



SERVICE BRIEF

Manufacturing and Sales in Brazil

How EMS Strategy Group supports hardware companies in establishing electronics manufacturing and a sales structure in Brazil

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A European hardware company looking to manufacture or sell in Brazil enters a market with its own business culture, a complex import system and a manufacturing landscape that differs significantly from European structures.

Companies entering the Brazilian market usually need not only to find a suitable manufacturing partner, but also to establish a functioning sales structure at the same time. Business culture, import regulations, customs issues and the selection of qualified EMS partners interact with one another and cannot be considered in isolation.

This is exactly where **EMS Strategy Group** provides support.

We help European hardware companies turn a market-entry idea into a **functioning manufacturing and sales structure in Brazil** -- from the initial market assessment through to ongoing business operations.

This is not about consulting that ends with a presentation. We bring our experience and local network into practical implementation and work directly at the interfaces between manufacturing, sales and market entry.

Where Companies Often Encounter Challenges When Entering the Brazilian Market

1. Business Culture and Communication

The Challenge

Brazilian business culture is more relationship-oriented than European business culture. Personal trust, patience with decision-making processes and different expectations regarding day-to-day business commitments shape cooperation. Language is another factor -- English can often be used at management level and in internationally oriented companies, whereas Portuguese is the norm with smaller manufacturers, authorities and sales partners. Without local experience, misunderstandings, delayed decisions or incorrect expectations can easily arise on both sides.

Our Solution

EMS Strategy Group has qualified contacts in Brazil with many years of practical experience in the market. We bridge the gap between European and Brazilian business cultures, support initial contacts and negotiations, and help ensure that communication takes place on an equal footing.

2. Import Regulations and Customs Registration

The Challenge

Imports into Brazil require the appropriate customs registration, and certain telecommunications products additionally require Anatel homologation -- regardless of the quantity involved. Both processes differ fundamentally from EU procedures, require specific documentation and can be time-consuming without local experience.

Our Solution

We know the process from practical cooperation with Brazilian partners, coordinate the involvement of authorized local specialists -- customs brokers, Anatel consultants and registration service providers -- and ensure a structured process rather than delays caused by incomplete documentation.

3. Customs Burden on Product Imports

The Challenge

Cumulative import duties and taxes can represent a significant additional cost on the value of goods, depending on the product category. For companies without experience in Brazil, it can be difficult to determine at what volume local manufacturing becomes economically more attractive than importing finished products.

Our Solution

We assess the general scale of the customs burden in comparison with local manufacturing and, where necessary, involve specialized local customs and tax experts. Detailed tax assessment is deliberately left to these authorized specialists -- our role is strategic evaluation, not tax or legal advice.

4. Finding and Qualifying Suitable EMS Manufacturers

The Challenge

Brazil's EMS landscape is essentially concentrated in two clusters -- the Zona Franca de Manaus and the São Paulo/Sorocaba/Campinas/Jundiaí region. International corporations manufacture there according to ISO 9001 and/or IATF 16949 standards, while smaller local manufacturers can differ considerably in terms of processes and quality standards. From Europe, it is difficult to assess which partner is actually the right fit for a specific product.

Our Solution

EMS Strategy Group knows both clusters from practical experience and has an established network of suitable contacts in Brazil. We handle the preselection, evaluation and, where required, auditing of suitable manufacturing partners -- based on the product, volumes and target market rather than simply providing a generic supplier list.

5. Establishing Your Own Sales Structure

The Challenge

In addition to manufacturing, a functioning sales structure usually needs to be established -- including sales partners, distributors, a legal representation in Brazil and access to public tenders. Without market knowledge, it is difficult to distinguish reliable partners from unsuitable ones, while building an internal sales structure from scratch takes time that many companies do not have when entering a new market.

Our Solution

Through our network, we provide access to suitable sales and trading partners in Brazil and support the development of an appropriate sales structure. We also point out market-access advantages such as the *Margem de Preferência*, which gives preference to locally manufactured products in public tenders.

6. Selecting the Right Location within Brazil

The Challenge

Different regions of Brazil offer different tax and regulatory conditions -- ranging from the Zona Franca de Manaus, with long-term advantages for certain electronics products, to states offering their own investment incentives. Without market knowledge, it is difficult to assess which location is suitable for a company's product, volume and target market.

