



58 / 2025

# Russian-Brazilian Relations: Political Context and Economic Cooperation

## RUSSIAN INTERNATIONAL AFFAIRS COUNCIL

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# Russian-Brazilian Relations: Political Context and Economic Cooperation

## Introduction

Russia's engagement with Brazil – Moscow's foremost trading partner in Latin America and a key member of BRICS – stands as a crucial component of Russia's strategy to foster a multipolar world. Alignment on various items on the international agenda and the ability to navigate political disagreements without harming bilateral ties have become important features of the interactions between the two

nations in the 21<sup>st</sup> century. However, Russian-Brazilian relations are not without their risks; under certain conditions, there could be a cooling in trade and economic cooperation. Transforming the dynamically evolving connections across multiple domains into strong, enduring bonds and developing a closely aligned vision for the future remains a challenge that Moscow has yet to fully address.

## Russia, Brazil, BRICS: Foundations of Bilateral and Multilateral Cooperation

Russia and Brazil hold significant positions in the global economy and politics, with comparable territorial size, population, GDP, and energy resources. Brazil is a key economic hub in the developing world, ranking 9<sup>th</sup> in GDP globally (2023).<sup>1</sup> It continues to be the leading economy in Latin America and the Caribbean and a dominant force in the Southern Common Market (MERCOSUR).

In June 2000, Russia and Brazil signed the foundational Treaty of Partnership.<sup>2</sup> High-level meetings have been held on multiple occasions, with notable cooperation between the countries at the level of foreign ministries and through parliamentary channels. Today, there is an active high-level commission (co-chaired by Russian Prime Minister Mikhail Mishustin and Brazilian Vice President Geraldo Alckmin), along with its constituent bodies – the Intergovernmental Commission on Trade, Economic, Scientific, and Technical Cooperation and the Political Commission. Russia and Brazil's partnership is designated as a priority in Russia's current Foreign Policy Concept.<sup>3</sup> According to Russian Minister of Foreign

Affairs Sergey Lavrov, these relations exemplify "harmonious and constructive collaboration built on sovereign equality, mutual respect, and an unwavering consideration of each other's interests. Our collaboration is immune to the vagaries of international affairs."<sup>4</sup>

A significant factor in Russian-Brazilian relations is the participation of both countries in BRICS, which is frequently highlighted in official statements as a point of convergence between the two nations. However, there are visible similarities and differences in Brazil and Russia's positions on certain items on the international agenda and on the forms and direction of the group's activities.

BRICS is one of Brazil's key foreign policy priorities, which has become clear since Luiz Inácio Lula da Silva's return to the presidency. Although not a permanent member of the United Nations Security Council (UNSC), Brazil perceives itself as a major power and has, for decades, compensated for its limited influence by building coalitions and adopting a multilateralist approach. A senti-

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<sup>1</sup> GDP (current US\$) // World Bank Group. URL: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

<sup>2</sup> Treaty of Partnership between the Russian Federation and the Federative Republic of Brazil // Ministry of Foreign Affairs of the Russian Federation. June 22, 2000. URL: [https://www.mid.ru/ru/foreign\\_policy/international\\_contracts/international\\_contracts/2\\_contract/46686/](https://www.mid.ru/ru/foreign_policy/international_contracts/international_contracts/2_contract/46686/)

<sup>3</sup> Foreign Policy Concept of Russia // Ministry of Foreign Affairs of the Russian Federation. March 31, 2023. URL: <https://www.mid.ru/ru/detail-material-page/1860586/>

<sup>4</sup> Lavrov, S.V. Russia and Brazil: A Friendship that has Withstood the Test of Time. Celebrating 195 Years of Diplomatic Relations // International Life. October 12, 2023. URL: <https://interaffairs.ru/news/show/42672>



ment that Brazil shares with other BRICS countries is dissatisfaction with many parameters of the existing world order<sup>5</sup>: the country insists on expanding representation in UN structures, the WTO, and multilateral development banks, while also seeking permanent membership in the UN Security Council, supporting similar aspirations of its BRICS partners – India and South Africa. At the same time, Brazil's approach to forming a new world order differs from those of Moscow and Beijing, whose growing confrontation with Western states is increasingly apparent. Lula da Silva emphasizes that the Global South shares a common vision of the world, one that calls for a more equitable global order, but without engaging in antagonistic opposition to the North, with which Brazil maintains historical and cultural ties.<sup>6</sup>

Brazil supports the idea of gradual de-dollarization and increasing the share of national currencies in settlements,<sup>7</sup> a position that stands out as one of the clearest among the president's numerous cautious statements on BRICS initiatives. The country strives to strengthen the role of Global South states in the world economy, though this process currently runs parallel to efforts to attract investments from representatives of the Global North.

