

# BRAZIL SCENARIO

May 10, 2022

## National Politics

### Conviction and clemency to deputy

Federal Congressman Daniel Silveira was convicted by the Supreme Court to 8 years in prison, for fostering antidemocratic actions. The following day, Bolsonaro granted him clemency, which troubled the Judiciary and deteriorated relations between both branches.

### Transparency

Supreme Court Justice Barroso stated the Armed Forces have been oriented to attack the electoral process, which led to a disagreement with the Minister of Defense. Afterward, the Armed Forces leader requested the Superior Electoral Court to make public all documents exchanged between the two institutions.

### Cryptocurrency

The Senate passed Bill 3825/2019, which regulates the cryptocurrency market in Brazil. The proposal will proceed to the Chamber of Deputies for analysis.

### Covid-19

The Minister of Health, Marcelo Queiroga, officially announced the end of Brazil's public health emergency. State and local governments still have autonomy to decide on health efforts they deem appropriate. The measure will come into force on May 22nd and was criticized by health managers and scientists due to the absence of a transition plan.

### Congress Agenda

Back to on-site work, the Lower House opened 22 of 25 Committees. In Congress, 20 presidential vetoes were blocking the agenda, 8 of them were maintained, 1 was partially overturned, and 11 were not analyzed.

### Indigenous Lands

Over 6,000 indigenous people marched to Congress in defense of their rights. They demanded the rejection of Bill 191/2020, which authorizes mining on indigenous lands.

## Economy



### Inflation and interest rate

In a report released by the Central Bank, the Consumer Price Index should close this year at 7.89% the 16<sup>th</sup> consecutive increase in the estimate. The Monetary Policy Committee raised the basic interest rate to an annual rate of 12.75%, which leaves the country with the highest real interest rate in the world.



### Families' indebtedness

Brazilian families' indebtedness and non-compliance reached a new record in April. Data from the National Commerce Confederation of Goods, Services and Tourism indicate that around 78% of the families closed the month with some debt. The three most common debts were related to credit card, retail stores and auto loan.



### Tax reduction

Bolsonaro signed a decree that increases cuts on the Tax on Industrial Products from 25% to 35%. The measure encompasses products such as shoes and home appliances and aims to stimulate the economy.



### Tax collection 2022

In the beginning of May, the 'tax meter', which calculates the total tax collection for federal, state and municipal governments, reached the R\$ 1 trillion mark.



### Unemployment

The average unemployment rate in April was 13.7%, according to a study based on projections released by the International Monetary Fund.

## Labor Day

Labor Day celebrations had demonstrations of support for the two bids that lead the presidential race. In São Paulo, Lula participated in the act of the unions, while Bolsonaro took part in protests that criticized the Federal Supreme Court for the conviction of deputy Daniel Silveira.

## International Observation

The Ministry of Foreign Affairs objected to the Superior Electoral Court's invitation for the European Union to send observers for the 2022 election. The justice gave different claims, first that would no longer invite and later that would insist on the invitation to the European watchers, stating that the more observers, the greater the guarantees that the election will take place within the democratic normality. Thus far, missions from the Organization of American States, the Mercosur Parliament, and the Electoral Network of the Community of Portuguese Language Countries have been confirmed.

## Presidential Bid

During a dinner with politicians from different parties, Lula stated he wishes to build a broad coalition. In May, the former president appeared on the cover of the Time magazine. Bolsonaro led multiple bike rallies in the Southeast and Central-West regions. The president was also present in an agribusiness fair in Sao Paulo. Doria still faces resistance within his party, since some members seek other third way options to support. Ciro continued to criticize both Bolsonaro and the Workers' Party and recently advocated a broad center-left coalition. Sérgio Moro will no longer be a candidate in the presidential bid.

## Third way candidacy

Members from third way parties gathered in São Paulo to advance talks in order to reach a compromise on a single name for the presidential bid, which shall be announced by May 18th. Senator Simone Tebet still holds the preference of the majority of them, however, her party colleagues are in dissent and some of them currently lean towards supporting Lula or Bolsonaro.

## Opinion polls

Bolsonaro narrowed the difference to Lula in the electoral race. The difference in voting intentions are at its shortest gap. In 3 of the 5 regions, they are technically tied. The 3 regions altogether add up to 65% of the votes. In the North region, with 11.8 million voters, Bolsonaro leads. In the Northeast, which has 39.8 million voters, Lula holds lead.

Data were collected from April 24th to 26th, 2022. 3,000 people were interviewed, in 283 municipalities, in the 27 federative units. The margin of error is of 2 percentage points.

