

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-BRAZIL BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Federal Republic of Brazil, the fifth largest country in the world, lies in central and northeastern South America. To the north are Venezuela, Colombia, Guyana, Suriname and French Guiana, to the west Peru and Bolivia, and to the south Paraguay, Argentina and Uruguay. Brazil has a very long coastline on the Atlantic Ocean. Brazil is a member of the UN, WTO, OECD, OAS (**Organization of American States**). This report emphasises on India-Brazil trade relations, inter-alia. As per available data from DGCI&S database India and Brazil have observable bilateral (goods) trade relations primarily in the form of India export to Brazil and Brazil had ranked 20th as an export destination of India in 2023-24.

2. Brazil is a developing country with an upper-middle income mixed market economy that is rich in natural resources. It has the largest national economy in Latin America, the eighth largest economy in the world by nominal GDP, and the eighth largest by PPP. After rapid growth in preceding decades, Brazil entered an ongoing recession in 2014 amid a political corruption scandal and nationwide protests; in 2024, the economy began showing consistent significant growth. As per available report of IMF Executive Board Concludes 2024 Article IV Consultation with Brazil July 11, 2024, Over the past two years, Brazil's economy has shown remarkable resilience as inflation has declined to within the target tolerance interval. Real GDP growth in 2023, at 2.9 percent, was significantly higher than projected at the start of the year, on the back of record agricultural and hydrocarbon output, and resilient services. Consumption was strong, amid a tight labor market and a sizeable fiscal stimulus. Economic activity in early 2024 remained robust.

A snapshot of Brazil's select economic indicators is as under.

Table 1. Brazil: Selected Economic Indicators 2022-29

Economic Indicators								
			Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029
National accounts and prices	(Annual percentage change)							
GDP at current prices	11.8	7.7	7.2	6.0	5.9	6.0	6.1	6.1
GDP at constant prices	3.0	2.9	2.1	2.4	2.4	2.4	2.5	2.5
Consumption	3.7	2.8	2.0	2.2	2.1	2.1	2.3	2.3
Investment (GFCF)	1.1	-3.0	0.8	0.9	1.3	1.4	1.6	1.7
Consumer prices (IPCA, average)	9.3	4.6	4.0	3.2	3.1	3.0	3.0	3.0
Consumer prices (IPCA, end of period)	5.8	4.6	3.7	3.2	3.0	3.0	3.0	3.0
GDP deflator	8.5	4.7	5.0	3.6	3.5	3.5	3.5	3.5
Gross domestic investment	(Percent of GDP)							
Private sector	14.3	12.4	12.2	11.9	11.7	11.6	11.5	11.4
Public sector	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.8
Gross national saving								
Private sector	19.2	21.9	20.5	20.3	19.3	18.8	18.3	17.8
Public sector	-3.6	-7.2	-6.4	-6.3	-5.5	-5.1	-4.6	-4.2

