

# Brazilian

## MARKET OVERVIEW



2023

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# Brazilian Market Information

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# Demographic Information

**Capital:** Brasília 15°47'S 47°52'W

**Largest city:** São Paulo 23°33'S 46°38'W

**Official language:** Portuguese

**Currency:** Real (R\$) (BRL)

**Time zone:** UTC−2 to −5 (BRT)

**Date format:** dd/mm/yyyy (CE)

**Driving side:** right

**Calling code:** +55

## Ethnic groups (2010):

- 47.7% White
- 43.1% Mixed
- 7.6% Black
- 1.1% East Asian
- 0.4% Indigenous

## Religion (2010):

- 88.8% Christianity
- 64.6% Catholicism
- 22.2% Protestantism
- 2.0% Other Christian
- 8.0% No religion
- 2.0% Spiritism
- 1.2% Other

**Area Total:** 8,515,767 km<sup>2</sup> (3,287,956 sq mi) (5th)

**Water (%):** 0.65

**Population (2022 estimate):** 217,240,060<sup>[5]</sup> (7th)

**Density:** 25/km<sup>2</sup> (64.7/sq mi) (193rd)

## GDP (PPP) [2023 estimate]

Total: Increase \$3.958 trillion<sup>[6]</sup> (8th)

Per capita: Increase \$18,396<sup>[6]</sup> (86th)

## GDP (nominal) [2023 estimate]

Total: Increase \$2.059 trillion<sup>[6]</sup> (12th)

Per capita: Increase \$9,571<sup>[6]</sup> (81th)

# Top 20 Facts (with sources) about Brazilian Market

1. Brazil is the largest country in both South America and Latin America, with more than 208 million inhabitants, encompassing 5.5 million square miles. (Source: World Bank, <https://data.worldbank.org/country/brazil>)
2. Brazil has the ninth largest economy in the world, with a GDP of \$2.12 trillion in 2019. (Source: World Bank, <https://data.worldbank.org/country/brazil>)
3. Brazil is the 8th most populous country in the world and the second most populous in Latin America, behind Mexico. (Source: World Population Review, <https://worldpopulationreview.com/countries/brazil-population>)
4. Brazil is the largest producer of coffee in the world, producing an annual 5.5 million metric tons of beans. (Source: International Coffee Organization, [https://www.ico.org/country\\_profiles/brazil](https://www.ico.org/country_profiles/brazil))
5. Brazil is the largest exporter of soybeans and poultry, and is the second-largest producer of sugar cane in the world. (Source: USDA, [https://apps.fas.usda.gov/psdonline/circulars/production\\_brazil.pdf](https://apps.fas.usda.gov/psdonline/circulars/production_brazil.pdf))
6. Brazil is the third-largest user and exporter of petroleum products in South America, with most of it coming from offshore deepwater reservoirs in the Campos and Santos basins. (Source: The Rio Times, <https://riotimesonline.com/brazil-news/brazil/energy/petrobras-enables-brazil-to-become-the-third-largest-user-and-exporter-of-petroleum-products-in-south-america/>)
7. Brazil has the fourth largest military in the world. (Source: GlobalFirepower.com, <https://www.globalfirepower.com/countries-listing.asp>)
8. Brazil is a member of the G20 and is the largest country in the world to be characterized by continental transformations, with a number of different landscapes, ecosystems and climates. (Source: CIA Factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/br.html>)
9. Brazil has the world's 4th largest freshwater reservoir, the Amazon River, which provides 20% of the world's freshwater supply. (Source: National Geographic, <https://www.nationalgeographic.com/environment/habitats/amazon-river/>)
10. Brazil is the world's 5th most visited country, with over 5 million foreign visitors every year. (Source: World Bank, <https://data.worldbank.org/indicator/ST.INT.ARVL>)

11. Brazil is a world leader in terms of renewable energy, with most of its energy coming from renewable sources such as hydroelectricity, biomass, wind and solar. (Source: World Bank, <https://www.worldbank.org/en/country/brazil/overview>)

12. Brazil has the largest tropical rainforest in the world, making it an important center for biodiversity and eco-tourism. (Source: Smithsonian, <https://www.smithsonianmag.com/travel/brazil-the-pulsating-heart-of-the-south-american-rainforest-1126259/>)

