

Mr John McEvoy

020 7270 5000
foirequests@hmtreasury.gov.uk
www.gov.uk/hm-treasury

Ref: FOI2019/12829

Dear Mr John McEvoy

20 September 2022

Freedom of Information Act 2000: Chief Secretary visit to Brasilia and São Paulo (April 2018)

Thank you for your enquiry of 26 August 2019, which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act). We acknowledge your follow-up email of 22 July 2022 and we would like to apologise for the considerable delay in responding.

You asked for the following information:

"While Chief Secretary to the Treasury in April 2018, Liz Truss MP visited Brazil.

I'd like to know:

- Who did Liz Truss meet in Brazil, including official job title;*
- When;*
- Detailed minutes & notes from each meeting;*

Liz Truss claimed that, during her visit to Brazil, it is "vital" that the UK government "make the case" for "free markets, an open economy, and privatisation".
(<https://twitter.com/trussliz/status/983788752966479872>)

I'd like to know:

- How did Liz Truss, on behalf of the UK government, make the case for this?*
- Did Liz Truss meet with representatives of the Instituto Millenium, and if so:*
- Who, when, and I'd like to see detailed minutes;*
- Did Liz Truss meet with representatives of BP, Shell, or other British energy businesses operating in Brazil, and if so:*
- Who, when, and I'd like to see detailed minutes."*

We can confirm that HM Treasury does hold information within the scope of your request. We have provided this information to you as an annex to this response.

Some information has been redacted under sections 27(1)(a), (c) and (d) of the FOI Act, which relates to information that would be likely to prejudice relations between the UK and any other State, the interests of the United Kingdom abroad, or the promotion or protection by the United Kingdom of its interests abroad.

Section 27 is a qualified exemption and we are required to balance the public interest between disclosure and non-disclosure. We recognise the public interest in transparency to improve public understanding of how government works. Release of the information would provide further insight into the events held. However, we consider that disclosing information that would be likely to prejudice international relations and impact on the protected space for the provision of free and frank advice would not be in the public interest.

Release would be likely to compromise the effective conduct of the UK's international relations, and its ability to protect and promote its interests abroad. This would have negative consequences for future international dialogues and contacts between the government and third countries. Accordingly, having considered the public interest arguments we consider that on balance the public interest lies in withholding the information held.

We have redacted some third party personal data. Section 40(2) of the FOI Act, by virtue of section 40(3A) provides an absolute exemption for third-party personal data, where disclosure would contravene any of the data protection principles set out in Article 5 of the General Data Protection Regulation. The first data protection principle requires the disclosure of third-party personal data to be lawful, fair and transparent. We believe that releasing the information would breach the first data protection principle, since it would be unlawful and unfair to release the information.

We have also redacted information under section 43(2) of the FOI Act where release would prejudice the commercial interests of particular companies and would likely inhibit their future engagement with the department. This is a qualified exemption.

We recognise the public interest in transparency in relation to our engagement with third party stakeholders, however, there is also a strong public interest in the government not undermining the commercial position of third parties by releasing information which would normally remain confidential. On balance, we consider the public interest favours withholding this information.

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely

Information Rights Unit

Copyright notice

Most documents HM Treasury supplies in response to a Freedom of Information request, including this letter, continue to be protected by Crown copyright. This is because they will have been produced by Government officials as part of their work. You are free to use these documents for your information, for any non-commercial research you may be doing and for news reporting. Any other re-use, for example commercial publication, will require the permission of the copyright holder. Crown copyright is managed by The National Archives and you can find details on the arrangements for re-using Crown copyright material at: <http://www.nationalarchives.gov.uk/information-management/re-using-public-sector-information/uk-government-licensing-framework/crown-copyright/>

Your right to complain under the Freedom of Information Act 2000

If you are not happy with this reply, you can request a review by writing to HM Treasury, Information Rights Unit, 1 Horse Guards Road, London SW1A 2HQ or by emailing us at the address below. Any review request must be made within 2 months of the date of this letter.

Email: foirequests@hmtreasury.gov.uk

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury which is outlined above.

