



PROJECT BRAZIL:

IRELAND-BRAZIL BUSINESS REPORT

UNDERSTANDING THE BRAZIL POTENTIAL: CAPITALISING ON EXISTENT AND UNSEEN TECH TRADE LINKS BETWEEN BRAZIL AND IRELAND



IRISH BUSINESS
NETWORK BRAZIL

IRELAND–BRAZIL BUSINESS RELATIONS: **NEW OPPORTUNITIES**

International trade is increasingly borderless, and Irish tech firms are becoming major players on the global scene. For these companies, making waves in traditional markets (like the UK, Europe or the US) is often top of the agenda. But, Irish - Brazilian business relations are increasingly significant, and growth potential may be underestimated, as evidenced by the findings of this report.

Opportunities are plentiful, especially in the tech trade, taking into cognisance Brazil's

online global market share. The continental sized country represents a massive market of **210 million** people. Not only is Brazil the sixth most populated country in the world, it's also the **fifth biggest online market** on the planet – 149 million Brazilians are online – 70% of the population.

As connectivity and prosperity grows, today's customers – both consumers and other businesses – want and expect international services to be available

without barriers of language or culture to hinder their satisfaction.

Willing businesses can prosper in a bountiful market like Brazil, if they can be mindful of challenges including, but not limited to, language and culture.

Indeed, this report shows that **6% of Irish tech companies** surveyed are already blazing a trail in Brazil, albeit in a somewhat ad hoc manner.



ABOUT THE REPORT

This report was commissioned by the Irish Business Network Brazil (IBNB), a group of Irish business people based in Brazil. Board member Richard Fenning was the main IBNB liaison throughout the development of this paper. The association aspires to be a representative voice of Irish business in the South American country, with a view to further developing trade links between the two nations. IBNB hosts regular networking events in Rio de Janeiro and São Paulo, focused on specific trade areas of mutual interest to Brazil and Ireland, inviting expert panelists and interested business people from the local community and academic circles.

Sherlock Communications, an award winning public relations company based in São Paulo and co-founded by Irish communications specialist Patrick O'Neill, coordinated and financially supported this

project. Sherlock Communications works with international clients that wish to enter and prosper in Latin American markets.

Toluna research platform surveyed key individuals at 600 Dublin-based tech businesses. The objective was to understand current involvement in the Brazilian market, levels of activity pursued in Brazil, and to identify some of the challenges they face. A parallel survey was promoted on LinkedIn, also targeting Irish tech companies.

Brazil based consultant Sarah O'Sullivan helped to analyse the data, provide market research, and draft this paper for Sherlock Communications.

The report is supported by the [Irish Consulate in São Paulo](#) and the [Irish Embassy in Brasilia](#).



Patrick O'Neill
**COMMUNICATIONS
SPECIALIST**



Richard Fenning
**BOARD MEMBER IRISH
BUSINESS NETWORK BRAZIL**



Sarah O'Sullivan
**BRAZIL BASED
CONSULTANT**

I am very pleased to have this opportunity to acknowledge the ongoing work of the Irish Business Network Brazil as they engage in research on the trade potential between Ireland and Brazil. I am already aware of the very positive outcomes from a number of online events organised over the past year. This report highlights the potential for new partnerships and for areas where further collaboration might be pursued. The Embassy and the Consulate in Sao Paulo welcome this focus as we are all tasked with assisting our economies to recover from the impact of the COVID pandemic. There has perhaps never been a more appropriate time to engage on these issues in Brazil.

I hope that this study helps to generate interest and opportunities and to stimulate

discussion and follow up in the future. We hope that it ultimately helps to identify new opportunities to stimulate economic growth and to expand and deepen existing trade. It is a very welcome contribution to our ongoing dialogue as we seek to move our economies forward, create employment and identify further opportunities in the future.



SEÁN HOY,
Irish Ambassador to Brazil

ABSTRACT



Through engagement with international tech clients, Sherlock Communications became aware that many key decisions relating to the Brazilian market are actually made in Ireland, often by individuals that have never been to Brazil, and know little about the market. One Brazil based client company had all of its procurement transactions processed in Cork. The question arose - are all services that are conducted in Ireland represented in official trade figures?



This paper aims to identify subtle or hidden trade links that exist between Brazil and Ireland, and may not ordinarily feature in import and export statistics. While it does not presume to be an in-depth or comprehensive analysis of all indirect trade between Brazil and Ireland, survey results point to a notable amount of activity between the nations, specifically in the tech area. Some areas are identified that may be worth further investigation, with the potential to unlock further opportunity and growth for tech businesses in Ireland.



Six per cent of the sample set of Dublin based tech companies said they had business dealings with Brazil, valued at up to €10 million annually. The majority of those that provide support services to Brazil have never been there, though a majority had at least some Portuguese speakers in their teams (though it is not clear if these are speakers of Brazilian Portuguese). Those who had undergone cross cultural training said it helped to improve their work. Yet, only one third of the companies sought governmental assistance regarding Brazil.



Reassuringly, despite the Covid 19 crisis, the companies were optimistic and anticipated growth in demand for Brazil support services in the next two years. They reported that their Brazil team has expanded in the past five years. If companies in Ireland continue to grow their support services in Brazil, they will presumably need speakers of Brazilian Portuguese. Ireland is home to huge numbers of young Brazilians, many of whom have third level qualifications, but are working in low skilled jobs, while some tech companies are directly recruiting staff from Brazil.

PREAMBLE

Ireland has the sixth most open economy in the world, according to the Index of Economic Freedom 2020. The Latin American Trade Council of Ireland reports that commerce between Ireland and Latin America grew exponentially between 2005 and 2017, from €1.3 billion to €6.4 billion in the space of 12 years.

Such rapid growth is expected to continue, according to the Council, due to a combination of: Brexit; the recent opening of new Irish Embassies in Chile and Colombia; and Free Trade Agreements, e.g. with Mexico. Just under 30% of LatAm trade is with Brazil, making it the second most important market for Ireland in the region, after Mexico.

Traditional markets like the US, the UK and the European Union tend to dominate Irish exports of goods and services. Irish service exports to Brazil in 2018 amounted to €1.175 billion, while service imports were valued at €206 million.

By comparison, service exports to the European Union were worth €90.4 billion in 2018, and service imports were valued at €73.5 billion (Central Statistics Office 2018). While the importance of traditional markets cannot be denied, this



Commerce between Ireland and Latin America grew from €1.3 billion to €6.4 billion in the space of 12 years





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UNTAPPED TRADE

There are many documented historical and cultural links between Ireland and Brazil, creating an ideal platform for expansion. €1.175 billion in services exports to Brazil is not a bad figure, but when the numbers are examined a bit closer, it emerges that the lion's share of exported services in 2018 figures refers to 'operational leasing services' (€924 million), while exports in computer services were worth €57m, and two categories called 'other services' and 'other' were valued at €135m and €6m respectively.

Zero value is recorded for export services in the following categories: 'repairs & processing', 'transport', 'tourism & travel', 'communications', 'research and development', 'legal, accounting & other services', 'advertising and market research', 'trade related services', 'architectural & other technical services'.

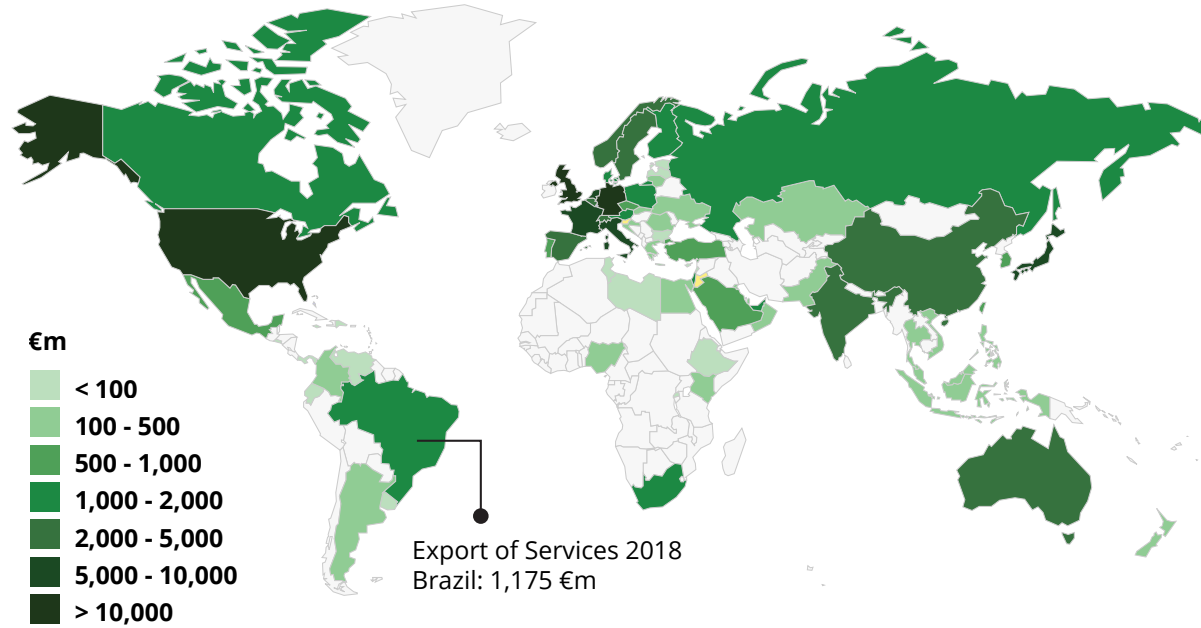
Services to the value of €49 million were recorded jointly in the categories of 'insurance' and 'financial services', although the exact breakdown is not available as some figures are "suppressed for

confidentiality reasons but included in the higher level aggregates" (CSO, 2018).