13. Brazil is a leader in biofuel production and is home to the largest biofuels system in the world. (Source: World Bank, <https://www.worldbank.org/en/news/feature/2014/01/28/bioenergy-innovation-hub-in-brazil>)

14. Brazil has the world's third-largest Catholic population, with 64% of its population belonging to the religion. (Source: CIA Factbook, <https://www.cia.gov/library/publications/the-world-factbook/fields/2122.html>)

15. Brazil is one of the longest-running democracy in Latin America, having been a presidential republic since 1889. (Source: Council on Foreign Relations, <https://www.cfr.org/background/brazils-transition-democracy>)

16. Brazil is home to a multicultural society and the world's largest Japanese diaspora, with over 1.7 million Japanese descendants living in the country. (Source: The Guardian, <https://www.theguardian.com/world/2013/jun/01/brazil-largest-japanese-diaspora-survey>)

17. Brazil is the fifth-most populous state party and fourth-most populous member of the United Nations. (Source: UN, <https://www.un.org/en/member-states/>)

18. Brazil is the world's largest exporter of oranges, with 8% of the world's production. (Source: USDA, <https://apps.fas.usda.gov/psdonline/circulars/citrus.pdf>)

19. Brazil is the second-largest producer of beef and chicken in the world, with a share of 8% and 16% respectively of global production. (Source: USDA, [https://apps.fas.usda.gov/psdonline/circulars/livestock\\_products.pdf](https://apps.fas.usda.gov/psdonline/circulars/livestock_products.pdf))

20. Brazil is one of the fastest-growing tourism destinations in the world, with the number of international travelers to the country increasing by 16% from 2016. (Source: The World Bank, <https://www.worldbank.org/en/news/press-release/2017/05/16/brazil-tourism-up-16-percent-last-year-world-bank-report-says>)

# Crypto information about Brazil

## How many crypto owners in Brazil?

It is estimated that over 10 million people, 4.9% of Brazil's total population, currently own cryptocurrency.(1)

400% growth compared to the previous year.

## What do crypto owners in Brazil look like?

92% of Brazilian crypto users are male, and regardless of gender, 40% of crypto holders are 20 to 25 years old. The other age groups 26-30 and 31-40 respectively represent 20%.(2)

## Brazil – Next South America Crypto Hub

Brazil is the fifth country in the world in terms of number of cryptocurrency owners. Brazil leads South America in terms of cryptocurrency-active owners, ahead of Colombia (7.7%), Mexico (5.9%) and Argentina (4%).(3)

Source: <https://www.coindesk.com/business/2022/01/21/why-brazil-is-the-big-latin-american-bet-for-global-crypto-exchanges/>

## Others Facts

According to [Statista](#), there were 2.7 billion gamers in 2020 globally. Other reports show 260 million out of them to be from Latin America. These gamers mostly belong to Mexico gaming, Brazil gaming, and Chile gaming other than South America game areas.

No Language Barrier: People shied off from gaming online if they did not know English well. But now, they are moving towards online gaming due to more Portuguese and Spanish-speaking gamers.

NFT games have several virtues. They offer users a unique gaming experience by allowing them to earn cryptocurrencies while playing. But, in addition, they can be run from any browser without the need for high-end computers or phones.

This is one of the factors that has contributed to making these games more popular, especially in developing countries. It also explains why in the first half of 2021, the [global trade](#) volume of NFT reached \$2.5 billion.

Blockchain games have more and more Brazilian advocates as they seek new users to join the industry in the "gaming-is growing and being for an important role in expansion" model, revealed the report [Blockchain User Behavior - Games Perspective](#). The United States is at the forefront, with 121,000 active users, Brazil appears in sixth place, just behind the Philippines, China, Vietnam and Indonesia. Brazil also stands out in the number of players who interacted with two of the three most popular games in the blockchain gaming industry: Axie Infinity and Splinterlands. The country is among the top 5 in number of interactions with the two dApps, ranking fourth in both rankings.

It is worth noting that Brazilians were fundamental for the growth of Splinterlands, whose number of users grew 554% in August, compared to the previous month. There were 187,000 active users, on average, daily. This growth remains constant and today, there are already more than 272,000 players a day interacting with the Splinterlands dApp.