Brazil is interested in attracting foreign investments. For instance, statements from ministries with economic portfolios have repeatedly emphasized the importance of creating mechanisms within the IBSA Dialogue Forum, BRICS, and the G20 to ease investment regimes and attract substantial FDI to Global South countries. Additionally, potential areas of interest could include establishing a BRICS Investment Cooperation Fund. Successful Brazilian-Chinese and Brazilian-Indian funds already exist, but there are no similar organizations involving Russia, and the format of

a bilateral intergovernmental commission falls short of fully addressing this gap.

Brazil's fundamental approach to security issues, including conflict resolution, can be summarized in two words: peace and multilateralism. By refusing to endorse the Western stance on the Ukrainian conflict, which revives Cold War narratives, and by declining to supply weapons or ammunition to the conflict zone, while still condemning the annexation of new territories by Russia,<sup>8</sup> Brazil advocates for forming a group of countries that could mediate between Moscow and Kiev to achieve a peaceful resolution. Lula da Silva expressed support for the Chinese peace plan during his visit to China in April 2023.<sup>9</sup> At the same time, he tactfully declined Vladimir Putin's invitation to visit Russia in May 2023,<sup>10</sup> aiming to maintain the image of a state equidistant from the conflict's parties; he also chose not to visit Ukraine.

Overall, Brazil continues to uphold the principle of sovereignty and non-interference in internal affairs as not just a formal stance, but also as a key issue it is determined to actively promote. At the same time, in 2024, Brazil made several statements criticizing Venezuela's organized elections.<sup>11</sup> This issue, which created a divide between Brazil and Russia – with Moscow firmly backing the government of Nicolas Maduro – did not, however, become a stumbling block in the relations between the two countries, even when the Brazilian delegation blocked Venezuela's bid for BRICS partner status at the Kazan summit.<sup>12</sup>

Russian-Brazilian relations maintain positive political momentum, unaffected fundamentally by either Brazil's political turbulence in the mid-2010s or differing positions on the Ukraine issue, certain aspects of cooperation within BRICS and

<sup>5</sup> Speech by President Luiz Inacio Lula da Silva at the opening of the 78th UN General Assembly // Government of Brazil. September 19, 2023. URL: <https://www.gov.br/planalto/en/follow-the-government/speeches-statements/2023/speech-by-president-luiz-inacio-lula-da-silva-at-the-opening-of-the-78th-un-general-assembly>

<sup>6</sup> Timerman, J. Lula is styling himself as the new leader of the global south — and shifting attention away from the west // The Guardian. April 9, 2024. URL: <https://www.theguardian.com/commentisfree/2024/apr/09/brazil-g20-lula-west-global-south>

<sup>7</sup> Lula on BRICS: "I am reborn in politics and in hope" // Government of Brazil. August 25, 2023. URL: <https://www.gov.br/planalto/en/latest-news/2023/08/lula-on-brics-201ci-am-reborn-in-politics-and-in-hope201d>

<sup>8</sup> Speech by President Lula at the Foreign Policy Session of the G7 Summit in Italy (in Spanish: Discurso del presidente Lula en el segmento externo de la Cumbre del G7, en Italia) // Government of Brazil. June 17, 2024. URL: <https://www.gov.br/mre/es/centro-de-contenidos/discursos-articulos-y-entrevistas/presidente-de-la-republica-federativa-de-brasil/discursos/discurso-del-presidente-lula-en-el-segmento-externo-de-la-cumbre-del-g7-en-italia>

<sup>9</sup> President of Brazil Positively Assesses the Results of His Visit to China // TASS. April 15, 2023. URL: <https://tass.ru/mezhdunarodnaya-panorama/17531735>

<sup>10</sup> President of Brazil Will Not Attend SPIEF // RIA Novosti. May 26, 2023. URL: <https://ria.ru/20230526/pmef-1874438220.html>

