



## India - Brazil

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### Why in News

Brazilian President Jair Bolsonaro attended India's 71<sup>st</sup> **Republic Day parade** as the chief guest for the event.

India-Brazil Business Forum held during his visit and 15 Memorandums of Understanding (MoU ) were signed between the two countries.

### Key Points



- **MoUs Signed:** The MoUs related to investments, trade facilitation, social security, agriculture, defence and double taxation were signed.
- **India – Brazil Business Leader’s Forum:** The demand for reconstitution of the Forum was raised to make it more relevant and contemporary to businesses in both countries
- **Trade Target:** India-Brazil has set target of USD 15 billion trade by 2022.
  - It needs to be noted that **Brazil** is one of the **most important trading partners** of India in the **entire LAC (Latin America and the Caribbean) region**.
  - However, bilateral trade between the two countries stands at a dismal \$8 billion.
- **Tourism:** Both the countries announced for **visa-free travel** which is expected to deepen ties, especially in the business and tourism sector.

- **Cultural Cooperation:** India's services in the wellness sector like Yoga and Ayurveda is expected to grow as Brazil has a strong community of Yoga and Ayurveda practitioners.

Brazil has an association of Ayurveda (ABRA) and the third International Congress on Ayurveda was held from 12 to 15 March 2018 in Rio de Janeiro (a city in Brazil).

- **Case at the World Trade Organization**
  - The Brazilian government has challenged the **minimum price (Fair and Remunerative Price -FRP) for sugarcane set by the Indian government** at the World Trade Organisation (WTO).
  - Indian farmers' groups have requested the Brazilian President to withdraw its complaint against India.
  - Brazil has responded that it is **open to finding a "non-litigious solution"** to the dispute. Also, added that the present issue would not affect bilateral collaborations on biofuels derived from sugarcane.

## Note

- India and Brazil share a very close and multifaceted relationship at **bilateral level as well as in plurilateral fora** such as **BRICS, IBSA, G4, G20**, BASIC, International Solar Alliance, Biofuture Platform and in the larger multilateral bodies such as the UN, WTO, UNESCO and WIPO.
- The **strategic partnership** was established between Brazil and India in 2006.

## Fair and Remunerative Prices for Sugarcane

- Minimum Support Price (MSP) for the different agricultural crops viz., food grains, oilseeds, fibre crops, sugarcane and tobacco are announced by the Government of India before their sowing seasons.
- In the case of sugarcane, the announced price is termed as a statutory minimum price, rephrased as Fair Remunerative Price (FRP).
- There is statutory binding on sugar factories to pay the minimum announced price and all those transactions or purchase at prices lower than this are considered illegal.

**Source: PIB**