



Business Climate Survey Brazil



Business Climate Survey for Swedish companies in Brazil 2026

A report from Team Sweden in Brazil

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60 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Slight decline in the perception of the business climate in Brazil

Industry turnover

70%

of Swedish companies expect their industry turnover to increase

Future investments

44%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Cost efficiency
2. Collaboration/feedback from clients
3. Sales competence

Brand Sweden

91%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Access to specialists and key personnel
2. Access to service providers
3. Access to suppliers

Local conditions with least satisfaction

1. Corporate taxation
2. Labour market regulation
3. Physical infrastructure

Environmental considerations

70%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

- 5 out of 60 companies have been exposed to corruption last year
- Still a risk in Brazil, despite current improvements

Human rights violation and labour rights abuse

- 1 out of 60 companies reported human rights violations
- Labour protection is stronger in southern Brazil

Foreword

Swedish companies have been present in Brazil for more than a hundred years. Even though Brazil can be a challenging market, new Swedish companies keep on setting up operations in the country while long-established corporations continue to invest. Employing around 50,000 people, they are active in sectors such as telecom, transport, machinery, defence, healthcare, services, mining and more.

This year's report is the seventh edition within the global collaboration between the Swedish Chambers International (SCI) and Business Sweden. This collaboration now facilitates a global comparison of 41 markets relevant to Sweden globally, in addition to local market insights gathered from Swedish enterprises in Brazil.

The objective of these reports is to provide a better understanding of how the current business climate and development around the world is perceived by leading Swedish companies. The Business Climate Survey reports serve as a comparison tool for Swedish companies planning to expand their existing business or enter new markets.

In 2026, the Business Climate Survey collected answers from 60 Swedish companies in Brazil across various sizes and industries, which is comparable to the number of responses collected in previous years.

The survey was performed between 30 January and 6 March, so it may not have captured the effects of the conflict in Iran or the provisional implementation of the EU-Mercosur free trade agreement.

Team Sweden in Brazil, consisting of the Embassy and Consulates, Business Sweden and Swedcham, works to promote Sweden, Swedish industry, and Swedish economic interests in Brazil. The commitment and close cooperation between the Team Sweden partners help Swedish companies to position and grow in Brazil through various activities and programmes, of which the annual Business Climate Survey is an example.



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Executive summary

ECONOMIC OUTLOOK

- 64 per cent of Swedish companies were profitable in 2025; 8 per cent reported losses.
- 70 per cent of companies expect to grow in Brazil over the coming months, while 44 per cent plan to increase investments.
- High interest rates and political uncertainty throughout 2026 represent threats to economic growth, forecasted at 1.6 per cent.

THE MARKET

- The current business climate in Brazil is perceived as slightly worse. Only 22 per cent of respondents are more positive while 14 per cent view it negatively; the rest of the respondents are neutral.
- Good access to service providers and key personnel are advantages of the Brazilian market; corporate taxation remains its largest challenge.
- In 2025, 38 per cent of respondents faced trade barriers related to customs duties and 36 per cent faced barriers related to customs procedures.

HOW SWEDISH COMPANIES SUCCEED IN BRAZIL

- The main strategies to maintain competitiveness in Brazil include being cost-efficient and developing solutions in partnership with local customers.
- 91 per cent of respondents declared that they benefit from being marketed as a Swedish company in Brazil, at least partially.
- 63 per cent of companies expect to increase sourcing from Europe as a result of the EU-Mercosur free trade agreement; 49 per cent expect to increase exports from Brazil to Europe.

ACTING SUSTAINABLY

- 10 per cent of Swedish companies say that Brazilian customers place strong importance on environmental aspects when making purchasing decisions.
- 5 out of 60 respondents identified corruption risks during 2025, mainly coming from public counterparts. Only one company reported human rights or labour rights violations.

“Brazil offers a large and resilient market, particularly in healthcare, with strong long-term demand driven by demographics and increasing access to medical services. However, the business environment remains complex, with a high tax burden, regulatory bureaucracy, and frequent policy changes requiring close monitoring and strong local expertise.”

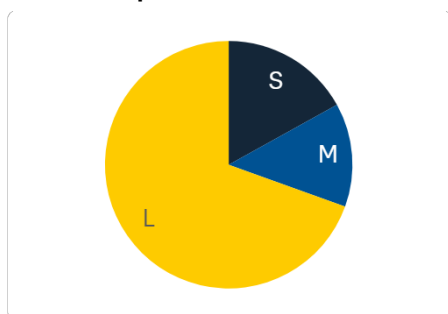
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About the survey

Half of respondents are industrial companies, with long-established production operations in Brazil

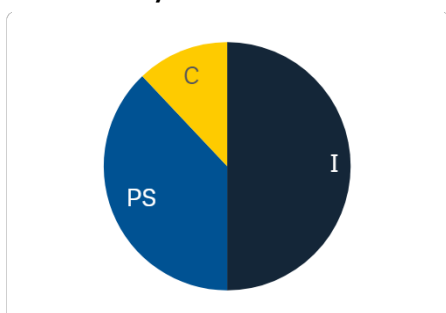
The 2026 Brazil Business Climate Survey received answers from 60 companies.