<sup>11</sup> Lula Raises Alarm over Maduro's 'Bloodbath' Warning to Venezuela // The Guardian. July 22, 2024. URL: <https://www.theguardian.com/world/article/2024/jul/22/lula-maduro-venezuela-election-result>

<sup>12</sup> Caracas Calls Brazil's Refusal to Accept Venezuela into BRICS a Hostile Gesture // RIA Novosti. October 25, 2024. URL: <https://ria.ru/20241025/venezuela-1979945564.html>

other international matters. Regular ministerial visits and frequent communication between heads of state, often through personal meetings, have a beneficial impact on bilateral cooperation. Meanwhile, Brazil, having signed the Rome Statute of the International Criminal Court, maintains an ambiguous position regarding the arrest warrant for President of Russia Vladimir Putin, which hinders Russia's head of state in participating in Brazil-based events.

One of the cornerstones of bilateral ties remains Russia's importance to Brazil as a permanent member of the UN Security Council, supporting Brazil's aspirations to play a leading regional and

global role, as well as aligning with it on several aspects of building a multipolar world. However, Brazil also places equal importance on its relations with the other four permanent members of the UN Security Council. This occasionally leads to a cautious balancing act by Brazilian authorities, tilting at times towards Washington or Moscow, but without breaking or even seriously cooling ties with other Security Council members. For Russia, Brazil remains a key BRICS player and the main state in Latin America and the Caribbean – a region gaining special significance for Moscow against the backdrop of ongoing conflict with Western countries.

## **Recommendations for Building Political Dialogue between Russia and Brazil**

It would appear fundamentally important to retain Brazil as Russia's key partner in Latin America and the Caribbean and globally. Even if Brazil distances itself from certain Russian decisions and perspectives, Moscow should strive to exercise restraint and continue to emphasize similarities in their positions. Russia and Brazil share enough common points on the international agenda – in relations with countries of the Global South, BRICS and the G20, on several international crises, as well as in reforming the international financial system and international political institutions.

Moreover, maintaining focus on successful cooperation despite disagreements on some aspects of the international situation helps sustain the long-standing strategic partnership while respecting the national interests and uniqueness of each country. This is especially significant considering that President Lula da Silva and his party lack a parliamentary majority and must navigate both domestic instability and a markedly more turbulent international environment, which requires Brazilian authorities to balance carefully between the great powers. The shared commitment to building a multipolar world remains a priority, even if the approaches to achieving this goal may differ.

## **Economic Cooperation between Russia and Brazil: Opportunities and Limitations**

Economic cooperation between Russia and Brazil can be described as relatively self-sustaining, having grown dynamically since the mid-1990s, regardless of which government held power in the South American nation. From \$1.1 billion in 1997, bilateral trade grew more than tenfold, reaching \$12.4 billion in 2023.<sup>13</sup> At the same time, there are frequent calls to push this figure to an ambitious target of \$100 billion.<sup>14</sup>

At the same time, there is no doubt that the results achieved stem directly from the political

dialogue between Russia and Brazil. Furthermore, over the past three decades, the convergence of the two countries has been greatly facilitated by the complementary nature of their scientific and technological capabilities. A strategic objective has been to move beyond mere trade towards broader, multifaceted, and diverse cooperation in innovative sectors, investments, and the economy as a whole, including the launch of several promising joint projects. In practice, however, this goal remains far from being achieved.

<sup>13</sup> Brazil and Russia trade // The Observatory of Economic Complexity. 2024. URL: <https://oec.world/en/profile/bilateral-country/bra/partner/rus>

<sup>14</sup> Russia and Brazil Strengthen Joint Efforts. How Will This Affect Russians? // Lenta.ru. October 28, 2024. URL: <https://lenta.ru/articles/2024/10/28/rabota/>

