



**Gulf Research Center**  
Knowledge for All

# Brazil - GCC Relations



## 1. Key Domestic Developments

The first round of Brazil's general elections was held on October 2, 2022, in which no candidate received more than half of the valid votes. As a result, a second round was held on October 30, 2022, where former president Lula da Silva was declared Brazil's new president with a 50.90% majority, following a run-off election against incumbent Jair Bolsonaro. This resulted in President Lula da Silva becoming the first democratically elected president to secure a third term. His victory ended a very divisive election campaign in which concerns were also raised about whether Mr. Bolsonaro would accept his defeat as he had questioned the validity and security of the electronic voting system. Many feared that Bolsonaro, like his mentor, former U.S. President Donald Trump, with whom he has shared strategist Steve Bannon, would question the legitimacy of elections as a way for him not to accept defeat. In fact, Mr. Bolsonaro stated that he sees only three alternatives for his future: "being arrested, killed, or victory." In the end, however, Mr. Bolsonaro did acknowledge the presidential transition, which was in effect from November 3, 2022, until the official inauguration on January 1, 2023.

During his time in office, former President Bolsonaro was severely criticized for numerous issues. For instance, a Brazilian congressional panel called for charges of crimes against humanity after he dismissed the COVID-19 pandemic as a "little flu" that led to a terrible surge in cases and deaths. At the same time, understanding the damaging political impact this could have on his re-election chances, the Bolsonaro government, under pressure, acted to mitigate the impact of COVID-19 by putting forward government-implemented fiscal measures adding up to 12% of GDP. These measures include the expansion of health spending, temporary income support to low-income households, temporary tax breaks for suspended workers, lower taxes and import levies on essential medical supplies, and new transfers from the federal to state governments. Despite these actions, these measures were not enough to secure another term for Mr. Bolsonaro.

The deep polarization in the October election exacerbated political violence in Brazil. Between July and September (during the election campaign), 212 violent incidents occurred, making it Brazil's most violent period in 2022. Most of these attacks were targeted against politicians and their families. The violence





reached its high point on January 8, 2023, with the attacks on the Brazilian Congress in the capital, Brasilia. Following the defeat of former president Mr. Bolsonaro, supporters of the far-right leader stormed the Congress and Supreme Court, as well as surrounded the presidential palace. As a result, President Lula announced a federal state of emergency and deployed the national guard to regain control of the capital. In the aftermath of the attacks, President Lula fired dozens of military officers, including Brazil's army chief, General Julio Cesar de Arruda. Mr. Bolsonaro, who refused to accept the October election results and flew to Florida days before President Lula's swearing-in ceremony, denied responsibility for the riot and condemned the attack. After being in the US for over one month, Mr. Bolsonaro stated that he plans to return to Brazil "in the coming weeks."

Brazil's election underlined a new leftist resurgence happening in all of Latin America, as the region is leading for progressive victories. The resurgence, also referred to as Pink Tide 2.0, is shifting the power back to the political left. President Lula da Silva is now making combatting hunger one of the top priorities in his campaign, which has been on the rise in Brazil and affects more than 33 million people. Brazil continues to face social issues and has one of the highest levels of inequality in the world. During the past 15 years, Brazil lifted 28 million people out of poverty. However, 10% of the population still lives in poverty, while the country's richest 5% have the same income as the remaining 95%. Moreover, Brazil has been negatively affected by numerous corruption scandals that involve either government officials or private companies, such as the impeachment and conviction of former President Dilma Rousseff in August 2016. The Temer administration that followed implemented fiscal and structural reforms to restore credibility to government finances, but the policy proved short-lived, with Jair Bolsonaro taking over the presidency in January 2019. President da Silva's key immediate challenge will be to follow up

on his election promises given the difficulty pertaining to Brazil's post-pandemic economy as well as expected opposition from Congress.