Size of companies



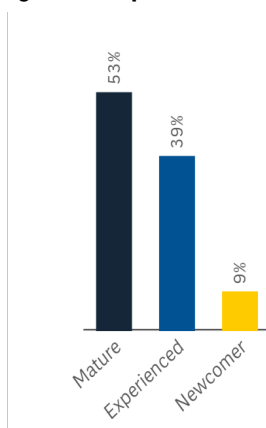
NOTE: Global employees. Large >1,000. Medium 250-1,000. Small 0-249.

Main industry



NOTE: Industrial 50%. Professional services 38%. Consumer 12%.

Age of companies



NOTE: Mature (<2004). Experienced (2003-2020). Newcomer (2021-).

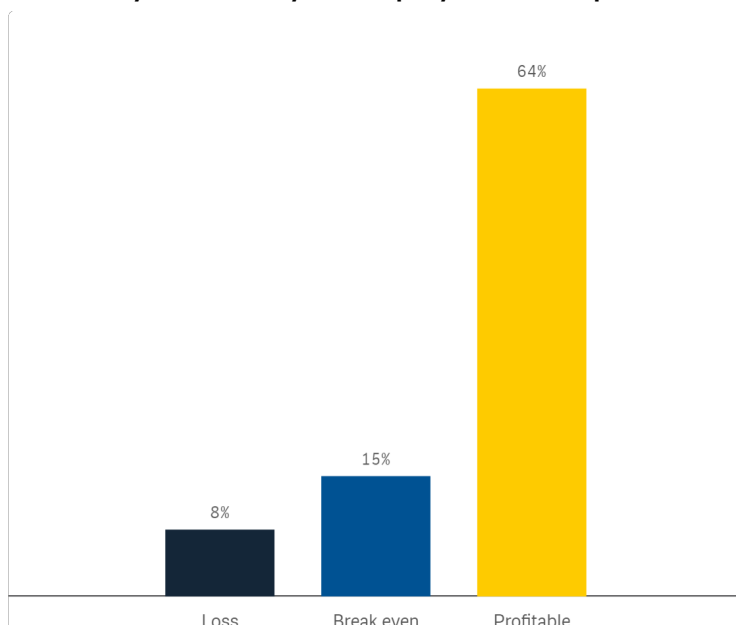
Economic outlook

The share of profitable Swedish companies in Brazil was slightly lower last year

Sixty-four per cent of companies stated that they were profitable during 2025, while only 8 per cent reported losses. This represents a weaker result compared to 2023 and 2024, when 81 per cent and 79 per cent were profitable respectively. This deterioration may be connected to the weaker Brazilian economic performance during 2025 and higher interest rates, which may have affected the purchasing power from domestic customers.

Larger and industrial companies reported stronger results in 2025, as well as the majority of companies established in Brazil prior to 2004 – traditional Swedish companies, manufacturers of machinery and automotive vehicles. Smaller and less experienced companies presented mixed results during this period.

How would you describe your company's financial performance in Brazil in 2025?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.

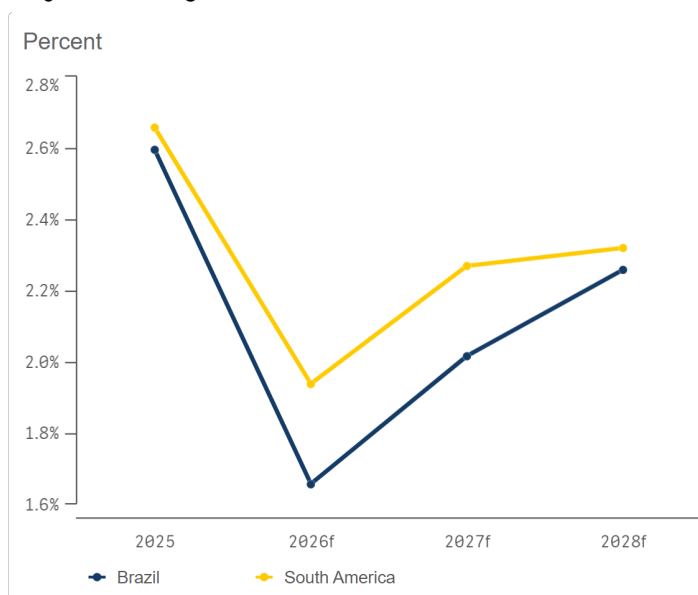
SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Rising fuel prices due to the conflict in Iran threaten Brazil's growth in 2026

Oxford Economics set Brazil's 2026 GDP growth forecast to around 1.6 per cent, marking slower growth compared with 2025. Current threats include pre-existing inflationary pressures – reason for the tightening monetary policy adopted by the Brazilian Central Bank throughout 2025 – and new increases in international oil prices due to the US and Israeli military actions involving Iran, which led to disruptions in the Strait of Hormuz. Despite being a large oil producer, Brazil is still dependent on diesel oil imports, and this is essential on a market largely dependent on road transport.