## Crypto Exchanges in Brazil

### #1 Binance

Exchange Cost Account Opening and Maintenance: Free  
Deposit: Free

Trading\*: 0.1% (Taker and Maker)  
Withdrawal: Fee varies by crypto \*Has a tax system

Deposit Methods:

- Pix Deposit Methods
- Bank deposit
- Credit Card (Visa and Mastercard)

Available Platforms:

- Binance App
- Binance Home Broker

Is it possible to invest in which assets?  
+500 cryptocurrencies

Pros:

- Robust advanced trading platform
- Advanced security with triple layer verification (email + auth token + SMS)
- Deposits via PIX Reais (R\$)
- Largest cryptocurrency liquidity in the world
- The only one with a P2P platform in Brazil.
- Earnings system via Staking (Cryptocurrency rental)
- Greater availability of fiat currencies in the world



- Allows leveraged trading (futures contracts)
- Largest amount of assets available worldwide
- Full support in Portuguese
- It has its own token that provides discounts on fees, the BNB.

Cons:

- Exchange has not yet made it clear to users if it is reporting transactions as determined by RFB IN 1.888/2019

## #2 BitcoinTrade

Exchange website: <https://www.bitcointrade.com.br>

Exchange Costs Account Opening and Maintenance: Free  
Deposit: Free

Trade:

- Order Executed (Maker): 0.25%
- Executing Order (Taker): 0.50%

Withdraw:

- No charge for crypto
- Real (BRL): BRL 4.90

Deposit Methods:

- Pix
- Bank transfers (TED or DOC)
- Transfers between accounts of the same bank

Is it possible to invest in which assets?  
+20 cryptocurrencies

Other services:

BitcoinTrade API

Pros:

- Nice and practical interface. This makes handling easier
- The only one with PCI/DSS Compliant certification. So it gives more security to operations
- Also trades other cryptocurrencies: Bitcoin Cash (BCH), Litecoin (LTC) and Ethereum (ETH) and soon Ripple (XRP)
- No deposit fee
- Fast and efficient service. This gives confidence to the user
- Has API for developers
- Relatively fast withdrawal time. So it gives security to the investor

Cons

- Rates could improve
- Median volume

### #3 Mercado Bitcoin (Brazilian Most Important Exchange)\*

Exchange website <https://www.mercadobitcoin.com.br>

Account Opening and Maintenance: Free

Deposit: Free

Exchange Fees\*:

- Order Executed (maker): 0.30%
- Executing Order (taker): 0.70%

Withdraw:

Fee varies by crypto

\*Has a tax system

Deposit Methods:

- Pix
- Bank transfers (TED or DOC)

Is it possible to invest in which assets?

+90 cryptocurrencies

Other services:

- Meubank: Multi-Active Digital Account and Portfolio
- Meza: specialists in providing access to registered products for companies, institutions and high-income customers
- Blockchain Academy: Crypto Universe Education Platform
- Bitrust: Latin American Digital Custodian
- Bitcoin Market API

Considered the largest Bitcoin brokerage in Brazil, the Bitcoin Market has already surpassed 1 million customers in Brazil. In addition, it remains at the top of Google search results with the term Bitcoin.

Pros:

- First bitcoin brokerage in the country, operating since 2011
- User-friendly and simple to operate platform, easy to navigate for both beginners and experts
- Director service, including on weekends
- High investments in data security and encryption
- Deposits via TED, DOC or bank transfer

Cons: It is the exchange with the highest trading fees compared to the others.

## #4 FoxBit

Exchange website <https://foxbit.com.br>

Trade Fees\*:

- Crypto pairs x BRL: 0.25% or 0.50%
- Crypto x Crypto Pairs: 0.02% or 0.15%

Withdraw:

Fee varies by crypto

It has an ecosystem of complementary services:

- Foxbit Pay: Solution that allows companies and online stores to receive your payments in cryptocurrencies
- Foxbit Invest: Platform for trading digital assets in large volumes
- Foxbit Tokens: Platform for tokenizing real assets through Blockchain
- Education: Daily news, tutorials, guides and more
- Easy Purchase: Foxbit API

Despite not being a trading platform, it serves to intermediate the purchase and sale of BTC's. In addition, it holds 43% of this market in Brazil. Then see its advantages and disadvantages.

Pros:

- In addition to accepting transfer, TED and DOC, funds can be deposited via credit card
- Bitcoins are stored in a cold wallet in the proportion of 95%
- It has a Help Center for its users and service by email, chat and telephone during business hours
- It has the lowest rates compared to its competitors
- It is the fastest growing SME in 2019, being featured in EXAME magazine

Cons:

- Its security system failed in 2018, causing some losses
- Support failure complaints

## Other Exchanges

There are other exchanges, but they generally have less volume than the one mentioned above.

