



BRAZIL'S

COLLISION COURSE WITH THE
U.S.?

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For Brazil since the second World War, democracy and friendship with the United States have been complicated matters, yet paths strengthened by the journey. Although Brazil was ruled by the military from [1964 through 1985](#), its subsequent wrestling with the legacy of dictatorship in the context of a [diverse society](#) arguably fortified its democratic tradition. Similarly, Brazil's [relationship with the United States](#) in the context of its unique identity as a developing nation comprising half the continent of South America, with [both regional and global interests](#), ultimately gave depth.

The decision of [Getulio Vargas](#) to send an Army division [to Africa in 1944 to help liberate Italy from fascism](#) cemented Brazil's strategic alignment with the West and paved the way for its collaboration with the U.S. against Communism after World War II. Still, that era was complicated by the flirtation of various Brazilian governments with the non-aligned movement and left-oriented policies. Brazil historically has [sought a balance between](#) being a part of the democratic West and a friend of the U.S., while refusing to be a mere agent of U.S. policy in South America.



Today, as a function of both domestic political dynamics and reaction to significant changes in U.S. policy and engagement style, Brazil is moving to the extreme left of what has historically bounded its foreign policy behavior, with significant implications for both the U.S. and the region, as well as for political dynamics beyond the region.

Under the current, [more radical government](#) of Luiz Ignacio (Lula) da Silva, Brazil is emerging as the most important [opponent of U.S. policy in the Americas](#), the principal [gateway for the advance of the People's Republic of China](#) (PRC) in the region, and in the name of its pursuit of its projection of influence through multilateralism, a key partner for extra-hemispheric adversaries [Russia](#) and [Iran](#) in the hemisphere.



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The Lula government has couched its posture as the pursuit of free trade and [democratic, multilateral resistance](#) to the policies of the Trump Administration in the U.S., even as it has sought to de-escalate the confrontation with Washington and the latter's [imposition of 50% tariffs](#) as part of that clash.

The Lula Administration's current policy orientation reflects a confluence of its [internationalist ambitions](#) and pursuit of [economic opportunities](#) with China and others, through the lens of Lula's deepened radicalism following his [imprisonment for corruption in April 2018](#) and return to office.

Even before the current clash with the Trump Administration, Brazil was the recipient of [10% of PRC investment globally](#). Indeed, PRC investment in Brazil doubled from 2023 to 2024, reaching [\\$4.2 billion in 39 projects](#) that year. PRC activities on the ground in Brazil included a substantial PRC presence in its telecommunication, petroleum, mining, ports, and other sectors. In 2025, PRC-based firms control significant portions of the country's electricity transmission and generation. The PRC-based electricity giant State Grid alone operates in 14 of 27 Brazilian states and accounts for [10% of Brazil's electricity](#). In transportation infrastructure, PRC-based companies operate in [multiple major Brazilian ports](#) including Açu, Paranaguá, Santos, and a new facility in Maranhão. Chinese companies are involved in Brazilian railway projects, including plans to connect PRC-operated Atlantic ports, to Brazil's agricultural heartland, to the Pacific at the [port of Chancay](#), operated by the PRC logistics giant COSCO.

PRC-based companies also dominate Brazil's sensitive telecommunications and cloud computing sectors. Chinese companies Huawei, Xiaomi and Oppo together hold [37.4% of the Brazilian smartphone](#) market. Those initiatives include integrated networks of cameras, telecommunication, data storage and internet-enabled devices across Brazil, such as a Huawei project launched in 2022 turning [Curitiba](#) into a pilot "[5G smart city](#)." The PRC-based giant TikTok planning a new [\\$10 billion data hub](#) in Ceará state as of September 2025.

On the trade side, during that same time, PRC purchases of Brazilian agricultural products [rose 9%](#), accounting for a [third of all Brazil's agricultural exports](#) globally. In the first half of 2025, Brazil's exports of strategically valuable [rare earth elements](#) tripled, driven by a niobium mine owned by CBMM, in which Chinese companies [have a 15% stake](#).

Complimenting Lula's relationship with the PRC, under his governments, Brazil is the [major commercial partner for Russia and Iran](#) in the region. Brazil-Russia trade [doubled in 2024](#) to \$12.4 billion, with Brazil dependent on Russia for petroleum-based [fertilizers and diesel fuel](#). Brazil-Iran trade [reached \\$5 billion](#) in 2024, with the two governments exploring options for [expanded trade in local currencies](#) to avoid reliance on the U.S. dollar.

