

India-Brazil trade growing fast

New Delhi, Nov 9 (IANS)

Trade between India and Brazil, part of the BRICS group of the world's emerging economies, is growing at an amazing 35 percent per annum despite an economic slowdown in both the countries and the physical distance between them, Brazil's ambassador to India has said.

Implementation of an air services agreement between the two is expected to bridge that distance and give a shot to the trade dynamism, a seminar here was told.

"There is a dynamism in trade that reflects the potentialities of both the countries," Carloa Duarte said at a seminar here Thursday on doing business with Brazil organised by the Indo-Brazil Chamber of Commerce along with state-run Federation of Indian Export Organisations (FIEO).

The volume of bilateral trade crossed USD 10 billion in 2011-12, a 34 percent increase over the previous year. The balance is tilted in India's favour, Deepak Bhojwani, a consultant on Latin America and a former Indian consul general in Sao Paulo, noted.

During Brazilian President Dilma Rousseff's visit to India earlier this year, a bilateral trade target of USD 15 billion by 2015 was set after her talks with Prime Minister Manmohan Singh.

"Brazil and India have come together in a gigantic embrace," said Bhojwani in a reference to the largest nation in Latin America, which along with India, China, Russia and South Africa, is a member of the BRICS group.

The Indian consciousness, however, is still to grasp Brazil owing mainly to the enormous physical distance between the two, Bhojwani added.

"To remedy distance issues, an air services agreement between the two countries is being rapidly implemented," he said.

According to the agreement, signed last year, India and Brazil would be able to designate as many airlines as they wish to operate between the two countries.

"The two countries share many similarities, great commonalities and the common

aspirations of becoming more important on the international scene," Duarte said, adding Brazil is rich in natural resources and many offshore oil discoveries have recently been made.

Brazilian majors are already in collaboration with Indian firms, like Reliance with Brazilian oil company Petrobras and Tata with Brazilian firm Marco Polo. Various Brazilian companies, like electricals company WEG and Stefanini in the IT sector, have invested in India.

The bilateral trade is weighted in favour of primary products with crude from Brazil making up almost half the trade volume. In turn, diesel is a major Brazilian import from India.

Indian exports to Brazil are of the value addition variety. "Given the current trade composition there is a big scope for diversifying trade and adding aggregate value to the trade," Duarte said.

He also invited Indian companies to take advantage of the investment opportunities opened up in Brazil, particularly in the infrastructure, mining, auto, oil and gas and chemicals sectors.

Duarte said that under Brazil's Growth Acceleration Programme investment worth upwards of USD 500 billion is envisaged up to 2014 and Indian companies could put in their bids.

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