Other sources such as the IMF and the local financial market (Boletim Focus, published by the Brazilian Central Bank) have a more optimistic view of Brazil's outlook, setting the expected GDP growth to around 2 per cent in 2026. In recent years, the Brazilian economy has proven resilience despite domestic challenges, repeatedly surpassing forecast expectations calculated by specialists.

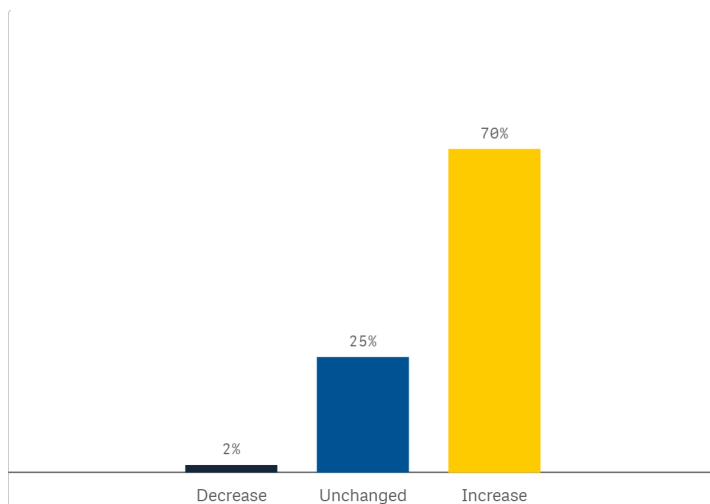
Projected GDP growth in Brazil



NOTE: Constant prices
SOURCE: Oxford Economics, March 2026

With the current situation, 70 per cent of Swedish companies expect to grow sales in 2026 while only 2 per cent (or one company) expect to register a decrease in turnover. These results are similar to the results reported in the 2025 Business Climate Survey, but slightly weaker than in 2024, when 78 per cent of respondents expected growth. Still, the outlook for Swedish companies in Brazil seems generally positive.

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in Brazil regarding turnover?



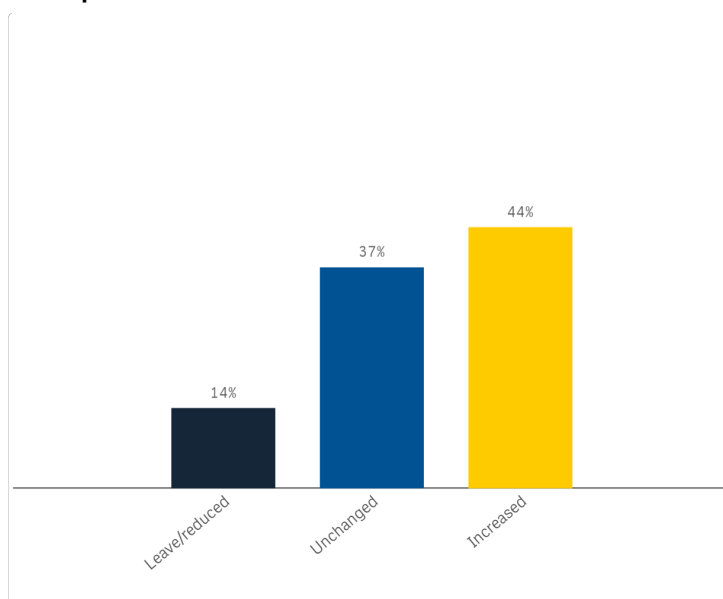
NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

44 per cent of companies plan to increase investments in Brazil

Altogether, Swedish companies keep committed to the Brazilian market, many of which are increasing local investments. Once again, this represents a weaker result compared with 2024 data, when 59 per cent answered that they would be increasing investments.

This year, service providers and industrial companies are expected to invest more than consumer goods manufacturers, showing that the macroeconomic conditions in Brazil may affect domestic consumption from the general public. Mature companies will be investing less than experienced companies and newcomers, although many of those larger companies will continue implementing their long-term investment plans announced in previous years.

What are your company's investment plans for the coming 12 months in Brazil, compared to the past 12 months?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

In another question, the survey asked companies to indicate which areas they planned to invest in, if they planned to invest. The top areas for new investments were:

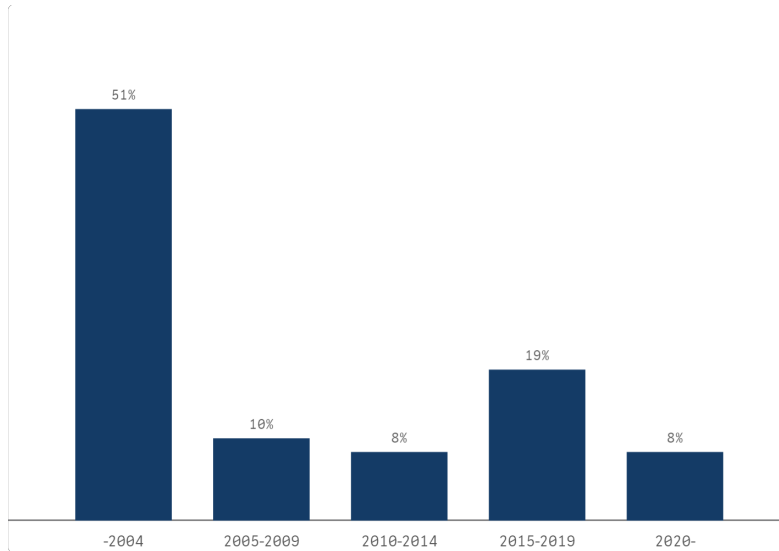
- 69% – Personnel and/or training
- 43% – Digitalisation
- 40% – Sales structure, marketing and government relations
- 38% – New products and services
- 36% – Machinery replacement and other capital investments

Investment in personnel and digitalisation increased compared to last year's assessment, highlighting the main focus areas for Swedish companies in 2026. "New manufacturing plants or expansions" recorded the lowest share (5 per cent).