In 2023, Russian diesel fuel exports surged, reaching over 660,000 tons compared to just 74,000 tons in 2022.<sup>16</sup> This growth is particularly significant amid Western attempts to curb oil and petroleum product exports from Russia. Russian exporters benefited from price factors as well as the underdeveloped state of oil refining in the South American country. Petroleum products accounted for most of the growth in Russian exports to Brazil. Overall, the Brazilian economy remains energy-intensive, which works in Moscow's favor. Russia pushed the U.S. into second place among suppliers of petroleum products,<sup>17</sup> but it remains unclear whether this will become a lasting trend, given that Brazil has substantial reserves of crude oil – primarily pre-salt fields on the deepwater shelf – which it will eventually begin developing on a large scale to achieve self-sufficiency in this type of fuel. However, even with the notable rise in Brazil's imports of Russian petroleum products, these volumes are still far from compensating for the loss of shipments to EU countries. Brazil's pre-salt oil fields are of interest to Russia in terms of potential participation in their development and in further oil processing, with China being Russia's primary competitor in this arena.

first time. At the same time, trade turnover between the two countries, which is already well above the levels seen during the Soviet era, is still nowhere near comparable to Brazil's trade with China (which is 14 times larger)<sup>18</sup> or with the U.S. (seven times larger),<sup>19</sup> nor to Russia's trade with China<sup>20</sup> or India.<sup>21</sup>

For most of the post-Soviet era, bilateral trade between Russia and Brazil was essentially an exchange: Russian fertilizers (with major players like Uralkali, EuroChem, and PhosAgro) for Brazilian meat. Meat, however, has often been a sticking point in their relations, frequently falling under phytosanitary restrictions imposed by Russia. In 2005, during consultations regarding Brazil's support for Russia's accession to the WTO, opportunities for meat exports were expanded, though tensions soon resurfaced. A joint venture for meat product manufacturing, Concordia – based in the Kaliningrad region – turned out to be unprofitable, and eventually Brazil sold its shares to the Russian co-investor, Miratorg. The situation began to shift gradually in the early 2020s. As of autumn 2024, Brazil exported meat to Russian markets worth nearly \$270 million (a 1.5-fold increase compared to 2023),<sup>22</sup> though these figures still fall short of pre-pandemic levels (close to \$300 million). In 2024, the Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoz nadzor) expanded the list of Brazilian enterprises authorized to supply beef and poultry to Russia, a move seen as a friendly gesture toward the BRICS partner. Russia, in turn, has been steadily increasing wheat supplies – acting as one of its leading suppliers – and other agricultural products to the Brazilian market.

A significant increase can also be observed in fertilizer exports, with shipments rising by at

<sup>22</sup> Interstate Relations between Russia and Brazil // RIA Novosti. October 22, 2024.  
URL: <https://ria.ru/20241022/braziliya-1978577638.html?ysclid=m7uu09m856245077440>

least 10% in 2024.<sup>23</sup> The upward trend, which began back in the 2010s, has proven sustainable. This is due to Brazil remaining as one of the leading players in the global agro-industrial market (agricultural products account for up to 40% of its total exports) and being heavily dependent on fertilizer imports. Under President Jair Bolsonaro (2019-2023), Brazilian authorities played a key role in persuading the U.S. to exclude Russian fertilizers from sanctioned goods lists. At the same time, it should be noted that Brazilian authorities have been actively stockpiling fertilizers in recent years to avoid supply disruptions due to imbalances in logistics chains; this suggests that Russia should not expect consistent growth in export revenues from this trade category. Currently, Russian EuroChem is building a fertilizer production plant on Brazilian soil, which will eventually reduce the share of this product in the overall export volume. These efforts are part of Brazil's ongoing "National Fertilizer Plan 2050"<sup>24</sup> – a strategy to ensure economic security and reduce dependence on fertilizer imports.

Overall, the structure of Russian exports to Brazil remains insufficiently diversified, with growth primarily driven by market-driven surges in energy supplies or low-value-added non-energy goods. Russia still struggles to compete in Brazilian markets for higher-value-added products, largely due to the insufficient pace of technological development.

A similar situation exists regarding Russian imports from Brazil, where over 90% consists of food and agricultural raw materials<sup>25</sup>; Russia remains the largest buyer of Brazilian nuts. The share of spices, meat, and meat products in imports is gradually decreasing, while the share of oilseed supplies, primarily soybeans, is increasing; coffee deliveries, after declining in the early 2020s, began to grow again in 2024. Given that Russia is expanding its own soybean cultivation and production,<sup>26</sup> and that Brazilian soybeans

are notably more expensive than Russian ones, there is a high likelihood of a further reduction in purchases of this product from the South American country.