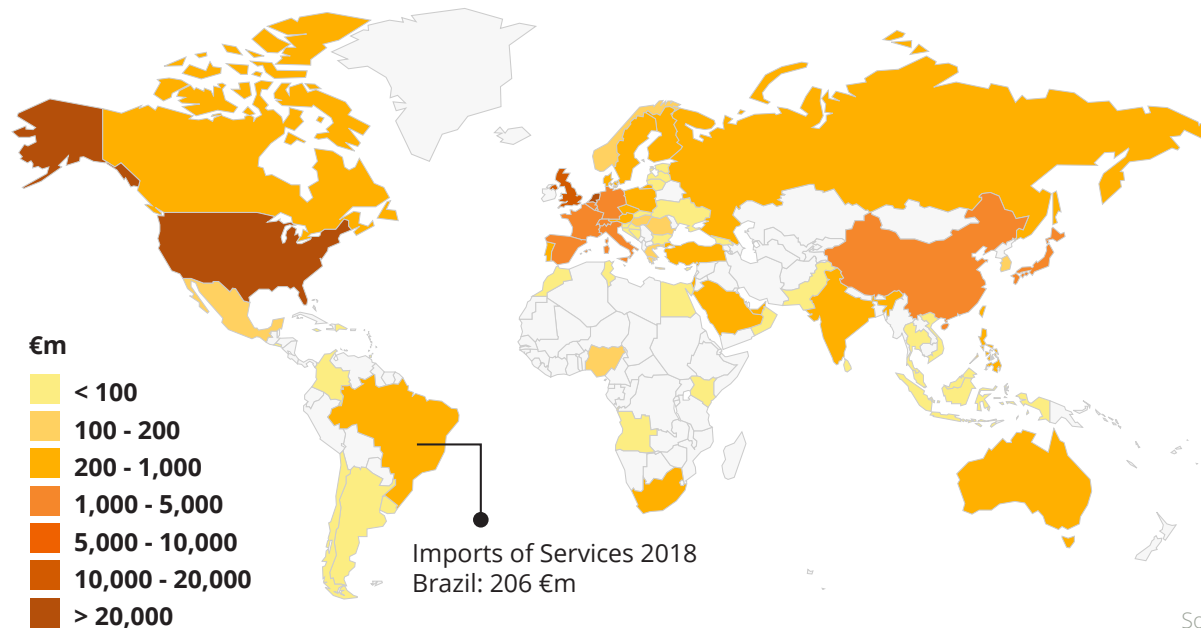
It is not clear whether some services provided to Brazil from Ireland are bunched into 'other' categories, or whether some figures are location agnostic, and therefore off radar, and essentially uncounted. With so many global tech giants in Ireland, should export services figures for Brazil not be expected to be higher, considering Brazil's mammoth online market share?

This paper suggests that there is great potential to build further trade between the two countries, particularly in the information technology service industry. Existing trade, that may not appear in formal statistics, can be built upon, and further opportunities explored through heightened awareness of the market potential that Brazil represents, and plans tailored to expand on existing opportunities. Companies that prepare a Brazil specific plan, with efficient resourcing, may potentially find significant boosts in services exports.

MAP 1
Exports of
services
2018



MAP 2
Imports of
services
2018



Source: CSO Ireland

'BRAZIL COST'

Brazil is not an easy country to do business, and international companies bear the brunt of the 'Brazil Cost' – operational costs are higher in Brazil than in many other markets for many reasons – security and complicated tax systems are just a couple of examples.

The absence of a double taxation agreement between the two nations can be a headache for Irish companies doing direct trade with Brazil. Ireland's designation as a tax haven by Brazil since 2016 is another potential stumbling block.

Brazil is not for beginners – there are cultural nuances that need to be considered before a company invests resources into the market. This is not limited to market research to analyse demand for goods or services – it is necessary that companies have a full technical, legal and cultural understanding of the market before meaningful engagement of resources.

Language is extremely important when dealing with Brazil, as proficiency in English is low across the nation. Despite the fact that English teaching and learning is an integral part of curricula in the Brazilian education system, and a booming private English school industry, **only around 5% of Brazilians consider themselves to be proficient in English** (British Council, 2014).

Brazilians often travel overseas to learn English and Ireland is a hugely popular education destination for Brazilian students. Ireland was the third most popular destination for Brazilian students in 2019, as reported by Belta, the Brazilian Education Travel Agents Association. According to Marketing English in Ireland (MEI), more than **15 thousand Brazilians came to Ireland** in 2019 to study English.

Ireland is a popular destination for young Brazilians because they can work part time while completing English language studies



Operational costs are higher in Brazil than in many other markets for many reasons

(for a max of two years), provided they are enrolled in a course of at least 6 months, or 25 weeks. They have permission to work full time for two months after completion of their course.

BRAZILIANS IN IRELAND

In April 2016, there were 13,640 Brazilians living in Ireland - the population of Brazilians tripled since 2006, with 64% living in Dublin - Brazilians in Dublin are the largest population of any non-Irish nationality living in one region in Ireland. (Actual numbers may be considerably higher as many Brazilians have dual nationality and may enter Ireland using European passports).

According to official figures, 97% of Brazilians in Ireland are under 50, with more than half aged 25-35. 6,568 were working full-time in 2016 and 4,207 were students (60% already hold a third level qualification). 22% of Brazilians that work in Ireland are in

Brazilians in Dublin are the largest population of any non-Irish nationality living in one region in Ireland

the catering industry, more than four times the national average for Ireland.

With violence a concern in many Brazilian cities, young people see Ireland as a safe place to go for a few years. (Ireland is the 12th safest country in the world while Brazil is number 126, according to the Global Peace Index 2020, an annual

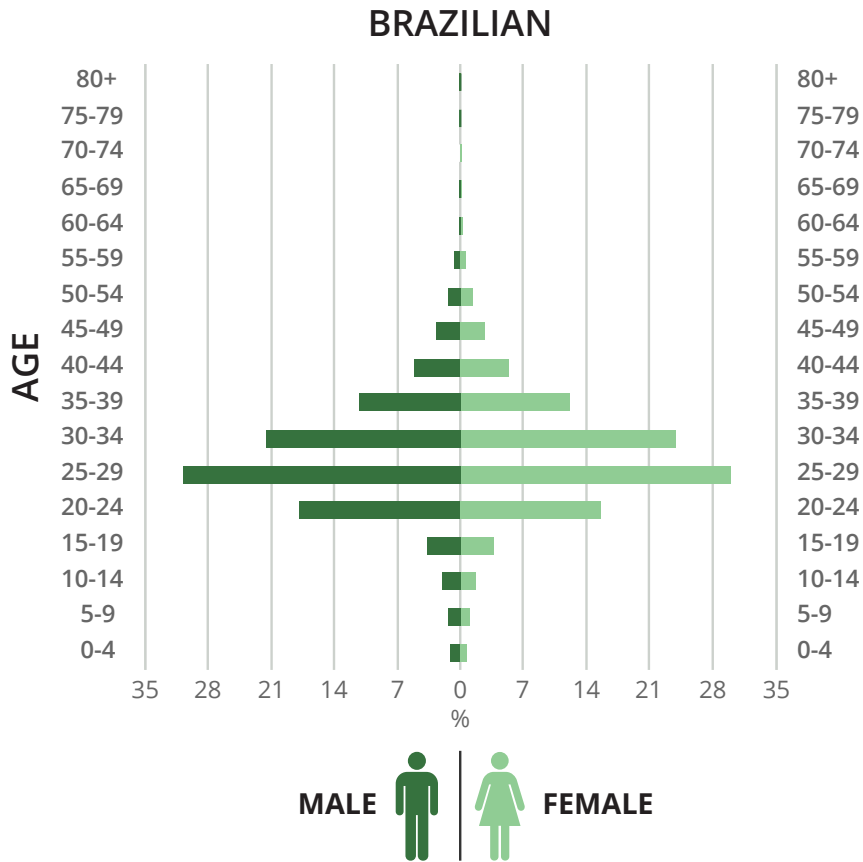
ranking of 163 countries, published by the Institute for Economics and Peace (IEP).)

Many students work in non-skilled areas, and many are not aware of other opportunities. Third level enrolments from Brazil are relatively low as compared to language enrolments, despite Ireland's visibility and popularity among young Brazilians.

