

Competitive advantage report of brazil



In this report, I'm going to develop the competitive advantage of Brazil with Michael Porter's theory.

- Factor Conditions:** Brazil has a great number of natural resources, especially at Amazon Planitia and the south of Brazil. There has fertile soil and enough facilities. In Brazil, labors don't cost too much, it's good for a country to prosper in its agriculture, industry and tertiary sector. The skills and average education level of people in Brazil is not so good but not so bad. There are many people with skills and good education in some big cities in Brazil, but the conditions in those small cities are not so good. There is a gap between big cities and small cities.
- Demand Conditions:** Brazil has a large market in its large land. People in big cities like St. Paulo and Rio de Janeiro would prefer sophisticated products, but the degree of consumer sophistication may not be so high in small cities.
- Suppliers:** The major industry of Brazil is agriculture. Brazil is also good in automobile industry, iron and steel industry, petrochemical industry, computer industry, aviation industry and durable consumer goods manufacture. The supporting companies of these industries are easy to be located in the same area. Brazil used to need a lot of oil to be imported, but the percentage of the oil needed to be imported has reduced from 70% to 33%. That is what the government wants.
- The firm's strategy and structure as well as rivalry among competitors:** Brazil is the most industrial developed country in Latin America. Brazil also has various mature manufactures. It has already gotten plenty of investment from America. Now in Brazil, some privatization issues are faced by department of insurance. The economy of Brazil is growing and there are strong competitions between businesses.

Conclusion: Brazil does have some competitive advantage. It bases on the well development of some main cities like St. Paulo and Rio de

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Janeiro. But if Brazil want to get more competitive advantage, the government must solve the problem of the imbalance between big cities and small cities.