

Can brazil become a global competitor in the information

Countries



Their IT outsourcing sector is small relative to India's. The theory about International trade states that the differences in endowment factors of production, levels of technology that determine the factor intensities used, efficiencies with which these factor intensities are utilized, and foreign exchange rates. (Ball, Green and Magnet) International Investment theories talk about comparative advantage and competitive advantages. An example of a comparative advantage between the United States and Brazil would be how the US has an advantage in computers, while Brazil has an advantage in shoes. The information technology service industry has expanded rapidly. Many companies worldwide have made the decision to outsource this industry to offshore companies. Worldwide demand has increased growth to forty to fifty percent on an annual compounded rate basis.

Although Brazil has made substantial progress in reducing traditional border trade barriers (tariffs, import licensing, etc.), tariff rates in many areas remain high and continue to favor locally produced products. Brazil's barriers to trade are a cause for concern for the US Government and the European Union (EU), both of whom continue to work through regional trade accord negotiations and at the WTO level to influence tariff and non-tariff barriers. This report touches upon a broad range of trade regulations that may affect US companies seeking to export to Brazil.