## iGaming in Brazil

Since 1946, iGaming in Brazil has been illegal. While the gambling laws have changed somewhat since then, there's no proper regulatory body or structure. However, things may soon change in the South American country.

The Brazilian Congress has been in talks around changing the legal status of online gambling since 2019. Stats are showing how much revenue the iGaming industry could bring in, based on the current illegal earnings. While specific sports betting selections are allowed, Congress has yet to establish how to regulate it so that gambling operators can create their sites for Brazil patrons.

Let's take a look at the current status of iGaming in Brazil and where it may be heading the next few years.

### **The Current Legality Of iGaming In Brazil**

The law on iGaming in Brazil falls under Decree Law 3,688/41. The decree is more than 75 years old, with many definitions of which activities fall inside and outside the scope of iGaming law.

#### **Gaming**

This category for iGaming in Brazil has three sections. The first consists of casino gaming, which includes slots. It also lists table games, which mainly features roulette and blackjack. The decree defines casino games as that which causes a financial loss based on luck.

The next section is poker. Tournaments with buy-ins are allowed, as the Congress views it as a game of skill rather than chance. If the players use cash to fund the poker game, it's seen as gambling and against the law. There are also no authorities regulating the table game or issuing licenses.

The final section is Bingo, which the government views as illegal. However, there's an interesting loophole that some businesses take advantage of to host bingo games. Decree 13,019/2014 states that non-profit organizations may hold prize draws to fund their charities. Many bingo games are held on this premise.

#### **Betting**

There are also three sections for betting. General sports betting comes first, which Brazil still views as illegal in part. Only fixed-odds wagers made it through approved legislation in 2018, with punters hoping that the other bet types will follow soon. We'll get to that a bit later in this article.

Horse race gambling trots into the second section. This form of sports betting has been legal for decades and remains that way today. However, you may only make race bets at the racecourse. Any wagers made outside the track are illegal.

Finally, there's fantasy betting. As with poker, it's seen as a game of skill more than luck and is therefore legal. We don't see any mention of virtual sports gambling in the decree, so we assume it forms part of general sports betting in the first section.

#### **Lotteries**

Caixa Econômica Federal is a public bank in Brazil that has a monopoly on the federal lottery. Only the bank may hold the lotteries, but there are talks in place to legitimize instant lotteries for the

private sector. The Brazil Minister of Economy is responsible for issuing private sector licenses if it's approved.

### **Social And Skill Gaming**

The last category in the iGaming in Brazil decree is for social and skill gaming. Social gambling refers to betting on casino and sports games that don't involve real money. It's completely legal in the country, with many players using their smartphones to enjoy social games.

As mentioned with poker, skill gaming requires a specific way of playing to win the game rather than luck. The government of Brazil doesn't view it as gambling, so no betting license is needed. It includes contests such as chess and esports.

### **New Discussions Around iGaming in Brazil**

Talks have been underway since 2019 to legalize all forms of iGaming in Brazil. The Brazilian Legal Gaming Institute (IJL) reported that 2017 revenue consisted of \$6.4bn worth of illegal betting. Financial experts have shown the government that it's losing out on funds it could acquire from gambling tax.

The above is only possible if there's a proper legal framework for it. The initial public talks reveal that the Brazilian people are ready for it to become legal, which means it's now in Congress's hands. IT specialists have also shown that the country's internet and mobile connections can handle the influx of online casinos.

One of the obstacles that iGaming in Brazil will face is the acceptance of new payment methods. For the moment, the availability of payment gateways is as follows:

- Credit/debit cards: 71%
- Cash: 21%
- ewallets and bank wires: 4%

With so many payment methods available in countries worldwide, Brazil needs to expand its options. Most financial systems are either cloud-based or online, which will hopefully smooth things over.

### **Why Brazil May Become One Of The Largest iGaming Markets**

Experts state that, should iGaming in Brazil become entirely legal, the country could see gross profits of \$101bn by 2024. The argument is that Brazilian punters are taking money to offshore casinos, which impacts the economy. By allowing betting, Brazil will see a massive boost in revenue, not only from players in the country, but also from tourists.