The market

Half of the respondents have been present in Brazil for more than 20 years

In what year did your company establish operations in Brazil?

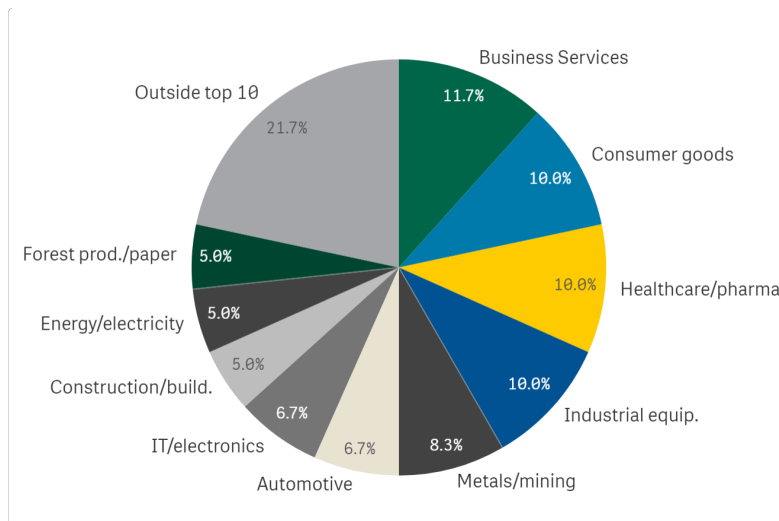


NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Fifty per cent of respondents are industrial Swedish companies, many of which maintain some form of manufacturing or assembly in Brazil – relevant segments include automotive, metals and mining, and industrial equipment. But Sweden is also increasingly becoming a key service provider to the Brazilian market, becoming the second-largest exporter of services to Brazil in 2024. Swedish service providers represent 38 per cent of the respondents.

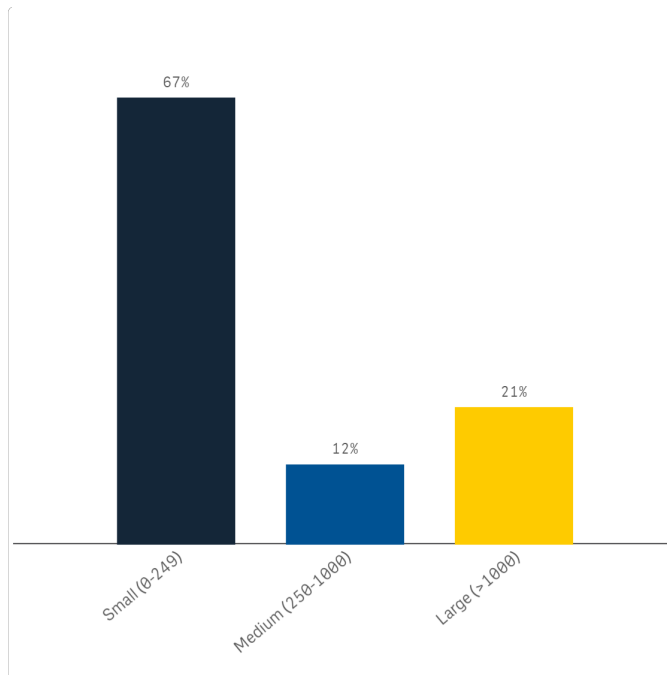
What is your company's main industry in Brazil?



NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Swedish firms' local number of employees in Brazil in 2026



NOTE: The number of respondents for this question was 58. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Most surveyed companies have more than 1 000 employees globally, representing a group of large corporations present in Brazil. At the same time, a third of respondents have 250 or more employees in Brazil, including industrial companies and providers of specialised services. Four respondents have, at the same time, less than 50 employees globally and in Brazil, indicating that these are smaller companies operating mostly in Brazil.

Overall, the Swedish business footprint in Brazil is very diverse, with at least 150 established companies, located mainly in the states of São Paulo and Paraná, in the southern part of Brazil.