TABLE 1.

CHINA GATEWAY IN THE REGION

STATES THAT THE LULA GOVERNMENT IS THE PRIMARY GATEWAY
FOR THE PEOPLE'S REPUBLIC OF CHINA'S (PRC) ADVANCE IN
THE AMERICAS.

SECTOR	KEY DATA ON THE PENETRATION OF THE PRC (2024-2025)
 INVESTMENT	PRC investment in Brazil doubled from 2023 to 2024, reaching \$4.2 billion.
 AGRICULTURAL TRADE	Chinese purchases of Brazilian agricultural products rose 9%, accounting for one-third of all of Brazil's agricultural exports.
 INFRASTRUC- TURE	PRC companies control a significant portion of electricity transmission and generation and operate in multiple major ports (Açu, Santos, Paranaguá).
 TECHNOLOGY	Huawei, Xiaomi, and Oppo hold 37.4% of the smartphone market. Other initiatives include 5G smart cities (Curitiba) and data centers (TikTok).
 STRATEGIC COOPERATION	There are AI collaboration agreements and participation of the Chinese People's Liberation Army (PLA) in Brazilian military exercises (Formosa).

Measure & Scale



Source:
Own elaboration

In the political arena, Brazil's relationships with China, Russia and Iran, and coordination between them against U.S. interests has been facilitated by the membership of all four in the BRICS forum.

Lula [maintained a warm relationship with Russia](#) even after Putin invaded Ukraine in February 2022, and hosted Russian Foreign Minister [Sergei Lavrov in Brazil](#) in February 2024, after the International Criminal Court had issued an arrest warrant against [Vladimir Putin for war crimes](#). Going even further, Lula also sought to work with the PRC to [broker a peace deal](#) in Ukraine, effectively creating a moral equivalence between Putin as invader and the Ukraine as defender of its own territory. The initiative was consistent with the effort by Lula in 2009, during his prior period in office, to work with Turkey to broker a [deal over nuclear material](#) between Iran and the U.S., an arrangement ultimately rejected by the U.S. Although the initiative failed, Lula sought to [revive it](#) in 2025.

Lula's insistence in positioning Brazil as a state willing to collaborate with extra-hemispheric U.S. rivals deepened further in March 2023 when he hosted the Iranian military [flagship Makran and its escort Dena](#) in the port of Rio de Janeiro, then [played a key role](#) in Iran's acceptance into BRICS [in January 2024](#).

With respect to China, Lula's engagement during his current term has gone far beyond the country's previously noted substantial commercial relationships. Lula was one of only three Latin American leaders to personally attend this year's triannual China-Celac summit in Beijing, signing [20 new cooperation agreements](#) while there. These included a China-Brazil collaboration agreement on [Artificial Intelligence](#). Symbolically, Lula gave his Chinese counterpart an [affectionate, unprecedented hug](#) on the stage. Indeed, Lula's foreign policy so prioritizes the PRC that journalist Leonardo Coutinho called it Brazil's ["China First" policy](#).

In the security domain, in June 2023, shortly after taking office, Lula hosted a record-sized delegation of [17 Chinese generals](#) for talks with Brazil's military leadership, including bringing them into key Brazilian military institutions. In September 2024, Lula's government hosted participation by the Chinese People's Liberation Army (PLA) in the [Formosa military exercise](#) in which the U.S. military was [also present](#). In November 2024, Lula's telecommunications agency Telebras, signed a deal with the PRC-based company Space Sail, to [co-finance a new constellation](#) of 10,000 microsatellites, to be launched from Brazil's strategic [Alcantara equatorial launch facility](#), to compete with U.S. tech giant [Elon Musk's StarLink](#).

With the significant changes to U.S. policy implemented by the Trump Administration, Lula chose to double down on working with China, the BRICS and other multilateral fora to counter the U.S. As the PRC [ceased soybean purchases](#) from U.S. farmers, Brazil [increased its own soybean sales to China](#) to help it make up the difference. Brazil also deepened its reliance on the PRC as an agricultural export destination overall. By September 2025, almost [60% of Brazilian beef](#) was being exported to the PRC. Brazil and China are further generating new investment vehicles to accelerate PRC economic penetration of the country. These include a [\\$1 billion fund](#) to be set up by China's Export-Import Bank and Brazil's national development bank BNDES in 2026, on top of a \$30 billion currency swap agreement [established in 2013](#) to facilitate trade between the two countries.