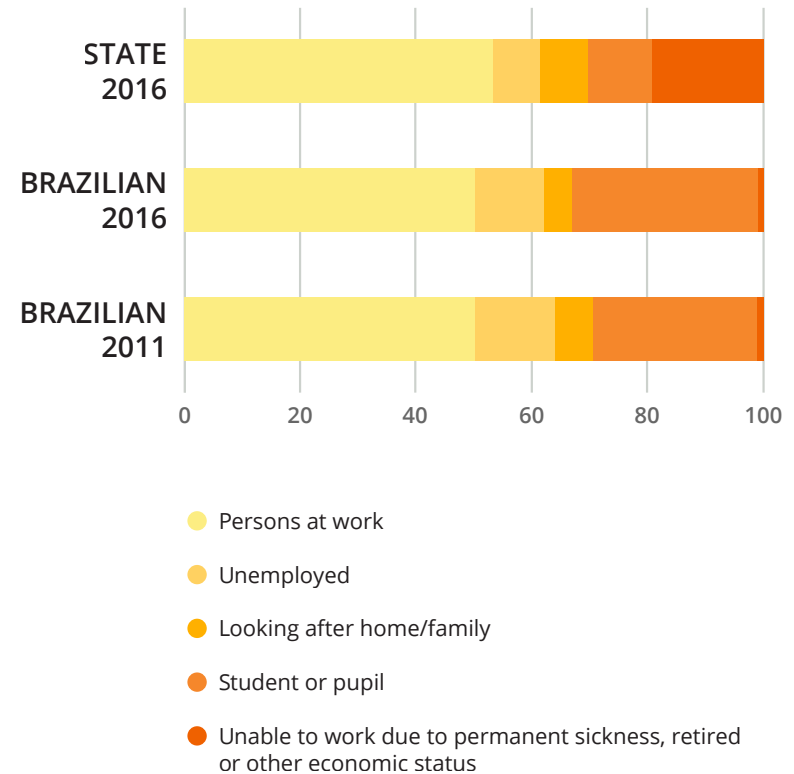


BRAZILIANS IN IRELAND

POPULATION OF MALES AND FEMALES BY NATIONALITY AND AGE GROUP, 2016



POPULATION AGED 15 YEARS AND OVER BY NATIONALITY, PRESENT STATUS, AND CENSUS YEAR



Source: CSO Ireland

TECH CITIES OF THE FUTURE

Dublin ranked number 3 in a new ranking system, Tech Cities of the Future, compiled by Financial Times intelligence division fDi, published in June 2020. The ranking analysed data from 76 European locations, and Dublin was overtaken only by London and Paris respectively, as Europe's most promising prospect for start-ups, tech and innovation investment.

The report ranked Dublin in second place in the category of 'Economic Potential' and the Irish capital had the highest level of 'Foreign Direct Investment Performance' in that category with the highest level of capital investment in software research and development of all locations examined

It can be deduced that the tech footprint in Ireland is likely to continue to grow into the future, both with the expansion of indigenous firms and with the arrival of additional global entities to the country.

BRAZILIAN UNICORNS

The local tech scene in Brazil is heating up too, and last year Brazil held joint third place with Germany in a ranking of countries with companies that achieved the so-called 'unicorn' status (start-ups that are valued at \$1 billion or more). The Crunchbase Unicorn Board ranking showed that Brazil had five unicorn companies in 2019, among a global total of 142 companies that achieved that status.

GOVERNMENTAL SUPPORTS

[Enterprise Ireland](#) offers a range of supports to indigenous Irish companies who wish to operate and diversify export potential in international markets. These include funding, capacity building, and export development initiatives. Some tailor made programmes are designed to help Irish companies to break into certain geographical areas where there is a perceived demand for such market entry. Examples include 'Enter the Eurozone' and 'Access Silicon Valley'. It would not appear that any such initiative exists for the Brazilian market.



BRAZILIANS ONLINE

Brazil can't be ignored - it is among the biggest world markets for many **social media giants**. In fact, Brazil is the **fifth biggest online market in the world!**

With a population of more than 210 million people, and 70% of those online, Brazil has 149 million people surfing the world wide web, making the South American nation the fifth in a ranking of highest number of internet users in the world in December 2019.

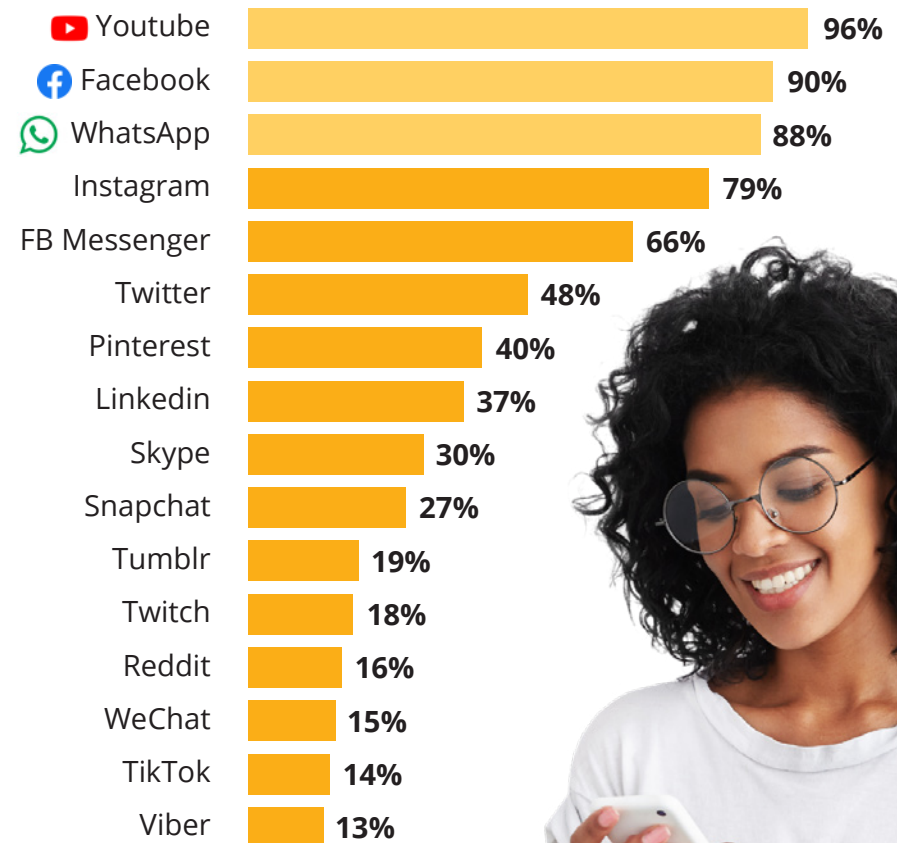
As the diagram illustrates, 96% of Brazilian internet users aged 16 – 64 use YouTube, 90% are on Facebook, and 88% use WhatsApp.

In January 2020, nearly 11 million Brazilians downloaded TikTok, representing 10% of international downloads for the company that recently announced investment of \$500 million in its first ever European data centre in Ireland. This was more than double the TikTok download figure of almost five million in Brazil in December 2019.

Customer service operators that are able to speak Brazilian Portuguese will be in demand for those companies that are operating from Ireland. In fact, a cursory scan of recruitment websites shows tech companies already seeking to employ Portuguese speakers in Dublin.

Brazil is the fifth biggest online market in the world

MOST-USED SOCIAL MEDIA PLATFORMS



Source: Digital 2020: Brazil



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SCIENCE WITHOUT BORDERS

Ireland was one of the most popular destinations for Brazilian students under the Brazilian Federal Government scheme, Science without Borders, that sent more than 100,000 young Brazilian science and engineering students overseas for a period of study.

A strategic partnership with Brazil came out of the Irish government's first international education strategy, published in 2010, "Investing in Global Relationships". Ireland received 3,438 Brazilians in more than 20 higher education institutions between 2013 and 2016. Student flights, accommodation, and tuition were fully covered by Brazilian Federal funding agency CAPES. Ireland was complimented as a flexible 'no-problem' destination.

Feedback from Irish academics was hugely positive. Brazilian students were very advanced, with huge appetites for practical experience (Brazilian curricula has a heavy

focus on theory, and a dearth of practical focus). Around half of the students that came to Ireland under the programme participated in research or industrial work placements as an optional addendum to their study period, also funded by the

Brazilian government. Anecdotal feedback from companies, particularly in the tech area, was extremely positive. Brazilian students were seen as versatile, inventive and creative – a perfect match for the evolving needs of the Irish tech industry.

CAPES Call	Number of Undergraduate Students in Ireland under the given Call	Percentage of students on Research or Enterprise Internship during Summer months
Call 138/2012	551	47%
Call 162/2013	977	45%
Call 199/2014	1075	46%
(Call 127/2012)	695	Portugal Group
Total	3,298	46%
+		
Postgraduate	140	
Total	3,438	

Source: Science without Borders

RESEARCH BRAZIL IRELAND

Research Brazil Ireland (RBI) was a consortium of Irish research institutes, led by Dublin City University, and funded by Science Foundation Ireland's ISCA fund between 2013 and 2015. Brazil Ireland research groups emerged with a focus in five thematic areas:

- › Information & Communications Technology
- › Environmental Science & Technologies
- › Advanced Materials & Nanotechnology
- › Biopharmaceuticals, Biotechnology & Health
- › Sustainable Energy & Agriproduction

The project culminated with the "1st Brazil Ireland Science Week" in Dublin Castle, and the largest ever Brazilian science mission to Ireland. More than 85 senior researchers from Brazil, and three funding agency presidents from Brazil travelled to Ireland for the networking event. Cooperation

agreements were signed between SFI and the funding agencies, however, no concrete actions of cooperation appear to have ensued.