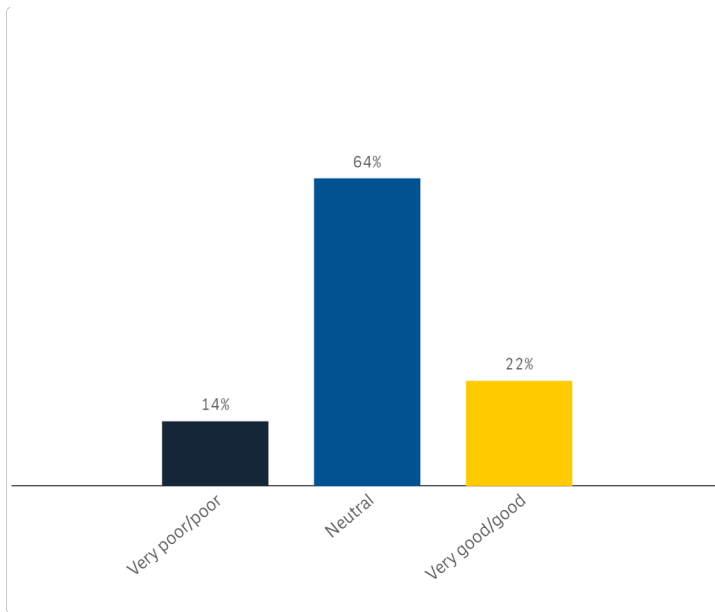
Business climate sentiment in Brazil remains largely neutral

During the last two years, the business climate score for Brazil has dropped slightly, following the deceleration of the local economy. Now, only 22 per cent of respondents view the business climate positively compared to 39 per cent in 2024 and 30 per cent in 2025. This year, most respondents gave a neutral score to the current business environment, while only 14 per cent attributed a negative score. No company attributed the worst score possible to the business climate in Brazil (score 1), while one company attributed the best score possible (score 5).

In a follow-up question, the survey tried to explore the reasons behind the respondents' perceptions. It became clear that the current macroeconomic conditions in Brazil represent the largest threats to business growth, according to Swedish companies, including high interest rates for 79 per cent, exchange rate volatility for 55 per cent, and inflation pressures for 53 per cent. Another point of concern was political uncertainty and policy delays (69 per cent), likely connected to the upcoming presidential elections in Brazil in October and the need for reforms in different areas. Strong competition from Chinese companies (51 per cent) was also identified as a concern considering the growth in Brazil-China bilateral trade in recent years as well as the increase in Chinese investments in Brazil, which includes manufacturing and infrastructure.

Factors of lower relevance for a negative impact on the business climate in Brazil included supply disruptions due to international conflicts (24 per cent), the United States tariff policies (24 per cent), social inequality (10 per cent) and natural disasters due to climate change (10 per cent).

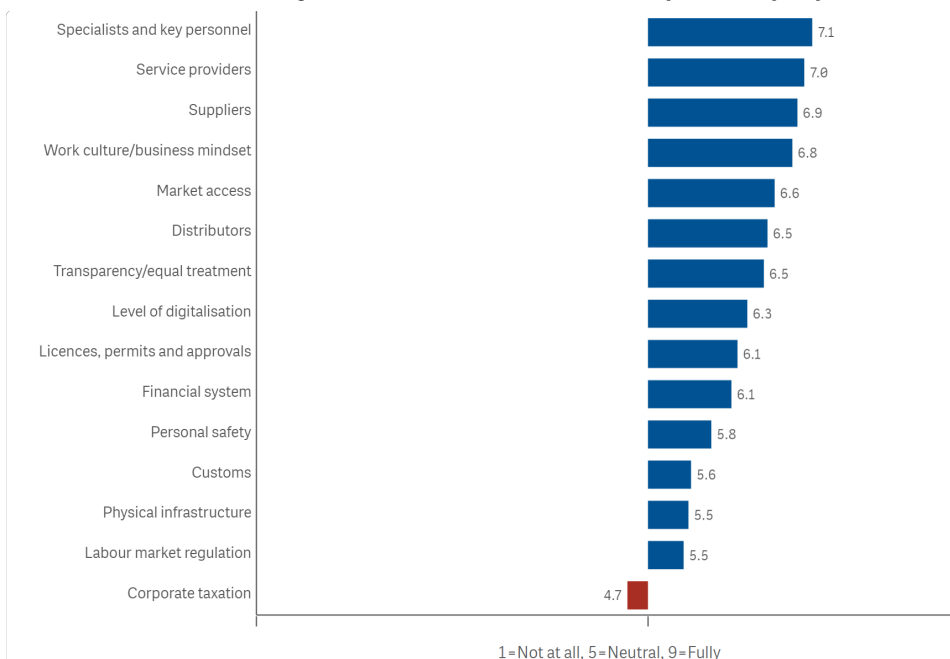
How do you perceive the current business climate in Brazil?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Results indicate that Brazil has a vibrant business environment, but structural challenges remain

How well do the following conditions meet the needs of your company in Brazil?



NOTE: The number of respondents for this question was 60.
 SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Despite the good access to the market and business culture, Swedish companies believe that much can be done by the government to stimulate economic activity, including legislation reforms and investments in key areas such as infrastructure and public security.

In general, “Access” categories represented the best characteristics of the business scenario in Brazil, obtaining similar scores – these include access to key personnel, distributors, suppliers and service providers. “Market” conditions, which include the financial system, transparency and digitalisation, once again got more intermediary scores between 6.0 and 7.0. “Operations” conditions, on the other hand, present the lowest scores since the beginning of the Business Climate Survey assessment. These include traditional challenges in Brazil including taxation and customs, regulation, bureaucracy, and personal safety. As always, corporate taxation – which in Brazil can reach 34 per cent of profits – received the lowest score, the only one below 5.0.

