

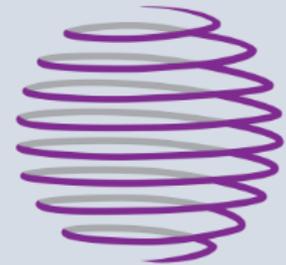
ESTORIL POLITICAL  
FORUM 2015

XXIII INTERNATIONAL MEETING IN POLITICAL STUDIES

80*years*  
MAGNA CARTA  
LAW, LIBERTY  
& POWER



INSTITUTO DE ESTUDOS  
EMPRESARIAIS



FÓRUM DA  
LIBERDADE

Frederico Hilzendeger

June 24, 2015.



# BRASIL

CHALLENGES OF AN EMERGING POWER

2009



2013



BRASIL: CHALLENGES OF AN EMERGING POWER | ROUND TABLE

# 2015 INDEX OF ECONOMIC FREEDOM

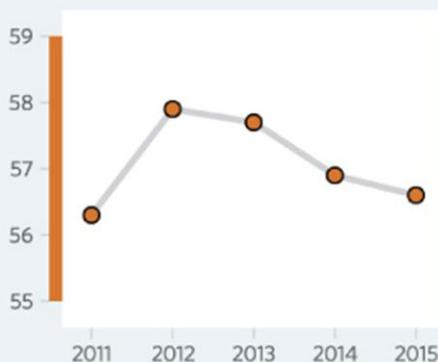
HERITAGE FOUNDATION | THE WALL STREET JOURNAL

## 2015 INDEX OF ECONOMIC FREEDOM

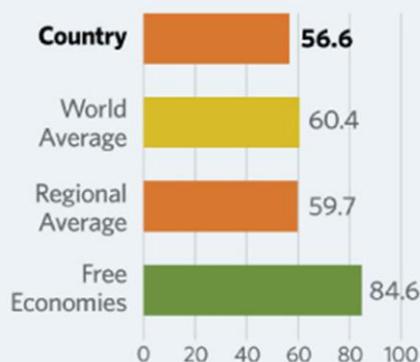
### Brazil



#### Country Score Over Time



#### 2015 Score Comparison



Sources: Terry Miller and Anthony B. Kim, *2015 Index of Economic Freedom* (Washington, DC: The Heritage Foundation and Dow Jones & Company, Inc., 2015), <http://www.heritage.org/i/index>.

