Syllabus subtopic: Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests

Prelims and Mains focus: about the agreements to be signed during Brazilian President’s visit; about India-Brazil relations

News: India and Brazil will upgrade their strategic partnership with an “action plan” and sign a Bilateral Investment Treaty (BIT) when Brazilian President Jair Bolsonaro visits as the Chief Guest of the Republic Day celebrations from 24-27.

About the agreements to be signed during the visit

1. Strategic Action Plan: The Strategic Partnership Action Plan will serve as an “umbrella agreement”, for plans between the two countries to increase defence cooperation, technology sharing and a logistics agreement.

2. The Bilateral Investment treaty will be one of the first that the Modi government will sign since 2015, when it decided to scrap all existing treaties with 83 countries, and brought in a new “Model BIT”.
   - Since then India has been able to sign BITs with Belarus and Kyrgyzstan, has concluded an agreement with Cambodia, and is negotiating treaties with about a dozen other countries.

3. Of particular interest will be any discussion held on climate change cooperation between the leaders, given Mr. Modi’s stated commitment on combating global warming, and the Brazilian President’s stand rejecting scientific studies on climate change.
   - Last year, Mr. Bolsonaro decided not to host the COP-25 UN climate talks, and although Brazil joined the India-led International Solar Alliance (ISA), it was done under his predecessor President Michel Temer.

4. On January 27, he will also address the “India-Brazil Business Forum” and is expected to travel to Agra to see the Taj Mahal.

5. Among about 20 agreements set to be exchanged, are the Strategic Partnership Action Plan.
India-Brazil relations

- The bilateral relations are based on a common global vision, shared democratic values, and a commitment to foster economic growth of both countries.

- Bilateral relations were elevated to a Strategic Partnership in 2006, heralding a new phase in India-Brazil relations.

- The two countries hope to take their partnership to “the next level” and build on the relationship between PM Modi and President Bolsonaro, who met twice in 2019.

- Brazil and India will also exchange a Social Security Agreement (SSA), first signed in March 2017, to allow investments in each other’s pension funds, to help business processes and encourage the flow of investment.

- In 2018 Indian investments in Brazil were around U.S.$ 6 billion and Brazilian investments in India are estimated at U.S.$ 1 billion and the bilateral trade stands at about $8 billion.

- Brazil is the largest producer and exporter of sugar, and claims Indian subsidies are inconsistent with global trade rules.

- While Mr. Bolsonaro is known internationally for other controversial “far-right” beliefs on gender and orientation, and rights for indigenous tribes, he could face protests in India over Brazil’s complaint at the World Trade Organisation against New Delhi’s subsidies to sugarcane farmers.