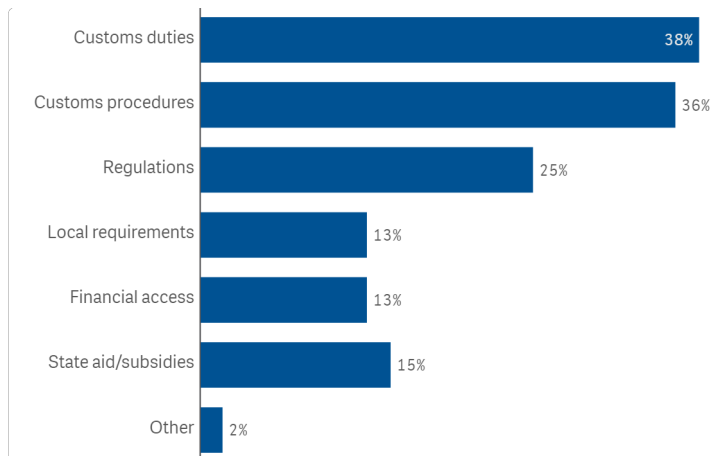
In general, the scores for the different categories deteriorated from 2023 to 2025, which aligns with lower business climate scores and a weaker economic growth performance in the period. Access to distributors recorded the largest score decrease (-0.6) compared to 2024, while access to key personnel saw the strongest improvement (+0.4).

Thirty-eight per cent faced customs duty barriers, down from 54 per cent in 2024

Formal trade barriers – customs duties and customs procedures – still represent the largest obstacles for Swedish exports in Brazil. Still, the share of companies facing these challenges has declined in recent years. The free trade agreement between Mercosur and the European Union is expected to reduce customs barriers even further over the next 15 years.

Despite the many subsidies and local content requirements established by Brazilian authorities in different segments (often also affecting access to public financing), only a few companies identified them as significant business barriers. Companies reporting that they either do not know or have not encountered trade barriers in Brazil in the past year represent around a third.

Has your company in the past year encountered trade barriers in Brazil with a noticeably negative impact on operations, in any of the following areas?



NOTE: The number of respondents for this question was 60.
SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

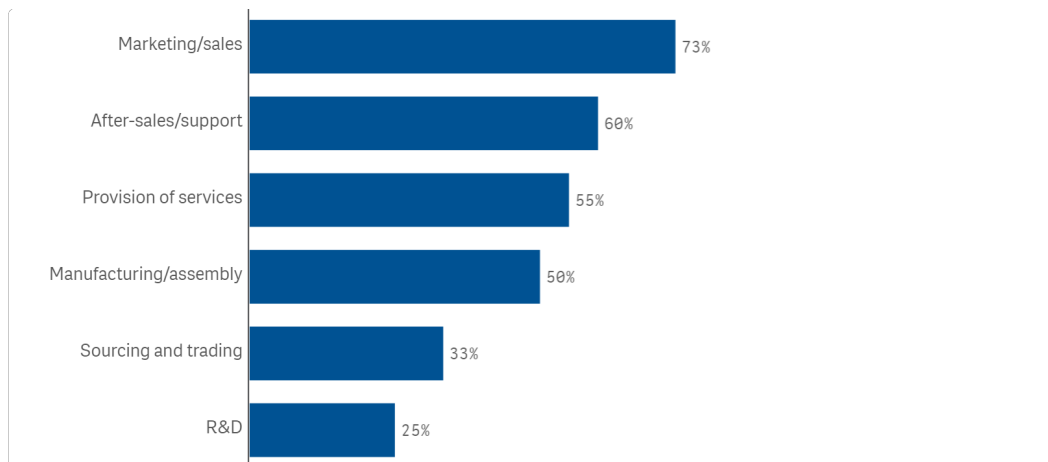
How Swedish companies succeed in Brazil

Half of surveyed companies have manufacturing in Brazil, and a quarter conduct R&D activities locally

Swedish companies in Brazil are focused on sales of goods (73 per cent) and the provision of services (55 per cent). Additionally, the high share of companies dedicated to after-sales and support (60 per cent) indicates the importance of being close to clients and being able to communicate in the local language.

Fifty per cent of respondents have manufacturing or assembly operations in Brazil, while 25 per cent perform R&D activities. This may indicate that at least half of manufacturers are also conducting research in Brazil.

Operations of Swedish firms in the market



NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in figure.

