

The Trade Relationship Between Brazil And Argentina

written by Hamna Seyyed | February 8, 2023



The trade relationship between Brazil and Argentina is a strong one. Both countries are major players in South America and have a long history of mutual economic cooperation. In recent years, trade between the two countries has grown substantially, making them major trading partners in the region. Brazil is Argentina's largest trading partner, accounting for almost one-fifth of its total imports and exports. In 2018, two-way trade between the two countries amounted to US\$37.9 billion, with Brazil being the largest exporter to Argentina and Argentina being the largest importer from Brazil. The two countries are heavily interdependent, with Brazil being a major supplier of agricultural products and Argentina being a major supplier of industrial goods. Brazil is the main supplier of soybeans, corn, and wheat to Argentina, while Argentina is the main supplier of automobiles, machinery, and chemicals to Brazil. The two countries have also established strong ties in the energy sector. Brazil supplies Argentina with oil and natural gas, while Argentina provides Brazil with hydroelectric power. Brazil is also a major investor in Argentina's energy sector, having acquired a stake in the Argentine oil company YPF in 2018.



The trade relationship between Brazil and Argentina is mutually beneficial. Brazil-Argentina also had a summit on 23rd, January 2023 to focus on trade and economic integration. Luiz Inacio Lula da Silva, the president of Brazil, had arrived in Argentina for a conference where the two nations aimed to strengthen their trade relations. Lula's presence on 23rd January, 2023 followed the publication of a joint article by him and Alberto Fernandez, in which they stated that research on a common South American currency were part of their goal for deeper economic unity. Fernando Haddad, Brazil's finance minister, downplayed the prospect of an Argentine and Brazilian currency being used interchangeably.

Both countries have benefited from increased trade, as it has helped to reduce poverty and create jobs. The two countries have also worked together on a number of projects, such as the Mercosur trade bloc and the South American Community of Nations. The strong trade relationship between Brazil and Argentina is an example of how countries can cooperate to achieve mutual economic benefit.