Brazil Focus –

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Weekly Report
Jan. 14-20 2017

Looking Ahead ➔ What to watch for?

- 23rd Jan. -- EIU 2016 “Democracy Index” ➔ Brazil ranked ___
- 23rd Jan. -- SRF - Tax collections: R$ trillion in 2016 (down by -% YoY)
- 23rd Jan. -- IBGE to release its IPCA-15 ➔ +0.%
- 25th Jan. -- 462nd Anniversary of São Paulo (city holiday)
- 27th Jan. -- Transparency International 2016 corruption index, Brazil declined
- 27th Jan. -- CNI: Industrial activity December ➔
- 27th Jan. -- ABAS ➔ Supermarket sales in 2016
- 30th Jan. -- FGV: January IGP-M ➔ + %
- 30th Jan. -- IBGE ➔ December PME unemployment %; average of % in 2016
- 30th Jan. -- Public Account data for December 2016
- 31st Jan. -- Social Security (INSS) deficit in 2016 ➔ -R$ billion
- 1st Feb. -- The 2016/2017 end of year recess for Congress ends
1 - POLITICS

1.1 – STF Judge Teori Zavascki died in plane crash

On 19th January, a twin engine turboprop Hawker Beechcraft King Air C90GT plane (manufactured in the US in 2007) took off from the Campo de Marte airport in metropolitan SP bound at 1:00 p.m. for the historic colonial city of Paraty, along the so-called “Green Coast” of the state of Rio de Janeiro – a 190 Km flight. On board were the owner of the plane Carlos Alberto Fernandes Filgueiras, STF Judge Teori Zavascki (age 68), the pilot Osmar Rodrigues and two other unidentified passengers – two unidentified women.

During an over-water approach to the Paraty airport, at 1:30 p.m., some 2 Km from the runway, for some reason this plane crashed into the water. It was raining with considerable fog and the approach was “visible” because the Paraty airport operates with no instruments. An eye witness in a boat close to the crash site said that the plane made an abrupt 180 degree turn as if to turn away from the landing approach. Possibly, during this abrupt turn, the plane’s wing might have touched the water.

Rescue boats, fishing vessels and private boats rushed to the scene and witnesses said they saw one person (a woman) still alive inside the plane, but some she disappeared. The rescuers were able to keep the plane from sinking totally but soon darkness interrupted their work that was resumed early Friday morning.
Teori Zavascki’s son confirmed that in truth his father was aboard this plane and that he had perished. Many questions quickly arose ➔ 1) Why did the judge make this flight, rather than by car? 2) If the plane was in good technical shape, what happened? 3) Who were the two women aboard the plane and why were they on this flight? 4) Who was the plane’s owner? 4) Was this a “planned” accident (by whom?) to eliminate the STF Judge who is/was the reporter on all the Lava Jato investigation documents that arrived at the Supreme Court for his ratification?

The plane’s owner, Carlos Filgueiras, owned two luxury hotels in SP and one in Rio (Emiliano Group) and was a close friend of Judge Zavascki who frequently stayed at these hotels and had previously visited Filgueiras’ place in Paraty. Zavascki met Filgueiras in SP in 2012 while his wife was undergoing cancer treatments and he offered the Judge to stay in his apartment on the Rua Oscar Freire adjacent to the hospital.

An unconfirmed explanation of the identity of the two women aboard the crashed plane is that they were mother and daughter ➔ Maria Hilda Panas Helatzuk (55) and Maira Lidiane Panas (23) – from the city of Juina, MT. Maira lived, worked and studied in SP. The mother, Maria Hilda, was a pre-school teacher in Mato Grosso and had traveled to SP for her daughter’s birthday on 15th January. Maira Panas was a massage therapist who attended Filgueiras. Apparently, Maira was the woman that the rescuers saw inside of the rear of crashed plane struggling to break the plane’s window to escape – but she drowned.


Two persons insinuated that this crash might have been “planned” to eliminate Zavascki and delay or derail the deliberation of the Lava Jato case at the STF ➔ the Judge’s son, Francisco and one of the Federal Police agents involved in the Lava Jato investigations in Curitiba, PA – delegado Anselmo.


