

WEEKLY REPORT



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POLITICS

BOLSONARO SAYS HE MAY NOT ACCEPT 2022 ELECTION UNDER BRAZIL'S CURRENT VOTING SYSTEM

Brazil's President Jair Bolsonaro said on Wednesday (7) he may not accept the result of a presidential election next year unless the voting system, which uses computers to record votes, is replaced with the printed ballots that he favors. "If this method continues, they're going to have problems," he said in a radio interview. "Because one side, which is our side, may not accept the result." Bolsonaro's comments add to concerns that he is setting the stage to refuse to accept an election loss in 2022, much like his hero, former U.S. President Donald Trump. [Read more.](#)

PRINTED BALLOTS: BRAZILIANS SHOW CONFIDENCE IN ELECTRONIC VOTES BUT WOULD PREFER PRINTED – SURVEY

A CNT/MDA survey showed that Brazilians trust the electronic ballot boxes to cast their votes in every election. For 32.9% of those interviewed, confidence in the electronic ballot box is high, while 30.8% consider it moderate. On the other hand, 15.8% believe that the electronic ballot box has low reliability, and 18.7% believe it has no credibility. [Read more.](#)

THERE IS NO REASON FOR IMPEACHMENT PROCEEDINGS NOW – BRAZIL'S CHAMBER PRESIDENT

The President of the Chamber of Deputies, Arthur Lira (PP-AL), said he sees no reason to open impeachment proceedings against President Jair Bolsonaro at this time. According to him, it is necessary to wait for new events, and so far, there is no new fact that justifies the opening of the process. [Read more.](#)

EX-PRESIDENT LULA DA SILVA LEADS 2022 PRESIDENTIAL INTENTIONS IN BRAZIL BY 14.7 POINTS – POLL

Former President Luiz Inácio Lula da Silva (PT) leads the race for Brazil's presidency in 2022 with 41.3% of voting intentions, followed by President Jair Bolsonaro, with 26.6%, according to a CNT/MDA survey released on Monday (05). In sequence are former minister Ciro Gomes (PDT) and former minister Sergio Moro (no party), with 5.9% of voting intentions each. The governor of São Paulo, João Doria (PSDB), has 2.1%, followed by former health minister Luiz Henrique Mandetta (DEM), with 1.8%. [Read more.](#)

EYEING PRESIDENCY, GAY BRAZILIAN GOVERNOR BRACES FOR ANTI-LGBT+ JIBES

Gay Brazilian governor and presidential hopeful Eduardo Leite said he expects to encounter anti-LGBT+ rhetoric as he bids to unseat President Jair Bolsonaro, a far-right firebrand who once described himself as a "proud homophobe". Leite, 36, who is governor of the large southern state of Rio Grande do Sul, came out on television last week, leading rivals to accuse him of trying to exploit his sexuality for political gain ahead of next year's presidential election. [Read more.](#)

BOLSONARO PROFANELY DISMISSES HOSTILE COVID CPI AND MEDIA SPECTACLE

Brazil's Senatorial Committee (CPI), investigating the coronavirus pandemic's handling, sent a letter to President Jair Bolsonaro asking him to address the allegations surrounding an allegedly shady, overpriced deal to purchase the Covaxin immunizer. "Silence creates a disturbing situation," the Covid CPI stressed. But Bolsonaro was blunt: "I shit on the CPI." [Read more.](#)

BRAZIL'S DEFENSE AND ARMED FORCES REPUDIATE STATEMENTS BY COVID CPI PRESIDENT

Minister of Defense Walter Braga Netto and the commanders of the Armed Forces in a communiqué released Wednesday evening repudiated statements made by the Senate Covid CPI's (investigative committee) president Omar Aziz (PSD-AM), for considering that they disrespect the military and generalize "corruption schemes." During the testimony of Ministry of Health's ex-director of Logistics Roberto Dias, accused of involvement in an alleged kickback scheme in procurement of vaccines against Covid-19 that would have included members of the Armed Forces, CPI president said that the "rotten side of the Armed Forces would be involved in scams within the government." [Read more.](#)

BRAZIL'S COVID CPI HAS FORMER DIRECTOR OF MINISTRY OF HEALTH ARRESTED FOR GIVING FALSE TESTIMONY

During testimony before the Senate Covid CPI on Wednesday, former Health Ministry director Roberto Dias was flagrantly arrested for giving false testimony. The order came from the chairman of the committee, Senator Omar Aziz (PSD-AM), after the revelation of audios that contradicted the version of Dias about the chance encounter with military police Corporal Luis Paulo Domingueti, in a restaurant in Brasilia, where the policeman says that the former director asked for a bribe of one dollar per dose of vaccine. [Read more.](#)

ANALYSIS: INVESTIGATING, BUT NOT PUNISHING – HOW FAR-REACHING ARE BRAZIL'S SENATE COVID CPI'S POWERS?

