

## Brazil's bilateral trade with the U.S. and China

*This box begins by characterizing Brazil's bilateral trade relations with the U.S. and China. In particular, it shows how in recent years there has already been a significant increase in the volume of imports by Brazil from China, whose products have been showing a price trend different from that observed for goods imported from other countries. Then, when analyzing the main products exported by Brazil and the U.S. to China, it concludes that most of the overlap involves soybeans.*

On April 2, 2025, it was announced a set of import tariffs to all countries with which the U.S. has trade relations, characterizing a relevant trade and uncertainty shock for the global economy. Despite the partial and temporary reversal of some measures by the U.S. government, adverse judicial decisions, and the announcement of some trade agreements, there are still relevant doubts concerning the duration and the economic effects of this measure. In this scenario, to help assess possible impacts on the Brazilian external accounts, this box analyzes the Brazilian trade with the U.S. and China.

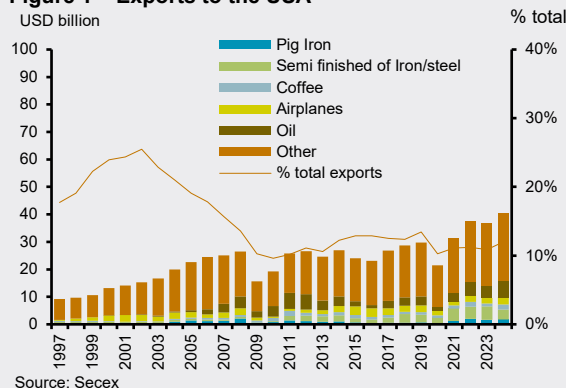
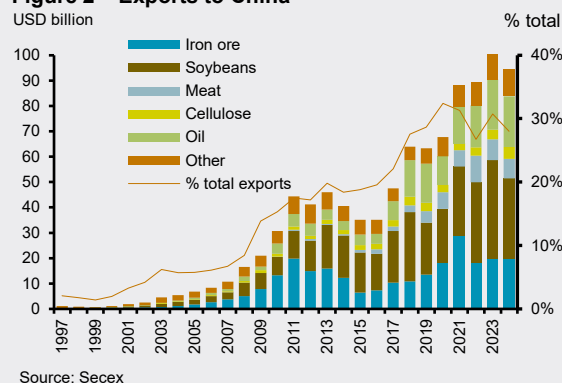
The U.S. and China are important trade partners for Brazil, accounting for nearly 40% of Brazilian exports and imports (Table 1). The analysis of bilateral trade balances in 2024, however, shows a relevant difference. Brazil registered a surplus equivalent to 1.4% of GDP in its trade with China, a value that corresponds to 41% of the entire Brazilian trade surplus in the year. As for trade with the U.S., there was a balance between exports and imports.

**Table 1 – Bilateral Brazilian trade balance in 2024**

Partner	USD billion								
	Exports		Imports		Balance		Share		
	Value	%GDP	Value	%GDP	Value	%GDP	Exp	Imp	Balance
Total	337	15.5%	263	12.1%	74	3.4%	100%	100%	100.0%
China	94	4.3%	64	2.9%	31	1.4%	28%	24%	41.4%
European Union	48	2.2%	47	2.2%	1	0.0%	14%	18%	1.4%
Argentina	14	0.6%	14	0.6%	0	0.0%	4%	5%	0.3%
U.S.	40	1.9%	41	1.9%	-0	0.0%	12%	15%	-0.4%
Others	140	6.4%	98	4.5%	43	2.0%	42%	37%	57.3%

