India-Brazil Partnership Deepens with Rare Earth and Mining Agreements

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Rare Earth Mining Latest News

- India and Brazil signed multiple agreements, including a rare earth cooperation pact, during President Luiz Inácio Lula da Silva's visit to New Delhi.

India-Brazil Bilateral Relationship

- India and Brazil share a long-standing partnership based on democratic values, South-South cooperation, and multilateral engagement.
- Diplomatic relations were established in 1948, and the relationship has evolved into a strategic partnership covering trade, defence, energy, and global governance.
- Both countries are key members of major multilateral groupings such as BRICS, G20, IBSA (India-Brazil-South Africa Dialogue Forum), and BASIC (climate negotiations grouping).
- They advocate reform of global institutions, including the United Nations Security Council (UNSC), and support a multipolar world order.

Trade and Economic Relations

- Brazil is India's largest trading partner in Latin America. Bilateral trade has fluctuated between $12-15 billion in recent years.
    - **India's exports to Brazil**: Organic Chemicals, Diesel oil, pharmaceuticals and chemicals, engineering goods including auto components and mechanical and electrical equipment, apparel and textile products, Iron and Steel (and products), Plastic, Ceramic, etc.
    - **India's imports from Brazil**: Crude oil, soya oil, Gold, raw sugar, Asbestos, copper ores, iron ores, Manganese, Kidney beans, Cowpeas, valves, motor pumps, etc.

Defence and Strategic Cooperation

- India and Brazil cooperate in defence production, technology sharing, and maritime security.
- Both nations support peaceful dispute resolution and multilateralism. As large democracies of the Global South, they often coordinate positions at the UN, WTO, and G20.

Energy and Climate Cooperation

- Brazil is a global leader in renewable energy, particularly biofuels, while India has expanded solar and green energy initiatives.
- Both countries have cooperated in the **Global Biofuels Alliance,** announced in 2023. Renewable energy and clean technology remain central pillars of bilateral ties.

News Summary

- During President Lula's visit, India and Brazil signed nine agreements covering critical minerals, steel mining, defence, and digital cooperation.
- **Rare Earth and Critical Minerals Agreement**
    - India signed a rare earth cooperation agreement with Brazil to secure access to critical minerals.
    - This agreement is strategically significant because China currently dominates global processing supply chains for rare earth elements.
    - Brazil possesses substantial rare earth reserves, of which only about 30% have been explored. The partnership could enable India to diversify supply sources for minerals essential to:
    - Electronics manufacturing, Clean energy technologies, Electric vehicles, Defence systems
    - The agreement strengthens supply chain resilience and reduces overdependence on a single country.
    - The **India-MERCOSUR Preferential Trade Agreement** (PTA) forms the foundation of trade engagement. Both sides have agreed to expand this framework to unlock greater market access.
- **Steel and Mining Cooperation**
    - The two countries signed agreements on steel mining and mineral supply chains.
    - Brazil is one of the world's largest iron ore producers, and enhanced cooperation could benefit India's expanding infrastructure and manufacturing sectors.
- **Digital Partnership for the Future**

    - India and Brazil launched a joint declaration and action plan on a digital partnership. Cooperation is expected in emerging technologies such as:
        - Artificial Intelligence, Semiconductors, Blockchain, Supercomputing
    - This reflects India's growing status as a digital technology hub and Brazil's interest in leveraging digital transformation.
- **Trade Expansion and Visa Facilitation**
    - Both countries are committed to significantly increasing bilateral trade, with Brazil proposing a target of $30 billion annually by 2030.
    - Brazil also announced the extension of business visas for Indian ordinary passport holders to 10 years, facilitating long-term business collaboration.
- **Response to Global Trade Uncertainty**
    - The discussions occurred amid global trade disruptions following developments in U.S. tariff policies. Both leaders agreed to study the implications of recent tariff decisions and adopt a "wait and watch" approach.
    - This underscores the shared interest of India and Brazil in protecting trade autonomy and strengthening South-South economic cooperation.
- **Strategic Significance**
    - **Supply Chain Diversification:** Reducing dependence on China for critical minerals.
    - **Strengthening the Global South:** Coordinating positions in multilateral forums.
    - **Technological and Energy Transition:** Promoting renewable energy and advanced digital technologies.

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