See ➔ http://politica.estadao.com.br/noticias/geral,nas-redes-sociais-surgem-teorias-conspiratorias-sobre-acidente-de-teori,70001634924

Teori Albino Zavascki was born in Faxinal dos Guedes, SC on 15th August 1948. His father was of Polish descent and his mother Italian descent. He completed his Law degree at UFRGS (1971), and his MA (2000) and Doctorate (2005) at the same university. He worked as a lawyer with the Central Bank (1976-1989). In 1989, he was appointed to the 4th Region TRF in Porto Alegre and was TRF President (2001-2003). In December 2002, he was appointed to the STJ by outgoing Pres. F.H. Cardoso. After his Senate confirmation, he was duly appointed by then Pres. Lula May 2003.

Zavascki was Law professor at UFRGS (since 1987) and then was transferred to the University of Brasilia (2005-2013). In 2012, he was appointed to the STF by then Pres. Dilma Rousseff to replace
Judge Cezar Peluso and took office in November 2012. Shortly after he became STF Judge, his wife (a federal judge) Maria Helena Marques de Castro died in 2013.

In 2015, he became the Reporter for the Lava Jato investigation regarding the cases that had been transferred to the STF (because some of the accused had foro privilegiado. Since December 2016, he and his staff were working of the large volume of documents resulting from the plea bargaining testimony of 77 executives of the Odebrecht construction firm. The ratification (homologação) of this testimony was expected in late February or early March 2017. This testimony was nicknamed “the end of the world” in Brasília because Odebrecht allegedly had bribed many politicians of diverse parties who had yet to be involved in the Petrobras corruption/bribery scandal. Thus, the suspicions regarding the “planning” of this aircraft accident.

In March 2015, Zavascki authorized the investigation (by the STF) of 47 politicians suspected of involvement in the Petrobras scandal. In November 2015, he authorized (confirmed by the full STF) of the arrest of then Senator Delcidio do Amaral (PT-MS) for obstruction of justice and witness tampering. This was the first arrest of a sitting member of Congress since the military regime. Later, he accepted the plea bargaining testimony of Amaral in March 2016. On 5th May 2016, he approved AC 4070 that suspended the mandate of federal deputy Eduardo Cunha (PMDB-RJ). As a direct consequence, Cunha was suspended from his all powerful post at President of the Chamber of Deputies. Cunha eventually resigned the Presidency of the Chamber and was later cassado (expelled) by his peers. After Pres. Dilma Rousseff was suspended from the Presidency, on 13th June 2016, Judge Zavascki determined that all the cases against ex-President Lula be transferred to the First Level federal judge in Curitiba (Judge Sérgio Moro).

During the wee hours of Friday, 20th January, firefighters recovered three bodies in the water near the crash site ➔ Judge Teori Zavascki, Carlos Alberto Filgueiras and a then unidentified woman. These bodies were sent to the IML in Angra dos Reis.

On Friday, investigators recovered the voice recorder from the plane’s cockpit. Cenipa-Center for the Investigation and Prevention of Air accidents (part of FAB) has a laboratory in Brasília to analyze voice recorders but might have to request assistance from the plane’s manufacturer (Beechcraft). It is not known whether this voce recorder was turned on or not. This private plane did not have a light recorder.

Pres. Michel Temer lamented the death of Teori Zavascki and declared an official three-day period of mourning. Similar statements were made by Lula, Dilma Rousseff, STF President Carmen Lúcia and Chamber President Rodrigo Maia (DEM-RJ).

Many questions are posed regarding the future deliberations of the Lava Jato deliberations at the STF. Zavascki and his staff were finalizing their analysis of the plea bargaining testimony of 77 executives and employees of the Odebrecht construction company and were expected to finalize the ratification (homologar) this evidence in late February or early March. Allegedly, this documentation involves many other politicians heretofore not involved in the Petrobras corruption/bribery scandal.

