



BRAZILIANS VOTED FOR CHANGE. NOW WHAT?

OCTOBER 31, 2018

SUMMARY

- On Sunday, October 28, Brazilians elected outspoken conservative Jair Bolsonaro as their next president, following a run-off election with Fernando Haddad of the Workers Party (PT). Bolsonaro will take office on New Year's Day and govern a polarized country whose population is greatly distrustful of the political class.
- Bolsonaro won in large part because he represented a rupture with the established political system in Brazil. He will now have to navigate a fragmented legislative branch and an activist judiciary. His inexperience in an executive role and his divisive, populist rhetoric are concerns; however, he frequently exceeded expectations during the campaign and will begin his term with a strong base of support.
- For companies operating in Brazil, Bolsonaro's administration presents opportunities and challenges. Bolsonaro's desire to reduce the footprint of the Brazil's infamous bureaucracy would be most welcomed, as is his stated desire to pursue much needed economic reforms, such as pension and tax reform. But should he begin to make good on some of his more troubling promises regarding retributions against political opponents and the media, increased state violence in rural areas and poor neighborhoods, and cutting environmental protections, companies operating in a host of sectors will need to be mindful of social, reputational, and security risks associated with doing business in the new Brazil.
- In the wake of the polarizing campaign, and with Bolsonaro still somewhat of a wild card, ASG expects considerable political volatility in the coming year. Nevertheless we are cautiously optimistic that Brazil's slow economic recovery will gain strength, creating an array of opportunities for current and future investors in Brazil.
- It would seem the time is right to begin investing time and effort in mapping the new political landscape, relevant stakeholders, and scenario planning.

ABOUT ASG

Albright Stonebridge Group (ASG) is the premier global strategy and commercial diplomacy firm. We help clients understand and successfully navigate the intersection of public, private, and social sectors in international markets. ASG's worldwide team has served clients in more than 110 countries.

ALBRIGHTSTONEBRIDGE.COM

Brazil Presidential Election Runoff Results

Jair Bolsonaro



■ Second Round
■ First Round

Fernando Haddad



Source: TSE, October 29, 2018

Note: This chart shows percentages of valid votes. While voting is mandatory in Brazil, a sizable percentage of voters abstained (21% or 31 million voters) or voted null/blank (10% or 10 million voters) in the second round.

(Excerpt of client-exclusive ASG Analysis piece)

[ASG's Latin America Practice](#) has extensive experience helping clients navigate markets across Brazil and beyond. For questions or to arrange a follow-up conversation please contact [Joel Velasco](#).