### *Key Brazil Economic and Social Data*

- GDP: \$1.609 trillion (2021)
- GDP per capita: \$7,507.16 (2021)
- Annual Growth Rate: 4.6% (2021)
- Inflation: 8.3% (2021)
- Population: 214.3 million (2021)
- Unemployment Rate: 14.40% (2021)
- Credit Rating: Standard & Poor: BB- with a stable outlook. Moody: Ba2 with a stable outlook. Fitch: BB- with a stable outlook. DBRS: BB (low) with a stable outlook

Brazil is the world's ninth-largest economy. Following an economic contradiction of almost 7% during the 2015 and 2016 recession, the Brazilian economy experienced a slow but steady recovery. However, the COVID-19 pandemic led to another GDP decline of 4.1% in 2020. Brazil also continues to be strained by debt. Government debt reached 88.83% in 2020, with an expected rise to 102.8% in 2021 and 103.5% in 2022. Many argue that the pension system is the main contributor to the rising government debt. For the moment, the economy is expected to recover with an estimated GDP growth of 1.5% in 2022 and 2.5% in 2023.

## **2. Brazil Foreign Policy**

Brazil's foreign policies are based on article 4 of its Federal Constitution, which emphasizes multilateralism, non-intervention, international cooperation, and peaceful settlements of conflicts as the main principles. As a result of stressing the importance of regional cooperation, Brazil is a founding member of the Organization of American States (OAS) and the Inter-American Treaty of Reciprocal Assistance (Rio Treaty).

Moreover, Brazil is part of the Southern Common Market (Mercosur), a South American Trade Bloc



alongside Argentina, Paraguay, and Uruguay. Brazil is also a member of the BASIC countries, an agreement formed on November 28, 2009, alongside South Africa, India, and China, to act together in the Copenhagen Climate Summit. Furthermore, Brazil engages in multilateral diplomacy through the Organization of American States and the United Nations. Brazil currently commands a United Nations Stabilisation Mission in Haiti (MINUSTAH). Additionally, Brazil is part of the BRICS states, alongside Russia, India, China, and South Africa. According to the Constitution, the president has ultimate authority over foreign policies, while Congress is in charge of diplomatic nominations, international treaties, and legislation regarding foreign policies. The Ministry of External Relations is in charge of the administration of foreign relations in Brazil.

According to President Lula’s “Program for the Reconstruction and Transformation of Brazil,” submitted to the Electoral Court (TSE), his administration will seek to overturn many of the previous administration’s decisions, such as reversing the changes in laws against deforestation of the Amazon rainforest, reversing the withdrawal from the Community of Latin American and Caribbean States, reversing the planned withdrawal from the World Health Organization and the Paris Agreement, reversing the planned transfer of Brazil’s embassy in Israel to Jerusalem, reestablishing diplomatic relations with Cuba and Venezuela, and relaunching the Growth Acceleration Program and the Minha Casa, Minha Vida Program.

### ***Key Foreign Policy Initiatives in 2022***

- On February 10, 2023, President Lula met with U.S. President Joe Biden and expressed his interest in helping negotiate a path to peace between Russia and Ukraine but continued to refuse sending weapons and ammunition to Ukraine.
- On January 30, 2023, President Lula refused to condemn the Russian invasion

of Ukraine and denied German Chancellor Olaf Scholz’s request to provide weapons to Ukraine.

- On March 7, 2019, President Bolsonaro withdrew Brazil from the Union of South American Nations (UNASUR) and joined the newly created Forum for the Progress and Development of South America (PROSUR).
- On January 26, 2021, Brazil reversed an earlier decision to ban Huawei from developing 5G networks.
- Brazil occupies a temporary seat on the Security Council United Nations seat in the 2022-2023 biennial. The last time Brazil had a seat was in 2010.



China has developed both close economic and security ties with many Latin American countries, particularly Brazil. In fact, China has surpassed the United States as Brazil’s top trading partner and has become a significant source of foreign direct investment and lending in energy and infrastructure. Bilateral trade between Brazil and China expanded aggressively in the past few years, with trade with China making up 28% of Brazil’s total trade as of 2019.