Source: SECEX/MDIC

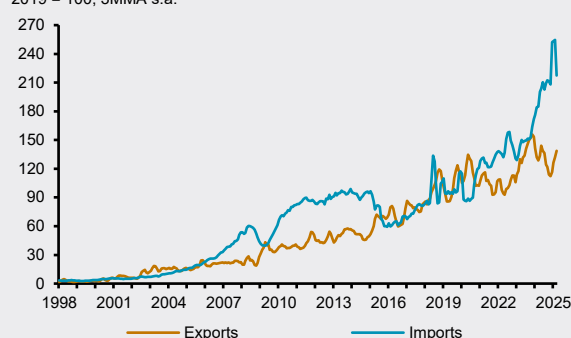
The breakdown of the trade basket by goods reveals some important characteristics. Five goods account for nearly 40% of the USD 40 billion shipped from Brazilian harbors to the U.S. in 2024. These are oil, steel/iron semi-manufactured goods, cast iron, coffee, and airplanes (Figure 1). As for trade with the Asian country, the basket is much more concentrated in a few commodities, with five items (soybeans, oil, iron ore, beef, and cellulose) accounting for 90% of the USD 94 billion exports in the same year (Figure 2). Regarding imports, the trade basket is more diversified. The main goods coming from the U.S. are machinery, fuel oils, airplanes, and natural gas, which together accounted for 34% of imports from the U.S. As for purchases from China, electric vehicles, telecommunications equipment, chemicals, and solar panels accounted for 22% of total imports from that country.

**Figure 1 – Exports to the USA****Figure 2 – Exports to China**

China has gained relevance in Brazilian imports in recent decades. In 2024, the imported volume from China was 98% above that observed in 2019, the year before the Covid pandemic (Figure 3). This movement is particularly remarkable as of 2021, with a strong acceleration in 2024. In early 2025, the movement was intensified by imports of oil rigs worth USD 2.7 billion. Conversely, the participation of the U.S. as the origin of Brazilian imports has followed a downward trend since 2001, although oscillating over the period, with a 23% decline in the imported quantum in relation to 2019 (Figure 4). Moreover, the increased representativeness of the Asian country occurred not only in terms of volume, but also in the degree of technology associated with the goods. As of 2019, China has overtaken the U.S. in sales of goods classified as high and medium/high technology<sup>1</sup> (Figures 5 and 6).

**Figure 3 – Quantum of trade between Brazil and China**

2019 = 100, 3MMA s.a.

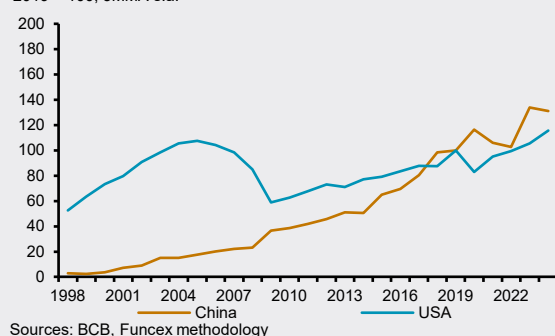
**Figure 4 – Quantum of trade between Brazil and the U.S.**

2019 = 100, 3MMA s.a.

**Figure 5 – Brazilian imports - technological intensity**

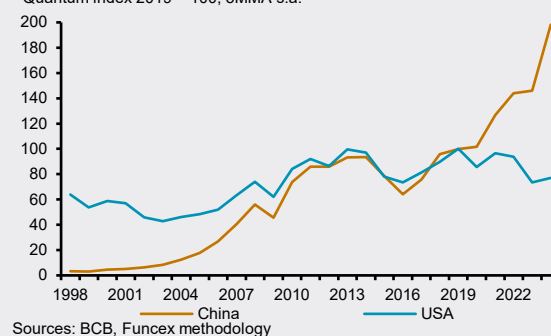
Low and medium-low technology

2019 = 100, 3MMA s.a.

**Figure 6 – Brazilian imports - technological intensity**

High and medium-high technology

Quantum index 2019 = 100, 3MMA s.a.