heritage.org

### Economic Freedom Score



BRASIL: #118 / 178

#### RULE OF LAW

Property Rights 50.0 —  
Freedom From Corruption 42.0 ^

#### LIMITED GOVERNMENT

Government Spending 50.9 v  
Fiscal Freedom 68.4 v

#### REGULATORY EFFICIENCY

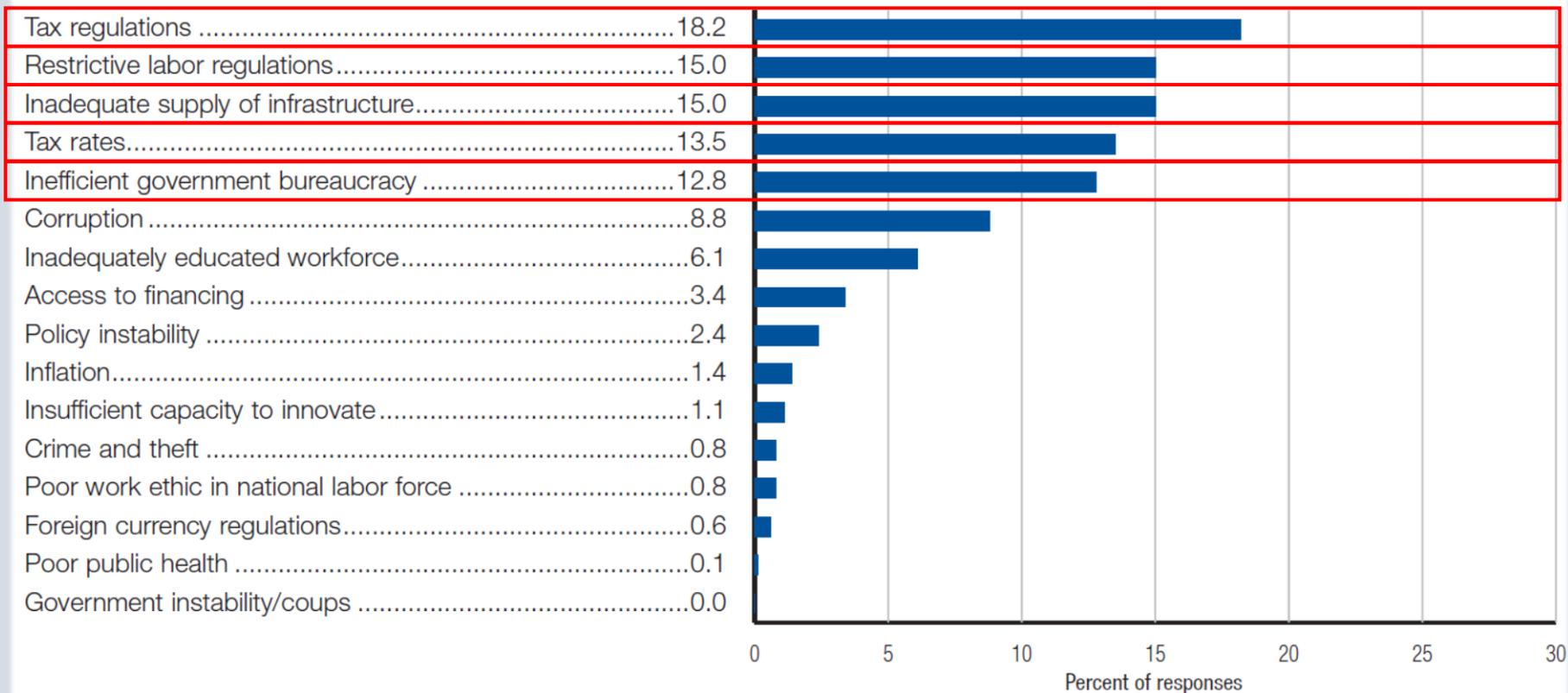
Business Freedom 53.6 v  
Labor Freedom 52.1 ^  
Monetary Freedom 69.4 v

#### OPEN MARKETS

Trade Freedom 69.6 ^  
Investment Freedom 50.0 v  
Financial Freedom 60.0 —

BRASIL: CHALLENGES OF AN EMERGING POWER | ROUND TABLE

## The most problematic factors for doing business



The Global Competitiveness Report 2014-2015 – World Economic Forum

# TAX REGULATIONS | TAX RATES

## Paying Taxes i

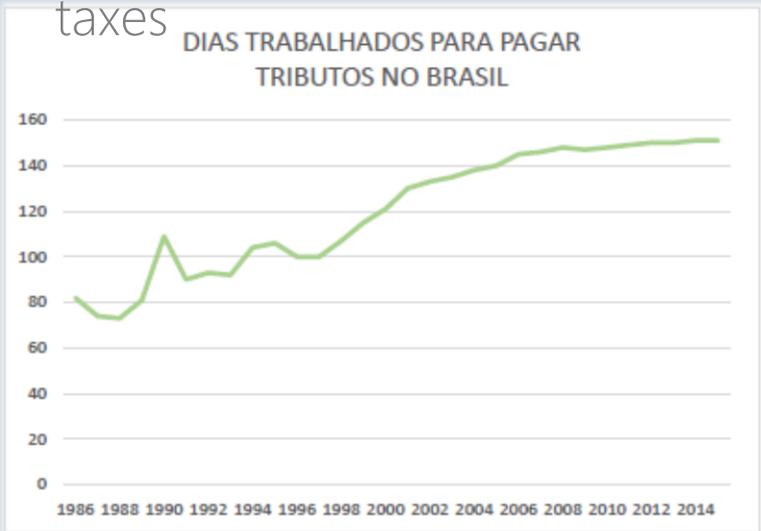
DB 2015 DTF\*\* (% POINTS) **41.37** DB 2014 DTF\*\* (% POINTS) **41.37** CHANGE IN DTF\*\* (% POINTS) **0.00**