The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF (or via their website at: <https://ico.org.uk>).

Annex

FOI2019/12829 – information released

Brasilia (10 April 2018)

1300-1430 Lunch with Secretaries from Fazenda, PPI Secretariat and Planning Ministry

Elizabeth Truss – Chief Secretary to the Treasury (CST), HM Treasury
Vijay Rangarajan – HM Ambassador, British Embassy Brasilia
Fabio Kanczuk – Secretary of Economic Policy, Finance Ministry
Mansueto Facundo de Almeida Junior – Secretary of the National Treasury, Finance Ministry
[Redacted]

Readout

Planning minister:

- [Redacted]
- Privatisation has historically been taboo in Brazil, but is now becoming accepted.
- CST noted a move towards nationalisation (eg Labour rail) in the UK, and said she felt the govt needed to remake arguments against
- Brazil has a large proportion of young people in its population – this is an advantage but is also a problem for unemployment and pensions. In Brazil you can retire at 50-55 in some cases. In 3-4 years the pension system will become very unaffordable.
- [Redacted]
- CST noted that one advantage of OECD was access to international data for benchmarking.

Wider meeting:

- This meeting covered:
 - Pensions (problems in next few years)
 - Privatisation
 - Education
 - Brazilian Development Bank
 - Trade inc EU-Mercosur deal and UK deal post Brexit
- Full readout to follow from FCO

CST met with the Secretaries for Economic Policy, Fiscal and Energy Issues, and International Affairs at the Finance Ministry, on the day their current PUS, Eduardo Guardia, was sworn in as the new Finance Minister. They discussed the challenges of reforming public finances and boosting productivity, growth and jobs. Faced with the world's fastest aging population, an unsustainable pension system and a primary fiscal deficit of 2.4% of GDP, the economic team were looking to set the right path for the coming decade. Optimistic prospects for further reforms this year on the microeconomic agenda (of high relevance for UK interests), with a less clear picture beyond 2019 given the unpredictable outcomes of October's elections.

1430 – 1600 HMA and Prosperity Fund Team

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
Vijay Rangarajan – HM Ambassador, British Embassy Brasilia
[Redacted]

Readout

- Prosperity team would like the funding to be frontloaded and flexible (as a sustained partnership)
- There is a new Brazilian interest in the open market and industrial strategy
- Brazil has enormous reserves of oil and gas. Domestically 40% of Brazilian energy is renewable, of which 80% is hydroelectric. Brazil sells oil to the US
- Team mentioned use of biofuels – CST registered a concern over using land for this purpose
- Team mentioned traffic lights and water management systems as possible projects to help development and growth, growing the market for UK products. Green finance can be used for these.
- Team noted a 2011 version of the fund which is now delivering.
- [Redacted]
- Team noted that in Brazil there are many FinTech start ups but they tend to get bought up by the big 5 banks. This means the banks are quite innovative but it stifles further innovation.
- There is a lot of bureaucracy in Brazil – setting up a bank account or starting a business is very difficult.

1615 – 1700 Parliamentarians

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury

Vinicius Carvalho – Member of Parliament

Luiz Carlos Haully – Member of Parliament

Carlos Gomes – Member of Parliament

[Redacted]

Readout

- Brazil is investing heavily in technological advances and the new generation, but needs tax reform.
- Public spending is intense so government needs to find ways to reign it in so that money can also be found for investment.
- Brazilian public is frustrated by a lack of efficiency in the public sector, education and social security (pensions).
- Brazil has racial and social quotas at universities. A review is expected this year.
- Tax reform
 - Brazil wants to harmonise with the rest of the OECD, moving to a VAT based system
 - Currently there are different taxes on different items (vehicles, cigarettes, energy etc)
 - Currently there are 9 big Brazilian taxes, following reform there will only be 2
 - Currently items are taxed at origin not destination, and there are border taxes between states: [redacted]
 - Small companies are taxed less which reduces any incentive to grow
 - Parliamentarians felt [redacted] although the economy is recovering slowly there is still too much un/underemployment
 - Brazilian states/IRS are scared of losing revenue

The Chief Secretary met with the Head of the Brazil-UK friendship group in Congress, Vinicius Carvalho MP, as well as Luiz Carlos Haully MP and Carlos Gomes MP. They discussed the prioritisation of bilateral treaties in the Lower House and how the ordinary Brazilian voter was frustrated with public sector inefficiency. Mr. Haully presented proposals for a tax reform aimed at simplifying and unifying the current complex Brazilian tax system.