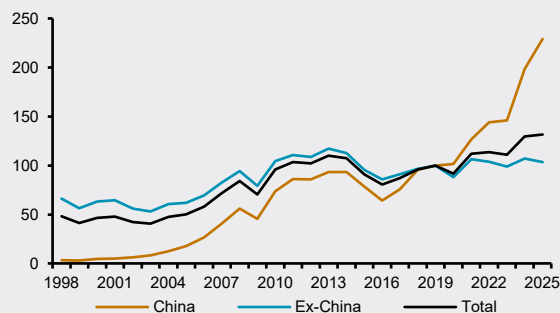


1/ For further information about the classification by technological intensity see classification of the Foreign Sector Secretariat ([Classificação](#) - Portuguese only).

As for prices, those from goods imported by Brazil from China have followed a downward trend, in contrast to those from other origins (Figure 8). The decline of import prices was relevant. The price index of goods coming from China dropped 11% from 2019 to 2024 (2.2% p.a.), while prices of goods coming from the rest of the world increased 24% in the period (4.4% p.a.). In this context, volume data (Figure 7) and import prices (Figure 8) reveal that, even before the recent introduction of tariffs by the U.S., the Brazilian economy has already been affected by a significant inflow of cheaper Chinese goods.<sup>2</sup>

**Figure 7 – Imports volume**

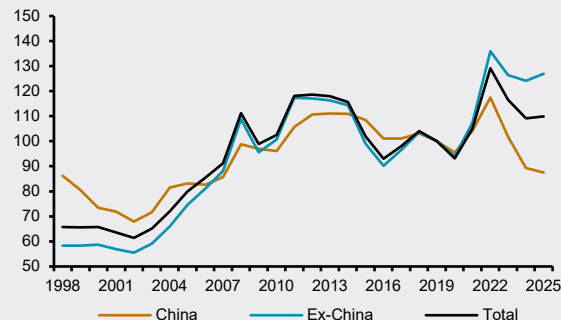
Quantum index 2019 = 100, 3MMA s.a.



Source: BCB, Funcex methodology

**Figure 8 – Imports price**

Price index 2019 = 100, 3MMA s.a.

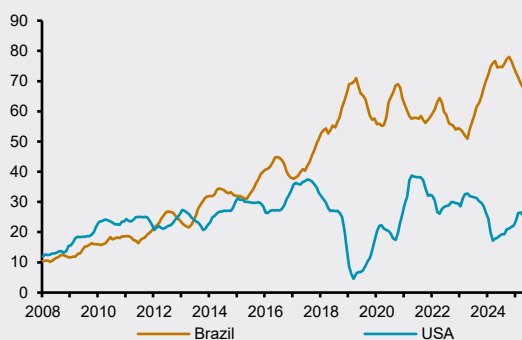


Source: BCB, Funcex methodology

Aiming to explore the possible sources of expansion of Brazilian exports, the main coincident goods in the U.S. and Brazilian baskets of exports to China were analyzed (Figure 11).<sup>3</sup> Brazil and the U.S. compete for the Chinese market in basically four goods: soybeans, oil, beef, and cotton. In 2024, these items amounted to USD 21 billion in U.S. exports to China and USD 59 billion in Brazilian sales to the Asian country. Soybeans are the most relevant in terms of total value, with USD 13 billion of U.S. exports and USD 31 billion of Brazilian exports. In the previous episode of the trade dispute between China and the U.S., in 2018, Brazil was benefited by an increase in the exports volume of soybeans and a rise in the price premium of the Brazilian product compared with the American one. (Figure 9). In that year, Brazilian exports of soybeans to China grew nearly USD 7 billion compared with 2017, and part of this gain proved to be lasting, with a permanent expansion of the Brazilian share of the Chinese market.<sup>4</sup> Nevertheless, since then, China has significantly increased its inventories of soybeans, while the Brazilian inventories reduced (Figure 10). To measure the importance of these values in macroeconomic terms, it is noteworthy that the Brazilian trade surplus in goods in 2024 was USD 74 billion, equivalent to 3.4% of the Brazilian GDP.