Why is the Legislature investigating? Do legislators have any power to punish or is this exclusive to the Judiciary? What are the goals of a Parliamentary Inquiry Committee (CPI)? Can it have any practical consequences? Start with the basics. CPIs exist at the municipal, state, and federal levels. In the federal case, a CPI may involve only senators, only deputies, or senators and deputies jointly – in which case it becomes a mixed CPI. At least one-third of the Senate (27 senators) and one-third of the Chamber (171 deputies) must approve the opening of a CPI, irrespective of which House will conduct it. [Read more.](#)

PRESIDENT BOLSONARO BESIEGED BY ATTACKS FOLLOWING ACCUSATIONS

The week at the Planalto Palace began with a hangover after deputy Luis Miranda's (DEM-DF) testimony before the Covid CPI (investigative committee) and closed with the opening of two criminal inquiries – one to investigate anti-democratic rallies and the other to investigate an alleged crime of misconduct in the Covaxin case. [Read more.](#)

BOLSONARO IMPLICATED IN ALLEGED KICKBACK SCHEME WHEN CONGRESSMEMBER – UOL REPORT

Brazilian President Jair Bolsonaro was involved in a scheme to skim salaries of his aides while a federal deputy, news website UOL reported on Monday, July 5, citing what it said were audios of his former sister-in-law explaining his role in the alleged corruption racket. The scheme, known locally as "rachadinha" or "splitting", involves hiring close associates as government employees and then receiving a cut of their salaries back from them. [Read more.](#)

BOLSONARO TELLS MINISTERS HE WILL NOMINATE ANDRÉ MENDONÇA TO BRAZIL'S SUPREME COURT

President Jair Bolsonaro has told ministers that he will nominate André Mendonça, current Federal Solicitor General (AGU) and a former Minister of Justice and Public Security, to fill the vacancy that will open up at the Federal Supreme Court (STF) when Justice Marco Aurélio Mello retires this month, a source with knowledge of the matter told Reuters. [Read more.](#)

BRAZILIAN CONGRESS IS ONLY INTERESTED IN 25% OF THE INCOME TAX REFORM THIS YEAR

Congress is willing to vote on 25% of the income tax reform draft submitted by the government. The other 75% is yet another of the Federal Treasury's constant attempts to increase its control over taxpayers, according to a spokesperson for Chamber of Deputies president Arthur Lira's liaison. There is willingness to vote on changes in income tax for individuals and corporations, in addition to taxing dividends, provided there is no increase in the overall tax burden. [Read more](#)

BRAZILIAN GOVERNMENT ANNOUNCES EXTENSION OF PANDEMIC EMERGENCY AID FOR ANOTHER THREE MONTHS

The government announced on Monday (5), the extension of the payment of pandemic emergency aid for another three months. The benefit, which would have ended in July, will be paid through October. The decree that provides for the extension has already been signed by President Jair Bolsonaro. [Read more.](#)

ANALYSIS: HOW DIFFERENT SECTORS OF BRAZIL'S ECONOMY SHOULD RECOVER IN COMING MONTHS

After a positive first semester for the Brazilian economy, more progress is expected with vaccination ramping up and a favorable external scenario. Although figures are still incomplete, the first half of 2021 was considered surprisingly positive for Brazil's economic recovery, despite the many challenges to overcome the coronavirus pandemic. The second half of the year is expected to maintain this recovery with an acceleration in vaccination, still slow in pace, and the country should also be driven by the international economy's improvement, boosting commodities. [Read more.](#)

ANALYSIS: SOME INTENDED (AND UNINTENDED) EFFECTS OF BRAZIL'S PROPOSAL TO TAX DIVIDENDS

A large majority of Congress members are wealthy business owners and professionals. A tax on dividends could adversely affect their personal businesses, so it remains to be seen if Congress will, in the end, agree to the tax. [Read more.](#)

BRAZIL'S ECONOMY MINISTER INTENDS TO CUT US\$7.6 BILLION IN SUBSIDIES TO LOWER CORPORATE INCOME TAX

According to the government's initial draft, the Corporate Income Tax rate would drop 5 percentage points – from 25% to 20% – in two years, half in 2022 and the remainder in the following year. The economic team intends to start a political war between the thousands of Brazilian companies and a fraction of large companies in the beverage and petrochemical product sectors. The goal is to reach a higher reduction in Corporate Income Tax (IRPJ) for all companies in Brazil linked to a significant cut in tax subsidies (revenue that the federal government waives) that are used only by a few large conglomerates. [Read more.](#)