Brazil is facing worldwide criticism and pressure regarding the deforestation of the Amazon rainforest, which has reached a record high. Former President Bolsonaro promised to end illegal deforestation by 2030 and achieve carbon



neutrality by 2050 during U.S. President Biden’s 2021 Leaders’ Summit on Climate. Additionally, he pledged to end deforestation by 2028 at the United Nations’ 26th Conference of the Parties (COP26) in Glasgow. However, Brazil’s Amazon Deforestation recorded a new worrying record during the first three months of 2022. According to Brazil’s National Institute for Space Research, 166 square miles of the Amazon were cleared in January 2022, a record monthly high. The incoming da Silva administration has already promised to reverse the deforestation policies of his predecessor.

Brazil and Argentina have also reportedly made steps for a common currency to strengthen regional trade as well as decrease dependency on the US dollar.

### 3. Brazil-GCC Fact Sheet

- Brazil’s Trade in Goods with GCC Countries as of 2020 (USD)

Country	Exports	Imports
Saudi Arabia	\$1.63B	\$1.89B
United Arab Emirates	\$764.28M	\$2.06B
Qatar	\$538.02M	\$271.40M
Oman	\$166.23M	\$737.32M
Bahrain	\$116.08M	\$673.81M
Kuwait	\$5.06M	\$183.90M
GCC	\$3.22B	\$5.82B

#### Establishment of Diplomatic Relationship

- Brazil-GCC Diplomatic Relations: Saudi Arabia (1968), Kuwait (1968), Bahrain (1974), United Arab Emirates (1974), Qatar (1974), and Oman (1974).

#### Current Diplomatic Representation

- Brazil Embassy in Riyadh: Ambassador Marcelo Della Nina.

- Embassy of The Kingdom of Saudi Arabia in Brazil: H.E. Hisham Al-Qahtani.

#### Key Brazil Officials with Responsibility for the Gulf Region

- Cabinet:
  - Vice President: Geraldo Alckmin
  - Chief of Staff: Rui Costa
  - Minister of Foreign Affairs: Mauro Vieira
  - Minister of Defense: José Múcio
  - Secretary of Institutional Security: Marco Edson Gonçalves Dias
- The National Defense Council:
  - Gen. Laerte de Souza Santos (Chief of the Joint Staff of the Armed Forces)
  - Adm. Marcos Sampaio Olsen (Navy Commander)
  - Gen. Tomás Ribeiro Paiva (Army Commander)
  - Lt. Brig. Marcelo Kanitz Damasceno (Air Force Commander)

#### Key Research Centers and Think Tanks

- BRICS Policy Center: <https://bricspolicycenter.org/>
- Monte Castelo Institute: <https://montecastelo.org/>
- Igarapé Institute: <https://igarape.org.br/en/>
- Public Policy Centre- INSPER – CPP: <https://www.insper.edu.br/en/>
- Sou da Paz Institute – ISDP: <https://soudapaz.org/en/>
- Institute of International Relations of the University of São Paulo – IRI-USP: <http://www.iri.usp.br/>
- Brazilian Forum on Public Security – FBSP: <https://forumseguranca.org.br/>
- Institute of International Relations – IRI: <http://www.iri.puc-rio.br/>
- Brazilian Center for International Relations – CEBRI: <https://cebri.org/>

- Brazilian Centre for Analysis and Planning – CEBRAP: <https://cebrap.org.br/>
- Getulio Vargas Foundation: <https://portal.fgv.br/en>

### *Selected Key Regional Experts*

- [Hussein Kalout](#) (CEBRI)
- Celso Amorim (UNITAID)
- [Adriana Erthal Abdenur](#) (UNU-CPR)
- Charles T. Call
- Cecilia Baeza (Sciences Po)
- Vânia Carvalho Pinto (RAESP - RJ)
- Rasheed Abualsamh
- Jorge Morteau (University of Sao Paulo)
- Danielly Ramos Bécard (University of Brasília)

