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German Alliance
for Trade Facilitation

BRAZIL
REGULATORY MODERNIZATION FOR TRADE FACILITATION

BACKGROUND

Brazil is the economic engine of South America and Mercosur. However, Brazil's regulatory framework features inefficiencies that hamper companies' competitiveness and trade activities. Therefore, Brazil's National Institute of Metrology, Standardization, and Industrial Quality (INMETRO) started to work on a new and more flexible regulatory model. In close dialogue with actors from Brazil's industry, the project engaged in identifying concrete regulatory challenges, affecting sectors as diverse as industrial machinery, medical devices, or products for children. The project was a collaboration of various programmes by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. In this way, GIZ combined different expertise for a most efficient implementation.

The project included four main lines of action:

Regulatory Modernization Framework	Regulatory Impact Analysis
Regulatory Stock Management System	Automation of the Product Registration System

THE PROJECT AT A GLANCE

Title	Improving the Efficiency of Product Safety Regulations
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as a cooperation between the programmes „Trade for Development Fund", „German Alliance for Trade Facilitation" and „Global Programme for Quality Infrastructure"
Implementing Partners	National Institute of Metrology, Standardization, and Industrial Quality (INMETRO), companies, industry associations
Duration	May 2020 - May 2022

WHAT WE DID AND WHAT TO EXPECT

Regulatory Modernization Framework

The activities supported the development of INMETRO's new regulatory model, incorporating over 1,000 comments after public consultation. The model was officially launched in February 2022. It is seen as a major milestone to restructure technical regulation processes and improve efficiency, addressing private sector needs. There is visible progress to align with international best practices.

Regulatory Impact Analysis (RIA)

The conducted RIA methodology trainings enable INMETRO to make informed regulatory decisions and assess the economic impact of new and existing norms. Recorded sessions will be accessible for future trainings, including an application guide for RIA methodologies.

Regulatory Stock Management System (RSMS)

The RSMS streamlines regulatory simplification and offers the private sector a user-friendly way to understand regulations and comply with them. For example, the system allows to better identify obsolete, overlapping, or inconsistent regulations that burden both regulators and businesses.

Automation of the Product Registration System (APRS)

Registration is required for all products falling under INMETRO's compulsory conformity assessment schemes. Depending on specific technical regulations, product registration might be required to obtain import consent. The APRS enhances these processes, aiming to reduce compliance costs for companies and shorten INMETRO's response times. It also helps in preventing non-conformities for risk level 2 products (allowed to enter the market, but further documentation required).

GENERAL BENEFITS

Enhancements in INMETRO's regulatory processes are likely to yield business benefits. Brazilian business associations contributed extensively to product-specific working groups that eliminated outdated and contradictory regulations.

Improved regulatory efficiency should eventually reduce time and cost of trade, not at least by streamlining the regulatory process of granting import licenses. However, an enquiry among a small sample of companies could not yet demonstrate such results. This highlights challenges in attributing and measuring such changes, but it also underlines the need to continue Brazil's regulatory modernization efforts.