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Decoding Brazilian Foreign Policy

Dear readers,

Due to the **electoral blackout period**, our report began prioritizing highly credible journalistic sources and made format adjustments to ensure neutrality, analytical rigor, and methodological consistency. Thus, over the last week, the set of news revealed the strengthening of Brazil's international insertion, driven by trade expansion, market diversification, investment attraction and participation in multilateral initiatives. In this sense, ApexBrasil's actions to expand exports in Latin America, Europe and Africa, Embraer's performance, the revision of economic projections by the IMF and the increase in the trade surplus stand out. The country's position in strategic sectors such as digital infrastructure, artificial intelligence, green economy and innovation is consolidated.

Among the main **trends**, the diversification of exports, the strengthening of competitiveness in sectors with higher added value, the integration between sustainability and foreign trade, and the expansion of support for internationalization and financial instruments to mitigate trade risks stand out. At the same time, the debate on technological sovereignty, digital payments, and critical infrastructure is growing.

On the other hand, the **risks** and uncertainties are related to U.S. tariffs, trade disputes, polarization in foreign policy, regulatory challenges for investments, data centers, and fiscal pressures arising from the reorganization of energy subsidies. This context can reduce the predictability of diplomatic and trade relations.

On the other hand, the **opportunities** remain significant. The expansion of business missions, access to new African and Latin American markets, the valorization of sustainable products, investments in digital infrastructure, the strengthening of the aeronautical sector, and financial support to exporters expand the growth potential of Brazilian companies. Likewise, the scenario indicates greater opportunities for internationalization, access to financing instruments, increased demand for innovation, adaptation to environmental standards, and expansion of presence in strategic markets. Thus, the need to monitor regulatory, geopolitical, and commercial risks is growing.

On the **diplomatic level**, there is a strengthening of Brazilian performance in multilateral organizations, cooperation with strategic partners, and economic diplomacy, although foreign policy remains influenced by domestic polarization and trade tensions with the United States. The outlook remains relatively favorable; despite the volatility in the external environment, Brazil tends to enhance its competitiveness and presence in international markets. This movement depends on regulatory stability, economic and diplomatic coordination, and companies' adaptation to global changes and international competition.

AI tools were used in the preparation of this report. All content was reviewed by humans.

Economy, Trade and Investment

- [Think Plastic Brazil](#) will conduct a trade mission in Chile, bringing together 34 Brazilian companies to expand exports, partnerships, and business. The initiative reinforces the internationalization of the transformed plastics sector, highlighting innovation, sustainability, and competitiveness. Chile remains a strategic market, driven by import demand, favorable logistics, and a consistent track record of positive trade results for participating Brazilian companies.

Why does this matter? *It expands Brazilian export markets and strengthens the competitiveness of the plastics sector in Latin America.*

- [The Coffee Nation](#) took 77 Brazilian entrepreneurs to England and Belgium, generating US\$ 33.1 million in immediate business and potential for an additional US\$ 218.9 million. The actions strengthened exports, promoted Brazilian specialty coffees, expanded commercial contacts, and led to an agreement with the Coffee Quality Institute for training, innovation, and the international expansion of the coffee sector, with a focus on global sustainability.

Why does this matter? *It reinforces the insertion of Brazilian coffee in high-value markets and increases export revenues.*

- [Mozambique](#) emerges as a promising destination for Brazilian companies, with 144 export opportunities identified by ApexBrasil. The linguistic and cultural proximity, combined with the Single Electronic Window, facilitates customs operations and increases predictability, while investments planned between 2026 and 2030 reinforce the potential for economic growth and new bilateral business for various Brazilian productive sectors in the emerging and sustainable African market, at the regional level.

Why does this matter? *It diversifies export destinations and strengthens Brazil's presence in expanding African markets.*

- ApexBrasil, in partnership with the Trade Promotion Sector in Mexico and [CAMEBRA](#), held a webinar to present opportunities in the Mexican market to Brazilian companies and to provide guidance on accessing it. Experts presented an economic overview, sectoral trends, and support programs. Institutional and business representatives discussed internationalization strategies, while the companies shared experiences, challenges, and lessons learned from their expansion into Mexico.

Why does this matter? *It facilitates the entry of Brazilian companies into a strategic market and reduces barriers to internationalization.*

Economy, Trade and Investment

- [Brazilian exports](#) to the United States grew 3.7% in June, marking the first increase since the Trump administration imposed additional tariffs. The advance was mainly reflected in higher prices, despite a drop in shipped volume. China and the European Union have increased purchases of Brazilian products, while exports to Argentina have declined, which maintains changes in Brazilian foreign trade.

