

Reasons to Invest in North East Brazil

Following recent positive publicity, we at Invest in Brazil have provided a short guide as to why North East Brazil is the perfect place to invest

JOAO PESSOA, PARAIBA, BRAZIL,
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Employment is on the up

Over 67% of people in Brazil aged 15 to 64 now have paid jobs encouraged by an unemployment reduction from an average of 8.65% in 2001 to 4.9% in April 2014 (source The Brazilian Institute of Geography and Statistics). Apart from the increase in employment partially due to the economic success of the 2014 World Cup, industries across Brazil continue to grow attributing to growing market trends (such as a rise in the middle class) growth of e-commerce and the development of small and medium enterprises. With new shopping centre complexes together with retail parks and the huge Fiat manufacturing plant close by, the area around the city of Joao Pessoa alone is expecting to create over 7,500 new jobs which is anticipated to rise to 20,000 over time. This increase in jobs will put pressure on housing which is already seen a major priority.



Cabo Branco Beach, Joao Pessoa



Praia De Coqueirinho, Joao Pessoa

A dramatic rise in Tourism boosted by world sporting events

Brazil's tourism industry has seen a steady growth rate since 2000. The positive effect of the recent World Cup saw an estimated 3.7 million visitors travel through Brazil's states, 600,000 of those internationally. The positive effects of Travel and tourism on the Brazilian economy will see a 5.2% rise in the country's GDP in 2014 according to World Travel and Tourism Council's (WTTC) Brazil report 2014. With the north east region being seen as the holiday destination of Brazilians, this area is seeing the greatest tourist movements.

Fantastic year round sunshine

With the seasons reversed, winter in the UK is the summer season for Brazil. The UK as well Europe

have been looking for some time now at Brazil as an alternative holiday destination as temperatures averaging 26-30 degrees all year round. Apart from the sun, the region of north east Brazil offers so much more whether it's walking on a beautiful beach like Praia De Coqueirinho, swimming in crystal clear waters or experiencing the vibrant night-life and wide range of restaurants to suit all. João Pessoa is also becoming the Kite-surfing Capital of Brazil, chosen by professional riders to practice because of the steady wind and ample surfing schools.



Tambaba Country Club Resort Gate House

An Increasing Middle Class

The most dramatic growth in Brazil's consumer market this decade will be determined by the countries emergent middle class accounting for 85% of incremental spending between 2010 and 2020. This decade, some 5.3 million households will rise from the 'restricted' to the emergent middle class segment making up 37% of households, increasing consumer behaviour and the need for luxury homes. With prices at an all-time high in the south of Brazil it's the north east that is expected to see the largest growth for new housing making it the perfect time to invest in projects such as [Tambaba Country Club Resort](#) marketed through [Invest in Brazil Ltd](#).

An overwhelming demand for housing

Within Brazil's big cities, house prices have soared as salaries have grown and mortgages have become easier to obtain. Although many anticipated a general slowing, demand continues especially in the north east where many areas are being transformed to cater for the increasing tourist trade. Prices nationally rose by 12.7% in 2013 (Fipezap house price index) with the north east again expected to be higher due to new developments and a general shortage of affordable property making projects like [Pueblo Do Mar](#) marketed through Invest in Brazil Ltd - the perfect investment opportunity. It is also expected the rental market will increase dramatically.

The Brazilian Real 20 years on

Introduced to Brazil on 1st July 1994, the Brazilian currency the Real, replaced the Cruzeiro which suffered from rampant inflation over a 30 year period. Since the Real launch, the currency has seen more stability giving confidence to international investors. As part of the BRICS economy, current Brazilian President Dilma Rouseff has been working hard to achieve the central banks inflation rate target of 4.5%. The north east has favoured much better as inflation was under 5% in the 12 months to April 2014 compared with a national average of 6%.

Hotel Demand on the Increase

With the massive amount of investments being channelled in to the north east region of Brazil, hotel chains are now cashing in. The Accor hotels group together with Best Western International who have over 4,000 hotels worldwide, are now firmly established in Brazil. By the end of last year, Brazil had

313,833 hotel rooms registered according to tourism ministry data, welcoming more and more tourists to events such as the Exhibition Multifeira held in Joao Pessoa, the largest event of its kind in the north-east Brazil which saw 120,000 people pass through its doors. Fresh capital should also help BHG, Brazil's only listed Hotel Company, who aim to increase the number of available suites by 50% at the end of 2015 from the current 8,539.

Brazil Welcomes Foreign Investment

Unlike some countries from around the world Brazil has been opening its doors to foreign investment for some time now. Because of its strict import taxes, companies from outside Brazil are reaping huge rewards since relocating their businesses to Brazil. In turn Brazil is also benefiting from foreign investment with over \$180 billion coming into Latin America in 2013. Foreign companies interested in investing in Brazil count on numerous tax incentives granted by the Brazilian government on the municipal, state and federal level. Most incentives are granted upon the submission of a project comprising the minimum invested value, addressing job creation and other relevant matters.

Abundance of Natural Resources

Brazil covers an area of over 8.5 square kilometres and is abundant with natural resources and reserves including oil, minerals and agricultural products. It is also one of the largest producers and exporters of coffee, iron ore, nickel, aluminium, meat, poultry, sugar cane, soy-beans and ethanol. Countries from around the world continue to increase their trading with Brazil making it a major powerhouse now and in years to come.

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