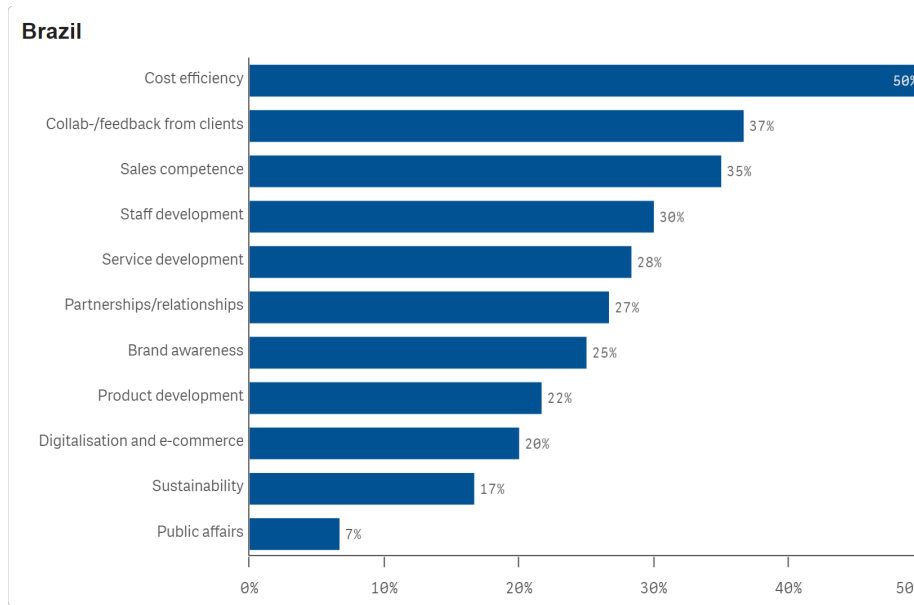
SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

In Brazil's price-sensitive market, cost efficiency remains key to competitiveness

Where respondents could provide written comment about the Brazilian business climate, many mentioned that Brazil is a price-sensitive market, impacting sales of more advanced products or even more sustainable products. This becomes even more important in times of global turmoil and domestic inflation pressures. Indeed, when asking about the key factors for maintaining competitiveness in Brazil, the survey found that cost efficiency is by far the most important, with 50 per cent of responses. Collaboration with customers (37 per cent) and sales competence (35 per cent) come next in the ranking as relevant strategies.

Public affairs and government relations (7 per cent) represent the least-mentioned factor, indicating that Swedish companies in Brazil appear less engaged with public entities, potentially due to corruption risks or, again, price sensitivity in governmental purchases.

To date, which of the following areas have been important in maintaining competitiveness in Brazil?

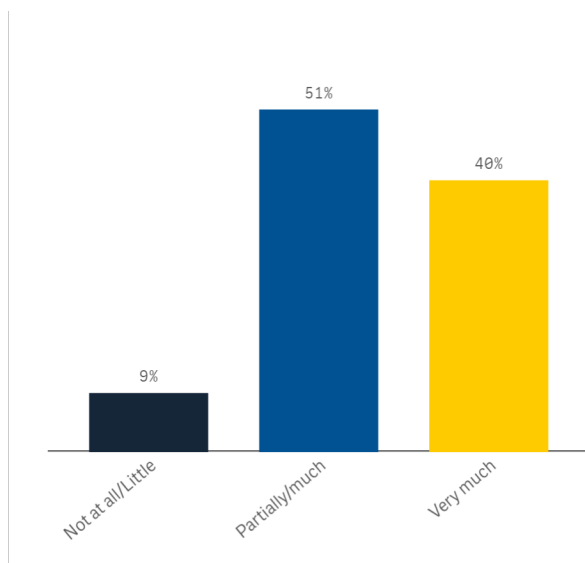


NOTE: "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Swedish branding continues to benefit most companies in Brazil

For 91 per cent of respondents, being identified as a Swedish brand contributes positively to their business in Brazil to some extent. This result represents a slight decrease from the 95 per cent recorded in BCS 2025. Additionally, no company attributed the minimum score to this question. According to this year's responses, the Swedish brand is more important for small and medium-sized businesses than for large companies.

To what extent would you estimate that the "Swedish brand" contributes to your business in Brazil?



NOTE: The number of respondents for this question was 57. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

In an additional question, the survey investigated the perception of a new market condition which may represent a game changer for many Swedish companies in Brazil: the free trade agreement between Mercosur (the trade bloc comprising Argentina, Brazil, Paraguay, and Uruguay) and the European Union. With the provisional implementation of the agreement by the European Union on 1 May, it became essential for companies to start preparing for, or at least understanding, how this development could affect their business in Brazil.

Although the survey was conducted prior to the provisional application in May, 63 per cent of companies indicated that they would act to understand the tariff reduction schedule for their products, while 30 per cent were also interested in other topics covered by the EU-Mercosur agreement such as the facilitated provision of foreign services and the fair participation in government procurement domestically. Additionally, 28 per cent want to understand the new compliance requirements and rules of origin introduced by the agreement.

Even in this early phase, companies already identify opportunities with the expected increase in bilateral trade between the two blocs. 63 per cent confirmed that they see new opportunities in sourcing from Europe – these are Swedish companies manufacturing in Brazil which can increase sourcing from their headquarters in Sweden or even from other European countries. Another 49 per cent see new opportunities in exporting to Europe, while 14 per cent expect to invest more in their Brazilian operations as a result of the agreement. Finally, 43 per cent of respondents also understand they may face increased competition from other European companies as tariffs are reduced in the coming years.