### *Key Recent Literature*

- [The Middle East and Brazil: Perspectives on the New Global South](#)
- [Brazil and the Middle East](#)
- [Brazil's Relations with Middle Eastern Countries: A Diplomacy in Search for Constancy \(2003–2014\)](#)
- [A “Brazilian way”? Brazil's Approach to Peacebuilding](#)

## **4. Key Developments in Brazil-GCC Relations**

### **Brazil-GCC**

- In September 2021, the Brazilian government applauded the GCC's decision not to impose safeguard duties on steel imports.
- On January 15, 2020, the Director-General of the GCC Bureau of Technical Secretariat for Anti Injurious Practices in International Trade, Mr. Rehan Mubarakand, the Ambassador of the Republic of Brazil to the Kingdom of Saudi Arabia, Mr. Marcelo Della Nina, met to discuss means of cooperation in combating harmful practices.
- In October 2019, Brazilian President Jair

Bolsonaro visited three GCC countries: Saudi Arabia, Qatar, and the UAE. The Brazilian Minister of Agriculture, Tereza Cristina, also visited four GCC countries.



*Source: Arab News*

### **Brazil-Saudi Arabia**

- On June 3, 2022, The Ministry of Investment of Saudi Arabia hosted a senior Brazilian delegation at the Brazilian Investment Meeting.
- On March 22, 2022, Saudi Crown Prince Mohammed bin Salman and Brazilian President Jair Bolsonaro held a phone call where they discussed strengthening bilateral ties. They also discussed significant regional and international issues.
- In November 2021, Saudi Arabia's Foreign Minister Prince Faisal bin Farhan met with Brazilian Foreign Minister Carlos Alberto Franca, Minister of Mines and Energy Bento Costa Lima Leite de Albuquerque, Minister of Tourism Gilson Machado Neto, and the Secretary for Strategic Affairs Admiral Flavio Rocha to discuss Iran, combating terrorism, and investment.
- On September 15, 2021, Saudi Arabia banned beef imports from Brazilian meatpackers after two cases of mad cow disease. Five days later, the Saudi Food and Drug Authority (SFDA) lifted



the suspension from five Brazilian meatpackers.

- During the first quarter of 2021, Saudi Arabia became Brazil's largest Arab importer as trade surges to \$526.16 million.

#### Brazil-United Arab Emirates

- In April 2022, the United Arab Emirates surpassed China as the leading destination for chicken products from Brazil.
- In March 2022, President Bolsonaro invited UAE businesses to explore Brazil's new investment opportunities.
- Sheikh Mohammed bin Zayed Al Nahyan, the crown prince of Abu Dhabi, and Brazilian President Jair Bolsonaro signed a deal to deepen trade and investment funds in agribusiness, infrastructure, energy, and defense in October 2019.

#### Brazil-Qatar

- In November 2021, President Bolsonaro visited Doha to enhance bilateral relations between Brazil and Qatar. The two leaders agreed to enhance their economic partnership, discussed the logistics sector and global supply chains of both countries, negotiated the conclusion of an Agreement on Maritime Transport, declared their intention to expand their defense partnership through joint initiatives, and encouraged cooperation initiatives in the areas of technology, culture, education, tourism, and sports.

#### Brazil-Oman

- In March 2022, His Highness Sayyid Shihab bin Tarik Al Said met with Ligia Maria Scherer, the Brazil Ambassador to the Sultanate of Oman, to review bilateral relations.

#### Brazil-Bahrain

- In May 2022, Bahrain Chamber Chairman Sameer Nass stated that Bahrain and Brazil are looking to boost trade between the two countries, as the growing trade volume already exceeded \$2.2 billion in 2021.

- In October 2021, Bader Abbas Al-Helaibi was appointed as Bahrain's first ambassador to Brazil.
- In November 2021, President Bolsonaro became the first Brazilian president to visit Bahrain.

