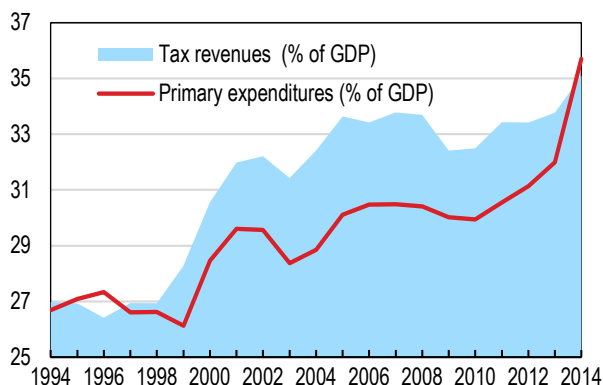


# OECD Economic Survey of Brazil 2015

## Bolstering confidence through prudent macro policies

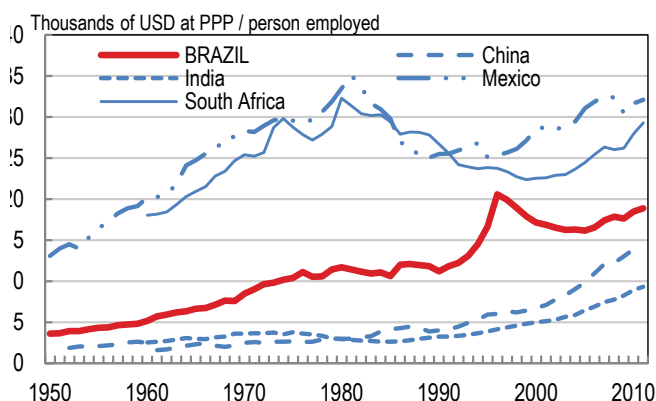
### Rising expenditures have led to a primary fiscal deficit



Brazil has become one of the world's leading economic powers and has lifted millions of people out of poverty. Macroeconomic stability has been a crucial factor behind this success, but fiscal performance has deteriorated recently and inflation has risen markedly. The fiscal adjustment and the tighter monetary policy now being put in place will help to strengthen confidence. More medium-term constraints, however, are mainly of a structural nature and Brazil should build on its remarkable social and economic progress by implementing the structural reforms needed to sustainably raise living standards for all.

## The industrial sector could play a key role for boosting productivity

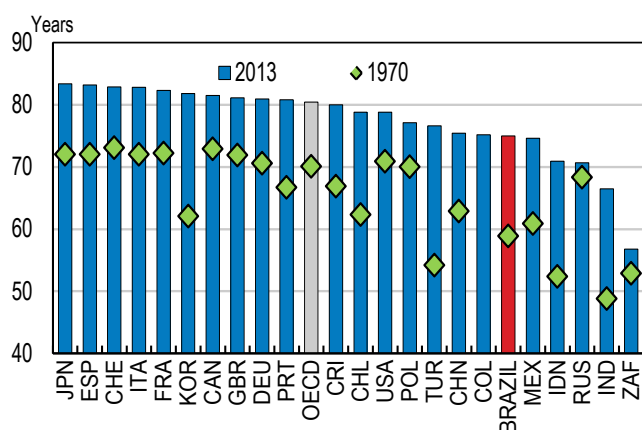
### Labour productivity growth has been slow



Economic growth will need to come increasingly from productivity, as demographic changes will make raising labour participation increasingly more difficult. The industrial sector, where a few key structural reforms could unleash significant unexploited potential, can play a leading role in this respect. Currently, a fragmented indirect tax system, insufficient infrastructure, weak competitive pressures and low integration into international trade are holding back Brazil's industry.

## Improving public healthcare is crucial for reducing inequalities and enhancing wellbeing

### Life expectancy at birth



Significant progress has been made in raising health, due in large part to universal public healthcare. However, inequalities in access persist as waiting times for specialised medical services are long and regional disparities in the public system are significant. A complex governance structure involving several levels of government is complicating the efficient provision of healthcare. Stronger efforts to collect performance indicators, more use of service delivery targets and stronger coordination mechanisms could lead to significant improvements. As the population ages, significant challenges related to the provision of long-term care services for the elderly rapidly should be anticipated now.