Many of the research groups formed during this programme continue to pursue joint research projects, and several have enjoyed European Union funding. The award winning

EU-BR FUTEBOL (Federated Union of Telecommunications Research Facilities for an EU-Brazil Open Laboratory) project is one example of success from the RBI initiative, which garnered EU funding.

The project led by Trinity College offers free access to researchers, companies and educators in its testbeds, and collaborations with Brazilian researchers are ongoing.



BREXIT

The full impact of Brexit is still to be felt, but one early repercussion is the **migration of companies**, especially those providing global financial services, from London to Dublin, with large corporations unwilling to risk losing their foothold in the European Union. According to this [Financial Times article](#), at least 100 London based financial groups were in the process of moving operations to Ireland at the beginning of 2019.

The Irish economy has been the fastest growing in Europe for the past five years (2014 – 2019). An average of nearly 19 years spent in education by the Irish means nearly 85% of the workforce is considered skilled, according to the UN HDI.

Parallel to this, the Irish government endeavours to pre-empt labour needs to fuel continued growth. The Expert Group on Future Skills Needs (EGFSN), formed 23 years ago to map the changing needs of the Irish economy, includes government departments and enterprise agencies, and representation from the higher education sector in Ireland. The group reports back to the government and makes recommendations that can influence policy decisions.

When skills needs cannot be met internally, the government is informed of desired **high skill deficits** that may be met by migration.



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CRITICAL SKILLS SHORTAGE

The Irish Department of Enterprise, Trade and Employment (DETE) maintains a Critical Skills Occupations List (the most recent list was published on January 1st 2020). It details employment categories and specific skill sets needed in the Irish economy and foreigners may apply for a Critical Skills Employment Permit, providing their intended employment meets certain conditions.

Like a 'green card', this permit aims to **attract highly skilled people to Ireland**, and encourage them to take up permanent residence. There are a wide variety of employment areas included on the official skills shortage list, including several ICT (information and communication technology) categories.

Because these needs are officially seen as being in short supply, there is no need for a Labour Market Needs Test (to find out if the job can be filled by Irish or EU residents),

as is the case with broader categories of work permits in Ireland. Critical Skills permit holders can immediately apply for family reunification and once resident in the state, family members have permission to seek work in Ireland.

To apply for a Critical Skills permit, the foreign worker must have a job offer of two

years duration (they may change employer after one year, but must apply for a new permit) with an annual salary of at least €32k. The process can be completed online and turn around is relatively fast.

Companies in Ireland must employ at least 50% of their workforce from the European Union, unless it is a start-up company in »



its first two years, and a client of an Irish development agency like Enterprise Ireland or IDA Ireland.

In this context, Ireland has an identified need for international marketing experts with fluency in a language other than English, that is not an official language of the European Union.

(It is not clear whether Brazilian Portuguese would be considered in this case by the government, but large tech companies with an European HQ in Ireland need to have personnel fluent in the language, and not just in Portuguese from Portugal).

WORK PERMITS FOR BRAZILIANS

Official figures from DETE show a 946% increase in the number of Brazilians awarded work visas in Ireland between 2011 and 2020. In 2011, a total of 162 work permits were granted to Brazilians in Ireland, while last year (2020) 1695 were awarded.

In 2020, more than one in ten work permits allowed to foreigners in Ireland were awarded to Brazilians. The only other country providing more labour to the Irish market since 2018 is India.

It is not clear how many of these permits fit into the Critical Skills category.

There are a wide variety of employment areas included on the official skills shortage list, including several ICT categories



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CASE STUDY

Rodolfo Ramalho first arrived in Dublin seven years ago as an English student, leaving behind a tech job in Brazil. He didn't know much about Ireland, but wanted a break from the stress of Sao Paulo. He was convinced by his wife and sister to learn English with the possibility to visit other European cities.

Despite having a wealth of relevant work experience, and permission to work part time, tech companies would not consider employing him, even for free. "It was impossible", he said. "I couldn't find any company to take me on, even as an intern, unpaid. It was a struggle. The companies wouldn't give me a chance, even though I had relevant experience."

For personal reasons, Rodolfo returned to Brazil. He eventually got back to Ireland two years ago on a Critical Skills work permit, sponsored by a small Irish tech firm. Rodolfo was able to show the

company how to improve systems and increase profit margins, and ultimately, afford his salary. However, when the Covid pandemic hit home, his employer could no longer guarantee his wage. Rodolfo went solo, and currently works as a Cloud Computing consultant for IBM in Ireland, providing services for a European bank.

He said it is difficult for young Brazilians to find work in Ireland in their area, not only due to reticence from employers, but also a lack of confidence. "They are allowed to work 20 hours a week during their course, and 40 hours a week during the European holidays. Most find jobs like as a kitchen porter, but they could find something better. Maybe it is a lack of confidence, but they shouldn't be afraid to put themselves out there."

"Brazilian workers are great in a tech company. In Brazil, we often begin working from the age of 15. So, the young Brazilians we see here often have years of experience already, even if they don't necessarily have qualifications."



"Brazilian workers are great in a tech company. In Brazil, we often begin working from the age of 15"

Rodolfo set up a professional network for IT professionals five years ago, first in Brazil (LinkedIn group has more than 4,720 members), then in Ireland (851 members).. They have also created an app (IT Networking Hub) that uses machine learning to match IT professionals with job vacancies.

But, despite a lack of skilled workers in Ireland and high rates of unemployment in Brazil, Rodolfo says recruiters in Ireland want people that they can hire immediately. "They give preference to people with a stamp 4 visa, or with a EU passport," he said. These recruiters want to get their commission as soon as possible. They don't want to wait around for a few months for visa processes."

TOGETHER FOR DESIGN

Together for Design was published by the Irish government in July 2020 and forecasts **Ireland's need for digital, product and strategic design skills** for the next five years.

The report predicts that by 2025, occupations in these areas could grow from 21,000 to **33,000** (2.8% of all jobs in Ireland). Programmers and software professionals may account for the majority of jobs growth. Ireland currently graduates 1,300 students in these areas on an annual basis – not enough to meet growth needs.

Covid 19 has brought great uncertainty to global economic markets. However, in a July 2020 publication of the Expert Group of Future Needs, it was noted that the Irish economy was in a strong position

entering into the pandemic, and “while bruised, will grow again”. The report noted that the government was taking steps to support viable businesses and to ensure the **development of skills** within Irish society that would “meet the challenges of returning to a changed workplace.”

HUMAN CAPITAL INITIATIVE

This initiative, announced in Budget 2019, represents additional funding of €60m per annum from 2020 - 2024 to increase the capacity of the Higher Education sector to meet the future priority needs of industry. €197 million was recently allocated to 22 projects put forward by small groupings of Irish faculties, and includes the creation of a Creative Futures Academy. »



Irish economy was in a strong position entering into the pandemic, and “while bruised, will grow again”

ADVANCED ENTRY

Brazilian students with a Título de Tecnólogo (equivalent to level 6 on Ireland's National Framework of Qualifications) may qualify to study in year three of an Irish four year degree programme, under what is known as "Advanced Entry" (entry requirements are at the discretion of the colleges). Advanced entry is a concept that is not well known or widely publicised in Brazil, or among Brazilians in Ireland, many of whom already have some type of third level qualification.

This tool can be used to see how a Brazilian qualification relates to the Irish system. After two years of studying in Ireland, a student could graduate with a level 8 Honours Degree qualification.

Students often complete industrial work placements as part of their course commitments, and in many cases have full time job offers awaiting them on graduation, such is the demand in their area (IT, engineering).



GRADUATE EMPLOYABILITY

The Higher Education Authority (HEA) of Ireland recently published the Graduate Outcomes Survey, showing employability statistics for 23 of Ireland's higher education institutions, based on where their graduates from 2018 were nine months after finishing their course.

86% of those who had studied ICT; and 85% of Engineering graduates had found a job nine months after completing their studies. Across all academic areas, 88% of graduates from taught Masters programmes and research Masters programmes were employed or about to start work when surveyed.

International graduate outcomes were analysed separately in the HEA report - 80% had found work, 11% had continued to study. 7% were unemployed and 2% had engaged in another type of activity. 66% of the international graduates that were working, had jobs in Ireland. 19% had

professional, scientific or technical jobs, and 16% were working in ICT.

ICT GRADUATES EARN MORE

The HEA report showed that ICT graduates earned the highest average salary within a year of completing their studies, with an annual wage of more than €35,600.

PhD TRAINING CENTRES

[Science Foundation Ireland](#), Ireland's main research funding agency has recently developed six PhD training centres, bringing together cohorts of students to develop skills that are relevant to industry, leading

to their employability. PhD training centres have been developed in partnership with industry in areas with an urgent demand for talent, such as machine learning, foundations of data science, artificial intelligence, digitally enhanced reality, genomics data science, and advanced networks for sustainable societies.

SFI CENTRES FOR RESEARCH TRAINING

The purpose of the SFI Centres for Research Training is to build on research excellence and to provide cohorts of academically outstanding future research leaders with the skills and knowledge required to address the future challenges of an ever-changing work environment.



The Graduate Outcomes Survey shows employability statistics for 23 of Ireland's higher education institutions

IRISH BUSINESS IN BRAZIL: THE CURRENT LANDSCAPE

In July 2020, Toluna research platform sent a survey to key staff in 600 of an estimated 7000 tech companies based in Dublin (around **8.5%** of tech companies in the city received the survey). The survey was anonymous, and data was not collected to ascertain whether the respondents worked in indigenous Irish tech companies or larger global entities.

