

## Brazil Retail & Consumer Goods

### What to Watch – Remessa Conforme data keeps pointing to lower volume of imported goods <\$50

Recently, Brazilian tax authorities released June information for the Remessa Conforme program. Overall, the volume of imported goods <\$50 remains below pre-taxation levels. In June, volumes were 29% lower in y/y terms, while falling 3% m/m. Since the 20% taxation started in August, volumes have fallen sharply (40% m/m in that month), which also had a positive effect for local players (overall, we saw stronger sales for Renner, C&A, and Guararapes since 3Q24). We recall that in April 2025, the National Committee of State Finance Secretaries (Comsefaz) also increased the ICMS tax rate on imported products up to US\$50 from 17% to 20% under the Remessa Conforme program, putting additional pressure on the tax burden on cross-border platforms.

According to our proprietary surveys, applied since the beginning of 2024, in January 2024 Shein Brasil operated with prices, on average, ~40% lower than national players (before the implementation of Remessa Conforme and taxation). However, the scenario changed since the application of the 20% import tax and the 20% ICMS (VAT) on goods <\$50. [In our most recent datapoint](#), in June 2025, Shein Brasil was operating with prices only 10% below national players, a scenario where it loses a significant part of its competitive advantage.

Although the weaker Remessa Conforme data is positive news for local retailers, it is worth mentioning that some platforms, such as Shein, have been more vocal in recent months about developing their local marketplace platform, with their 1P cross-border operation gradually losing share in total GMV – a trend also seen in recent years at Shopee (which increased the share of local sellers in its GMV). We continue to view them as growing forces in Brazil, increasing competition in the sector and capturing market share vs. local players (especially smaller regional players).

Discretionary consumption has been a key highlight since the beginning of the year, with companies like Renner, C&A, Vivara, and Azzas delivering stronger-than-expected Q1 results — a trend we expect to persist into Q2 for most of them.

This week, [we hosted our Fashion Day 2025](#), bringing together CEOs and CFOs from the main players in the segment. Across our meetings, management teams remained constructive on the short-term outlook, citing resilient demand, better inventory management, improved pricing dynamics, and ongoing margin gains.

Fundamentals across discretionary retail remain healthy in the short term, but companies are clearly more cautious about the second half of the year. Despite ongoing competitive pressures — especially in ecommerce — and a still uncertain macro environment, most players have made notable progress on margins, productivity, and capital allocation.

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Figure 1: Imports up to US\$50 - volume (mn) - and m/m change (%)



Source: RFB, BTG Pactual

Figure 2: Imports up to US\$50 - revenues (R\$m) - and m/m change (%)



Source: RFB, BTG Pactual

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