Why does this matter? *It shows the resilience of Brazilian trade, even in the face of tariffs and changes in the global scenario.*

- The government raised its projection for [Brazil's trade surplus](#) to US\$90 billion in 2026, citing stronger export forecasts. The new estimate exceeds the previous projection of US\$ 72.1 billion and, if confirmed, will represent the second-highest balance in the time series, 32.3% above that recorded in 2025. The revision reflects favorable expectations regarding the performance of Brazilian foreign trade in this period.

Why does this matter? *It reinforces the solidity of the external accounts and improves confidence in the Brazilian economy.*

- [Embraer](#) delivered 65 aircraft in the second quarter of 2026, recording its best performance in the period in 16 years. In the first half of the year, it totaled 109 deliveries, a 20% increase over 2025. Commercial and business aviation boosted results, reflecting solid demand and operational efficiency, while Defense and Security saw no deliveries in the quarter, with projections maintained.

Why does this matter? *It strengthens the high-tech industry and increases Brazil's global competitiveness.*

- The [IMF](#) has revised Brazil's 2026 growth projection upward, according to an announcement by Minister Dario Durigan. The institution raised its estimate for the Brazilian economy again and also increased the country's potential growth projection, reinforcing expectations of greater economic dynamism and confidence in the expansion path in the coming years, according to the federal government, during an event.

Why does this matter? *It increases international confidence in the economy and can attract more investment.*

Economy, Trade and Investment

- The Minister of Development, Industry and Trade, Márcio Elias Rosa, said that Brazil seeks to build consensus with the [United States](#) to avoid the additional 25% tariff on Brazilian exports before the July 15 deadline. After a new meeting with the American trade representative, Jamieson Greer, the government confirmed that technical and political negotiations are underway. Brazil has officially responded to the U.S. investigation, contesting criticism of Pix, the Supreme Court, and digital trade, while defending multilateral dialogue and rejecting the politicization of bilateral negotiations.

Why does this matter? *It preserves bilateral dialogue, reduces risks to Brazilian exports, and can avoid new trade barriers, with direct impacts on investments, regulatory predictability, and the economic relationship between Brazil and the United States.*

Energy and Infrastructure

- [ByteDance](#) chose Ceará to build its largest data center complex outside China, with an estimated investment of R\$ 200 billion. The project reinforces Brazil's role as a global hub for digital infrastructure and artificial intelligence, driven by renewable energy and international connectivity. Despite its economic and geopolitical potential, it faces regulatory challenges, trade disputes, and resistance from local communities directly affected by the project.

Why does this matter? *It gradually positions Brazil as a global technology hub, but also brings regulatory, energy, and geopolitical challenges.*

- The Brazilian government has announced that it will eliminate the [gasoline subsidy](#) more quickly than that intended for diesel, to avoid abrupt price increases and supply risks. The gradual withdrawal is part of the fiscal neutrality strategy, offset by oil revenues. The government is also considering reducing or abolishing the tax on crude oil exports and said it remains confident in meeting the 2026 fiscal target, despite budgetary pressures and lower-than-expected dividend tax collections.

Why does this matter? *It affects inflation, energy costs and fiscal balance, with a direct impact on the economy and fuel prices.*

Technology and Defense

- ApexBrasil boosted the [internationalization of 15 Brazilian startups](#) at VivaTech 2026, making 101 business contacts and securing US\$ 300 thousand in immediate deals, in addition to a projected US\$ 1.8 million over the next 12 months. The mission connected companies to international investors, strengthened technological partnerships, and expanded opportunities for expansion in the European market, with support from ApexBrasil and innovation.

Why does this matter? *It expands the internationalization of Brazilian innovation and connects startups to investments and foreign markets.*

Domestic Politics

- Senator Flávio Bolsonaro proposed preventing the integration of [Pix](#) with non-Western cross-border payment systems, arguing that this would reduce the United States' concerns about the platform. The initiative took place during a U.S. trade investigation involving Pix and tariffs on Brazilian products, reigniting the debate over financial sovereignty, dollar dependence, and the international integration of Brazilian means of payment.

Why does this matter? *It puts Brazil's financial sovereignty and its integration into the global payment system into question.*

- A public dispute between Senator [Flávio Bolsonaro](#) and former first lady Michelle Bolsonaro has exposed tensions within the Brazilian right and exacerbated difficulties in winning over the female electorate. Michelle left the leadership of the women's wing of the Liberal Party, weakening the mobilization of conservative women. Polls showed a wide advantage for Lula among female voters, while Flávio sought to reposition his image and expand women's participation in the campaign amid internal conflicts that raised concerns among allies and could have electoral implications.