Obviously, Zavascki’s death will delay the finalization of this process but will not totally derail same. The main question here is who will assume Zavascki’s role as Reporter on this case? Apparently, there are three alternatives: 1) One of the four other judges on the sub-group that included Zavascki
would take over this role – Gilmar Mendes, Celso de Mello, Ricardo Lewandowski or Dias Toffoli – either by lottery or by designation by STF President Carmen Lúcia. The latter might choose the “Dean” of the high court, Judge Celso de Mello. 2) STF President Carmen Lúcia might choose another judge from the second sub-group. 3) The STF would await the appointment (by Pres. Temer) of Zavascki’s replacement and his/her confirmation by the Senate and this new judge would then assume the role of Reporter. This latter alternative would further delay the Lava Jato process at the STF. For example, the Senate confirmation of Teori Zavascki took 80 days. Also, there is concern regarding the confirmation of Temer’s appointment by the Senate – because 12 Senators are accused (at the STF) for involvement in the Petrobras corruption/bribery scandal, and most likely they would not “excuse themselves” from voting on the appointee’s confirmation.


1.2 – Prison riots and massacres

Brazil has had a series of prison riots and massacres (aggression by organized crime rival gangs inside prisons) that began in Manaus on 1st January 2016 and a few days later in Boa Vista, RR. Further actions occurred in SP, PR, BA and Rio. The third and continuing riot/massacre began in the Alcaçuz prison in Natal, RN on 14th January and as of 20th January had not been fully contained. The PCC killed 26 prisoners from the Rival gang “Crime Syndicate of RN”. On 18th January, the PM-RN invaded the prison and removed 220 “Syndicate” inmates to transferred to other prisons. As a reaction, organized crime militants of the Syndicate outside the prison began a rampage of destruction in the city of Natal and adjacent towns – burning buses, official cars, police offices and public buildings. At this point, Gov. Robson Faria (PSB) asked Pres. Temer to send in Armed Forces troops to help patrol the city to avoid further destruction. The President had already authorized the Armed Forces to intervene in inspections of cells and prisons to detect arms, cell phones and drugs but with no direct contact with prisoners. This request for troops to patrol the city was accented.

This is a grave problem in almost all states because prisons have become very over crowded after the courts began sentencing primary drug users (addicts) and first time minor crime offenders to prison terms. Thus, a national “solution” is an urgent need.

⇒ Stay tuned!!!!

1.3 – More Geddel

Last Friday (13th January), former Secretary of Government in the Temer government, Geddel Vieira Lima (PMDB-BA) was accused by the Federal Police and prosecutors of articulating a corruption scheme while he was Vice-President of the CEF in close collaboration with Dep. Eduardo Cunha (PMDB-RJ).

Although Geddel left the Temer Government last November, his influence within the Temer Government remains strong. His faithful subordinates – Ivani dos Santos -- Executive Secretary (number two) at the Secretariat of Government remains in place as does Carlos Henrique Menezes Sobral. Both have worked with Geddel ever since he was First Secretary of the Chamber (2003-2004).
Apparently, Geddel Quadros Vieira Lima began his “trajectory” at an early age. The Brazilian press discovered via a FSP report in 2001. In 1983-1984 (late military regime), Geddel was employed by Baneb-Banco Estadual da Bahia and was fired (at age 25) because he had articulated a scheme to benefit himself and several family members – by paying higher interest rates than practiced by the market at that time. In 2017, the valor siphoned off would be the equivalent of R$ 2.72 million (via monetary correction).


Among Geddel’s family members benefited ➔ Father - former federal deputy Afrísio Vieira Lima, 1975-1983 (UDN-ANREA-PDS), who died one year ago. He was a long time ally of ACM but they had a falling out in the early 1980s and Geddel & Lúcio became anti-ACM in the PMDB-BA. Mother – Marluce Quadros Vieira Lima. Brother – Lúcio Vieira Lima, current federal deputy (PMDB-BA).


Afrísio V. Lima Filho (Geddel's brother) is a high-level employee of the Chamber of Deputies.

The new Secretary of Government has yet to be named by Temer. Reportedly, the President articulated with the PSDB to appoint Dep. Antônio Imbassahy (PSDB-BA) but decided to wait until after the election of the new Chamber and Senate presidents on 2nd February.

1.4 – Lava Jato

Rolls Royce negotiated a leniency agreement with the Lava Jato team as well as the UK and the US to pay a fine totaling 671 million pounds. The quota for Brazil will be US$ 25 million and the US (Dept. of Justice) US$ 170 million. RR had paid bribes to participate in the acquisition of equipment by Petrobras in the corruption/bribe scheme revealed by the Lava Jato investigation. Allegedly, RR paid R$29.8 million in bribes in Brazil.