In recent years, the structure of bilateral trade has started to shift, albeit slowly, in a positive direction. For instance, Russia became Brazil's sixth largest supplier of metals in 2024 (up from tenth position last year), with growth in certain categories being even more notable (second in iron and steel supplies, fifth in nickel; aluminum purchases surged almost 50-fold to \$300,000<sup>27</sup>). Beyond plant and animal products, Brazil supplies Russia with machinery, equipment, and chemical-pharmaceutical products, which to some extent helps replace items subject to European sanctions. At the same time, these purchases still represent a minority share of the overall trade turnover.

A concerning factor is the declining share of machinery and equipment (the second most important category after food products) in total imports:<sup>28</sup> Brazil had been supplying agricultural machinery, machine tools, electric motors and generators, compressors, and refrigeration equipment. The decline specifically affects shipments to Russia, even as Brazil's overall exports in this sector have grown in recent years. For Russia, which remains dependent on imported machinery and equipment amid ongoing and expanding Western sanctions, finding ways to compensate for import shortfalls is extremely important. Brazil is struggling to remain competitive in Russian markets due to high logistical costs, which, combined with fears of secondary sanctions, makes maintaining and especially expanding supplies a challenging task. China has emerged as Brazil's direct competitor in this sphere, increasing its agricultural machinery exports to Russia while imports from the Latin American country have dwindled. Brazilian business circles recognize this problem and, unwilling to abandon the Russian market completely, are seeking ways to directly supply spare parts

<sup>23</sup> China, India, and Brazil Lead the Top Three Buyers of Russian Fertilizers // Krasnaya Vesna News Agency. January 26, 2025. URL: <https://rossaprimavera.ru/news/3d30f91e>

<sup>24</sup> National Fertilizer Plan 2050 (in Portuguese: Plano nacional de fertilizantes 2050) // Special Secretariat of Brazil for Strategic Affairs. 2021. URL: <https://static.poder360.com.br/2022/03/plano-nacional-de-fertilizantes-brasil-2050.pdf>

<sup>25</sup> Sidorov, A. Russia's Trade Exchange with Brazil: Current Trends and Issues // *Latin America*. 2024. No. 8. Pp. 59-60.

<sup>26</sup> Russian Soybean and Soy Products Market in 2023 – Trends and Forecasts // Expert Analysis Center for Agribusiness.  
URL: <https://ab-centre.ru/news/rossiyskiy-rynok-soevyih-bobov-i-produktov-ih-pererabotki-v-2023-godu—tendencii-i-prognozy>

<sup>27</sup> Interstate Relations between Russia and Brazil // RIA Novosti. October 22, 2024.  
URL: <https://ria.ru/20241022/braziliya-1978577638.html?ysclid=m7uuo9m856245077440>

<sup>28</sup> Bilateral trade between Brazil and Russian Federation in 2023 // Trade map.  
URL: <https://www.trademap.org/Bilateral.aspx?nvpm=1%7c076%7c%7c643%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c1%7c%7c1%7c1%7c%7c1%7c>

and consumables, but the issue remains unresolved.

Brazil has a certain interest in supplying automotive components to Russia. This could be advantageous for Moscow given the restrictions on supplies from “unfriendly states” and considering that developing a national component base is a task that is unlikely to be completed in the medium term.

Deliveries of aviation products (with the Brazilian company Embraer, the third most significant global player in the medium-haul aircraft sector), which were never substantial to begin with, dropped in 2022-2023 to a negligible sum of \$249,000.<sup>29</sup> Fearing secondary sanctions, Embraer suspended the servicing of spare parts previously sold to Russian buyers.<sup>30</sup> This trend is particularly concerning since Brazilian aircraft make up 16% of the fleet of S7, Russia’s second-largest carrier by volume.<sup>31</sup> At the very least, Russia cannot expect Brazilian firms to replace the lost volume of aircraft imports, and further declines are likely.