Why does this matter? *It reveals weaknesses in the political articulation of the right and direct impacts on the dispute for women's suffrage.*

International Cooperation

- UN-Habitat supports the [Novo PAC's Periferia Viva Program](#), offering technical assistance to Brazilian municipalities to plan interventions in the peripheries. In partnership with local governments, it works on the development of participatory Action Plans based on community listening, workshops, and data mapping. The activities take place in São Gonçalo, Rio de Janeiro, Mauá, Santo André, and Franco da Rocha.

Why does this matter? *It strengthens more inclusive urban policies, with greater social participation and data-driven planning.*

Environment and Sustainability

- Eleven Think Plastic Brazil companies participate in Fispal Tecnologia 2026 in São Paulo, with the support of ApexBrasil and INP, presenting solutions in [innovation, sustainability, and the circular economy](#). The brands exhibit recyclable packaging, high-performance films and logistics technologies, which reinforces the international competitiveness of the Brazilian industry. The presence includes launches, certifications, and global expansion strategies, highlighting the role of fairs in expanding exports and sustainably strengthening the plastic sector in foreign markets.

Why does this matter? *It demonstrates the Brazilian industry's adaptation to sustainable standards and reinforces its international competitiveness.*

Diplomacy

- ApexBrasil has opened registration for the [Mozambique/FACIM 2026 Business Mission](#), which will take place in Maputo from August 31 to September 6. Brazil will be the country honored at the main multisectoral fair in Mozambique, thereby increasing the visibility of national companies. Up to 20 companies will be selected for business roundtables, seminars, technical visits, and product exhibitions. The initiative seeks to strengthen exports, commercial partnerships, and the Brazilian presence in Southern Africa through institutional support and preparation, as well as international promotion services.

Why does this matter? *It expands Brazil's commercial presence in Africa and strengthens the diversification of export markets.*

Diplomacy

- President Lula and Senator Flávio Bolsonaro have differed over the proposal to impose [US tariffs on Brazilian products](#), amid the 2026 presidential race. Both are trying to influence the Trump administration's stance on the 25 percent tax. Lula criticizes the measure and defends sovereignty and balanced trade, while Bolsonaroism suggests that tariffs could politically favor the government. The debate comes after a history of higher tariffs and U.S. trade investigations against Brazil. The discussion gains electoral relevance and intensifies the presidential dispute between them.

Why does this matter? *It shows how foreign policy and international trade are used as instruments of electoral and diplomatic dispute.*

- During the [Mercosur summit](#), Lula defended regional integration over ideological differences, confirmed that he will run for reelection to preserve democracy, and said the bloc should remain a priority regardless of which governments are in power. He also proposed cooperation in artificial intelligence, regional integration of Pix, a fund for natural disasters, and the expansion of external economic partnerships.

Why does this matter? *It reinforces Brazil's commitment to regional integration, expands the agenda for economic and technological cooperation within Mercosur, and signals continuity in foreign policy despite domestic electoral disputes.*

National Congress

- The Committee on Foreign Relations and National Defense rejected Bill 194/2025, which created the [Emergency Aid for Forced Repatriates](#). The proposal provided for the payment of a monthly minimum wage to each Brazilian family deported or expelled from abroad for 12 months. Rapporteur Marcel van Hattem argued that the measure transfers to the State the costs of individual migratory decisions taken voluntarily and with assumed risk. According to him, the benefit would serve as an incentive to irregular migration and as a kind of insurance against personal failures abroad in the Brazilian context.

Why does this matter? *It defines the limits of the State's social protection in migratory contexts and reinforces the debate on individual responsibility.*

National Congress

- The Committee on Foreign Relations and National Defense approved a request for the United States to provide information on the advance of [transnational organized crime](#) in Latin America, with a focus on drug trafficking and possible links to political financing. Deputy Sóstenes Cavalcante's request seeks data from agencies such as the DEA and the FBI on money laundering and the influence of factions in electoral campaigns. The congressman mentions concerns about the so-called "narcopolitics". The request will be forwarded by the U.S. Embassy in Brazil for analysis and, eventually, for sharing official reports and studies.

Why does this matter? *It reinforces international cooperation in security and highlights the search of Congress, under the leadership of the opposition in CREDN, for greater prominence in foreign policy, influencing the bilateral agenda with the United States and the debate on regional security.*

- The Committee on Foreign Relations and National Defense approved a motion repudiating the Itamaraty's stance, accusing the Ministry of Foreign Affairs of adopting an [ideologized approach to Brazilian foreign policy](#). The initiative by Deputy Luiz Philippe de Orleans e Bragança states that diplomacy has moved away from the tradition of neutrality and technical rigor, adopting aggressive rhetoric that harms the country's credibility. The text also criticizes Lula's management and his advisors, alleging a negative impact on international negotiations and on the handling of trade issues with the United States.