1700 – 1720 Tour of Parliament

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury

Vinicius Carvalho – Member of Parliament

[Redacted]

Sao Paulo (11 April 2018)

0830 – 0930 Breakfast Roundtable with banks

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
Joanna Crellin – Consul-General, British Consulate São Paulo
Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
Representatives from: Roundtable - Banco Rabobank, Banco Santander, China
Construction Bank, ICBC, PNC Bank, SEB, Societe Generale, TMF Brasil Adm e Gestao,
Tozzini Freire,
[Redacted]

Readout

- [Redacted] gave a presentation on UKEF, which was followed by a short Q+A

The Chief Secretary also met with consultancies, lawyers, international and domestic banks to stimulate the project pipeline for UK Export Finance (UKEF), who has increased its maximum cover limit for Brazil to £3bn to support UK exports to, and investments in Brazil.

1000-1100 Meeting with State Government Women's group

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
Joanna Crellin – Consul-General, British Consulate São Paulo
Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
Ana Paula Fava, Head of Foreign Affairs, São Paulo State Government
[Redacted]

Readout

- CST noted that in Brazil women and men set up businesses, whereas in the UK it tends to be men, and asked the women for their experiences.
- Some of the women had had trouble finding female role models, and there is now a good mentoring programme addressing this issue
- The women felt there is an unspoken preference towards men on jobs and salaries
- Expectations on boys and girls differ from childhood
- The women felt the UK could help through pushing for a gender perspective in joint/funded programmes
- Brazil was 161/180 in a recent gender inequality in government study. UK was 3/180.
- It was noted that some people become entrepreneurs because they have a great idea, and some because they have no choice.
- [Redacted]
- Domestic Violence is particularly an issue for women in Brazil. Female autonomy is one way to tackle this.
- Tech helps some female entrepreneurs, for example selling crafts over the internet, but awareness is not high.
- Brazil has strict labour laws with no flexibility for part time work. The women felt there is no gender or racial perspective at the top for reform.
- A motion to require a quote of 30% women on boards of public companies and in government is in the approvals process.
- In political parties, 30% should be women.
- CST noted that quotas are a very difficult issue, and that the Labour party used all women shortlists in the UK. She wasn't sure that they were the right solution personally, but they did help to spur the Conservatives on.
- In Brazil there is little public interest in gender issues, even among women. There is very low awareness.

- CST felt you have to make the case for change through evidence on how much money is being lost through women not fully participating. Issues such as Harvey Weinstein can help to draw attention to problems in different contexts (eg Westminster).

1115 – 1200 USP – Shell Lab

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
 Joanna Crellin – Consul-General, British Consulate São Paulo
 Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
 Julio Romano Meneguini – Scientific Director, Shell Lab
 Carlos Henrique de Brito Cruz – Scientific Director, FAPESP
 Emma Otta – Deputy Pro-Vice Chancellor for Research
 Alexandre Breda – Shell Brasil Technical and Scientific Co-ordinator
 [Redacted]

Readout

- CST attended a presentation on the work completed at the lab, followed by a tour of their oil and gas exploitation platform simulator.

The Minister also visited a successful public private partnership initiative in R&D, the Research Centre for Gas Innovation; a joint investment from Shell, FAPESP the Sao Paulo State Research Foundation and the University of Sao Paulo worth £7.7m. The centre focuses on carbon capture research and industrial solutions for the oil and gas sector. [Redacted] The partnership feeds UK expertise into the Brazilian oil and gas sector, in the context of Shell pre-salt new fields.