A positive development is the expansion of cooperation on high-tech and knowledge-intensive projects in nuclear energy through Rosatom State Corporation. Under a contract with Industrias Nucleares do Brasil for 2023-2027, Russia fully supplies enriched uranium to Brazil’s sole nuclear power plant, Angra.<sup>32</sup> Rosatom also provides radioactive fuel to the country. In 2023, Brazilians imported 26.9 tons of natural uranium (worth \$52.7 million) and 27.1 tons of enriched uranium-235 (\$18.9 million),<sup>33</sup> which had not occurred since the late 20<sup>th</sup> century. In 2025, Rosatom won a \$40 million tender for conversion and enrichment services using uranium mined in Brazil, outbidding Chinese competitors among others. Considering that Brazil ranks seventh globally in uranium reserves (with no more than a quarter of deposits explored), it has significant potential to enter the top three world leaders in radioactive metal mining in the coming years. In

this context, the importance of this tender is difficult to overestimate.

Rosatom’s subsidiary – Rosatom America Latina – operates in Rio de Janeiro, coordinating the activities of various divisions of the state corporation in Latin American and Caribbean countries. There is an agreement between Rosatom and Eletronuclear – the operator of Brazil’s nuclear power industry – providing for cooperation in the construction and maintenance of large and small nuclear power plants, processing of spent nuclear fuel (SNF) and training personnel for the nuclear industry.<sup>34</sup> The Russian company is also the largest exporter of radioisotopes to markets across Latin America and the Caribbean, supplying over half of Brazil’s medical isotope needs.

Overall cooperation in the energy sector, as well as in space technology, remains the most advanced area of collaboration between Russia and Brazil in developing innovative economies. Power Machines Fezer, a subsidiary of Russia’s Power Machines, operates in Brazil and has constructed several hydroelectric power plants. Additionally, the country hosts an optical-electronic complex for detecting space debris, along with several stations of the Russian GLONASS satellite navigation system.

Most joint projects in space exploration and transport infrastructure development have stalled. This can be attributed to several international factors, including increasing competition from China and opposition from the U.S., which began even before the current phase of the Ukrainian crisis. There are also subjective reasons, such as the lack of sufficient motivation among Russian and Brazilian entrepreneurs to fully tap into and utilize potential opportunities. Military-technical cooperation between the two countries shows extremely poor results, despite previously being considered one of the most promising areas. Moscow and Brazil have failed to coordinate their military-industrial complexes to complement each other’s production and tech-

<sup>29</sup> Nakagawa, F. Embraer suspends maintenance and sale of spare parts to Russia (in Portuguese: Nakagawa F. Embraer suspende manutenção e venda de peças para a Rússia) // CNN Brasil. March 3, 2022.  
URL: <https://www.cnnbrasil.com.br/economia/embraer-suspende-manutencao-e-venda-de-pecas-para-a-russia/>

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Interstate Relations between Russia and Brazil // RIA Novosti. October 22, 2024.  
URL: <https://ria.ru/20241022/braziliya-1978577638.html>

<sup>33</sup> Brazil Purchases Its First Batch of Uranium from Russia since 1999 // Atomic Energy. September 26, 2023.  
URL: <https://www.atomic-energy.ru/news/2023/09/06/138405>

<sup>34</sup> Rosatom Signs a Memorandum of Understanding with Brazil’s Eletronuclear // TASS. September 20, 2021. URL: <https://tass.ru/ekonomika/12459633>



nical specializations. Contracts for the supply of Igla and Igla-S portable air-defense systems to Brazil, signed in the early 21<sup>st</sup> century, never led to any significant breakthrough in arms trade. The total volume of military equipment deliveries, estimated at \$300-350 million,<sup>35</sup> appears microscopic for countries like Russia and Brazil. For instance, the contract for supplying Mi-35M attack helicopters was terminated prematurely due to economic difficulties in Brazil. Attempts to resume cooperation in this area in 2021-2022 overlapped with the start of Russia's special military operation in Ukraine and stalled, as did negotiations for Brazil's purchase of Pantsir-S1 anti-aircraft missile and gun systems. During Lula da Silva's presidency, a breakthrough in military-technical cooperation between Russia and Brazil not only failed to materialize but was not even on the horizon.

A significant trade imbalance persists, with Brazil importing far more from Russia than vice versa. The increase in bilateral trade turnover during the 2020s was driven by the growth of Russian exports. For Russia, Brazil serves as an important trading partner but is not among the key ones. Back in 2021, Brazil was removed from the list of countries whose goods benefit from a 25% discount on the base import tariff under the Eurasian Economic Union's regime. This measure is quite justified, as Brazil aspires to reach a developed rather than a developing country status. As a result, however, this decision has become an additional obstacle to the expansion of Brazilian supplies.