40% of respondents worked in middle or upper management. 37 of the 600 companies that were contacted by Toluna said they do business with Brazil.

Of those contacted by Toluna, **6% of Irish tech companies are already providing**

services in Brazil. This tells us two things. Despite being geographically, linguistically and culturally distant, many Irish businesses are already proactively involved in the Brazilian market. These companies have independently seen enough reward or potential in the market to engage.

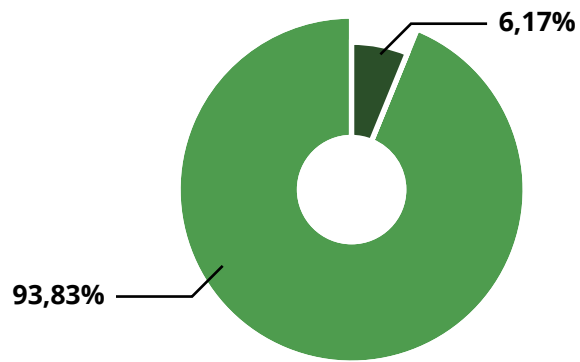
Second, and by extension, the data demonstrates that opportunity may be knocking for at least some of the **94% who haven't yet taken the leap.**

With the sheer size of the Brazilian market and the country's mammoth share of global internet usage, it would appear that great opportunity awaits. »



Despite being geographically, linguistically and culturally distant, many Irish businesses are already proactively involved in the Brazilian market

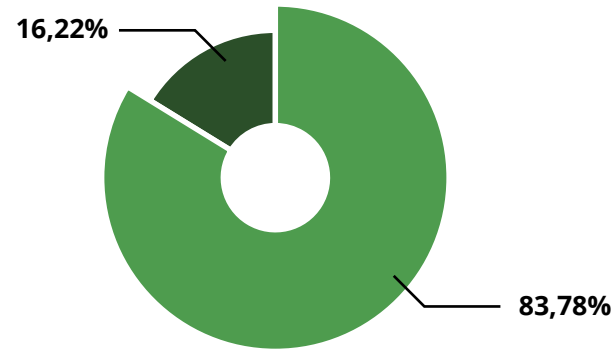
DOES THE COMPANY YOU WORK FOR PROVIDE SERVICES IN BRAZIL?



Yes

No

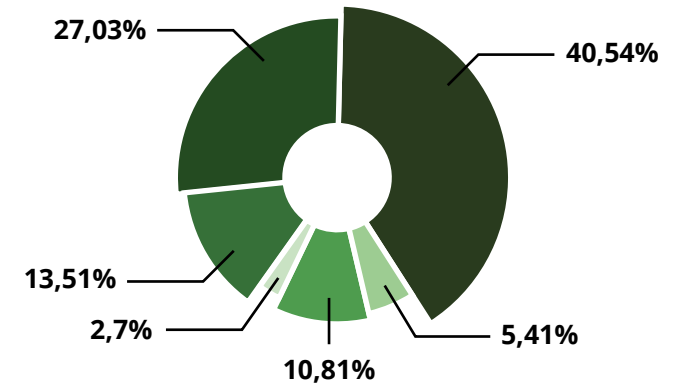
IS THE COMPANY YOU WORK FOR INVOLVED IN THE TECHNOLOGY SECTOR AND IT SERVICES (INCLUDING SUPPORT, CUSTOMER, SALES, MARKETING AND LOGISTICS)?



Yes

No

WHAT SECTOR DOES YOUR COMPANY OPERATE IN?



- Tech
- Other
- Retail
- Support services
- Social media
- Legal

Source: Toluna Survey

TO BE OR NOT TO BE, TECH IS THE QUESTION

As the global digital transformation continues, businesses in the technology space are most likely to cross borders. And this is no different as Irish companies break into the Brazilian market.

In the Toluna study of firms active in Brazil, just **16%** identify as separate from the technology and IT services space, including support, customer service, sales, marketing and logistics. **Is all of this trade recorded in official statistics?**

The technology vertical is reaping the most rewards in Brazil, with **41%** of Irish firms active in the market specifically considered 'tech' firms. Irish businesses involved in retail (**14%**) support services (**10%**), and social media (**11%**) are also present.



gorodenkoff/iStock

PROJECT BRAZIL:

Firms can count the benefits of opening themselves up to Brazil

Even with tentative or passive investment, Irish companies note revenue growth in Latin America's biggest nation.

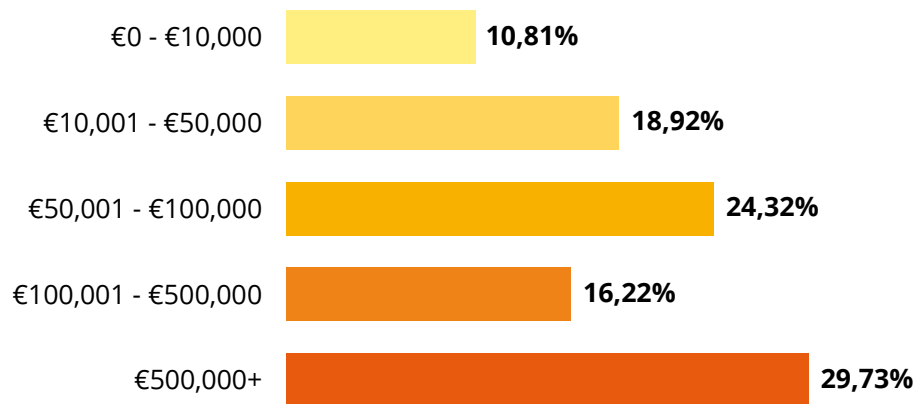
Nearly half (**46%**) of firms active in Brazil report incomes of **over €100,000** per year. That includes **30%** of firms counting revenues of **€500,000 or more** from Brazil.

A modest calculation (focusing on the lower end of reported incomes) shows that this group of companies are earning at least **€6.6 million** from Brazil, and potentially up to **€9.8 million** in annual revenue.

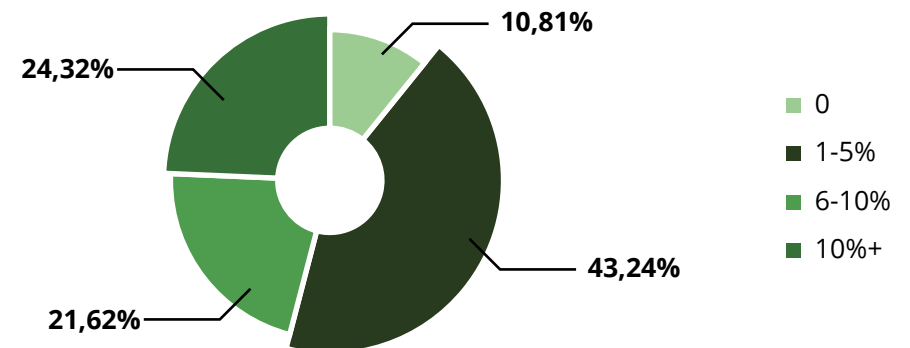
And that's just for starters in a market that may have been inaccessible or unknown

to many businesses only a few years ago. Even in the midst of the Covid 19 pandemic, the majority of those surveyed predicted that there would be growth in demand from Brazil in the next two years. Nearly **46%** said they could foresee growth of 6-10%, while almost a quarter of the sample (**24.32%**) expected to watch growth of more than 10% in the next two years.

HOW MUCH INCOME WOULD YOU ESTIMATE IS EARNED BY YOUR COMPANY FROM BRAZIL EACH YEAR?



DO YOU THINK THE BRAZILIAN 'SUPPORT SERVICES' WILL GROW OVER THE NEXT 2 YEARS? WILL THIS INCREASE BY:



Source: Toluna Survey

HOW IRISH FIRMS ARE RESOURCING PROJECT BRAZIL

Irish tech companies are investing human resources to serve Brazil. **30%** of the firms active in the market have **1-15** team members working on Brazilian service provision. A further **16%** have **15-20** team members involved with Brazil, while **5%** have **20 or more** team members employed to serve this market. So, these 19 companies employ between 197 & 265 people to look after Brazil.

Interestingly, **43%** of Irish firms active in Brazil couldn't say with certainty the number of staff involved in serving Brazil.

Why?

There are many possible reasons for

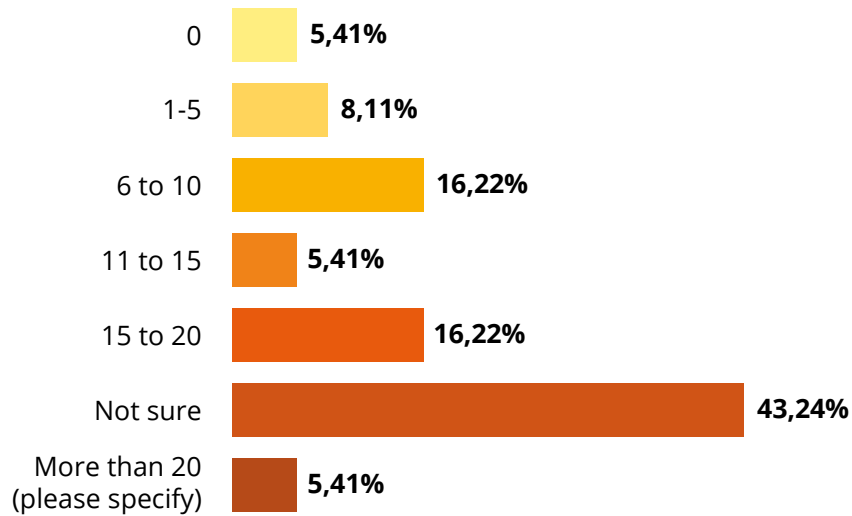
this, most notably that revenue may be stemming from ad-hoc or even passive activity in the market.