BRAZIL SHOULD NOT CHOOSE PARTNERS FOR INTERNATIONAL TRADE – FOREIGN TRADE SECRETARY

The Ministry of Economy's Foreign Trade Secretary Lucas Ferraz said that the Brazilian government is open to the world and "cannot choose partners for trade agreements," favoring Western over Asian countries. He advocated that Brazil should not concentrate efforts solely in opening negotiations with the United States and should remain attentive to opportunities in Asia, which he defined as "the most dynamic region in the world, with two regional mega-agreements" – the Transpacific Partnership (TPP), which comprises 11 Asian and American countries bordering the Pacific Ocean, and the RCEP Treaty, comprising 15 Asian and Oceania countries, including China. [Read more.](#)

BRAZIL'S 2021 GDP WILL GROW 5% TO 5.5% IN THE YEAR – ECONOMY MINISTER

Minister of Economy Paulo Guedes on Wednesday (7) said that Brazil will grow by 5% to 5.5% this year, praising the recovery of the Brazilian economy amid the coronavirus pandemic. Projections for the 2021 GDP pointed out by Guedes on Wednesday were higher than recent Ministry of Economy's forecasts or even the Minister's himself. In a hearing at the Chamber of Deputies, Guedes said Brazil is surprising the world. On May 18, the Ministry of Economy had raised its GDP growth projection this year to 3.50%. [Read more.](#)

SWISS BANK UBS PROJECTS ECONOMIC NORMALCY IN BRAZIL IN SEPTEMBER

UBS study uses data on vaccination rates to assess pandemic control prospects. Swiss bank UBS released a very favorable balance and perspectives for the control of the Covid-19 epidemic in Brazil, mainly given what it considers a strong vaccination rate. The bank says there is evidence that the first dose of the vaccine alone strongly reduces hospitalizations, ICU admissions, and deaths. According to the report, the available data allow it to infer that any vaccine dose lowers hospitalization probability by 78%, while a 92% decrease in severe cases after the second dose is observed. The numbers also point out that 92% of Brazilians over 60 have been administered at least one dose, and 59% have taken two. The bank projects that if vaccination corresponds to at least 80% of the projected program, it is possible that 85% of individuals over 30 will have been administered at least one dose by the end of August. According to the bank, this would enable a return to economic normality in September, by which time coverage with the second dose would exceed 80%. [Read more.](#)

HEALTH

BRAZIL'S LOWER HOUSE PASSES BILL THAT WOULD ALLOW BREAKING OF VACCINE PATENTS IN CASE OF 'PUBLIC HEALTH EMERGENCY'

The lower house of the Brazilian Congress has voted for a bill that would legalize the violation of patents for vaccines and medications in the event of a national health emergency. It will now go back to the Senate for approval. On Tuesday, the Chamber of Deputies voted 425 to 15 in favor of PL 12/2021. Sponsored by Aécio Neves da Cunha, a Social Democrat from Minas Gerais, the bill would authorize Congress to issue patent-breaking licenses "in case of a public health emergency," without the approval of the head of state. President Jair Bolsonaro has opposed the proposal. The bill will now return to the Senate, which will decide whether to approve amendments adopted during Chamber debate. [Read more.](#)

OVER 80 MILLION BRAZILIANS ADMINISTERED THE 1ST COVID VACCINE DOSE

The number of people administered at least one vaccine dose against Covid-19 in Brazil on Wednesday, July 7, reached 80,864,685, equivalent to 38.19% of the total population. In the last 24 hours, 2,390,026 people were administered the first shot, according to data collected by the media consortium from health secretariats in 26 States and the Federal District. Among the more than 80 million people vaccinated, 28.7 million are now fully immunized against the coronavirus, either with the second shot or with single-dose vaccines. [Read more.](#)

COVID-19: SÃO PAULO CONFIRMS CITY'S FIRST CASE OF DELTA VARIANT

The first case of the Delta variant of the new coronavirus, originally detected in India, has been confirmed in the city of São Paulo. According to the city government, a 45-year-old man tested positive for the variant and is being monitored. The city said three other people in the family (wife, stepson, and son) are being followed up by the local Basic Health Unit (BHU). [Read more.](#)

BRAZIL GOVERNMENT SEEKS MANDATORY COVERAGE OF COVID VACCINE BY PRIVATE HEALTH PLANS

The Ministry of Health has sent a letter to the National Supplemental Health Agency (ANS) asking the health plans regulator to consider adding vaccines against Covid-19 to the list of mandatory coverage for operators. The document's contents were revealed by the Folha de S.

Paulo newspaper and confirmed by the Ministry of Health to Estadão/broadcast. The prospectus does not provide further details on the measure. [Read more.](#)



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