Odebrecht is contemplating changing its name in a so-called “cleanup operation”. On 17th January, Fitch Ratings downgraded Odebrecht Engineering e Construção from “BB-” to “CC” because of its substantial and increasing “challenges”.

Colombian Senator Otto Nicolás Bula was arrested on 14th January for receiving bribes from Odebrecht regarding construction projects in Colombia. On 12th January, former Transportation Minister (government of ex-President Alvaro Uribe), Gabriel Garcia Morales was arrested accepting Odebrecht bribes. Colombian prosecutors affirm that a total of US$ 11.1 million was paid in bribes.

On 18th January, Colombia decided to expel Odebrecht.
On 13th January, Peruvian prosecutors affirmed that Odebrecht had “channeled” US$ 3 million in bribes via former First Lady Nadine Heredia – wife of ex-President Ollanta Humala (1022-2016). Odebrecht plea bargaining testimony alleged that this bribe was channeled by Odebrecht via Antonio Palocci with the approval of Lula.

**Camargo Corrêa** had all its bank accounts “frozen” by order of Peruvian prosecutors on 17th January and has requested the return of R$ 30 million. The Peruvian firm Gonzalo Monteverde was also “frozen” because it was associated with CC in the Peruvian bribe scheme. Peru now has a full investigation regarding the activities of CC.

**Andrade Gutierrez & UTC** signed an agreement with Cade on 18th January acknowledging their participation in the Petrobras corruption/bribe cartel & the Angra 3 corruption scheme. They agreed to pay R$ 195.6 million and “collaborate” with further investigations.

### 1.5 – Election for President of the Chamber

The Chamber of Deputies returns for the end-of-year recess on Wednesday, 1st February and will hold elections for its presiding officers the day after 2nd February. Dep. Rodrigo Maia (DEM-RJ) was elected to complete the two-year term of Dep. Eduardo Cunha (PMDB-RJ) after he resigned in June. Now, in spite of the “rule” that a chamber President cannot be reelected during the same four-year legislative session (Art. 57 of the 1988 Constitution), Maia is a candidate for reelection. His supporters claim that this “rule” does not apply because he was not elected to a regular two-year term as Chamber President, but rather to an exceptional “stop-gap” *mandato tampão*. This is the “loop hole” being used to justify Maia’s candidacy. However, the STF has been asked to decide this question and on 16th January, Supreme Court President Carmen Lúcia gave Maia ten days to present his “defense”. Any decision taken by the STF before 1st February would have to be via a temporary injunction (*laminar*) issued by Judge Carmen Lúcia herself, because the STF is on recess.

The other candidates are Dep. Jovair Arantes (PTB-GO), Dep. Rogério Rosso (PSD-DF) and André Figueiredo (PDT-CE). Arantes and Rosso are leaders of the so-called *Centrão* (*Centro Democrático*) and were respectively Reporter and President of the impeachment committee in 2016. Figueiredo was a “stand in” cabinet minister under Dilma Rousseff just prior to her impeachment. He would be an “opposition” candidate. ➔ Stay tuned during the next two weeks!!

**Federal Judge ➔ “No Way”!!** On Friday, 20th January, judge Eduardo Ribeiro de Oliveira, judge on the 15th federal circuit in Brasilia, answering a “popular” suit, issued an injunction that determined that current Chamber President Rodrigo Maia (DEM-RJ) can not run for reelection and he should be fined R$ 200,000.00 for disobedience. This was the first court decision in this case. STF President Carmen Lúcia promised a decision before the 2nd February election in the Chamber.

### 1.6 – Reduction of the PDT

On 16th January, PDT national president Carlos Lupi articulated the party’s national executive committee to vote to expel Sen. Telmário Mota (RR) – because he voted in favor of the PEC that placed a ceiling on federal expenditures. Mota complained that he had not been given the chance to
defend himself. A member of the PDT for 20 years, he affirmed in the recent 2016 municipal
elections, he had elected at least one city council member in all the 15 municípios and one mayor. The
Senator announced that he would join the PTB.

Since the 2014 elections, the PDT has been reduced from six to two senators. Mota asserted
that Lupi is destroying the party.