The scale of investment cooperation between Brazil and Russia remains insignificant. Beyond the unsuccessful Concordia project, there was an attempt by the Brazilian firm Marcopolo S.A. to develop a joint venture for bus production: after investing about 300 million rubles in 2007,<sup>36</sup> Brazil decided to withdraw from the project in 2009. Later, the company launched the production of a small-class city bus jointly with KAMAZ. In recent years, BRF S.A. has notably increased its share in the domestic market, replacing several European premium pet food

brands. The Brazilian company Avon, which established a factory in the Moscow region over 20 years ago, expanded its operations to launch an R&D center in 2023, demonstrating its intention not only to remain in Russia but also to expand production. At the same time, there are no signs of Brazilian investments replacing any of the industries that have left Russia, nor is there a broader increase in the volume of foreign direct investment.

Significant barriers to expanding Russian exports to Brazil include anti-dumping measures to protect the domestic market, stringent phytosanitary requirements, and complex bureaucratic certification procedures through the Brazilian Health Regulatory Agency (Anvisa) and similar institutions. While these obstacles are far from new, they are becoming a convenient excuse to limit the growth of business ties amid continuing pressure on Brazil to join in on the anti-Russian sanctions.

Cooperation in the digital sphere could become a potentially promising direction for bilateral collaboration. For over a decade, several Russian digital products have successfully operated in the Brazilian market: the Lingua Leo language learning platform (with over 800,000 users, making it Russia's most recognizable IT product in Brazil), the Planner 5D web-based home design tool, the QIWI Wallet payment service (with a network of more than 1,700 service points),<sup>37</sup> as well as products by Kaspersky Lab, Softline, and SearchInform. The potential for technological cooperation is underpinned by the presence of reputable Russian companies in this field, as well as Brazil's active investment in digitalization, ranking among the top ten global markets in this area.<sup>38</sup> The Russian company Neurotrend, in partnership with Brazil's Neurobranding LAB, is implementing a cooperation agreement to advance neurotechnology development. IT solutions are in high demand in Brazil for environmental monitoring, nuclear medicine, and the development of green technologies, which are very popular in the country.

<sup>35</sup> Yakovlev, P.P. Russia and Brazil in the Paradigm of Strategic Partnership. *Perspektivy. Electronic journal*. 2022. No. 4 (31).

<sup>36</sup> Maslennikov, A.V. Russia's Policy Towards the Countries of the "Left Bloc" of Latin America: Russian-Venezuelan and Russian-Brazilian Relations from 1998 to 2014. Dissertation for the degree of Candidate of Historical Sciences. Kazan, 2016. P. 253.

<sup>37</sup> Russian IT Companies Successfully Entering the Brazilian Market // Brasil.ru. April 1, 2019.  
URL: <https://brasil.ru/articles/it-da-russia>

<sup>38</sup> Russia and Brazil Strengthen Joint Efforts. How Will This Affect Russians? // Lenta.ru. October 28, 2024.  
URL: <https://lenta.ru/articles/2024/10/28/rabota/>

Presently, Western sanctions stand out as a notable structural factor in the development of Russian-Brazilian economic cooperation. At the governmental level, Brazil does not participate in these restrictive measures, deeming them illegitimate, although private business entities – and to some extent major state-owned corporations like Petrobras, as well as the country's banks – are

quite wary of potential U.S. secondary sanctions affecting them and approach direct interaction with Russian entities with great caution.<sup>39</sup> Additionally, Brazilian banks have notably avoided being targeted by sanctions precisely because they have recently refrained from financing bilateral projects or conducting transactions linked to Russian businesses.

## Recommendations for Building Economic Dialogue between Russia and Brazil

Despite existing and potential problems, maintaining, strengthening, and developing economic relations with Brazil remains a priority in Russia's foreign economic strategy. These relations are valuable in their own right (in the medium term, it is challenging to redirect certain export products currently sent to Brazil to other countries) and align with Moscow's broader policy of fostering ties with Latin American and Caribbean nations. The key element remains the need to sustain the already-achieved positive trends and levels of bilateral cooperation. It is important to expand cooperation in already established sectors, and conduct a thorough review of projects and agreements to identify not just priority areas, but those with genuine implementation potential. In this process, it is important to focus not only on the theoretical and practical needs of Russian businesses, but also to keep track of the evolving needs of both Russian and Brazilian society.

