



By: TA | AP Brief

Brazil and India agree to boost cooperation on rare earths



Brazil and India sealed a deal on critical minerals and rare earths, enhancing cooperation on crucial resources between two major countries of the global south as they seek to diversify their trading relationships.

The non-binding memorandum of understanding on rare earths establishes a framework for cooperation between the two countries, focusing on reciprocal investment, exploration, mining and artificial intelligence applications, among other issues.

Brazil has the world's second-largest reserves of rare earth minerals, used in a wide range of products, including smartphones, electric vehicles, solar panels and jet engines.

“Increasing investments and cooperation in matters of renewable energy and critical minerals is at the core of a pioneering agreement that we have signed today,” Brazilian President Luiz Inácio Lula da Silva told journalists.

The two countries also agreed legal frameworks on a range of topics including entrepreneurship, health, scientific research and education.

Lula arrived in India for a state visit on Wednesday that will last through to Sunday, seeking to deepen ties with India which, like Brazil, is a founding member of the BRICS+ bloc of developing nations. He participated in a [summit on artificial intelligence](#).

Indian Prime Minister Narendra Modi visited Brazil in July last year, while the trip to India was Lula's second state visit.

Lula was accompanied by 11 ministers, including those of foreign affairs, finance, health and agriculture, as well as a large delegation of business leaders.

The Brazilian leader on Saturday said it may be the biggest delegation of his trips abroad so far, which he called a sign of his commitment to India.

Part of a broader strategy

The deal on rare earths is part of a broader strategy from both India and Brazil to become more strategically autonomous from China and the U.S. through diversification, said Oliver Stuenkel, an international relations professor at the Getulio Vargas Foundation, a think tank and university.

Brazil has been pursuing that strategy for years, said Stuenkel, which is why Lula was able to stand up to President Donald Trump last year when the U.S. leader imposed a [50% tariff on Brazilian exports](#) to the country over the trial of his ally, former President Jair Bolsonaro.

“The reading is that, given how turbulent and unpredictable things have become, the more partners, the better,” Stuenkel said.

The U.S. later [removed most tariffs](#) on Brazil and the sanctions imposed on the judge who was overseeing the case.

[Brazil began to reposition its understanding of the importance of these elements beyond their commercial dimension, recognizing their geopolitical relevance - Roberto Goulart Menezes](#)

Roberto Goulart Menezes, an international relations professor at the University of Brasilia, said that last year's confrontation with the U.S. is when Brazil germinated the idea of putting rare earths and critical minerals on the bargaining table.

“Brazil began to reposition its understanding of the importance of these elements beyond their commercial dimension, recognizing their geopolitical relevance,” said Goulart.

Lula is expected to visit his counterpart in Washington D.C. in the coming months. “For Brazil, this agreement represents a kind of pilot before negotiating with a country with

which Brazil has an asymmetrical relationship,”
Goulart said.