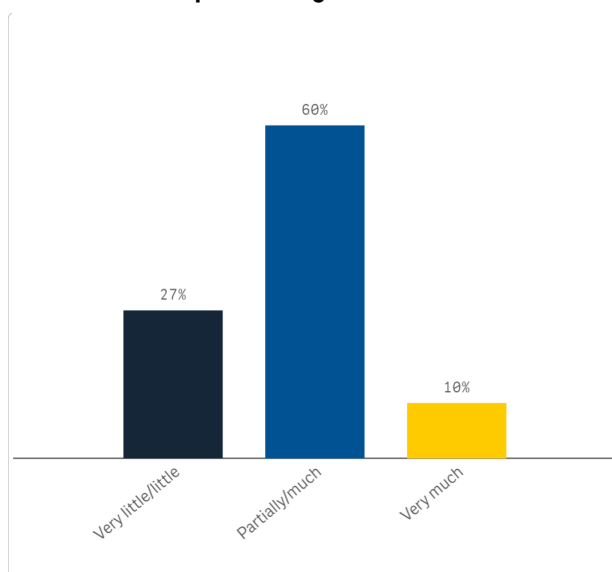
Acting sustainably

After COP30 in Belém, only 10 per cent say Brazilian customers strongly consider sustainability aspects

The rate of companies answering that Brazilian customers consider environmental aspects at least partially seems to be stabilising around 70 per cent after a post-pandemic peak. In the 2025 assessment, the result was slightly better, reaching 74 per cent. According to the comments provided by leaders of Swedish companies in Brazil, the willingness of local customers to invest in more sustainable solutions could be stronger were it not for the price sensitivity of the market and the lack of regulation and incentives from local governments.

An additional sustainability-related question shows that Swedish companies in Brazil are increasingly engaging in sustainable actions domestically. Most respondents confirmed that they maintain specific company policies on office operations (81 per cent), follow corporate CO2 emission targets (66 per cent) and offer “green” products and services in Brazil (66 per cent). Still, according to another follow-up question, these actions generated additional local business for some companies (25 per cent), while the strongest impact remains on perceptions of the company’s brand (65 per cent).

To what extent do customers in Brazil consider environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 60. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

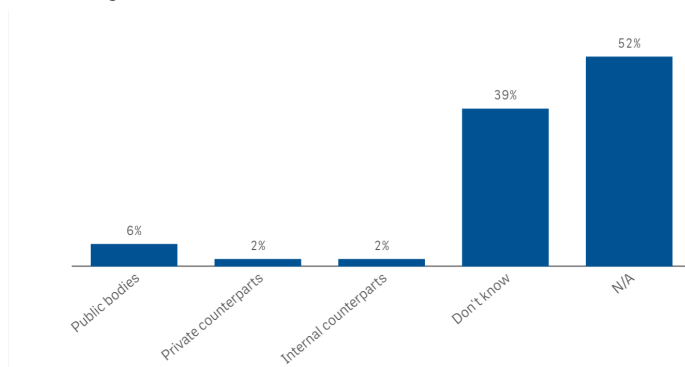
Five Swedish companies were exposed to corruption risks in Brazil during 2025

Three companies have reported corruption exposure with public bodies. Not coincidentally, government engagement scored as the least important factor for maintaining competitiveness in Brazil according to a previous question. Dealing with public entities in a compliant manner seems to remain a challenge for Swedish companies in Brazil.

Brazil scored 107th out of 182 countries on the 2025 Corruption Perceptions Index, behind most developed economies as well as China and India, but still ahead of countries such as Türkiye, Mexico and Russia. In 2025, Brazil faced a slight score improvement of 1 point, but many concerns remain according to Transparency International, the publisher of the index. One of the identified risks refers to the weak control of government spending under “parliamentary amendments” – off-budget expenditure driven by senators and members of the Federal Chamber of Deputies.

Still, the share of companies reporting exposure to corruption (5 out of 60) can be considered low for a moderate risk market, proving that Swedish companies can conduct their business in Brazil effectively when maintaining strong compliance strategies.

Has your company in Brazil been exposed to corruption such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?



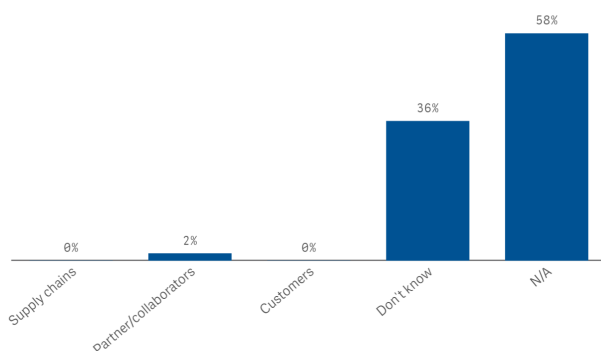
NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

Only one company reported human rights violations

Historically in the Business Climate Survey Brazil, only a few companies have reported human rights violations. Although risks persist mainly in Brazil's northeast region and Amazonian states, the Brazilian labour legislation is usually an effective tool for domestic workers' protection. However, this can create additional bureaucracy and increased labour costs for companies operating locally.

Has your company in Brazil encountered any form of human rights violations and/or labour rights abuse in contacts with any of the following areas?



NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Brazil 2026

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