Public sector finances								
Central government primary balance (national representation, incl. BCB) 1/	0.5	-2.4	-0.6	-0.7	-0.4	0.1	0.6	1.0
General government NLB primary balance	1.3	-2.0	-0.7	-0.8	-0.4	0.1	0.6	1.0
General government NLB structural primary balance (in percent of potential GDP)	-0.7	-2.2	-1.5	-1.0	-0.5	0.1	0.6	1.0
General government NLB	-4.0	-7.6	-6.8	-6.8	-5.9	-5.5	-5.1	-4.7
Net public sector debt	56.1	60.9	61.4	65.9	68.3	70.0	71.1	71.8
General government gross debt, Authorities' definition	71.7	74.4	77.1	80.5	82.1	83.4	84.0	84.3
General government gross debt	83.9	84.7	87.5	91.2	93.1	94.5	95.1	95.4
Of which: Foreign currency linked	4.0	3.6	3.6	3.7	3.7	3.8	3.8	3.8
Money and credit	(Annual percentage change)							
Base money 2/	16.6	20.4	7.2	6.0	5.9	6.0	6.1	6.1
Broad money 3/	10.6	15.5	7.3	5.9	6.0	6.0	6.1	6.1
Bank loans to the private sector	14.6	6.9	8.0	8.0	8.0	8.0	8.0	8.0
Balance of payments	(Billions of U.S. dollars, unless otherwise specified)							
Trade balance	44.2	80.6	78.2	80.4	83.4	90.0	95.4	100.9
Exports	340.3	344.4	345.6	350.4	357.1	369.3	380.1	391.7
Imports	296.2	263.8	267.4	270.0	273.8	279.3	284.7	290.8
Current account	-48.3	-30.8	-40.0	-40.8	-42.9	-44.7	-45.5	-47.4
Capital account and financial account	47.0	29.7	40.0	40.8	42.9	44.7	45.5	47.4
Foreign direct investment (net inflows)	41.3	36.0	37.2	38.7	40.3	41.8	43.4	45.1
Terms of trade (percentage change)	-7.1	2.4	-3.4	-2.0	-2.0	-1.0	-0.7	-0.8
Merchandise exports (in US\$, annual percentage change)	19.8	1.2	0.3	1.4	1.9	3.4	2.9	3.0
Merchandise imports (in US\$, annual percentage change)	19.6	-10.9	1.4	0.9	1.4	2.0	1.9	2.1
Total external debt (in percent of GDP)	34.9	33.7	32.6	32.3	31.0	29.7	28.6	27.5
Memorandum items:	(Percent, unless otherwise specified)							
Output Gap	0.1	0.6	0.4	0.3	0.2	0.1	0.0	0.0
Current account (in percent of GDP)	-2.5	-1.4	-1.8	-1.7	-1.7	-1.7	-1.6	-1.6
Unemployment rate 4/	9.3	8.0	7.6	7.4	7.4	7.4	7.5	7.5
Gross official reserves (in US\$ billions)	325	355	355	355	355	355	355	355
REER (annual average in percent; appreciation +)	12.1	4.6
Sources: Central Bank of Brazil, Ministry of Finance, IBGE, IPEA, and Fund staff estimates.								
1/ Includes federal government, Central Bank, and the social security system (INSS). The 2023 primary balance excludes pandemic-related funds from PIS/PASEP, as per BCB definition.								
2/ Currency issued, required deposits held at the Central Bank plus other Central Bank liabilities to other depository corporations.								

3/ Currency outside depository corporations, transferable deposits, other deposits and securities other than shares.

4/ Unemployment rate for 2022 and 2023 shows the average of March, June, September, and December.

Source: IMF Executive Board Concludes 2024 Article IV Consultation with Brazil July 11, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Brazil are China, United States, Argentina, Netherlands and Spain. On the other hand five major import partners of Brazil are China, United States, Argentina, Germany and India. Major five exported goods of Brazil are (i) Soya beans, (ii) Petroleum oils and oils obtained from bituminous, (iii) Non-agglomerated iron ores and concentrates, (iv) Petroleum oils, etc, (excl. crude); preparation and (v) Maize (excl. seed). On the other hand major five imported goods of Brazil are (i) Maize (excl. seed), (ii) Petroleum oils and oils obtained from bituminous, (iii) Potassium chloride (iv) Monolithic integrated circuits, digital and (v) Bituminous coal, not agglomerated.

4. Brazil's total exports in 2019 were of the order of US\$ 221,129 million. It has scaled upto US\$ 339,696 million in 2023. Exports from Brazil had steeply increased by 34.25% in the year 2021 followed by another 19.10% increase in the year 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 11.33%.

5. Brazil's total imports in 2019 were of the order of US\$ 193,162 million and which has touched US\$ 252,710 million mark in 2023 after having experienced a decline in 2020 and later a jump by 41.09% in the year 2021 and 24.57% in the year 2022. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 6.95%.

6. Brazil runs an overall Balance of Trade surplus from 2019 to 2023 and that has scaled upto USD 86,986 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 9.35%.

[A snapshot of Brazil's overall Trade Statistics is presented in Table 2 and Figure 1.](#)

[A snapshot of India's merchandise trade statistics w.r.t. Brazil is presented in Table 3 Figure 2](#)

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Brazil maintain a strong, multifaceted partnership, exemplified by their collaboration in key multilateral organizations, including **BRICS**, G-20, IBSA, and the United Nations. This strategic alliance, established in 2006, is rooted in shared democratic values and mutual commitment to inclusive economic growth. Brazil was the first Latin American nation to establish diplomatic relations with India in 1948. Brazil ranked 20th as an export destination of India in FY 2023-24. India's exports to Brazil was 1.38 % of it's total export value in FY2023-24. In the same financial year imports from Brazil was only 0.92% of India's total import value. Brazil was the 25th major import partner of India in FY 2023-24. Almost 1.10% of India's total international trade value was between India and Brazil as has been recorded in FY 2023-24 as per DGCI&S data base.