Concurrent with Lula's expanding engagement with the PRC, Russia, Iran, and other U.S. adversaries, the Brazilian judiciary, led by Supreme Court justice [Alexandre de Moraes](#), has pursued numerous, arguably questionable legal actions against former President and Lula adversary Jair Bolsonaro and his family. A conviction in one of the first of these cases blocked Bolsonaro from participating in [the 2026 presidential elections](#). In a subsequent case in 2025, Bolsonaro was found guilty of a plot to prevent Lula from assuming power in 2022, and allegedly a plan to [to poison him](#). U.S. President Trump responded by characterizing the actions as a "[witch hunt](#)," and increasing U.S. tariffs on Brazilian goods [from 10% to 50%](#), Lula tightened his commercial embrace of the PRC to redirect Brazilian [coffee and other exports lost](#) due to the tariffs, to the Chinese market.

As he expanded commerce with China, Lula also expanded his military engagement with the PLA, including the designation of [three Brazilian General Officers](#) to represent the country in Beijing, a level of representation previously used only with the U.S. and other strategic military allies.

Lula's deepening turn against the U.S. and his embrace of extra-hemispheric U.S. rivals, contrasts notably with the growing array of governments across the region open to strengthening cooperation with the U.S. In South America these include the Libertarian government of Javier Milei in Argentina, bolstered by [his party's significant victory](#) over rivals in that country's October 26 midterm election, Daniel Noboa in Ecuador, who is [preparing to host U.S. forces](#) for the [first time since 2009](#), possibly at a base on the Galapagos islands, pro-U.S. Paraguayan [President Santiago Peña](#), and [Rodrigo Paz](#), who upon his election as President of Bolivia in October 2025, proclaimed his interest in reestablishing [relations with the United States](#) and [traveling to Washington D.C.](#)

Also contrasting to Lula's relatively U.S.-hostile posture, the new government of Jose Jeri in Peru is [receptive to continued work](#) with the United States. It is further likely that right-oriented candidates will win in upcoming elections in [Chile in November 2025](#), Peru in May 2026, and [Colombia in May 2026](#). Current U.S. military pressure and/or future action could also [replace the leftist populist Maduro dictatorship](#) in Venezuela with a more U.S.-friendly regime.

Together, the broad trend towards U.S.-friendly governments across the region will highlight, and probably radicalize, the Lula government's role as the [center of gravity for anti-U.S. initiatives](#), activities of anti-U.S. extra-hemispheric rivals, and an array of political and social actors displeased with U.S. policies, rhetoric and behavior toward the region. Conservative Brazilian elites and parts of its Armed Forces, with longstanding close ties to the U.S., may feel increasingly uncomfortable with the new policy direction.

Despite such reasons for concern, many in Brazil and the region are likely to look past the more troubling elements of Lula's posture. While the Lula government will likely cooperate with authoritarian regimes such as Nicaragua and Cuba in its "resistance" to Washington, it will also likely continue to court pragmatic actors who partially disapprove of, but who do not necessarily oppose Washington. These are likely to include the Broad Front government of [Yamandu Orsi in Uruguay](#), the People's Progressive Party government [in Guyana](#), and the new National Democratic Part government [in Suriname](#).

In a similar fashion, while Lula pursues policies increasingly in confrontation with Washington in the international sphere, Brazil's business community may find solace in the continuation of traditional trading blocks such as [Mercosur](#), and expanded engagement with extra-hemispheric markets and investors, particularly those of the PRC, [India](#), the [European Union](#), [Japan](#) and [South Korea](#). Such actors may reassure themselves that Lula's course is consistent with Brazil's historically unique, [non-aligned political path](#), and provoked by the objectionable new policies and rhetoric of Washington.

The momentum of Brazil's current political trajectory and strategic clash with the United States, its deepening commercial dependence on the PRC, the new BRICS counter-U.S. multilateralism, and other dynamics is strong. With Lula declaring his intention to compete again for [the Presidency in 2026](#), and [multiple persons aspiring](#) to succeed Jair Bolsonaro for leadership of the right, the course of Brazil's politics does not appear poised to change anytime soon. Given the deeply-rooted but complicated friendship between Brazil and the U.S., a grave conflict between the two nations does not have to be destiny. Nonetheless, strategists on all sides should prepare for the possibility that it becomes a major factor in the region's politics in the coming years.

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