



# Strengthening Ties and Expanding Cooperation: The Brazil–India Partnership Ahead

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## CONTEXT

Brazil–India relations were established in 1948, with Brazil being the first Latin American country to recognize India after its independence. Over the following decades, the bilateral partnership took root in shared values, a commitment to inclusive growth, and a convergent vision for the evolution of the international order. Since the early 2000s, this foundation has been significantly reinforced by the leadership roles both nations have assumed within the Global South.

In multilateral forums, Brasília and New Delhi have built a consistent record of cooperation. Both countries are founding members of BRICS, active participants in the G20, the United Nations, and the WTO, and have played a leading role in establishing new cooperative frameworks, such as the IBSA Dialogue Forum. The G20 Troika also offered a concrete example of how the two countries can coordinate their international agendas in a sequenced and mutually reinforcing manner.

At the bilateral level, however, the relationship has developed at a slower pace compared to its multilateral footprint, and there remains a substantial gap between political willingness and the depth of economic ties. The 2025 Brazil–India Joint Statement<sup>1</sup>, issued during President Lula’s visit to New Delhi in February 2026, signaled a shared intent to bridge this gap. The statement reaffirmed both countries’ commitment to strengthening multilateralism, promoting inclusive development, and deepening bilateral cooperation across

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<sup>1</sup> [Declaração Conjunta por ocasião da Visita de Estado do Presidente Luiz Inácio Lula da Silva à Índia - Nova Delhi, 21 de fevereiro de 2026 — Ministério das Relações Exteriores](#)

multiple domains — including energy, digital infrastructure, critical minerals, agriculture, health, defense, and people-to-people exchanges. A central ambition of the statement is to double bilateral trade flows, from USD 15.2 billion to USD 30 billion, by 2030.

As two of the largest economies in the developing world, Brazil and India together account for a combined GDP of approximately USD 6 trillion and a population of nearly 1.7 billion people,<sup>2</sup> offering a compelling foundation for achieving this target.

Brazil's current economic positioning makes it the world's eleventh-largest economy<sup>3</sup>, with a sectoral composition heavily centered on services. The country generates over 80% of its electricity from clean sources, dominated by hydropower<sup>4</sup>, and ranks as the second-largest merchandise exporter in Latin America and the Caribbean. Its competitive strengths in agriculture, natural resources, and biofuels position it as a critical supplier in global food and energy systems.

India, with a GDP of USD 3.89 trillion and a growth rate of 6.5% in 2024<sup>5</sup>, presents a similar profile with services accounting for 55% of output, industry for 28%, and agriculture for 16%<sup>6</sup>. Projections put New Delhi as one of the fastest-growing economies in the world<sup>7</sup>, offering a robust manufacturing base, a globally competitive technology and pharmaceutical sector, as well as a rapidly expanding domestic market, which tends to align with Brazil's own areas of comparative advantage.

## TRADE COOPERATION AND OUTLOOK

Trade constitutes the most measurable dimension of the Brazil–India relationship and, at the same time, the one that most clearly reveals its untapped potential. Total bilateral flows reached USD 15.2 billion in 2025<sup>8</sup>, an approximate 32% increase from the USD 11.5 billion recorded in 2021<sup>9</sup>. These numbers represent a remarkable achievement by historical standards, yet it is still modest in comparison to the economic size of both partners.

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<sup>2</sup> [Data for India, Brazil](#)

<sup>3</sup> [Brasil cai e encerra 2025 como 11ª maior economia do mundo; veja ranking](#)

<sup>4</sup> [Brasil gera 88% da sua energia elétrica a partir de fontes renováveis](#)

<sup>5</sup> [Provisional estimates of annual gross domestic product for 2024-25 and quarterly estimates of gross domestic product for the fourth quarter \(january-march\) of 2024-25](#)

<sup>6</sup> [Sectors of Indian Economy, Primary, Secondary, Tertiary Sector](#)

<sup>7</sup> [India Remains Among the Fastest-Growing Economies Even As Growth Slows Amid Middle East Conflict; Outlook Vulnerable to Risks and Uncertainty](#)

<sup>8</sup> [ComexStat | Índia](#)

<sup>9</sup> [Brief on India-Brazil Relations](#)

On the Indian export side, Dr. Kumar presented that petroleum products alone represent a trade flow of USD 780 million, with Brazil accounting for only 7% of India's total global exports in that category. Similarly, in agrochemicals and pharmaceuticals, Brazil's import share from India ranges between 42% and 58%, while its total import volume in these categories is far larger than what it currently sources from India. On the Brazilian export side, raw petroleum is the main product, representing around 28%. Other products include raw sugar, which accounts for 15% of total flows, and vegetable oil, representing around 14%.<sup>10</sup>

The current structure of bilateral trade reflects a clear pattern over the last decade, with India exporting predominantly manufactured goods while Brazil exports commodities primarily. This complementarity is commercially convenient in the short term, but it also reproduces an asymmetry that disadvantages Brazil over time if not paired with an active strategy for trade diversification.