8. Indo- Brazil total volume of bilateral trade in FY 2019-20 was of the order of US\$ 8,042.41 million. It has scaled upto US\$ 12,232.12 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 14.80%.

9. It appears from the available figures that between 2019-20 and 2022-23, India has had a surplus Balance of Trade with Brazil but in FY 2023-24 it was a little deficit balance of trade . Exports from India to Brazil increased steeply by 52.86% in FY2021-22 followed by another 52.87% increase in FY 2022-23 over FY 2021-22. The annual average compound rate of growth of Exports was 11.00%. On the other hand, imports from Brazil to India increased by 89.43% in FY 2021-22 followed by a moderate 16.79% hike in FY2022-23. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 19.21%.

10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. Agro Chemicals, Petroleum Products and Drugs Formulations Biologicals had occupied the top three slots in India's exports to Brazil in the year 2023-24. **Agro Chemicals** occupied the bulk 16.20% share of export value of India to Brazil.

b. Sugar; Petroleum: Crude and Vegetable Oils were the three major commodities in India's imports list from Brazil in the year 2023-24, India imports a significant amount of **Sugar** and **Petroleum: Crude** from Brazil with a share of 31.44% and 23.47% respectively of total imports from Brazil recorded in 2023-24.

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TABLE - 2

**BRAZIL'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 TO 2023**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	221129		193162		4,14,291		27967
2020	209180	-5.40	166336	-13.89	3,75,516	-9.36	42844
2021	280815	34.25	234690	41.09	5,15,505	37.28	46125
2022	334463	19.10	292344	24.57	6,26,807	21.59	42119
2023	339696	1.56	252710	-13.56	5,92,406	-5.49	86986

Annual Growth Rate	Compound	11.33	6.95	9.35
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NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

