

## [Brazil Booms as Commodity Resources Pay Off Bigtime](#)

Brazil is a huge country with plenty to offer in the fields of commodities, commerce, and vacations, no matter a person's individual preferences. In fact, there are so many things to do in Brazil, many tourists will return for a second or third visit and businessmen want to camp out there.

Brazil is to commodities what China is to manufactured goods. A large share of the world's beef, orange juice, soybeans and iron ore comes from the great green giant. With the recent discovery of two huge oil fields off the coast of Brazil, the most important oil field finds in the world in decades, Brazil is set to advance fast in an energy short world. The Brazilian oil firm, Petrobras, is an expert in developing deep water fields as these fields are.

While the deep water development costs will be tremendous at current prices for crude oil Brazil will reap huge financial benefits as the fields start producing oil, probably by 2015. The United States will be eagerly seeking to import oil from Brazil as the Cantaral major field of the number two exporter of oil to the US, Mexico, is already in a serious state of decline. The US will soon need to find a replacement for oil it is now importing from Mexico.

Brazil is quite truly huge and has fantastic resources. Its vast tropical landscapes encompass the Amazon Jungle, the desert dunes of the Maranhenses, and the largest wetlands in the world, the Pantanal, not to mention more than 7,000 kilometers of coastline. There are national parks where you can practice mountain climbing, rappelling, white-water rafting, and waterfall cascading.

Brazil is a tropical country that extends well into the temperate zone. The coastal area ranges from tropical in the north to temperate in the south. Brazil is so large that it borders all other South American countries except for Chile and Ecuador. This tropical land is not only known for its size but its ecological treasures with a large Atlantic coast, a mountain range, and the Amazon river basin and rain forest.

Brazil is the giant of South America with nearly half of the continent's area and people; worldwide it ranks fifth in both area and population, which is as diverse as it is large. More than 45 percent (80 million) are black or of mixed-race, a legacy of the African slave trade.

Brazil is a multiparty federal republic. The president is both the chief of state and the head of the government. Brazil is the largest country in South America. During colonial times, it was invaded and conquered by both the French and the Dutch, and the Portuguese/Bahians took it back of course, each time. The African element in the Bahia region and in Salvador's culture is very pronounced.

Brazil is the world's 8th largest pharmaceutical market in terms of sales and the 6th largest in terms of production volume. The majority of international pharmaceutical companies such as Novartis, Roche and GSK have a regional platform with production in Brazil, from where they deliver to the rest of Latin America.

Brazil is not yet a rich country but is on its way to becoming one. Brazil is a very complex country with a multiplicity of cultures, races, folk legends, songs, etc. There is the rich industrial city of São Paulo on one side and on the other the Indians who barely know fire in the Amazon Jungle. Brazil is governed by the 1988 constitution as amended. The president, who is elected by popular vote for a four-year term (and may serve two terms), is both head of state and head of government.

Brazil is planning to commission later this year a uranium enrichment plant that, if configured to do so, could fuel several nuclear weapons annually. As a member of the Nuclear Nonproliferation Treaty (NPT), Brazil has promised not to make such weapons and is obliged to allow the International Atomic Energy Agency (IAEA) to ensure this is the case.

Brazil is becoming a major player in the telecommunication industry and will grow dramatically in the foreseeable future. Not only do the number of Internet and mobile users increase daily, but the many initiatives that are taking place to penetrate this market are incredible.

Inflation fell to 4.5% in 2007, compared with triple digits in the 1990s, according to Business Week. Predictions for the remainder of the year are a marked improvement. Inflation-adjusted GDP in both countries remains well below late-'90s peaks, while Brazil's GDP is now at a new high.

However well all of Brazil's considerable resources bode well for Brazil's future it is the discovery of vast oil fields at a time of soaring world demand and declining oil production around the world that will drive a powerhouse Brazil in the near future. Brazil will join the likes of Canada, Russia, Saudi Arabia, and Iran as cash magnets in a world starved for oil.

Countries that have a surplus of oil to export will do extremely well in the 21st century. Countries that continue to import large amounts of oil, like the United States and many European nations, will probably suffer a marked reduction in their standards of living and power and influence in the world as

oil prices continue to increase.

Young men with lots of ambition and who are capable of learning Portuguese might consider making their fortune in Brazil. In the 21st century Brazil is a nation of great promise. Especially if you have an interest and expertise in commodities.

Even if moving to Brazil isn't to your liking the long term investor should do well by getting involved with Brazilian companies with commodity interests.

### About the Author

Gerald "Taipan" Greene is a retired forex trader and portfolio manager who worked in Asia for over 20 years. He now writes for a number of financial, political, and Internet business related blogs. One of them is at [Learn to Trade Commodities](#)

Source: <http://www.onlineearnings.net>