

Location Spotlight – Brazil

March 2023 : Complimentary Abstract / Table of Contents



Our research offerings

This report is included in the following research program(s):

Locations Insider™

- ▶ Amazon Web Services (AWS)
- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Asset and Wealth Management
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ CXM Technology
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms
- ▶ Digital Engineering Services
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ GBS Talent Excellence
- ▶ Global Business Services
- ▶ Google Cloud
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ Human Resources
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Excellence
- ▶ IT Services Executive Insights™
- ▶ IT Talent Excellence
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Microsoft Azure
- ▶ Modern Application Development (MAD)
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Oracle Services
- ▶ Outsourcing Excellence
- ▶ Pricing Analytics as a Service
- ▶ Process Mining
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations,
risk, technologies

Locations: costs, skills,
sustainability, portfolios

Contents

1. Research methodology	4
2. At a glance	5
3. Overview	6
4. Market activity	7
5. Talent and cost overview	9
6. Global services delivery overview	11
7. Risk profile	12
8. Research calendar	14

For more information on this and other research published by Everest Group, please contact us:

Sumit Kumar, Practice Director

Pahul Preet Singh, Senior Analyst

Aryan Gupta, Information Specialist

This report provides perspectives on key aspects of the global sourcing market in Brazil

Location Spotlight – Brazil

Brazil | at a glance



Availability of Portuguese, English, and Spanish speaking talent base attracts multiple US, UK, and European firms; potential to increase and grow global services delivery in engineering/R&D, digital, and niche IT segment

KEY FACTOIDS

- 1,300,000-1,400,000 annual tertiary graduates
- Annual operating cost per FTE 50-55% savings over Dallas 20-30% expensive over Mexico City

Current overview

- With a global services market size of ~100,000 FTEs, Brazil is leveraged by both Global Business Service (GBS) organizations and providers – with the latter having a higher share
- Sao Paulo and Rio De Janeiro are the major delivery locations in Brazil; there has been an uptick in leverage of some tier-2 cities such as Recife and Belo Horizonte as well
- Predominantly leveraged as a spoke location for IT-ADM services, with potential to increase delivery of engineering/R&D, digital, and niche IT services

Key drivers

- Availability of multilingual talent base, with proficiency in Portuguese (native), English, and Spanish to support both voice and non-voice business services
- Brazil offers similar and overlapping time zone (+/- 2 hours) to major delivery locations in the US (such as New York) and Canada (such as Toronto and Vancouver)
- Good air connectivity to source geographies in North America and Europe, with multiple daily flights to major locations
- Brazilian real has been depreciating over the last few years, further improving the cost positioning of Brazil

Key challenges

- Some concerns around high organized crime rates and drug-related violence
- Public confidence in government institutes is low, owing to high level of corruption
- Current political climate is characterized by high fragmentation, volatility, and polarization
- Compared to other LATAM countries, Brazil has limited government incentives specific to the global services sector

KEY PLAYERS:

Everest Group® Proprietary & Confidential. © 2023, Everest Global, Inc. | EGR-2023-37-R-5889

5

Location Spotlight – Brazil

Brazil | risk profile (page 1 of 2)

Some concerns around economic slowdown, high inflation, and volatile geopolitical environment

Parameters	Everest Group rating	Comments
Geopolitical		<ul style="list-style-type: none"> Brazil ranks 47th out of 167 countries in the Democracy Index 2021 compiled by the Economist Intelligence Unit (EIU); this ranking has been stable throughout the years, and the regime is considered a flawed democracy Brazil's current President Luiz Inácio Lula da Silva replaced his opponent Jair Bolsonaro in the recently held election, which led to some political tension and riots in the country. The current political climate is characterized by high fragmentation, volatility, polarization, and weak social roots Corruption cases along with slow legal enforcement systems and cumbersome regulations have had a negative impact on Brazilian politics
Macroeconomic		<ul style="list-style-type: none"> Standard & Poor's credit rating for Brazil stands at BB- with a stable outlook The Brazilian real depreciated (fell 20-25% from 2019-2022) against the US dollar – given the country received record low foreign investments over the past 3-4 years Economic activity in Brazil is expected to remain dampened due to high commodity prices, tightening monetary conditions, declining domestic demand, and fragile investor sentiment Brazil's inflation rate peaked at ~12% in April 2022. But inflation has gradually stabilized since then, falling to ~5% in December 2022 and is expected to continue its downward trajectory moving forward
Infrastructure		<ul style="list-style-type: none"> Brazil offers moderate public transport infrastructure (road, rail, and air), providing good connectivity across cities. Additionally, the government plans to further improve the infrastructure quality with multiple projects in the pipeline Moderate air connectivity to North America, South America, the Caribbean, and Europe, with multiple daily flights to major locations such as New York, Mexico City, and London. Brazil is ranked 78th out of 141 countries in the IMD World Competitiveness Index 2022 for its infrastructure quality – signifying moderate levels of infrastructure availability in the country