The perception that tech company's focus on Brazil is ad-hoc is underlined by another data point – the estimated company hours these companies dedicate to Brazil. 37 companies that are active with Brazil report dedicating between 721 and 1233 hours per month to the market.

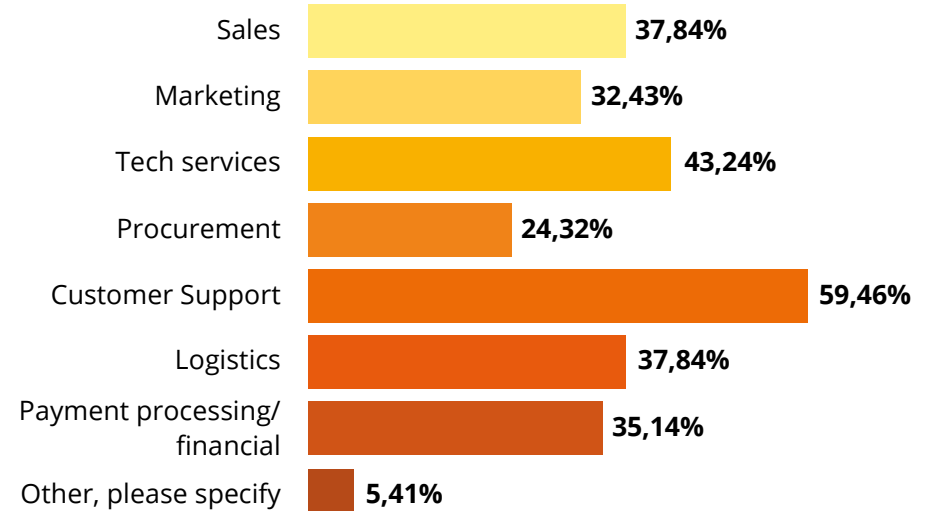
While several employees can be involved, only **16%** of businesses reported **50 or more** business hours a month being invested in Brazil. Indeed, that's the same percentage of businesses who have 15-20 team members involved. »



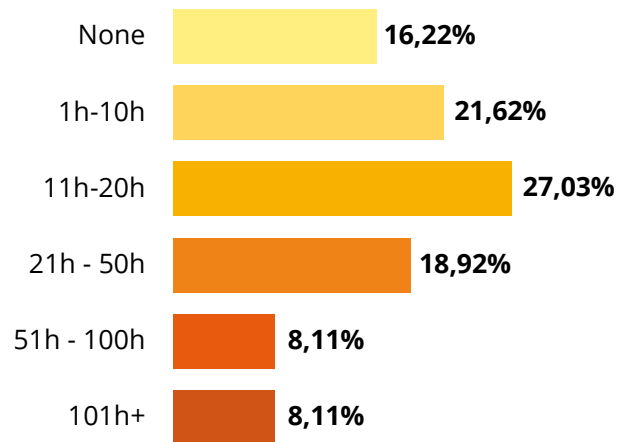
HOW MANY PEOPLE DOES YOUR COMPANY HAVE WORKING ON SERVICES TO BRAZIL?



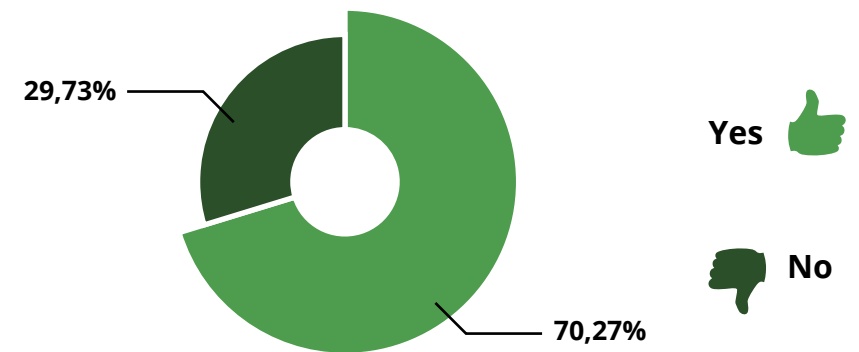
THE PEOPLE WHO WORK WITH BRAZIL ARE INVOLVED IN: (TICK ALL THAT APPLY)



HOW MANY HOURS OF COMPANY TIME PER MONTH IS SPENT IN IRELAND LOOKING AFTER WORK IN BRAZIL?



ARE THERE ANY PORTUGUESE SPEAKERS IN YOUR TEAM?



Source: Toluna Survey

SPLIT RESOURCES

The data also reveals that **customer support** is the biggest focus of staff dealing with the Brazilian market, followed by **tech services**, including web development.

Entering the market is not just about opening a sales point – digital or physical – as a point of contact from Ireland. Rather than having a Project Brazil team, a large number of those responsible for Brazilian operations are likely part of a wider role, for example **location-agnostic customer service** teams. This would explain why 71% of Irish tech businesses offering services in Brazil have at least some Portuguese speakers in their team.

The data does not show whether the Portuguese speakers are Brazilian or otherwise, nor does it show how many Portuguese speakers are in each staff team. With companies predicting growth, even in the middle of a global pandemic, these companies will inevitably need more and more staff that speak Brazilian Portuguese.

It is concluded that despite promising signs in terms of revenue, direct investment in Brazilian growth is so far mostly tentative or reactive.

But, opportunity knocks.



Customer support is the biggest focus of staff dealing with the Brazilian market

CROSS CULTURAL TRAINING

Around **40%** of companies that work with Brazil have invested in cross cultural training for their staff, and of those that have, more than **60%** say they thought it helped with their work.

Interestingly, a majority of those that did not engage in cross cultural training, or did not have it made available to them, felt that the provision of such training would improve their “ability to work effectively there”.

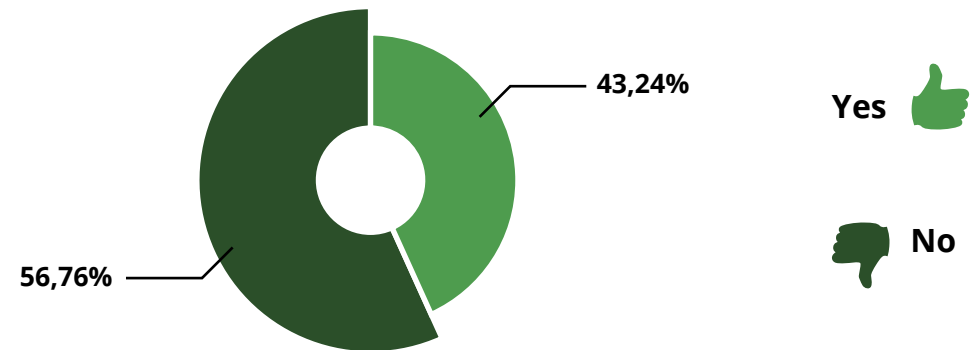
If, as perceived by the respondents that such training would improve their effectiveness, could the provision of such training be tied to increased growth for these companies in Brazil?

The staff certainly think so.

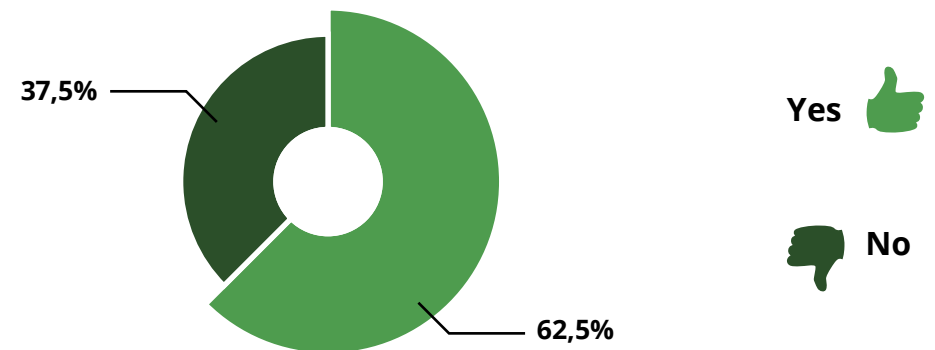
Irish and Brazilian cultures share many similarities, but the knowledge of details and preparedness to meet bureaucratic processes in Brazil, etc, could improve staff effectiveness, and could be argued to impact growth in the market for these companies.

Cross cultural training should be considered for companies that wish to work with Brazil and Latin America, so that they can recognise and work with cultural nuances.

HAS THE COMPANY UNDERTAKEN ANY CROSS CULTURAL TRAINING FOR BRAZIL/LATIN AMERICA?



IF YES - DO YOU FEEL THAT THIS INCREASED YOUR ABILITY TO WORK EFFECTIVELY THERE?



Source: Toluna Survey

GOVERNMENT SUPPORTS

Only 30% of those working with Brazil sought government support for their business or expansion of their business.