2 – FOREIGN RELATIONS & TRADE

2.1 – Brazil ended crisis with Israel

On 17th January, Brazil ended its worst crisis with Israel since relations were established in 1949
– when Itamaraty agreed to accept Israeli business leader Yossi Shelly to be Israel’s new ambassador in
Brasilia. In December 2014, Brazil rejected the indication of Dani Dayan by Israel PM Benjamin
Netanyahu because Dayan because he had been a leader in the Yesha Council (colonization if West
Bank Palestine territory); Brazil is against this policy and the “two nation” solution to this conflict. In
July, Dayan was appointed Israel’s counsel-general in New York and he was accepted by the US.

Reportedly, Yossi Shelly is a close personal friend of Netanyahu that supposedly emphasizes the
importance of Brazil in Israel’s foreign policy. However, Shelly also has some “problems” but they did
not impede his acceptance by Itamaraty. In 2008, he was accused of fraud and false testimony because
he omitted the fact that he is a member of Likud (Netanyahu’s political party) when he was appointed
President of the Council of Israel’s postal system and Director-General of the city of Beer Sheva.

2.2 – Mercosul – EFTA negotiations

During the WEF conclave in Davos, on 19th January, Mercosul and EFTA-European Free
Trade Association announced negotiations to establish a bloc-to-bloc free trade agreement. The four
members of EFTA – Switzerland, Norway, Iceland and Lichtenstein – are not members of the EU and
EFTA is the 11th largest destiny for Brazilian exports

3 – REFORMS

Nothing this week.

4 – PRIVATIZATION & REGULATION

Nothing this week.
5 - ECONOMICS

5.1 – IBC-Br positive in November

On 13th January, the Central Bank released its Index of Economic Activity for the month of November ➔ +0.2% (-2.0% YoY). The 11-month accumulation in 2016 of the IBC-Br is now -4.59% and the 12-month accumulation is now -4.76%. The IBC-Br is considered an advance prediction of Brazil’s GDP. In mid-February, the December (and full 2016) IBC-Br will be available as a predictor of the 4th Q/2016 GDP and the GDP for the full year of 2016. This indicator probably will near -4.5%, if December also produces a “positive” IBC-Br. ➔ Stay tuned!!

5.2 – January Inflation

5.2.1 – IGP-10 increased

On 17th January, the FGV announced the IGP-10 for January ➔ +0.88%, up from _0.20% in December. The 12-month accumulation is now +7.15%.

5.2.2 – IPCA-15 increased

On 19th January, IBGE released its IPCA-15 ➔ +0.31%. In December 2016, the IPCA-15 posted +0.19% and in January 2016 this index was +0.92%. The January 2017 IPCA-15 was the lowest result for January since 1994.

5.3 – Services Sector positive in November

On 12th January, IBGE released data for the services sector for November 2016 ➔ +0.1% MoM. The 12-month accumulation was also +0.1%.

5.4 – Four banks concentrate 72.4% assets

On 16th January, Central Bank data revealed that four large Brazilian banks no concentrate 72.4% of the nation’s financial assets ➔ Banco do Brasil, CEF, Itau and Bradesco. In 2000, this same data set showed that these four banks detained 50.4% of assets. In large part, this concentration is due to a series of bank mergers and incorporations in recent years – Citibank, HSBC, Unibanco, Nossa Caixa, and ABN Amro Real. The Banco Santander is considered the fifth largest bank in Brasil.

See ➔ http://economia.estadao.com.br/noticias/negocios,quatro-bancos-concentram-72-4-dos-ativos-das-instituicoes-financeiras,10000100278

In spite of this increased concentration, the Central Bank uses the IHH-Herfindahl-Hirschman Index to demonstrate that above data is within the interval of “moderate bank concentration”.
In the US, the “big four” (JP Morgan Chase, Bank of America, Citigroup and Wells Fargo) concentrated 45.2% of assets in 2013.

Febraban-Brazilian Federation of Banks responded that the “concentration in Brazil is not excessive” and provided the “example” that Brazil’s “concentration” is on a par with that of Canada and Australia.

However – the President of Gradual Investimentos, Fernanda de Lima, affirms that this concentration of bank assets hinders (holds back) Brazil’s economic growth.