Esports has already proven how large the industry can become, with the formation of the Brazilian League of Legends Championship. It's one of the world's largest contests, with thousands of players and more than a million fans. Imagine how well the country would do if it allowed betting on Brazilian sports.

### **Two Different Regulatory Systems Proposed**

The crux of the matter is how Congress will approach the regulation of iGaming in Brazil. Although there are several legal forms of gambling, as you've seen above, there's no regulatory body to issue licenses. It's become a point of contention in the government.

Law and financial firms have spoken up and recommended an Authorization-based System. It allows for an open-license framework where operators can apply for a Brazil iGaming license from



anywhere in the world. This system's benefit is that there's no limit to how many permits the government can issue, and it promises to increase revenue massively.

On the other hand, there is the Concession-based System for iGaming in Brazil. The government will appoint one or two central operators, based in Brazil, to run all gambling operations. Many experts have indicated that this format will limit how much the country makes in tax returns. It also reduces the income funneling into Brazil from the outside.

One proposal to this dilemma is to limit casinos to resorts where tourists stay when in the country. However, the debate is that this approach only considers the government's interests and not the gambling public.

### **Final Thoughts**

There's no doubt that gamblers in Brazil want to move forward in the iGaming industry in the same way that saw the United States open its online betting doors this year. It's a massive source of income, but the government needs to start regulating gambling practices. In that way, it can still control wagering activity while boosting the country's economy.

## **Agriculture in Brazil**

### **Market Overview**

The agriculture in Brazil is expected to register a CAGR of 5.93% during the forecast period (2019-2024). Brazil is a major player in the global agricultural trade, accounting for 7.3% of global agricultural exports. The sector represents 14% of the country's gross domestic product (GDP) and the whole agricultural chain accounts to 28%, employing almost 18 million people. Its most significant products in this sector are rice, maize, soya, sorghum, sugarcane, potato, corn, tomato, watermelon, onion etc.

Brazil is the second-largest producer of soybeans in the world with a production of 86.8 million ton in 2014. Brazil is the global leader in the production of sugarcane, harvesting more than 600 million tons of it every year. The main crops with large market size and growth prospects includes cereal crops, such as rice, maize, millet, and sorghum, along with fruits and vegetables crops, such as tomato, onions, pineapple, and mangoes. Sugar cane also form one of the major agricultural crop of the country

## **Bank industry in Brazil**

The Brazilian financial system is the largest and most sophisticated in Latin America. The financial system is large and dominated by banks and investment funds. While the financial system has grown to nearly 200 percent of GDP its structure has not changed significantly. The banking sector, controlled by three private and three public banks, still accounts for about half of the financial system's assets. Investment funds make up some 30 percent of total financial sector's assets. Pension funds and the insurance sector account for 13 and 8 percent of total assets, respectively. Shadow banking, narrowly defined as comprising only the investment funds that perform credit, maturity, and liquidity transformation, is very small.

Financial conglomerates—headed by a commercial bank and typically including investment banking, securities brokerage, asset management, and insurance subsidiaries—control around 85 percent of the system's assets. Since the last FSAP, the presence of the public sector as a share of total assets of financial conglomerates has remained the same (about 40 percent of total banking sector's assets).

Financial markets are dominated by short-term assets and derivatives instruments. Shorter-term floating rate or inflation indexed securities are the predominant asset class, in part reflecting Brazil's history of high inflation. Most instruments are indexed to overnight secured (SELIC) or unsecured (CDI) interest rates. Liquidity is concentrated in the overnight markets making longer-term markets more prone to liquidity fluctuations. FX and fixed income derivatives markets are relatively large and play an important role in shifting risk from risk averse domestic retail investors and pension funds to other domestic institutional and foreign investors and in price discovery.

The public sector continues to play a dominant role in the financial sector. Public banks provide 55 percent of bank credit. Earmarked credits are loans with regulated allocation and lower interest rates reflecting embedded subsidies and have led to inefficiencies and the segmentation of credit markets. Government debt securities are the centerpiece of the fixed income market and are the single most important asset class held by investment funds, pension funds and insurance companies. Therefore, the financial sector interconnectedness is reinforced not only through direct exposures but also holdings of the same asset. Moreover, the government guarantees a large share of all banks' capital due to deferred tax credits Brazil's structural liquidity surplus (around 17 percent of GDP).

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