**Figure 9 – China soybean imports**

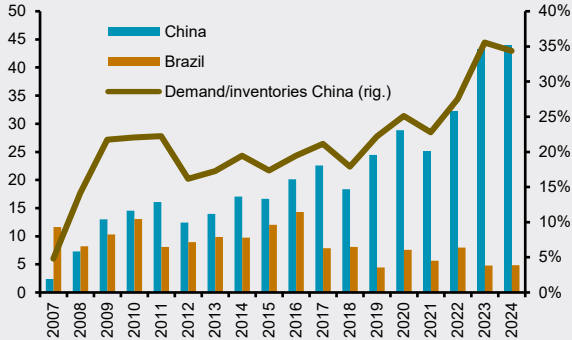
Million of tons



Sources: China Customs, Bloomberg, ABIOVE

**Figure 10 – End of year inventories**

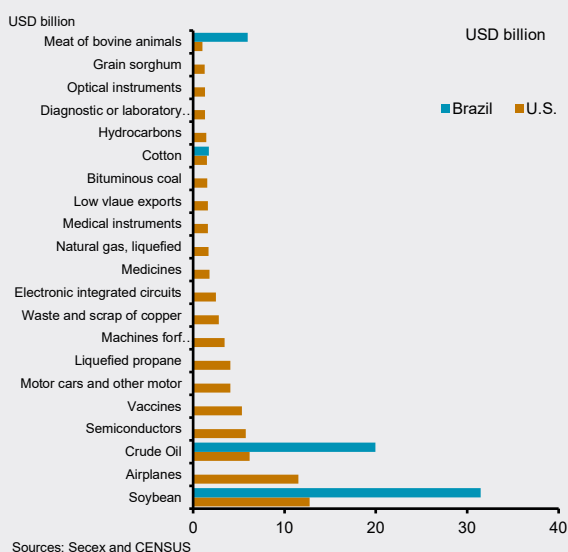
Million tons



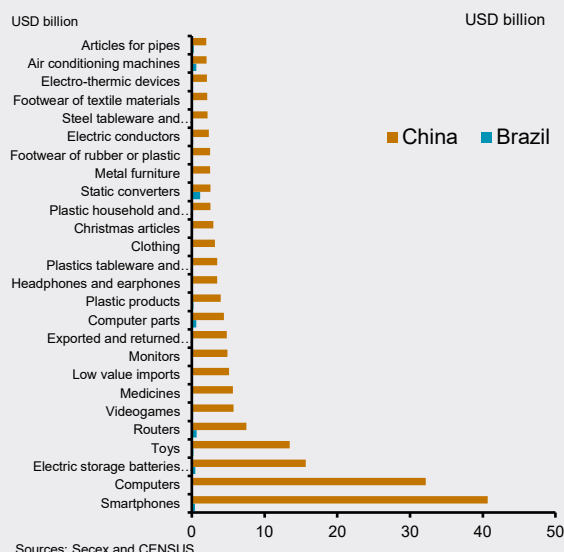
Sources: USDA and Abiove

- 2/ Further information about imports from China in the BCB's blog post "Impact of rising freight and insurance costs on imported prices from China": [Impacto do aumento nos custos de fretes e seguros nos preços importados da China](#) (Portuguese only).
- 3/ The selection included goods exported through HS6 by the U.S. to China worth more than USD 1 billion in 2024 and compared with the same goods exported by Brazil. The items account for 51% of U.S. exports to China in 2024.
- 4/ Further information in box [Recent evolution of the trade balance](#) in the 2019 IR, which analyzed, among other issues, the initial effects of the previous episode of trade dispute between the U.S. And China.

**Figure 11 – Overlap of exports to China**



**Figure 12 – Overlap of exports to the U.S.**



Based on the same reasoning and similar methodology, the main coincident products in the American basket of imports from China and from Brazil were analyzed (Figure 12).<sup>5</sup> The overlap between these baskets is very small, which makes it quite unlikely the occurrence of relevant gains to Brazil, from the macroeconomic point of view, if the U.S. reduces its purchases of Chinese goods.

5/ The selection included imported goods through HS6 by the U.S. from China worth more than USD 2.5 billion in 2024 and compared with the same goods imported by Brazil. The items accounted for 39% U.S. imports from China in 2024.