Within this context, according to Professor Marianna Albuquerque, a notable development is the institutional consolidation of the trade relationship. The opening of an Apex-Brasil office in New Delhi signals a shift from episodic commercial diplomacy to a sustained and structured engagement. This move, announced during President Lula's state visit, is consistent with the 2025 framework, in which both countries are investing in the institutional architecture of their bilateral relationship, rather than relying solely on political momentum.

The panel highlighted that the critical challenge is not political, but rather regulatory and logistical. For example, the India–Mercosur Preferential Trade Agreement, signed in 2003, still remains limited in scope despite the trade increase. A main issue has been the difficulty in reaching the original tariff reduction targets, making the evolution towards a free trade agreement more complex. Harmonizing regulatory frameworks, reducing non-tariff barriers, and improving logistical connectivity are identified as the primary levers for accelerating trade expansion.

## **ASYMMETRIC INVESTMENT FLOWS AND DISTRIBUTION PATTERN**

Investment flows between Brazil and India remain significantly below the bilateral potential, and, unlike trade, present a structural asymmetry that has not narrowed in recent years. Indian companies have invested an estimated cumulative total of USD 6 billion in Brazil, concentrated in three sectors: pharmaceuticals, IT services, and automotive. Brazilian investment in India, by contrast, stands at approximately USD 1 billion, driven by a small number of

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<sup>10</sup> [ComexStat | Índia](#)

large companies operating in mining, aerospace, and consumer goods<sup>11</sup>. This gap is not merely a reflection of different corporate risk appetites; it also reflects a limited understanding of each country's market on both sides, compounded by regulatory complexity and a historically thin network of business-to-business contacts.

The sectors in which Indian companies are most active in Brazil mirror India's broader export and competitiveness strengths. Pharmaceutical investments point to India's role as a global producer and align with Brazil's large public health procurement system. Similarly, IT services investments are driven by the scale of Brazil's digital economy and the demand for technology solutions across financial services, retail, and government. Automotive investments reflect the historical importance of Brazil as a manufacturing hub in Latin America. The alignment between Indian FDI profiles and Indian export profiles suggests that investment and trade flows are mutually reinforcing — a dynamic that could be leveraged to attract further Indian capital in sectors where trade ties are already well-established, such as agrichemicals and clean energy equipment.

In the Brazilian case, corporate presence in India remains at an early stage but is showing promising development. Notable examples include Vale operations in the Indian mining sector and Embraer, which has established a foothold in the aerospace market. More recently, Tramontina's 2025 decision to open a manufacturing facility in India represents a new model of market entry that goes beyond exports. These cases were mentioned in the debate as significant not only in their own right but as proof-of-concept for Brazilian companies that the Indian market is accessible and commercially attractive.

Beyond the private sector, Professor Albuquerque noted that Brazil's diplomatic mission in New Delhi now has a dedicated investment promotion mandate, working in close coordination with the new Apex-Brasil office. This institutional pairing, trade promotion alongside investment attraction, is a more integrated approach than has historically been the case, and reflects an awareness that the two flows are interdependent: companies that export successfully to a market tend to become investors in that market over time.

Regarding the allocation of this future investment, three sectors emerge as natural candidates for bilateral investment deepening. The first one, and the most structurally compelling, is energy, particularly renewables and biofuels. Given Brazil's technological leadership and India's stated ambition to triple renewable capacity, this segment is likely to benefit from the deepening of bilateral relations. Critical minerals represent a second priority, with Brazil holding significant reserves of rare earths and strategic metals that are essential to India's energy transition and manufacturing ambitions.

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<sup>11</sup> [Brazil Bilateral Relations India and Brazil have shared a very close and multifaceted relationship which was elevated](#)

Finally, technology and digital infrastructure were emphasized as key opportunities, as Indian firms bring deployment capabilities that can be applied to Brazil's rapidly expanding digital economy. This, paired with Brazilian capabilities in digital governance, especially in the financial sector, offers models that India has already begun to adapt.