Politically, Brazil has diplomatic ties with all six GCC states. In addition, Brazil and the GCC countries are members of the Arab-South American Summit (ASPAS), first held in Brazil in 2005. The ASPAS aims to foster a regional dialogue between the member states to promote multiculturalism and consolidate cooperation. Since then, the second summit was held in Qatar in 2009, the third in Peru in 2012, and the most recent one in Saudi Arabia in 2015.

After the first ASPAS Summit, the GCC states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) and the Southern Common Market (Mercosur) states (Argentina, Brazil, Paraguay, and Uruguay) signed a Framework Agreement on Economic Cooperation between the two organizations on May 10, 2005. Since then, Brazil and the GCC states have enjoyed a complementary but limited trade relationship as the agreement has yet to materialize.



According to The Economist Group and ITC Trade Map, bilateral trade between Latin America



and the GCC grew, particularly from 2017 to 2019. Imports, mainly of gold, meat, iron ore, cereals, sugar, and coffee, surged from \$9.6 billion in 2016 to \$17.2 billion in 2019 before falling to \$15.4 billion in 2020. Brazil makes up the largest share of these imports at 42%, as it is considered the largest producer and exporter of halal meat. In return, fertilizer, plastic polymers, aluminum, ammonia, and oil are exported, but at a low rate of an average of \$2.5-3.5 billion a year between 2016 and 2020. Specifically, imports from Latin America made up only 3.2% of the GCC's total imports, while exports accounted for 1.6% of Latin America's total exports.

One of the main challenges for trade between Brazil and the GCC is the absence of a direct maritime line between the two regions. At the same time, Latin America, particularly Brazil, is turning to the GCC for investments. The GCC extended investments of \$4 billion to Latin America between 2016 and 2021, with 77% from the UAE, 22% from Saudi Arabia, and 1% from Qatar.

However, President Bolsonaro was keen on strengthening ties with the GCC states, particularly after criticism over proposing to move Brazil's embassy from Tel-Aviv to Jerusalem, contradicting Brazil's traditional support for a two-state solution to the Palestinian conflict. Consequently, GCC states denounced this move, which put a damper on expanding trade ties. After a visit to Israel in April 2019, President Bolsonaro announced the opening of a trade office in Jerusalem instead. Moreover, he visited the United Arab Emirates, Qatar, and Saudi Arabia to strengthen ties from October 25-31, 2019.

While Bolsonaro's election did little to improve ties with the Gulf region, Lula's election is expected to forge closer Brazil-GCC relations. One focus here is President Lula's significant role in supporting Palestinians, especially as he recognized Palestine

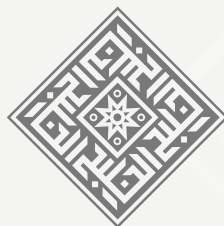
as a sovereign state in his first presidency back in 2010. Another focus lies in BRICS, as Saudi Arabia looks to join the organization. Already, there seems to be a positive impression on strengthening Brazil-GCC relations. For instance, on November 1, 2022, King Salman and Crown Prince Mohammed Bin Salman both sent a cable of congratulations to President Lula da Silva on winning the presidential elections.

## 5. Supporting Documents

### *GRC publications and GRM workshops*

- GRC Publication 2016: Latin America and the Gulf: Assessment of Current and Future Trends.
- GRC Publication 2016: The Gulf and Latin America: Exploring New Avenues of Exchange.
- GRC Publication 2014: Integration Processes in Latin America.
- GRC Publication 2013: The Gulf and Latin America: An Assessment of Expectations and Challenges.
- GRM Workshop 2015: The Gulf Cooperation Council and the BRICS.
- GRM Workshop 2013: The Relationship between the Gulf Countries and Latin America: The Role of Non-State Actors.
- GRM Workshop 2012: An Assessment of Opportunities and Possibilities: The Gulf and Latin America.





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