Trade between Africa and Brazil could be said to have begun under very murky circumstances in the 1500s, when the Portuguese began trading slaves from West and Central Africa for their sugar and mining activities in the Americas.

The African diaspora was in fact, the foundation of the Brazilian economy until its government abolished slavery in 1888. The guilt has weighed heavily on Brazil’s collective conscience. During a 2005 visit to Senegal, current President Luiz da Silva apologised to Africans for his country’s role in the slave trade.

In its desire to right those wrongs, Brazil is strengthening its ties to Africa by building diplomatic relationships and seeking trade agreements that will benefit both the continent and the country.

‘This is not an easy task, however,’ says Abel Domingos, the administrative and financial director of the Afro Brazilian Chamber of Commerce (Afrochamber) in Brazil. ‘Many previously colonised countries have a restraint of trade policy and some multinational companies with branches in Brazil are also not allowed to export.

‘Despite this we believe that Brazil is the best trade option for Africa, not only because of its ethnic and racial links but, more importantly, because Brazilian manufacturers have the expertise to produce machinery and agricultural equipment ideally suited to Africa.’

According to Trade Law Centre for Southern Africa (Tralac) researchers, Taku Fundira and Sean Woolfrey, there is only one major trade agreement between Africa and Brazil – the recently signed Sacu-Mercosur Preferential Trade Agreement (PTA).

Member states of the Southern African Customs Union (Sacu) – Botswana, Lesotho, Namibia, South Africa and Swaziland – and the Latin American trade bloc, Common Market of the South (Mercosur) (of which Brazil is a member) have agreed to establish fixed preference margins on a number of trading goods. While the PTA does not cover a particularly significant portion of bilateral trade, it does have some motivating benefits, as Fundira and Woolfrey point out.

‘We don’t expect the PTA to have a huge impact on trade flows between the two regions, but it will serve as a stepping stone towards the conclusion of a more comprehensive agreement. In addition,’ they say, ‘it will serve to consolidate relations between the two blocs as part of an enhanced south-south agenda.’
‘South-south’ is a term used to describe emerging and developing southern economies such as Brazil and South Africa.

The Organisation for Economic Co-operation and Development says that south-south trade is vital for development and that ambitious trade liberalisation ‘can generate more gains for developing countries than any other area of international economic co-operation’.

Trade exchange between Africa and Brazil is concentrated on food, agricultural products, and machinery. The only problem seems to be that southern Africa in particular, produces many similar products to those offered by Brazil, such as sugar and motor vehicles, meaning they compete on international markets.

But as the Traiec researchers point out: ‘This is not necessarily a negative, but does raise the possibility of trade diversion rather than trade creation resulting from trade agreements between the African region and Brazil.’

That said, the Brazilian embassy in South Africa has released figures indicating balanced trade between the two countries for 2009. Exports equated to US$8.7 billion (FOB), and imports worth US$8.5 billion, with a small surplus of US$227 million. According to the voce, Brazil’s biggest trading partner in Africa is Nigeria – the source of 98% of its crude oil imports.

In 2009 Brazil was the second largest exporter of food products to South Africa and is currently its largest trading partner from South America. Last year South Africa exported US$196 million worth of wine to Brazil and now that the South African Department of Agriculture, Forestry and Fisheries has decided to lift the ban on deboned Brazilian meat, trade of this product (excluding pork) may resume once a new International Sanitary Certificate has been agreed upon.

The products the Brazilians rate very highly in terms of imports include: coal, automotive parts and machinery, gas filtering devices, platinum, vanadium iron, sodium, palladium and nickel, combustible oils, wine, cellulosic material, plastic resins, fish, and phosphoric and polypophosphoric acids.

In return, Brazil has a varied menu on offer: petrol and its by-products, computer goods, medicines and medical equipment, cotton, soap, furniture, textiles, nickel, footwear, meat, and a diverse range of telephonic and electrical equipment.

The exchange of knowledge is another aspect of Brazil’s developing relationship with Africa. In January it signed an agreement with Uganda to collaborate in research and innovation that will boost the development of biofuels in this country. The production of renewable energies will aid Uganda in overcoming its dire energy deficiency.

The development of biofuels appears to interest Brazil in Zimbabwe too, where it will be co-operating to the production of ethanol and commercial verification of coal-bed methane, in the exploration of hydrocarbons, and the generation of electricity using bagasse.

Zimbabwe and Brazil are also hoping to remove the double taxation on business transactions between the two countries and will explore more areas of co-operation, including the rehabilitation of water, road infrastructure and electricity generation.

Nigeria is also receiving technical and capacity-building assistance from Brazil to address its poor infrastructure and Algeria has also turned to Brazil for help in developing its agriculture sector and industry.

At a UN debate last October, Brazilian representative Maria Luisa Ribeiro Viotti, pointed out that Brazil was represented in 34 African countries through resident embassies and that her country’s approach was based on a partnership ‘with’ Africa rather than one ‘for’ Africa.

This commitment, she pointed out, is reflected in Brazil’s involvement in the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria as well as the Roll Back Malaria Partnership.
Mozambique shares a common Portuguese heritage with Brazil and it is here that Brazilians are helping to build a polytechnical centre for professional training and a US$23-million plant to produce generic antiretroviral drugs. It’s also supplying aid to enhance reforestation in the Machipanda district.

Ghana also has very strong links with this South American country. A co-operation agreement has encouraged conditional income transfers to mothers who keep their children in school; a programme for the eradication of child labour; and the design of a pilot social grants programme – Livelihood Empowerment Against Poverty.

But it’s through the Bolsa Familia programme that Brazil has made the biggest impact on the lives of Ghanaians. A social transfer programme, it has affected 45 million of the country’s poorest citizens, in helping to reduce hunger, poverty and inequality.

Tourism in Mozambique is also getting a boost with the signing of an agreement between the two countries to co-operate in the area of staff training.

Brazilians and Africans alike enjoy tourism exchange, given the cultural background of shared interests such as music and dance. In fact, the origin of samba music can be traced to Angola and although it has several meanings, perhaps the most appropriate is to invoke the Gods of African Pantheon. Saniba is also the name given to a West African tree.

And let’s not forget the mutual passion of Africa and Brazil for soccer. That the King of Football, Brazil’s Pele, is predicting an African team to win the 2010 Fifa World Cup is yet another indication of the ties that bind the country to the continent.

Whether it realises it or not, Brazil is setting an example of how to make reparations by means of economic benefits. It has developed such a reputation for its products that there has been an ironic compliment paid to it, says Afrochamber’s Domingos. ‘Marketing Brazil as a brand to the mushrooming economies in Africa is proving so popular,’ he says, ‘that Asian countries are, unfortunately, exporting products to the continent with the label “Made in Brazil.”’ Let’s remind Mr Domingos that imitation is the greatest form of flattery. AD