## **BEYOND TRADE: STRATEGIC AGENDAS AND GEOPOLITICAL POSITIONING**

The Brazil–India strategic partnership, formally established in 2006, has historically found its most natural expression in multilateral frameworks such as BRICS, the G20, IBSA, the G77, and UNCTAD. Yet, as pointed out by Professor Alburquerque, while the two countries have aligned consistently in multilateral forums for over two decades, this convergence has not translated into equivalent bilateral depth.

To address this. She argues that a qualitative shift has taken place in recent years: Brazil no longer regards India merely as a trade partner, but as a geopolitical counterpart and an emerging power that shares not only economic interests, but also a broader vision of how the international system should evolve. The G20 Troika, in which India (2023) passed the presidency to Brazil (2024), offered a particularly concrete example of sequenced cooperation, allowing both countries to sustain thematic continuity on Geopolitical South priorities, including food security, climate finance, and digital infrastructure governance.

The joint statement issued following President Lula's visit to New Delhi in February 2026 provides the most authoritative map of the current strategic agenda. It identifies five priority sectors for cooperation: defense and security; (2) food and nutritional security; (3) energy transition and climate change, with a particular focus on biofuels, ethanol blending, and renewable energy; (4) digital transformation and emerging technologies, including the establishment of a Center of Excellence for Digital Public Infrastructure in Brazil; and (5) industrial partnerships in strategic areas<sup>12</sup>.

Establishing a broad agenda for cooperation was discussed as both an opportunity and a risk for the deepening of the bilateral relationship. On one hand this development reflects the multidimensionality of the relationship and the ambition of both governments. On the other hand, it raises questions about prioritization and sequencing: an agenda that tries to advance on various fronts simultaneously may produce diffuse engagement rather than concentrated impact. A possible solution to this risk is to identify two or three anchor sectors, areas where concrete deliverables are most achievable in the near term, and use those as platforms from which to extend cooperation more broadly.

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<sup>12</sup> [India - Brazil Joint Statement : State Visit of President of Brazil to India](#)

The political conditions for a deeper strategic partnership have rarely been more favorable. The challenge is to move from a relationship defined primarily by multilateral alignment to one that also has dense bilateral content in trade, investment, and sectoral cooperation. The 2026 Joint Statement provides the framework, and the implementation will require prioritization and institutional follow-through.

## STRATEGIC RECOMMENDATIONS

In this context, three priority areas emerge for the Brazil-India quest for stronger ties and broader cooperation:

- **Anchor the trade agenda on products and segments with high added value**

The USD 30 billion trade target by 2030 is achievable, but only if both countries move beyond the current commodity-versus-manufactures structure. Brazil should develop a targeted export promotion strategy for India focused on higher-value segments — namely processed foods, agri-tech, biofuels, clean energy equipment, and aerospace components — leveraging the newly opened Apex-Brasil office in New Delhi as an operational hub. India, in turn, should review tariff and non-tariff barriers on Brazilian agricultural and food products that remain inconsistent with the spirit of the bilateral partnership. Both governments should advance negotiations toward a deepened India–Mercosur trade agreement that goes beyond the limited 2003 preferential arrangement, incorporating broader tariff reductions and regulatory harmonization provisions.

- **Establish a bilateral investment facilitation mechanism**

Both governments should create a formal Bilateral Investment Facilitation Mechanism, co-chaired by their respective investment promotion agencies, with a mandate to identify, match, and support cross-border investment projects in priority sectors. The mechanism should be linked to annual investment forums, as already initiated, and should include a regulatory consultation pathway for companies encountering market access obstacles.

- **Build the Institutional and People-to-People Infrastructure of the Partnership**

Sustainable strategic partnerships require deep institutional roots and a dense network of human connections. A structured program of people-to-people exchanges, including academic partnerships, joint research programs, student scholarship schemes, and business community dialogues, would be a great opportunity to deepen these ties.

On the institutional side, direct transport connectivity between major Brazilian and Indian cities should be treated as a strategic infrastructure priority. The regulatory gap between the two markets regarding financial services, food standards, and certification should also be addressed through a dedicated Regulatory Harmonization Working Group with a clear mandate and timeline. Finally, both countries should explore the conditions for a rupee-real local currency settlement arrangement, building on India's UPI bilateral agreements and Brazil's engagement with BRICS payment system discussions.