



India's Diplomatic Shift to Latin America

This editorial is based on “[Why India must have a standalone LatAm policy](#)” which was published in The Hindustan Times on 14/07/2025. The article brings into picture the growing strategic shift in India's diplomacy towards Latin America, highlighting efforts to deepen ties with the region as part of a broader push for diversified global engagement and South-South cooperation.

For Prelims: [Latin American Countries](#), Focus LAC Initiative, [Non-Aligned Movement](#), [Preferential Trade Agreement with MERCOSUR](#), [G20](#), [BRICS summit](#), [International Solar Alliance](#), [Panama Canal](#), [Central Bi-Oceanic Railway Corridor](#).

For Mains: Significance of Latin America for India, Key Issues Hindering Effective India-Latin America Relations.

Indian Prime Minister's recent **multi-nation visit to Brazil, Argentina, and other Latin American countries** signals a pivot towards building stronger ties with this resource-rich region. The existing trade dynamics reveal both opportunity and imbalance - **while India ranks as Brazil's ninth-largest trading partner**, Brazil sits much lower on India's priority list, indicating vast untapped potential. This evolving relationship reflects India's broader ambition to diversify its international partnerships beyond conventional allies and neighbors, **positioning itself as a key player in South-South cooperation**.



How India-Latin America Relations Evolved Over Time?

- **Early Historical Engagement (Pre-1947)**
 - **Shared Colonial Legacy:** Both [India and Latin America](#) shared a colonial history, though India was under British rule and Latin American countries were mostly colonized by **Spain and Portugal**.
 - **Limited Engagement:** During this period, there was minimal diplomatic or economic interaction, with India focusing on its struggle for independence and Latin America dealing with its post-colonial challenges.
- **Post-Independence Period (1947-1970s)**
 - **Non-Aligned Movement (NAM):** After India's independence in 1947, both India and many Latin American nations embraced **non-alignment during the Cold War**.
 - This common ground led to occasional cooperation in international forums.
 - **Political Cooperation:** India supported Latin American countries in their efforts to **reduce Western influence and gain autonomy** in global politics, but trade and diplomatic relations remained limited.
 - In 1968, **Prime Minister Indira Gandhi** made a significant diplomatic push by visiting eight Latin American and Caribbean nations.
 - This marked a strong assertion of India's diplomatic engagement with the region, emphasizing solidarity with the **Third World and promoting peaceful cooperation and integration**.
- **Economic Liberalization and Growth (1990s)**

- **Opening Up of India's Economy:** India's economic liberalization in the early 1990s sparked greater interest in expanding trade ties with Latin America, as both regions sought new economic opportunities outside traditional partners like the US and Europe.
- **Increased Trade and Investment:** Bilateral trade grew, particularly with **Brazil and Argentina**, driven by India's demand for raw materials like oil and Latin America's interest in India's technological expertise and pharmaceutical exports.
 - India signed trade agreements with seven LAC nations and launched the **FOCUS LAC Program in 1997** to enhance exports and economic collaboration.
- **21st Century Engagement (2000s-Present)**
 - **Preferential Trade Agreement:** The [Preferential Trade Agreement between MERCOSUR and India](#) entered into force in 2009, fully or partially eliminating import tariff for most energy products
 - **High-Level Diplomatic Engagement:** Prime Minister Modi's 2014 visit to Brazil for the [BRICS summit](#) was a significant turning point, setting the stage for stronger ties.
 - **India's External Affairs Minister S Jaishankar's** continued engagement with Latin America, including multiple visits since becoming EAM, highlights India's renewed commitment to deepening relations.
 - **Strategic Partnerships:** India focused on strengthening relations with key countries such as **Brazil, Mexico, and Argentina**, as well as participating in multilateral forums like **BRICS** and **G20**.
- **Current Focus and Future Prospects (2020s and Beyond)**
 - **Diversification of Partnerships:** India is now focused on diversifying its global relationships, with Latin America playing a crucial role in India's pursuit of economic and strategic autonomy.
 - The current phase is characterized by deepening cooperation in areas like **renewable energy, technology, defense, and food security**, with both regions aiming to strengthen their economic ties through free trade agreements (FTAs) and enhanced diplomatic engagement.

What is the Significance of Latin America for India?