Source: Everest Group (2023); EIU; Transparency International; OECD; OPEC; World Bank; WEF; investment agencies; interviews with market participants

Everest Group® Proprietary & Confidential. © 2023, Everest Global, Inc. | EGR-2023-37-R-5889

12

Research calendar

Locations Insider™

Published Planned Current release

Reports title	Release date
The Most In-demand Metaverse Skills in the US	November 2022
The War for Talent in Data, Analytics, and AI (DAAI): Finding the Ideal Operating Model for Organizations	November 2022
Location Spotlight – Munich, Germany	December 2022
Global Locations State of the Market 2022: Talent Drives Locations Strategies Key Trends Shaping the Landscape	December 2022
Location Spotlight – Greece	January 2023
Wrapped 2022, Unwrapping 2023	January 2023
Location Spotlight – Fukuoka, Japan	January 2023
A World of Words: Examining the Spread of European Languages Across the Globe	March 2023
Location Spotlight – Singapore	March 2023
Location Spotlight – Brazil	March 2023
Global Locations State of the Market – Risk Radar	Q1 2023
Location Spotlight – Turkey	Q2 2023
Location Spotlight – Costa Rica	Q2 2023
Talent Handbook – Availability of Language Skills in Asian Locations	Q2 2023

Note: [Click](#) to see a list of all of our published Locations Insider™ reports



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

Stay connected

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.

Website
everestgrp.com

Social Media
 @EverestGroup
 @Everest Group
 @Everest Group
 @Everest Group

Blog
everestgrp.com/blog

NOTICE AND DISCLAIMERS

IMPORTANT INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THROUGH YOUR ACCESS, YOU AGREE TO EVEREST GROUP'S TERMS OF USE.

Everest Group's Terms of Use, available at www.everestgrp.com/terms-of-use/, is hereby incorporated by reference as if fully reproduced herein. Parts of these terms are pasted below for convenience; please refer to the link above for the full version of the Terms of Use.

Everest Group is not registered as an investment adviser or research analyst with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), or any state or foreign securities regulatory authority. For the avoidance of doubt, Everest Group is not providing any advice concerning securities as defined by the law or any regulatory entity or an analysis of equity securities as defined by the law or any regulatory entity.

All Everest Group Products and/or Services are for informational purposes only and are provided "as is" without any warranty of any kind. You understand and expressly agree that you assume the entire risk as to your use and any reliance upon any Product or Service. Everest Group is not a legal, tax, financial, or investment advisor, and nothing provided by Everest Group is legal, tax, financial, or investment advice. Nothing Everest Group provides is an offer to sell or a solicitation of an offer to purchase any securities or instruments from any entity. Nothing from Everest Group may be used or relied upon in evaluating the merits of any investment. Do not base any investment decisions, in whole or part, on anything provided by Everest Group.

Products and/or Services represent research opinions or viewpoints, not representations or statements of fact. Accessing, using, or receiving a grant of access to an Everest Group Product and/or Service does not constitute any recommendation by Everest Group that recipient (1) take any action or refrain from taking any action or (2) enter into a particular transaction. Nothing from Everest Group will be relied upon or interpreted as a promise or representation as to past, present, or future performance of a business or a market. The information contained in any Everest Group Product and/or Service is as of the date prepared, and Everest Group has no duty or obligation to update or revise the information or documentation. Everest Group may have obtained information that appears in its Products and/or Services from the parties mentioned therein, public sources, or third-party sources, including information related to financials, estimates, and/or forecasts. Everest Group has not audited such information and assumes no responsibility for independently verifying such information as Everest Group has relied on such information being complete and accurate in all respects. Note, companies mentioned in Products and/or Services may be customers of Everest Group or have interacted with Everest Group in some other way, including, without limitation, participating in Everest Group research activities.