5.5 – PwC survey

For the past 20 years, PricewaterhouseCoopers has conducted a survey among large multinational firms regarding their “investment preferences”. In 2011-- the first year of the Dilma Rousseff Government – that followed the “bonanza year” (2010) -- 19% said “Brazil” that was ranked third. Five years later, the same survey was conducted among 1,379 CEOs in 79 countries and only 8% said “Brazil” that was ranked in 7th position.

The two rankings (for the ten top countries) are reproduced below:

<table>
<thead>
<tr>
<th>Rank</th>
<th>In 2011 Country</th>
<th>In 2016 Country</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>China</td>
<td>U.S.</td>
<td>39%</td>
<td>43%</td>
</tr>
<tr>
<td>2nd</td>
<td>U.S.</td>
<td>China</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>3rd</td>
<td>Brazil</td>
<td>Germany</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>4th</td>
<td>India</td>
<td>U.K.</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>5th</td>
<td>Germany</td>
<td>Japan</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>6th</td>
<td>Russia</td>
<td>India</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>7th</td>
<td>U.K.</td>
<td>Brazil</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>8th</td>
<td>Mexico</td>
<td>Mexico</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>9th</td>
<td>France</td>
<td>France</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>10th</td>
<td>Argentina</td>
<td>Australia</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

China and the U.S. switched first and second rank, while Russia and Argentina disappeared from the top ten, and Japan and Australia were included. Germany replaced Brazil in third rank and the U.K. advanced from 7th to 4th rank.


5.6 – IMF reduced GDP projection for Brazil
On 16th January, the IMF reduced its projection for Brazil’s GDP in 2017, from +0.5% to +0.2%. Brazil’s Finance Ministry had already reduced its projection +1.6% → +1.0%. The IMF projected Brazil’s GDP for 2018 at +1.5%.

Standard & Poor's has a bit more positive projection for 2017 → +0.93%, and +2.0% in 2018 with +2.3% in 2019. During a meeting in Rio on 1 November 2016, S&P’s director for sovereign ratings, Lisa Schindler, affirmed that it would be nearly impossible for Brazil to receive an upgrade to “investment grade” before the 2018 elections.

Brazil’s “economic team” now predicts that GDP will contract -0.5% in 4th Q/2016.

Former Central Bank President, economist Francisco Lopes (Macrométrica Consultants) predicted that Brazil’s GDP will expand by +1.4% in 2016.

5.7 – Big Mac Index

The 2017 “Big Mac Index appeared on 18th January. The most expensive standard sandwich was found in Switzerland → US$ 6.35. Within the “top ten”, Brazil was ranked fifth → US$ 5.12. The ranking was as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Switzerland</td>
<td>US$ 6.35</td>
</tr>
<tr>
<td>2nd</td>
<td>Norway</td>
<td>US$ 5.67</td>
</tr>
<tr>
<td>3rd</td>
<td>Sweden</td>
<td>US$ 5.26</td>
</tr>
<tr>
<td>4th</td>
<td>Venezuela</td>
<td>US$ 5.25</td>
</tr>
<tr>
<td>5th</td>
<td>Brazil</td>
<td>US$ 5.12</td>
</tr>
<tr>
<td>6th</td>
<td>USA</td>
<td>US$ 5.06</td>
</tr>
<tr>
<td>7th</td>
<td>Finland</td>
<td>US$ 4.76</td>
</tr>
<tr>
<td>8th</td>
<td>Canada</td>
<td>US$ 4.51</td>
</tr>
<tr>
<td>9th</td>
<td>Italy</td>
<td>US$ 4.40</td>
</tr>
<tr>
<td>10th</td>
<td>Israel</td>
<td>US$ 4.38</td>
</tr>
</tbody>
</table>

In January 2016, Brazil declined from 12th to 27th rank, due to the devaluation of the Real, but one year later, back up to 5th rank. These rankings depend on the FX rate and inflation in prices of Big Mac’s ingredients of each respective country.

5.8 – Caged → 1.3 million jobs lost in 2016

On Friday, 20th January, the Ministry of Labor released Caged data for 2016 → 1,321,994 jobs were lost – slightly fewer than the 1.542 million jobs lost in 2015. In 2014, 420,690 new jobs were created.