Our Solution

We assess potential locations in terms of manufacturing structure, target market and logistics and involve local specialists for the specific tax assessment -- **a detailed tax-law analysis is not part of our service, but the responsibility of the appropriately authorized specialists.**

Why Brazil as a Manufacturing and Sales Location

Local manufacturing avoids the cumulative import burden associated with importing finished products and can provide additional opportunities in public tenders through the *Margem de Preferência*. More than 1,000 German companies are already established in the São Paulo region -- an established business environment that can facilitate market entry. With around 214 million inhabitants, Brazil is also a major domestic market in its own right.

There are also trade-policy advantages within Mercosur -- Argentina, Brazil, Paraguay, Uruguay and, since August 2024, Bolivia -- particularly for goods that meet the applicable rules of origin.

Existing ACE agreements also provide access to other Latin American markets such as Chile, Peru, Colombia and Ecuador; Mexico, by contrast, is only integrated on a sector-specific basis.

The EU-Mercosur Agreement, which has been provisionally in force since May 2026, provides a complementary rather than a central advantage for electronics, as many electronic assemblies between the EU and Mercosur are already traded duty-free under the WTO Information Technology Agreement. For re-exports from Brazil, the *Drawback* mechanism also provides an additional export instrument.

In Summary – Markets That Can Also Be Served from Brazil

A manufacturing and sales location in Brazil serves not only the Brazilian market itself, but can also be used as a base for the wider South American region:

- Mercosur full members: Argentina, Paraguay, Uruguay, Bolivia
- Other South American markets through ACE agreements: Chile, Peru, Colombia, Ecuador
- Mexico: limited, sector-specific market access
- Potentially, other Mercosur-associated states in the future

What EMS Strategy Group Specifically Provides

Depending on the project, our support can cover individual services or the entire process from market entry through to ongoing business operations.

Market Entry and Location Assessment

Assessment of manufacturing and sales options in Brazil with regard to product, target market and volumes.

EMS Partner Selection and Qualification

Identification, preselection and evaluation of suitable manufacturing partners within Brazil's EMS clusters.

Sales Partner Introduction

Access to suitable sales and trading partners in Brazil.

Cultural and Operational Support

Bridging European and Brazilian business cultures during negotiations and ongoing cooperation.

Coordination of Import and Customs Processes

Involvement of authorized local specialists for registration, certification and customs clearance.

Market Access to Latin America

Assessment of which additional countries can be accessed through Brazil as a manufacturing and sales location.

Support Through to Ongoing Business Operations

Support beyond the market-entry phase until manufacturing and sales operations are running stably.

Why EMS Strategy Group

Around 40 Years of Practical Experience in Electronics Manufacturing

EMS Strategy Group combines strategic assessment with practical experience from electronics manufacturing.

Dirk Kaussen has been active in **electronics manufacturing since 1986** and was, among other roles, the founder and managing director of his own electronics manufacturing company in Germany. This is complemented by an international network of business partners who have likewise spent decades in management and have built, managed and supported international manufacturing and sales structures -- including long-standing, direct contacts in Brazil.

We do not have our own EMS manufacturing capacities and do not sell manufacturing services. This enables us to take an independent approach when selecting and evaluating potential manufacturing and sales partners.

Our goal is to **build the manufacturing and sales structure in Brazil that is appropriate for the respective product and support its implementation.**

Manufacturing and Sales in Brazil

Entering the Brazilian market does not end with the decision to enter a country. Between that decision and a stable, functioning business lie decisions that can later have a significant impact on costs, market access and scalability.

EMS Strategy Group supports hardware companies in making these decisions early, practically and with local market knowledge.

From the initial market assessment through to ongoing business operations.

From manufacturing to sales.

From Brazil to the entire South American market.

Talk to Us About Your Project

Are you planning to enter the Brazilian market and facing the question of how to turn that step into a functioning manufacturing and sales structure?

We will discuss with you **where your project currently stands, which questions have already been clarified and where support could be useful.**

Contact

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Strategic EMS Partner Selection, Sales Development and International Manufacturing and Market Strategies -- Europe, Latin America and Beyond.

About the EMS Strategy Group

EMS Strategy Group supports industrial enterprises in the strategic and operational advancement of their electronics manufacturing. Our core expertise lies in the strategic relocation of manufacturing volumes, the selection of qualified EMS partners, the establishment of new production capacities, and the expansion of existing manufacturing structures.

Furthermore, we design resilient supply chain frameworks, conduct comprehensive risk assessments, and guide dual-sourcing strategies, with operational support through to a successful series production ramp-up.

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