

Green Industrial Policy

Green Transition in Latin America Seminar
(UNCTAD/BNDES)

MINISTÉRIO DO
DESENVOLVIMENTO, INDÚSTRIA
COMÉRCIO E SERVIÇOS

GOVERNO FEDERAL
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Introduction

- Industrial policy in back, *greener*. (IMF: 28% climate change mitigation)
- Brazil is late in the game, but did successful attempts in the past (biofuels; energy infrastructure relatively cleaner).
- Lack of developmental consensus >>> opportunities missed.
- China: uncontested leader of the green economy (wind, solar, batteries and electric vehicles).

Green techs: thank China for the subsidies or implement our own?

- China foresaw a new paradigm (first mover).
- IMF paper: climate change mitigation motive very distorting to trade.
- USA decided not to depend on China. (IRA: contains almost all IP instruments).
- There is no excuse for not trying.

Some thoughts and initiatives

- IMF paper: Developing countries, probably due to budget constraints, apply more tariffs. Why not to protect our cleaner products?
- Critical Minerals Fund: how to stimulate downstream chain (ex: Indonesia).
- Unprecedented announcements by carmakers. (Tariffs + MOVER).
- Novo PAC: Local content.
- NIB: decision taken. Now comes the harder part.