

**CHINA AND BRAZIL:
POTENTIAL ALLIES OR JUST BRICS
IN THE WALL?**

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Executive Summary

1. In June 2009, the first summit of the BRICs (Brazil, Russia, India, and China) was seen by many as a vision of future global governance, especially since it was taking place during a global financial crisis whose epicenter was in the US. In September 2009, the G-20 met in Pittsburgh (USA) and issued a statement in which it recognized itself--rather than the G-8 or the UN--as the prime site for discussions of international governance.
2. While the world has been responding and preparing for the rise of Chinese and the return of Russian leadership for some time, attention to Brazil and India is more recent. The rise of Brazil is particularly important for China for the promotion of a multipolar world and to secure energy resources.
3. The development of Brazil's foreign policy shows considerable areas of overlap with that of China, particularly in the areas of strengthening the G-20 and multilateral institutions.
4. Brazil and China have also rapidly deepened the growing trade relations between the two countries and been encouraging investment. Particularly important in this regard, is the discussion of conducting bilateral trade in local currency.
5. At the same time, differences exist over anti-dumping measures as well as Brazil's desire to expand and gain a seat in the United Nations Security Council as a permanent member.
6. Despite these differences, Brazil has the potential to be an important long-term market and global ally as China pursues 'peaceful rise' and increases its status across the globe.