Rubens Hannun – President, Arab Brazilian Chamber of Commerce, Saudi Arabia



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Rubens Hannun, president of the Arab Brazilian Chamber of Commerce, discusses the commercial relationship between Brazil and Saudi Arabia, which now reaches over US USD three billion between imports and exports, the role of pharmaceuticals, the opportunities in halal products and their efforts to inform the Arab and Brazilian business communities.

Can you introduce yourself and the background of the Arab Brazilian Chamber of Commerce?

The Arab-Brazilian Chamber of Commerce (ABCC) is celebrating 68 years, during which it has achieved mutually beneficial relationships between Brazil and the 22 Arab countries. During that period, it established itself as the main business broker with the countries in the region. The ABCC has been working to connect the Brazilian and Arab populations to promote economic, social and cultural development. We are an important agent in the growth and diversification of Arab-Brazilian trade, building relationships with public and private players. As a member of the Union of Arab Chambers, the Arab-Brazilian Chamber of Commerce is recognized for its credibility and influence as the sole legitimate Brazilian representative for the Arab League’s business interests.

We have a responsibility to approach businesses in a consistent manner, based on cultural aspects and not only doing business for the sake of it. We aim to benefit the citizens. We have to be neutral, transparent and great partners because we are the eyes, ears and voice of Arabs and Brazilians.

Part of our work, logically, is defending and promoting Brazilian products. As an example, when we had an issue with the quality of Brazilian meat, we questioned the Brazilian Health Ministry so it could provide accurate and relevant information to Arab countries. The Brazilian Health Ministered travelled to Saudi Arabia to meet with Saudi authorities to explain the situation.

What is the chamber's role as a mediator to solve conflicts that can arise between Brazil in other Arab countries?

The chamber's role is laying the foundation to create relations between the two parties, both in trade actions and issues. We take actions to foster the relations, we do not mediate deals themselves, we mediate agreements and memorandums of agreements.

What are the highlights of the Brazil-Saudi Arabia bilateral relations?

The relationship with Saudi Arabia is of great importance to Brazil since it is one of the largest trading partners in the region, particularly in agribusiness and halal poultry. In 2020, among the 22 Arab countries, Saudi Arabia was Brazil's second top destination for exports and first supplier for imports

The market goes beyond agribusiness and we have agreements for the production of other products. Saudi Arabia has shown great interest in Brazil. President Bolsonaro visited the country and signed major agreements to facilitate bilateral investments. Saudi Arabia will invest around ten billion dollars in Brazil and our country will direct them according to our needs.

During the visit of president Bolsonaro, an agreement was signed with the industrial cluster so that Brazilian companies can have 100 percent ownership in businesses in Saudi Arabia and establish partnerships with Saudi companies. The agreement includes the pharmaceutical sector. In addition to being a growing market, Saudi Arabia can be a major exporting hub in the region. The pharma plants that are being established in Saudi Arabia will have the opportunity to leverage the country as a centre for Africa, the Middle East and Asia.

When can we expect to see more Brazilian pharma companies enter Saudi Arabia?

Not necessarily in the short term because of pandemic-related developments, but I expect to see it happen in the mid-term. Brazilian companies have shown great interest in entering Saudi Arabia, and the feeling is mutual. As an example, the Butantan Institute, the main vaccine producer in South America, which is manufacturing the Sinovac vaccine in Brazil, signed an intention letter with the industrial cluster.

Can you elaborate on the imports and exports between the two countries and the role of pharmaceutical companies?

In 2020, Brazilian exports to Saudi Arabia accounted for US USD 1.8 billion, a decrease of 6.9 percent compared to 2019 but still a good number considering pandemic-related issues. The main exported products were chicken meat, sugar, maize (corn), soybeans, bovine meat and live bovine.

In terms of medical supplies and pharmaceuticals, the exports from Brazil accounted for US USD 32.8 million. The main exported products in that area were machinery, medicines, vaccines (not COVID-19), spectrometers, plastic articles and dental cement.

On the other side, the imports coming from Saudi Arabia to Brazil accounted for US USD 1.52 billion, mainly mineral fuels, fertilizers, plastics, chemicals and aluminium.

How do Brazilian companies perceive the current business environment in Saudi Arabia?

We are in a transitional phase. The chamber firmly believes in sharing information because Saudi Arabia, like other Arab countries, is not necessarily well known in Brazil in terms of doing business. We need to work to convey what the benefits are and explain the current state of this country. Many business people are hesitant because of the distance, the language and the culture. We need to adequate products according to the necessities of Saudi Arabia, looking towards the final consumer.

We are presenting the country and its transformation to business leaders in Brazil. One of the initiatives that is helping us do that is ANBA, the Brazil-Arab News Agency, a news agency that focuses on commercial and cultural affairs. ANBA publishes content in three languages: Arabic,

Portuguese and English. The agency signed agreements with local agencies to trade news and spread relevant information.

What sort of actions is the chamber taking to continue improving the relationship?

One of the many things we do to strengthen the relationship between both countries is participating in trade shows and taking commercial missions to Arab countries. Because of the pandemic, we intend for them to be part in person and part online. We also helped create the first Halal Congress in Brazil with the participation of Saudi companies to explain the halal process to Brazilian companies.

We have also been attending the Davos Economic Forum and work closely with SAGIA, the Saudi Arabian General Investment Authority to promote start-ups. Moreover, for women's day, we have organized a webinar led by a panel of women, which rarely happens in the MENA region.

What are your main priorities at the moment and what do you expect from the Brazil-Saudi relations going forward?

Our priorities are well defined. Our basic priority is establishing strategic partnerships so that Brazil-Arab trade relations can deepen and get stronger, going beyond just buying and selling products. Food is a priority, but also the diversification of exports. It is not only about food items and commodities; we want more added-value products. Pharmaceuticals have a strategic position within that framework.

Some other priorities include halal products, developing halal in many industries. Brazil is now the top halal producer in the world, and we believe it can develop even further.

Brazil is starting to facilitate several areas of investment. Another important priority is the balance of trade so that more Arab products to enter Brazil beyond just oil.

I believe that the relationship will become even stronger. We have a major Arab community in Brazil of 12 million people; around six percent of the Brazilian population is from Arab descent and it is a community that is very engaged in trade and commerce. As an example, around as 26 percent of Brazilian business associations are led by executives from Arab descent.

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