. Meetings with key Brazilian and UK businesses, Economy and Infrastructure Ministries and the Rio State Governor show opportunities across many sectors.**

S.27

1. Minister Burns, DIT's Trade Policy Minister, visited Rio de Janeiro and Brasilia on 19 and 20 August to turbo-charge our engagement with Latin America's largest economy and the 9<sup>th</sup> largest economy globally.
2. In Rio (Latin America's 4<sup>th</sup> largest city, with an economy of US\$300bn), Minister Burns met State Governor Wilson Witzel and a wide range of UK and Brazilian businesses. The Minister stressed the breadth of UK interests in the State – Energy and Marine, Defence, Creative Industries, Life Sciences – and the opportunity to expand in these areas, tackling barriers and promoting innovation together, including through our energy transition-focussed Prosperity Fund (PF) programme. S.27 Minister Burns invited Witzel to London in November S.35. The Minister also visited Baker Hughes General Electric's subsea pipeline manufacturing facility. Working with a sister factory in Newcastle, and with support from DIT, the firm has won over £750m of business in Brazil and is poised to expand its facilities.
3. During our first Ministerial meetings with the government in Brasilia, Minister Burns explained The Minister raised the UK's commitment to environmental protection and offered support to Brazil in the transition to renewable energy and a lower carbon economy. The Minister was joined by senior Government representatives led by Marcos Troyjo (International Trade Secretary) to launch our eagerly anticipated Trade Facilitation PF programme. The launch was preceded by a warm and frank meeting with Troyjo, S.35. S.27. The Minister underlined the UK's expertise and opportunities for partnership with Brazil in renewable energy.
4. Minister Burns and Infrastructure Minister Freitas discussed Brazil's ambitious infrastructure plans ahead of the latter's forthcoming visit to the UK. Freitas looked forward to meeting UK investors to present the pipeline of projects. The Ministers found common ground on the benefits of a liberal, private sector-led approach to investment. Minister Burns raised current restrictions on UK consultancy services in major projects in Brazil, and cited Crossrail as an example of UK expertise.
5. Over lunch with Secretary Moretti from the Foreign Ministry

[REDACTED] Moretti shared our desire to reform and reinforce the WTO, [REDACTED]

6. The Minister spoke enthusiastically at a town hall meeting for staff, echoing the PM's recent messages. I am grateful to the Minister for his engagement.
7. The Brazilian Government has reacted positively to the visit, with national media coverage mentioning the importance of Brazil and the region to the UK, and focusing on the potential for a future trade deal following both Brexit and the Argentinian elections. The tempo of Brazil-UK interaction will remain high for the rest of the year [REDACTED]

[REDACTED] s.27

#### Comment

8. The signal of partnership and the Minister's commitment to personal engagement with Brazil landed well with key government ministers and the business community. The Ministry of Economy's ambition for trade talks gives further impetus [REDACTED] However [REDACTED] s.27, s.35 it will be important to capitalise on the commitment for a JETCO later in the year.
9. [REDACTED], parts of the UK media alleged that the UK was not emphasising the environment enough during the Minister's visit. [REDACTED] [REDACTED] s.27 that free trade is an enabler of, not a barrier to, low-carbon growth.

VIJAY RANGARAJAN

Authorised  
Vijay Rangarajan | HMA [REDACTED]

Contact

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