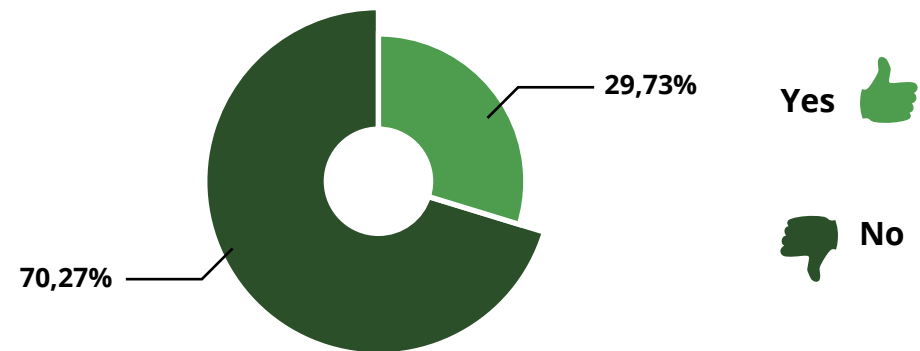
What the data does not show is whether the interventions offered had been effective, and what form they took, and whether they were given market research support or seed funding to expand their business footprint in Brazil.

Interestingly, more than 70% of the companies that have operations in Brazil, report that they have never sought such support from the government.

Are Irish tech companies fully aware of the market potential in Brazil? Is there a need for a dedicated market entry programme for this massive market?



HAVE YOU SOUGHT GOVERNMENT SUPPORT FOR YOUR BUSINESS ACTIVITIES/EXPANSION IN BRAZIL?



Source: Toluna Survey

A PARALLEL STUDY OF IRISH TECH COMPANIES

A parallel study of Irish based tech companies on LinkedIn was viewed by more than 16,000 unique platform users in July 2020. The survey was opened by 91, and 9 companies fully completed the questionnaire. Of those, 6 had operations with Brazil. It is unknown why so many saw the survey but did not complete it. Was it because they do not do business with Brazil, or because they did not feel equipped to answer the questions?

All respondents worked in the technology sector, and the majority worked at management level. It may be presumed that those working in management would have a good idea of the overall operations of the company, adding a further level of credibility to findings. Only one of the respondents worked on a technical level.

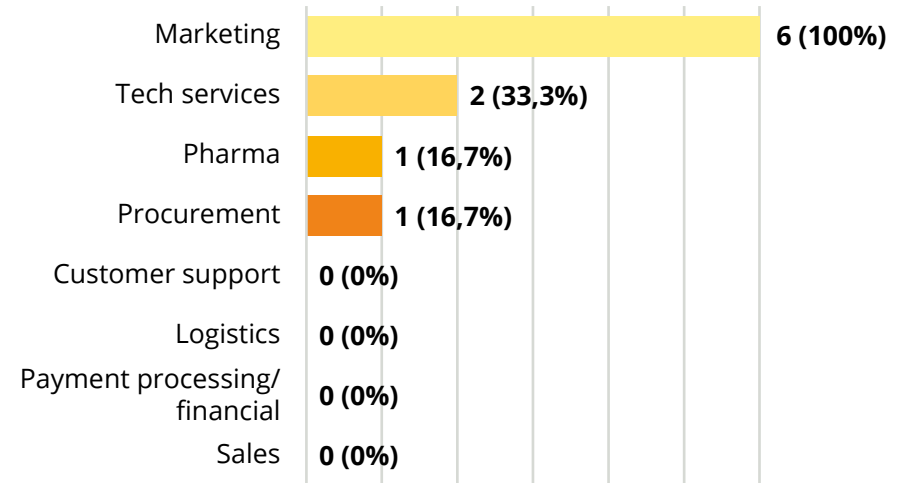
100% of the companies that work with Brazil in the LinkedIn sample have staff engaged in marketing activities. »



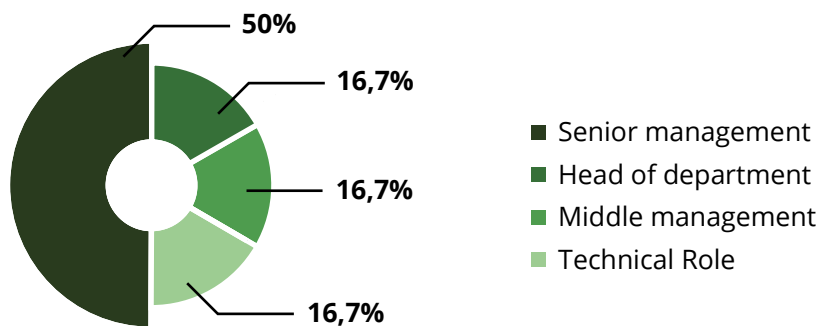
IS THE COMPANY YOU WORK FOR INVOLVED IN THE TECHNOLOGY SECTOR AND IT SERVICES (INCLUDING SUPPORT, CUSTOMER, SALES, MARKETING AND LOGISTICS)?



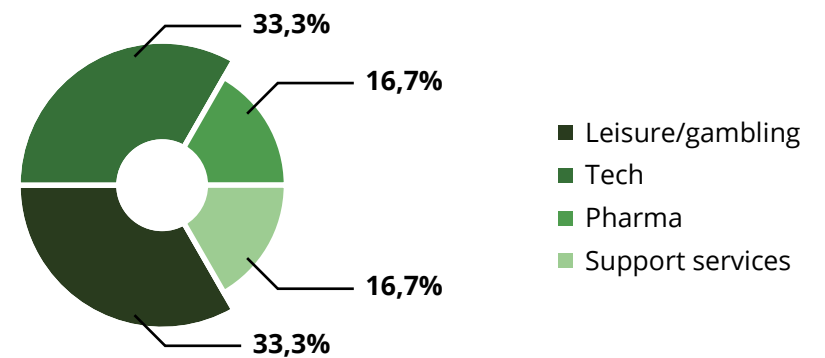
ARE THE PEOPLE WHO WORK WITH BRAZIL INVOLVED IN: (TICK ALL THAT APPLY. IF 'OTHER', PLEASE SPECIFY)



WHAT IS YOUR POSITION IN THE COMPANY?



WHAT SECTOR DOES YOUR COMPANY OPERATE IN?



Source: LinkedIn Survey

In the LinkedIn sample, six companies had 25 – 45 staff members dedicated to Brazil, and 135 – 300 staff hours were devoted to Brazil on a monthly basis.

Between 46 and 65 new jobs were created in these companies in the past five years, to work with the Brazilian market.

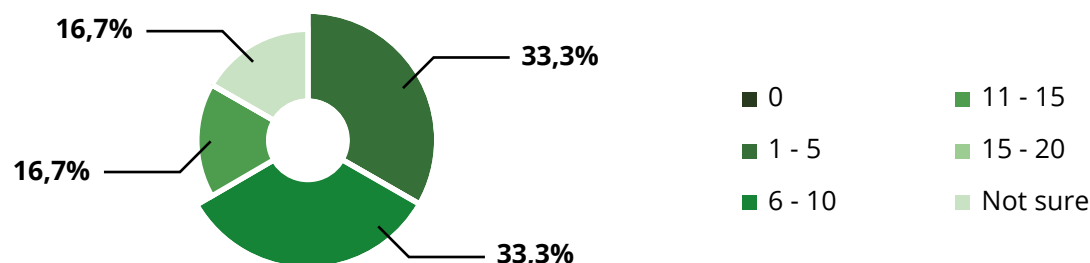
Half of the companies expected a **6-10% increase in demand** for Brazil support services by 2022, while two of the companies expected the demand to be more than a 10% increase.

None of the companies that responded had sought any government support for their operations.

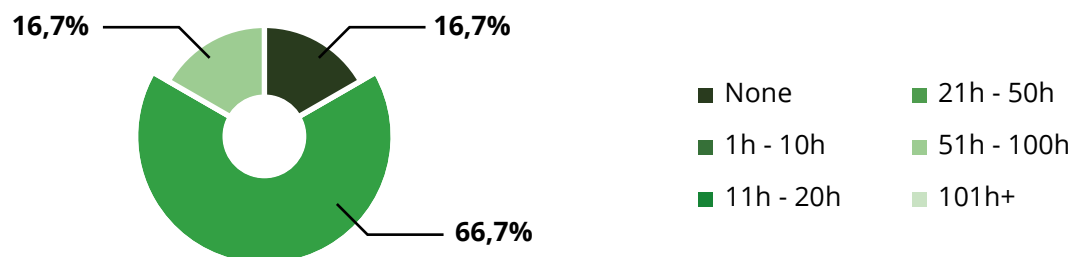
A third of the companies had Portuguese speakers on their teams, and only one company had engaged in cross cultural training.

Interesting, the company that engaged in this training said it helped them in business with Brazil, while only half of those that did not receive the training felt it would be beneficial. Others were not sure, or did not consider that this applied to them.