Indicator	São Paulo	Latin America & Caribbean	OECD
Payments (number per year)	9.0	29.9	11.8
Time (hours per year)	2,600.0	365.8	175.4
Profit tax (%)	24.8	20.7	16.4
Labor tax and contributions (%)	40.3	14.7	23.0
Other taxes (%)	3.8	12.9	1.9
Total tax rate (% profit)	68.9	48.3	41.3

*Doing Business 2015: Going Beyond Efficiency* | World Bank Group

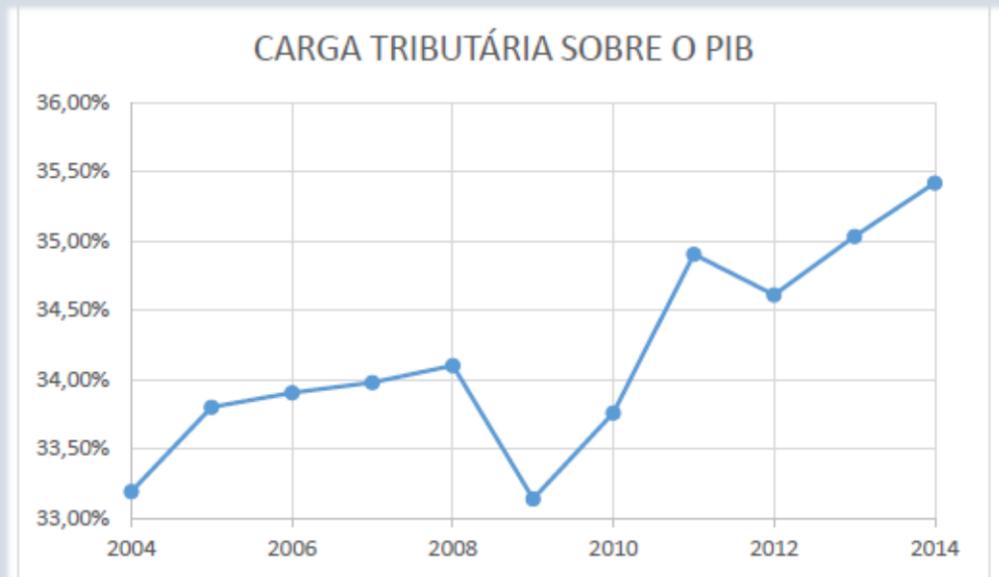
# TAX REGULATIONS | TAX RATES

151 Days worked to pay taxes



Instituto Brasileiro de Planejamento e Tributação – IBPT

Tax burden: 35,42% GDP



Instituto Brasileiro de Planejamento e Tributação – IBPT

# RESTRICTIVE LABOR REGULATIONS



- Laws and regulations
- Social security system
- Employee benefits
- Labour Courts
- Outsourcing

# INADEQUATE SUPPLY OF INFRASTRUCTURE



2015: Aprox. 1,75%\* GDP | Minimum (maintenance): 2,1%\* GDP

\*Pezco Microanalysis | Instituto Millenium  
(telecom, transport, energy and sanitation)

BRASIL: CHALLENGES OF AN EMERGING POWER | ROUND TABLE

# INEFFICIENT GOVERNMENT BUREAUCRACY



BRASIL: CHALLENGES OF AN EMERGING POWER | ROUND TABLE



OBRIGADO | THANK YOU

BRASIL: CHALLENGES OF AN EMERGING POWER | ROUND TABLE