- **Strategic Economic Diversification:** Enhanced cooperation with Latin America allows India to diversify its **trade and investment portfolio**, reducing dependency on traditional economic partners like the **US and China**.
 - In 2023-24, **India's trade with Latin America reached \$35.73 billion**, with exports amounting to \$14.50 billion, indicating a growing economic tie.
 - The growing trade volume, **targeting \$100 billion by 2025 (with Latin American and Caribbean countries)**, demonstrates the region's importance in India's global strategy.
- **Energy Security:** Latin America holds strategic importance for India's energy security by providing stable and diverse sources of crude oil and renewable energy.
 - This cooperation **reduces India's reliance on the Middle East and Russia**, especially in light of global energy fluctuations.
 - **India imports roughly 15% to 20% of its crude oil from Latin America**, including key suppliers like Brazil and Mexico.
 - In a recent development, **Chile's Codelco, the world's largest copper producer**, is set to supply copper concentrate to India's Adani Group for its **Kutch Copper smelter in Gujarat**.
- **Technological and Industrial Cooperation:** Latin America is increasingly becoming a partner in technology transfer, especially in renewable energy, pharmaceuticals, and IT sectors, aligning with India's economic interests.
 - **India's expertise in IT and pharmaceuticals complements Latin America's need for technological innovation.**
 - In Latin America, micro, small, and medium enterprises represent more than **99.5% of the business fabric** that India can tap on.
 - Indian IT companies employ over **40,000 locals in Latin America**, underscoring the region's importance in India's technological expansion.
- **Geopolitical and Strategic Alliances:** Strengthening ties with Latin America also enhances India's geopolitical standing, especially in countering China's growing influence in the region.
 - For example, **India's engagement with Argentina and Brazil through multilateral**

forums like **BRICS** and **G20** solidifies its position in global governance.

- The shared focus on "**Active Non-Alignment**" in **global geopolitics**, particularly on issues like the [Ukraine war](#), strengthens India-Latin America relations.
- **Cultural and People-to-People Exchanges:** Increased cooperation between India and Latin America promotes cultural diplomacy, fostering deeper people-to-people ties and enhancing soft power.
 - Latin American nations have significant interest in Indian culture, exemplified by **the popularity of Bollywood and yoga**.
 - This is reflected in growing cultural exchanges, such as the **Indian Super League hosting more Latin American football players** and India's growing involvement in the Latin American entertainment industry.
 - Latin American actors are appearing in Indian films, like **actress Barbara Mori in "Kites"**.
 - Such exchanges help bridge social and cultural gaps, further strengthening bilateral relations.
- **Agricultural and Food Security Cooperation:** Latin America is a key partner in addressing India's food security concerns, providing vital agricultural products like **edible oils and pulses**.
 - The recent shift in edible oil imports due to the war in Ukraine saw Latin America stepping in to fill the gap, with Brazil and Argentina increasing their exports to India.
 - **In 2022, India's imports of edible oils from Latin America surged to \$5.6 billion**, highlighting the region's growing role in India's agricultural supply chain.
 - This cooperation is crucial for maintaining stable food prices and ensuring food security in India.
- **Sustainable Development and Green Energy Transition:** Latin America's experience in **sustainable agriculture, renewable energy, and climate resilience** presents valuable learning opportunities for India.
 - Joint ventures in **solar energy, lithium extraction, and biofuels** can contribute to both regions' green energy ambitions.
 - **India is already collaborating with Brazil and other Latin American nations on the [International Solar Alliance \(ISA\)](#)**, working together to address climate change and energy security.
 - Furthermore, **Chile's leadership in lithium production and India's interest in clean energy solutions** position both regions as partners in driving a global green transition.

What are the Key Issues Hindering Effective India-Latin America Relations?

