

The U.S. and Brazil: Jointly Building a Better Tomorrow

By Jeff Immelt

In New York today, Central Bank President Henrique Meirelles and I will be honored to share the Brazilian-American Chamber of Commerce's Person of the Year Award. For me, the honor comes with exhilaration, because I am very optimistic about the partnerships that the U.S. and Brazil are building as Brazil assumes its place on the global stage.

The future looks bright. Following the global recession, Brazil's economy is emerging stronger than most. Indeed, Brazil was one of the last economies to enter recession and one of the first to return to growth. Brazil's GDP dropped by only 0.2% in 2009 and is expected to grow 6% this year, with even greater growth in the years to come. The macroeconomic stability enjoyed by Brazil over the past 15 years has been the single most important factor in the expansive growth and diversification of the economy – with Central Bank President Meirelles deserving a lot of the credit.

Of course, economic stability in a vibrant democracy like Brazil must be preceded by political stability, illustrated by smooth transitions between governments and continuous reforms to increase transparency, improve governance and reduce poverty. The benefits of this stability are tremendous. For example, Brazil has accumulated \$230 billion in international reserves, added 995,000 jobs in the formal labor sector in 2009, decreased poverty from 15% in 1990 to 5% in 2008, and reached \$45 billion in foreign direct investment (FDI) in 2008 (an increase of more than 30%, making Brazil the second largest destination for FDI behind China).

Brazil's arc of progress can also be seen in GE's own role here: in 1919, we entered this country to help light the Christ the Redeemer statute; in 2010, I announced that GE will build a new Global Research Center to support our growing infrastructure business in Brazil.

And Brazil continues building for the future, investing \$340 billion in new infrastructure to address bottlenecks, expanding the manufacturing base, and consolidating the country's position as a natural resources leader.

Working together, the private sectors and governments in Brazil and the U.S. can ensure continued growth by focusing on the following areas:

Energy security: From pre-salt exploration to biofuels to wind and nuclear power, Brazil and the U.S. share common interests and have complementary skills and technologies. An intense focus in these areas by both countries can help Brazil become one of the world's cleanest and most technologically advanced net exporters of energy. Earlier this year, for example, GE and

Petrobras announced that they had successfully powered a power generation turbine with ethanol.

Manufacturing: From regional jets and autos to mobile phones and food and beverage, Brazil has tremendous capacity to become a leading global supplier of inputs, components, and finished goods. Through greater cooperation on trade, investment, taxes and export finance, the U.S. and Brazil can ensure that the manufacturing base in both countries grows in mutually beneficial ways. Indeed, right now GE is working with BNDES on opportunities to enhance Brazil's competitiveness in manufacturing and services in areas such as wind power and aviation.

Global Leadership: From the G-20 to the World Cup and the Olympic Games, Brazil has put itself at the center of global affairs and culture. The U.S. and Brazil share an interest in economic modernization, which will promote the growth of developing nations. Identifying shared strategies and common opportunities to help people in developing nations and leveraging their respective private sectors is a dynamic way for Brazil and the U.S. to help promote global prosperity and peace. I applaud both countries' leadership in rebuilding Haiti and am very proud of GE's role in exporting locomotives produced in Brazil to Nigeria.

Brazil has emerged on the global stage. Focused cooperation by governments and the private sector will help spread prosperity, further strengthening this great nation's role as a 21st century global leader.