1215 – 1300 GSK-Butantan Centre of Excellence

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
 Joanna Crellin – Consul-General, British Consulate São Paulo
 Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
 Rui Curi – President, Butantan Foundation
 A representative from the Center of Excellence in New Target Discovery (CENTD) also attended
 [Redacted]

Readout

- CST attended a presentation on the centre's work

1330 – 1430 Lunch and FT Interview

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
 Joanna Crellin – Consul-General, British Consulate São Paulo
 Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
 Joe Leahy – Journalist, Financial Times
 [Redacted – s40]

1445 – 1530 Interview with Exame magazine

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
 Joanna Crellin – Consul-General, British Consulate São Paulo
 Filipe Serrano – Exame
 [Redacted]

1530 – 1630 Instituto Millenium

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
 Joanna Crellin – Consul-General, British Consulate São Paulo
 Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
 Marcos Troyjo – Professor, Columbia University, Member of Instituto Millenium
 Priscila Pereira Pinto – CEO, Instituto Millenium

Paulo Bilyk – CFO, Rio Bravo Investimentos, Member of Instituto Millenium
Evandro Buccini – Chief Economist, Rio Bravo Investimentos, Member of Instituto Millenium
[Redacted]

Readout

- CST noted that there is a debate about the market economy in the UK
- The concept of a think tank is very new in Brazil. It is a new way for government to talk to society.
- CST explained that new think tanks emerge and disappear in the UK, whereas in the US they are more permanent.
- Brazil has never had economic liberalism.
- [Redacted – s27]
- [Redacted – s27]
- Instituto Millenium uses social media and sends guest lecturers to universities to spread its message. They aim to start a conversation with young people around paying for their futures and the best way to do that.
- [Redacted – s27]
- It was noted that you don't need to win everyone over, ideas gain momentum.
- Young people are taken with entrepreneurship.

As part of the £80m of support for Brazil through the Prosperity Fund announced by the Chancellor, the UK's support for Brazil's accession to the OECD was a recurring theme including in discussions with Instituto Millenium, one of the main think tanks in Brazil. A lively debate with founding member Marcos Troyo and CEO Priscilla Pereira on the importance of youth participation in politics and financial and political education helped open doors for increased partnership between the UK and Brazil on this agenda.

1700 – 1800 ABDIB

Elizabeth Truss – Chief Secretary to the Treasury, HM Treasury
Joanna Crellin – Consul-General, British Consulate São Paulo
Philip Duffy – Director, Enterprise and Growth Unit, HM Treasury
Representatives from ADBIB attended.
[Redacted]

Readout

- [Redacted] gave a presentation on UKEF, followed by a discussion focussing on infrastructure.
- Full readout to follow from FCO. *[No further readout followed.]*

How did Liz Truss make the case for “free markets, an open economy, and privatisation”?

As the tweet suggests, an objective of the trip to Brazil and Chile, as detailed on GOV.UK, was to “promote the free enterprise message”. See <https://www.gov.uk/government/news/promoting-the-uk-as-an-investment-destination>.

The information we have on record may not cover all aspects of how this message was promoted. I refer you to the information we hold that is included above, particularly the readouts from Liz Truss' meeting with Instituto Millenium, the Breakfast Roundtable with banks and with Shell Lab. These readouts refer to meetings which “strengthen private sector involvement in infrastructure”, “stimulate the project pipeline for UK Export Finance” and highlight that “the Minister also visited a successful public private partnership initiative”.

Other information available as a result of Liz Truss's public engagement includes her interview with the Financial Times: <https://www.ft.com/content/7e1239fe-3f22-11e8-b7e0-52972418fec4>; and Brazilian outlet Exame, which discusses private sector involvement in infrastructure and free trade: <https://exame.abril.com.br/revista-exame/o-brasil-e-um-parceiro-chave/>

Chief Secretary's meeting at Instituto Millenium

The Chief Secretary did meet with members of Instituto Millenium during her visit to Sao Paulo. The readout above reflects the discussions which took place.

Chief Secretary meeting at Shell lab

The Chief Secretary did meet with one representative of Shell during her visit to University of Sao Paulo, Shell lab. The readout above reflects the discussions which took place.