Given the rapidly evolving and consistently challenging global landscape and the high probability of increased pressure on Brazil from Western countries – primarily the U.S. – Russia should prioritize a medium-term perspective when building trade and economic cooperation with this Latin American nation, making the most of current opportunities while simultaneously exploring potential niches for exports. When looking to enter Brazilian markets and establish import channels to Russia, it is more effective to avoid spreading resources across all product categories (for example, prospects for expanded cooperation in avionics and aircraft technology are quite limited). Instead, efforts should be concentrated on sectors where both Russia and Brazil have shared interests – such as the import of agricultural machinery and spare parts. Spe-

cial attention should be paid to high-tech sectors of the economy, including the IT sphere, as this will help bolster the resilience of the Russian economy.

Given that the formation of a free trade zone either at the bilateral level or between the EAEU and MERCOSUR is unlikely, it would be advisable in the near term to transition toward implementing flexible integration principles at the business level – ranging from small and medium enterprises to large state corporations – while being mindful of the need to shield Brazilian partners from potential sanctions risks. This requires taking a step that neither country has taken in decades of interaction – creating a roadmap that clearly identifies not only goals, but also specific measures and timeframes for facilitating bilateral cooperation.

Despite the participation of all three states in BRICS, China continues to be a competitor rather than a partner for Russia in Brazil. In this context, it is imperative to develop cooperation with Brazil in a way that does not negatively impact the established relations between Moscow and Beijing.

When designing bilateral cooperation projects, Russia is unlikely to offer new technologies in most of the priority sectors for Brazil's economy. However, the South American country is keen to see an increase in Russian investments.

Implementing bilateral settlement mechanisms and securing financial transactions under sanctions continues to be a substantive issue for both countries. Given the current enormous trade imbalance favoring Russia, transitioning to settlements in national currencies would be imprac-

<sup>39</sup> Banks of China, India, Brazil Comply with Anti-Russian Sanctions: Fewer Loopholes // Politnavigator.ru. June 29, 2024.  
URL: <https://www.politnavigator.net/banki-kitaya-indii-brazilii-soblyudayut-antirossijskie-sankcii-lazeek-vsjo-menshe.html>

tical. Using the Chinese yuan may prove more promising – considering both Russia and Brazil's active trade with China – however, exploring new solutions in this area within BRICS should not be abandoned. Significant holdings of Brazilian currency could, nevertheless, be advantageous for Russian exporters willing to invest in the South American country; for example, in the mineral fertilizer production sector.

Brazilian partners seeking to enter Russian markets require support, necessitating the development of comprehensive one-stop shop information services. Russian businesses, in turn, need help navigating the complex cer-

tification procedures for goods supplied to Brazil. Attracting new Brazilian investments to the Russian economy will require efforts to enhance the appeal of the Russian market. The momentum of previously established ties will not be sufficient to launch new large-scale and groundbreaking projects.

In the context of EAEU-MERCOSUR cooperation, it is imperative to explore mutual measures aimed at facilitating trade.

Attention must be directed toward developing alternative transport and logistics chains to ensure the uninterrupted flow of mutual deliveries.

## Conclusion

Over the past few years, the previously established foundation bilateral cooperation has enabled Russia and Brazil to significantly expand their interstate economic engagement, achieve dynamic growth in trade turnover, and begin its diversification. On a wide range of international issues, Moscow and Brasilia adopt unified positions, voicing – sometimes in unison, sometimes jointly – demands for a more equitable world order and equal representation for all countries globally. Both Brazil and Russia advocate for the

formation and strengthening of a multipolar world. Nevertheless, there exists a notable tension in relations that extends beyond differing viewpoints on the Ukrainian crisis. As Russia's partner in BRICS, Brazil places greater emphasis on the economic role of the bloc and – unlike during Lula's first two presidencies – pays less attention to its political agenda; it maintains simultaneous relations with both the Global South and the Global North. Overcoming these disagreements in the near and medium term is unlikely.

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