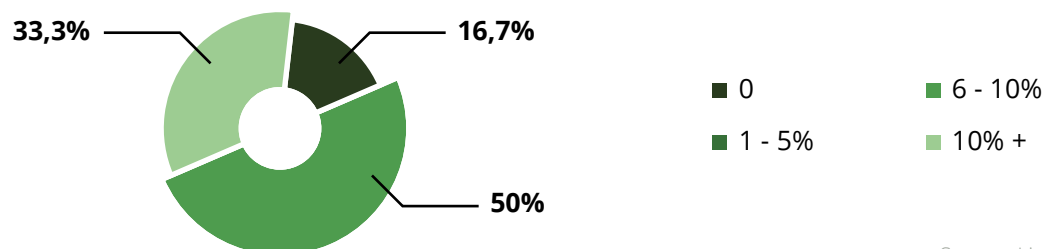
HOW MANY PEOPLE DOES YOUR COMPANY HAVE WORKING ON SERVICES TO BRAZIL? (IF 'OTHER', PLEASE SPECIFY)



HOW MANY HOURS OF COMPANY TIME PER MONTH IS SPENT IN IRELAND LOOKING AFTER WORK IN BRAZIL?



DO YOU THINK THE BRAZILIAN 'SUPPORT SERVICES' WILL GROW OVER THE NEXT 2 YEARS? WILL THIS INCREASE BY:



Source: LinkedIn Survey

CASE STUDY

Adilson Ribeiro was recruited directly from Brazil to work in a global tech company in Ireland. He had planned to move to Quebec, and had even learned to speak French when the opportunity arose to go to Ireland instead. Researching the two countries, Adilson found low crime levels and high quality of life common to both. It was the temperate Irish climate that won him over in the end!

The company arranged his relocation and Critical Skills Visa. According to Adilson, the same company has recruited at least 100 Brazilians to work in Ireland since he was recruited in 2018. Of those, only around ten of them are aged over 40.

“Older people are afraid to come to Ireland. There are two main problems. Ireland and Brazil do not have any tax agreement in place, so if someone earns income from a property in Brazil, for example,

they could end up paying tax in two countries. Many people are afraid of this. If they are young, it’s ok.”

The lack of a pension agreement between the two countries is another issue, he said. “I paid taxes in Brazil for 15 to 20 years, but coming to Ireland, I start again at zero. I’m 44 years old, and have lost all of those years that I paid into a pension scheme in Brazil. I’m back to zero.”

While his company actively recruits in Brazil, it doesn’t have a specific team to deal with the Brazilian market. Brazilian work colleagues work both in customer support and in developer roles, but these are not specific to any location.

Many large tech companies in Dublin seek Portuguese speakers and people willing to work Brazilian office hours, he said, especially those working in the social media space. “The social



“The social media giants know how big a market Brazil is – no one uses as much social media as Brazilians.”

media giants know how big a market Brazil is – no one uses as much social media as Brazilians.”

But, unless one visits their website or those of recruitment companies, word does not get out, he said. “There is so much online in Brazil about job openings in Canada. We see nothing online about the opportunities in Ireland.”

“Tech companies in Ireland always have a really good experience when they hire programmers and developers from Brazil. Brazilians are extremely resourceful, they have experience of getting things done with really limited resources. As we say in Brazil, ‘they can get milk from a stone.’”

CASE STUDY

31 year old Lee Pêgas was recruited in Brazil for her Dublin job. She knew very little about Ireland at the time, and was surprised to learn the island nation was “home to the European headquarters of most of the big tech companies”.

With a background in academic math, her move to Ireland marked a big career change. She now works as a DevOps Engineer.

“I applied for my job from Brazil, it was specific to Ireland. The company was doing a hiring event in Brazil. I did the whole interview process from there, and then the company made me an offer, and took care

of the visa and relocation processes. It was an event in Sao Paulo specifically to hire people from Brazil to work in Dublin.”

“Ireland is a great choice for career growth and full of opportunities. I didn’t know this until I was recruited to work here and started researching more about the country. I don’t think people in Brazil know about it in general. The tech industry in Ireland is always looking for highly qualified engineers and Brazil has a lot to offer.”

She said Brazilians fit well into the Irish tech scene, “because they are used to diverse environments.”



“The tech industry in Ireland is always looking for highly qualified engineers and Brazil has a lot to offer”

CONCLUSIONS AND RECOMMENDATIONS

From this cursory examination into tech trade between Ireland and Brazil, there is enough evidence to suggest that further examination may be fruitful, and that the growth potential is significant.

This report elaborated the fact that many companies dedicate ad hoc resources to Brazil, rather than specific departments with cross cultural awareness, or the necessary language skills. It is reassuring to note that despite being in the middle of an unprecedented pandemic, which has caused huge repercussions on the global markets, those companies with exposure to Brazil predict growth and increased demand from the market.

Brazil represents the fifth biggest online market in the world currently, and the Brazilian market is hugely important to

social media giants of the world, in terms of market share. If growth predictions from the sector are correct, these companies will need more customer support and marketing staff, with a working knowledge of Brazilian Portuguese.

Brexit may stimulate tech companies currently based in the UK to migrate to Ireland, especially if the environment and available supports are seen as worthwhile. One obvious knock-on impact of the current pandemic is the increased demand for online solutions, this may further drive growth for tech companies based in Ireland, and simultaneously drive increased demand for support services from the South American giant.

While Ireland has identified current and future skill deficits in tech areas, these

needs are not likely to be met by the current level of output of Irish higher education institutions.

Initiatives like Science without Borders anecdotally showed that Brazilian students fit very well into industry in Ireland. Perhaps, some Irish government incentives could attract more young Brazilians to complete higher education training in tech areas, possibly in partnership with companies that are in need of these skilled workers. This serves the dual purpose of filling skills deficits and promoting Irish higher education in Brazil.

Ireland is already on the radar for young Brazilians, many of whom already have some third level qualifications, but end up working in low paid jobs in the service industry to make ends meet while studying »

English. With an identified future need for Brazilian Portuguese speakers to support growth in Irish tech companies, can more be done to assess and take advantage of the flow of Brazilians that already choose Ireland as a destination?

Research Brazil Ireland allowed for the development of research working groups between Ireland and Brazil, so a lot of partnerships already exist. With SFI seeking PhD candidates for training centres focused on various tech areas, can something be done to take advantage of this groundwork that has already taken place, again serving the double purpose of creating more awareness of Ireland as a study / research destination in Brazil.

It is not clear what level of awareness Irish tech companies have of governmental supports that are available, or if the available supports adequately meet their needs, in the context of Brazil. However, it is interesting to note that the majority of the companies featured in this paper

are operating with Brazil without any governmental support.

The following **recommendations** are made based on questions that arose during the analysis of data:

- ▶ Complete a more robust study of Irish tech firms, to find a more reflective picture of the actual Irish footprint in Brazil.
- ▶ Identify the link between the companies that invest more time into the market and those that make larger profit margins, to see how these figures align.
- ▶ While many companies are engaging with Brazil, often on an ad hoc basis, ask why are other Irish tech companies not working with the fifth largest online market in the world?
- ▶ Discover why some companies operating with the Brazilian market are not accessing governmental supports. Are they aware of available supports? Does the support offered meet their

needs? Have they assessed their own needs in this regard?

- ▶ Investigate if there is a way that the influx of Brazilians to Ireland, many with third level qualifications, can be matched to meet existent and future skills shortages in Ireland?
- ▶ Cross cultural training should be developed for companies that wish to work with Brazil and Latin America, so that they can recognise and work with cultural nuances.
- ▶ Analyse figures to assess how many of the work permits given to Brazilians fall into the Critical Skills area. With a marked increase in the number of Brazilians coming to Ireland in recent years, is it only big tech that is recruiting? Or, are smaller indigenous companies noticing Brazil too?
- ▶ Conduct an in depth study with Irish tech firms, to see whether there is an interest in further exploring the potential of the Brazilian market.

GLOSSARY

Belta – Brazilian Educational & Language Travel Association

CAPES – Coordenação de Aperfeiçoamento de Pessoal de Nível Superior – Brazilian federal government funding agency under the Ministry of Education, responsible for quality assurance in undergraduate and postgraduate institutions in Brazil.

CSO – Central Statistics Office

DETE – Department of Enterprise, Trade and Employment

EGFSN – The Expert Group on Future Skills Needs

EU-BR FUTEBOL – Federated Union of Telecommunications Research Facilities for an EU-Brazil Open Laboratory

HEA – Higher Education Authority

IBNB – Irish Business Network Brazil

ICT – Information & Communication Technology

IEP – Institute for Economics and Peace

ISCA – International Strategic Cooperation Award

fDi – Financial times Intelligence Unit

MEI – Marketing English in Ireland

RBI – Research Brazil Ireland

SFI – Science Foundation Ireland



SHERLOCK COMMUNICATIONS

Sherlock Communications is an award-winning Latin American PR and digital marketing agency. Headquartered in São Paulo, the company also has bureaus in Lima, Bogotá, Santiago, Mexico City, Buenos Aires, San José, Panama City and Guatemala City.

With a totally bi-lingual, multidisciplinary team, Sherlock Communications is specialised in supporting international health, financial, travel, lifestyle, entertainment, education, technology and services companies operating in Latin America. **The agency has won and been highly commended for a range of global awards** including Best Agency in LATAM and Best Campaign in LATAM, PR Week Global Awards 2019 and 2020, SABRE Awards Latin America, Best Technology Campaign 2018 and Marketing to Consumer (New Product) 2018, Latin American Excellence Awards, Campaign of the Year 2018, Best Multi-channel Campaign 2018, Best Launch 2018