- **Geographical Distance and Connectivity Challenge:** While physical distance has always been a barrier, the lack of direct connectivity between India and Latin America remains a key issue.
 - **Limited shipping routes and aviation links** hinder smoother trade and travel, slowing down bilateral engagement.
 - For instance, the **absence of direct flights between major cities like New Delhi and Buenos Aires** restricts business travel and reduces the frequency of high-level exchanges.
- **Perceptions and Lack of Awareness:** While Latin Americans often view India as a land of spiritualism, many Indians still see the region through the lens of "**banana republics**" and **political instability**.
 - This cultural and informational gap limits deeper collaboration. For instance, despite India's emerging role in global IT and pharmaceuticals, **Latin Americans remain underexposed to India's technological prowess**, a gap evident in India's pharmaceuticals exports, which still face competition from China despite India's stronger position.
- **Economic Infrastructural Gaps:** Inadequate infrastructure, both in terms of physical connectivity and financial systems, limits the potential of trade and investment between India and Latin America.
 - Despite recent trade improvements, **only certain Latin American countries (like Brazil and Mexico) benefit from robust trade with India**, leaving many other nations behind.

- The 2022 data reveals that Brazil accounts for the majority of trade with **Brazil's exports to India reaching USD 6.43 billion**, growing at an annual rate of 5.68% since 2017.
 - But countries like **Panama and Guatemala have much smaller shares**, hampered by insufficient trade facilitation mechanisms.
- **Inconsistent Political Will and Engagement:** While both sides show interest in stronger ties, there is a lack of consistent political engagement.
 - For example, India's political leadership has not prioritized Latin America as part of its regular foreign policy agenda.
 - Despite Prime Minister Modi's 2014 visit to Brazil for BRICS, no subsequent high-level visits have taken place.
 - This disconnect is **mirrored by the fact that only five Latin American leaders have visited India since 2014**, illustrating the gap in sustained diplomatic efforts and further delaying economic agreements.
- **Trade Barriers and Protectionist Policies:** High trade tariffs, especially on agricultural products from Latin America, create obstacles to expanding trade between India and the region.
 - While Latin America seeks to upgrade preferential trade agreements (PTAs) to **full-fledged FTAs**, India has yet to respond with clear political will to reduce these barriers (though this can be a significant agenda of the Prime Minister's recent visit).
 - With **India's trade policies still focused on protectionism in sectors like agriculture**, the full potential of Latin America remains untapped.
- **Competition from China:** China's growing influence in Latin America presents a direct challenge to India's ambitions in the region.
 - While India is a partner in sectors like pharmaceuticals and IT, China's strategic investments in infrastructure and trade have made it the dominant economic force in Latin America.
 - Latin American nations like **Brazil and Chile now prioritize China as their top trading partner**, which undermines India's competitiveness.
 - In recent years, China's trade with Latin America reached \$427.4 billion, dwarfing India's \$35 billion, and Beijing has secured large infrastructure deals that India has not been able to match, **especially with projects like the Central Bi-Oceanic Railway Corridor**.
- **Limited Multilateral Engagement:** India's engagement in regional forums like the **Pacific Alliance or the Community of Latin American and Caribbean States (CELAC)** has been sporadic and lacks depth.
 - This absence from key multilateral platforms hampers India's ability to forge strong, collaborative relationships on larger regional issues like climate change and sustainable development.
 - Although **India is an observer in the Pacific Alliance**, the absence of concrete agreements or active participation in such forums weakens its standing in the region, as seen in the **sluggish progress of trade talks with the Pacific Alliance**.
- **Cultural and Language Barriers:** Language and cultural differences further complicate business and diplomatic exchanges.
 - While English is widely spoken in India, **Latin American countries predominantly speak Spanish and Portuguese**, making communication and partnership more difficult.
 - This gap is evident in the **limited number of Indian professionals fluent in Spanish and Portuguese**, restricting India's ability to penetrate deeper into the Latin American market.
 - Despite recent efforts to increase cultural exchange, these barriers still pose significant challenges in engaging Latin American countries effectively.

What Measures India Can Adopt to Enhance Ties with Latin America?

- **Establishing Direct Connectivity and Infrastructure Development:** India should prioritize the establishment of **direct air and maritime links between key Indian cities and major Latin American capitals**.
 - Improving logistics infrastructure, including ports and trade hubs, would reduce transportation costs and facilitate smoother trade and diplomatic exchanges.