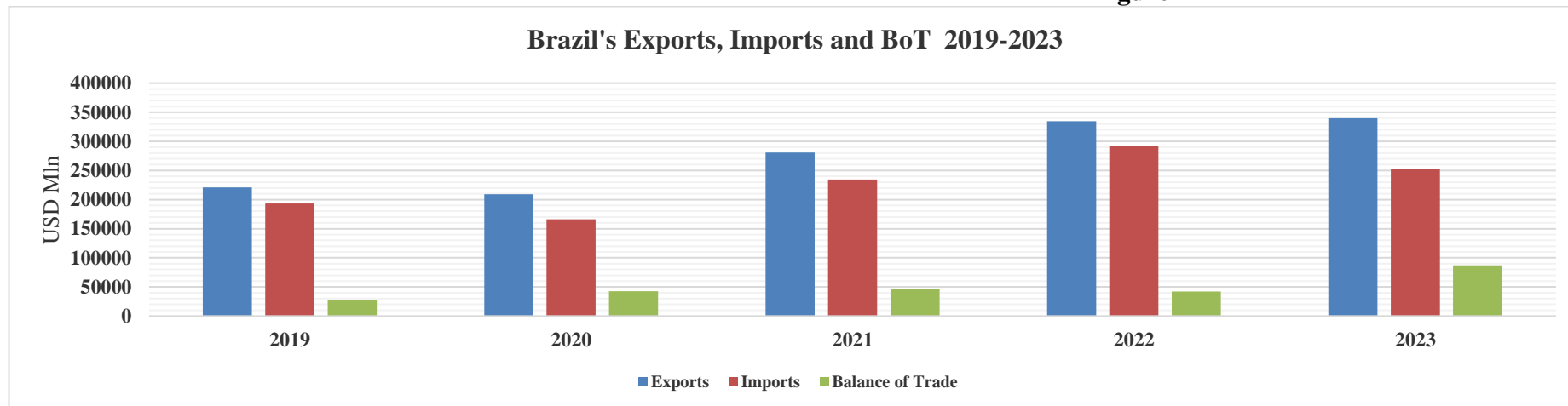


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO BRAZIL
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Agro Chemicals	662.04	892.60	1242.96	1340.79	975.57	34.83	39.25	7.87	-27.24
	Share in total export	16.69	21.03	19.15	13.52	16.20				
2	Petroleum Products	414.55	346.55	1270.33	4480.99	825.28	-16.40	266.56	252.74	-81.58
	Share in total export	10.45	8.16	19.58	45.17	13.70				
3	Drugs Formulations Biologicals	297.20	314.17	372.40	386.36	413.44	5.71	18.53	3.75	7.01
	Share in total export	7.49	7.40	5.74	3.89	6.87				
4	Auto Components/Parts	271.90	212.04	308.48	393.69	356.92	-22.02	45.48	27.62	-9.34
	Share in total export	6.85	5.00	4.75	3.97	5.93				
5	Organic Chemicals	169.34	254.71	269.63	270.00	255.65	50.41	5.86	0.14	-5.31
	Share in total export	4.27	6.00	4.16	2.72	4.25				
6	Electric Machiner And Equipment	49.04	59.63	106.25	162.89	228.11	21.59	78.18	53.31	40.04
	Share in total export	1.24	1.40	1.64	1.64	3.79				
7	Buulk Drugs, Drugs Intermediates	159.06	187.86	185.61	227.58	205.58	18.11	-1.20	22.61	-9.67
	Share in total export	4.01	4.43	2.86	2.29	3.41				
8	Resudual Chemical And Allied Products	162.07	173.87	186.74	210.73	191.99	7.28	7.40	12.85	-8.89
	Share in total export	4.09	4.10	2.88	2.12	3.19				
9	Indl. Machinery For Dairy Etc.	82.86	123.92	218.63	238.75	188.44	49.55	76.43	9.20	-21.07
	Share in total export	2.09	2.92	3.37	2.41	3.13				
10	Iron And Steel	93.02	102.99	193.01	139.82	168.25	10.72	87.41	-27.56	20.33
	Share in total export	2.34	2.43	2.97	1.41	2.79				
	Total exports to BRAZIL	3967.44	4244.94	6489.02	9919.59	6021.95	6.99	52.86	52.87	-39.29

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM BRAZIL
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Sugar	293.38	611.18	148.17	280.91	1952.59	108.32	-75.76	89.59	595.09
	Share in total import	9.54	20.26	2.59	4.21	31.44				
2	Petroleum Crude	1088.05	929.93	2230.18	1885.50	1457.38	-14.53	139.82	-15.46	-22.71
	Share in total import	35.38	30.83	39.03	28.26	23.47				
3	Vegetable Oils	230.65	252.49	1059.28	2393.99	1025.34	9.47	319.53	126.00	-57.17
	Share in total import	7.50	8.37	18.54	35.88	16.51				
4	Iron And Steel	88.06	104.84	130.15	137.60	305.46	19.06	24.14	5.72	121.99
	Share in total import	2.86	3.48	2.28	2.06	4.92				
5	Gold	358.68	258.69	682.88	724.33	195.12	-27.88	163.98	6.07	-73.06
	Share in total import	11.66	8.58	11.95	10.86	3.14				
6	Sesame Seeds		22.61	3.19	27.00	89.36		-85.89	746.39	230.96
	Share in total import		0.75	0.06	0.40	1.44				
7	Iron Ore	32.87		225.86	77.72	84.78	-100.00		-65.59	9.08
	Share in total import	1.07		3.95	1.16	1.37				
8	Alcoholic Beverages	0.08	0.09	36.18	20.24	65.12	12.50	40100.00	-44.06	221.74
	Share in total import	0.00	0.00	0.63	0.30	1.05				
9	Other Wood And Wood Products	53.28	37.36	47.65	45.11	63.75	-29.88	27.54	-5.33	41.32
	Share in total import	1.73	1.24	0.83	0.68	1.03				
10	Bulk Minerals And Ores	41.92	32.91	116.06	62.91	61.79	-21.49	252.66	-45.80	-1.78
	Share in total import	1.36	1.09	2.03	0.94	0.99				
	Total import from BRAZIL	3074.97	3015.99	5713.32	6672.52	6210.17	-1.92	89.43	16.79	-6.93

NOTE : Figures relate to each Financial Year (April to March) SOURCE : DGCI&S, M/o C&I