Why does this matter? *It highlights the political polarization in foreign policy, especially in an election year, and compromises the credibility of Brazilian diplomacy.*

- The Senate Foreign Relations Committee (CRE) has scheduled a hearing for July 7 with diplomat Pedro Marcos de Castro Saldanha, appointed to represent Brazil as a permanent delegate to [UNESCO](#). Graduated in Law from UERJ and a member of Itamaraty since 1997, Saldanha has held diplomatic posts in Washington and Paris and is currently the chief of staff of the General Secretariat. The nomination will be presented by Senator Nelsinho Trad, who highlighted the relevance of the Brazil-UNESCO relationship and Brazil's participation in the organization since its founding in 1945.

Why does this matter? *It guarantees the continuity of Brazilian representation in strategic multilateral organizations.*

National Congress

- The Senate will analyze MP 1,345/2026, which authorizes up to R\$ 15 billion in [credit for exporters and agribusiness](#) affected by international trade measures and global instabilities. The proposal uses the Export Guarantee Fund and expands support to sectors such as agriculture, livestock, fishing, and mining, as well as cooperatives and associations. The text also allows the use of resources to adapt to international requirements. The measure, already approved by the Chamber, now goes to the Senate as a conversion bill and must be voted on by July 22 to avoid losing validity.

Why does this matter? *It protects export sectors against external shocks and sustains the competitiveness of Brazilian trade, reinforcing the environment of protectionism and fragmentation of international trade.*

- The Senate approved the draft legislative decree formalizing Brazil's accession to the [Agreement on Trade in Civil Aircraft](#) of the World Trade Organization (WTO), which is now pending promulgation. The initiative, proposed by the Executive, received a favorable opinion from Senator Nelsinho Trad. The agreement seeks to expand liberalization in the aeronautical sector, including the elimination of import tariffs, the prohibition of export subsidies, and the reduction of non-tariff barriers. According to the government, the adhesion consolidates practices already adopted in Brazil and can increase cost predictability, competitiveness, and investment attraction in the sector.

Why does this matter? *It reduces costs and increases the competitiveness of the Brazilian aeronautical industry in the global market.*

- The Senate approved the [audiovisual co-production agreement](#) between Brazil and France, which is now for promulgation. PDL 1.023/2025, already approved by the Chamber, received a favorable opinion in the Foreign Relations Committee and was reported by Senator Humberto Costa. Signed in 2017, the treaty aims to expand cooperation between the two countries in the production of films, series and content for different platforms. The co-produced works will be recognized as national in both countries, thereby allowing access to legal incentives and benefits. The agreement also defines rules for participation, rights and criteria for the recognition of joint productions.

Why does this matter? *It strengthens the cultural industry and expands the international circulation of Brazilian productions.*

Over the last week, we have observed an intensification of structural trends associated with the reconfiguration of the international system and Brazil's insertion in a context of greater economic and geopolitical fragmentation. There is a growing dispute over **structural power**, especially in the financial, productive, and technological domains, with Brazil seeking to expand its margin of autonomy through the diversification of markets, the strengthening of export financing instruments, and the expansion of sectors with higher added value. At the same time, the scenario reflects a tense **Pax Americana**, marked by regulatory instability, the politicization of international trade, and the increase in systemic insecurity, especially in relations with the United States.

Within the **world-system** framework (Immanuel Wallerstein), Brazil reaffirms its position as an active semi-periphery, combining primary exports with efforts toward productive sophistication, while remaining structurally **dependent on the centers of power**. This movement is expressed in the expansion of agricultural and mineral commodities, while sectors such as aeronautics, technology, and the creative economy seek to rise in the global value chain. The acceleration of the geographic diversification of exports, with a greater presence in Africa, Latin America, and Europe, indicates an attempt to reduce systemic vulnerabilities.

Among the **sectors that could benefit** are agribusiness, the aeronautical industry, digital technology, innovation startups, the sustainable manufacturing industry, and the creative economy. These segments are part of global dynamics of demand for food security, digital transition, and sustainability. On the other hand, fossil energy sectors, chains dependent on US markets, and areas sensitive to international regulation face greater exposure to geopolitical and regulatory risks.

Key accelerating **trends** include the financialization of trade policy, the scramble for critical digital infrastructure, the reorganization of global value chains, and the growing interdependence between foreign policy and economic policy. Competition between blocs and the search for technological and financial sovereignty are also intensifying.

For this week, trade relations with the United States deserve **monitoring**, especially in the context of raffles and payment systems; the evolution of digital and energy infrastructure projects; the effects of fiscal policy on external competitiveness; and the consolidation of new trade routes with Africa and Latin America. These factors will be decisive in assessing the **relative stability** of Brazil's position in the international system.



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