- **India can work with Latin American countries to develop a shared transport corridor**, enabling faster and cost-efficient movement of goods, fostering deeper economic integration.
- **Strengthening Political and Diplomatic Engagement:** A more consistent and strategic diplomatic outreach is required, including high-level visits by Indian leaders to Latin America and vice versa.
 - By engaging more actively in multilateral forums like **CELAC and the Pacific Alliance**, India can increase its visibility and influence.
 - Regular diplomatic dialogues and establishing a dedicated "**Latin American Desk**" within the **Ministry of External Affairs** would ensure sustained and focused attention on this region.
- **Fostering Comprehensive Trade Agreements:** India should actively **negotiate and implement Free Trade Agreements (FTAs) with key Latin American countries and regional groups like Mercosur**.
 - By prioritizing sectors where both regions have complementary strengths, such as renewable energy, technology, and pharmaceuticals, India can create mutually beneficial trade dynamics.
 - Additionally, **expanding preferential trade agreements (PTAs) to encompass a wider array of industries** will unlock new trade avenues and deepen economic cooperation.
- **Expanding Educational and Cultural Diplomacy:** India should invest in cultural diplomacy to build deeper people-to-people connections.
 - This could include scholarships, cultural exchanges, and academic collaborations focused on subjects like **renewable energy, information technology, and global governance**.
 - By increasing the number of Latin American students in Indian institutions and vice versa, India can foster a more nuanced understanding of its culture and global ambitions, paving the way for long-term soft power influence.
 - The Indian communities in countries like **Guyana, Trinidad, and Tobago** can act as cultural and economic bridges.
 - **India should establish more formal mechanisms to engage this diaspora**, empowering them to facilitate business and cultural exchanges while promoting India's strategic and economic interests in the region.
- **Boosting Collaborative Research and Innovation:** India can partner with Latin American nations in research and innovation, particularly in the fields of **sustainable agriculture, renewable energy, and coastal management**.
 - Creating **joint research platforms, innovation hubs, and incubators for startups** in both regions will encourage cross-border collaboration.
 - This approach not only addresses common global challenges but also positions both regions as leaders in solving issues of climate resilience and energy transition.
- **Enhanced Digital and Technological Cooperation:** India should focus on increasing its technological footprint in Latin America through joint ventures and strategic partnerships in areas like **digital infrastructure, cybersecurity, and artificial intelligence**.
 - Setting up digital training centers and technology parks in Latin American countries would not only benefit local economies but also **enhance India's role as a global tech leader**.
 - Promoting India's expertise in IT services and solutions can drive future economic growth and open new markets for Indian tech firms.
- **Engaging in South-South Cooperation Frameworks:** India can enhance its leadership role in South-South cooperation by actively promoting joint development programs and initiatives tailored to the needs of Latin American countries.
 - These collaborations could focus on areas like **health, education, poverty alleviation, and sustainable development**, fostering deeper diplomatic ties while simultaneously addressing pressing global challenges.
 - **India's leadership in global forums like the BRICS and G20 should be leveraged to promote Latin America's interests** and integrate their developmental priorities into India's foreign policy strategy.
- **Strengthening Security and Defense Cooperation:** India can expand its strategic defense ties with Latin American nations, especially in areas such as **counter-terrorism, maritime security,**

and disaster management.

- Joint military training, collaborative defense technology projects, and information-sharing mechanisms can create stronger defense partnerships.
- **India's expertise in cyber defense and counterinsurgency operations** can be shared with Latin American countries, addressing regional security challenges while strengthening bilateral ties in a multidimensional manner.

Conclusion:

While Latin America's geographical distance from India has traditionally posed challenges, the evolving landscape of global logistics and communication presents a promising opportunity to overcome this barrier. As **S. Jaishankar** wisely notes, **"We live in a globalized era and we must now make sure that distance is no longer an impediment. Modern logistics offer us collaborative possibilities and so do modern communications."** With strategic investments in infrastructure and diplomatic will, both regions can enhance connectivity and create **mutually beneficial pathways for economic, cultural, and strategic collaboration.**

Drishti Mains Question:

"India's relationship with Latin America has evolved significantly in the 21st century, yet numerous challenges remain in fully realizing its potential". Examine the key areas of cooperation between India and Latin America, and discuss the obstacles hindering deeper engagement.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. In which one of the following groups are all the four countries members of G20? (2020)

- (a) Argentina, Mexico, South Africa and Turkey
- (b) Australia, Canada, Malaysia and New Zealand
- (c) Brazil, Iran, Saudi Arabia and Vietnam
- (d) Indonesia, Japan, Singapore and South Korea

Ans: (a)