

GEOPOLITICAL CHANGE IS AN OPPORTUNITY FOR BRAZIL

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TEREZA CRISTINA

Introduction

THE COURAGE TO LET GO OF OLD ANSWERS WHEN FACING NEW PROBLEMS



THE ESSAYS THAT FOLLOW offer a first look at what Instituto Diálogos sets out to do: think strategically about Brazil. We debate the problems of the present with great intensity. Yet all too often we neglect the larger questions that will shape the country we become ten, twenty, or thirty years from now.

Our first event in São Paulo brought together some of the sharpest minds in global geopolitics: Nicholas Burns, U.S. ambassador to China until 2025; Ricardo Zúniga, who led Latin America policy in the Obama administration; Marcos Troyjo, the diplomat who presided over the BRICS bank in Beijing; and Marcos Jank, one of Brazil's foremost experts on agribusiness.

Together, they offer an unrivaled view of the defining geopolitical axis of our time — the United States and China — and help us consider how our country

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REALITY RARELY WAITS FOR US TO BE READY

can find its place in a world undergoing profound transformation.

With that focus, we promote something increasingly rare — and, for that very reason, increasingly valuable: dialogue. Open dialogue. Candid dialogue. Dialogue grounded in facts. Dialogue focused on results. And, above all, dialogue that transcends party lines.

Brazil's structural challenges do not belong to any one party; they belong to the nation. We have no interest in manufacturing artificial consensus, defending governments or oppositions, or replaying ideological battles. Our purpose is to think about Brazil. And thinking about Brazil means thinking about the world.

For decades, we operated within a relatively predictable international order — one built on institutions, rules, and mechanisms of cooperation that, for all their flaws, offered reasonably stable points of reference.

That landscape has changed. We are living through a period of

deep transition. Multilateralism is under strain. Geopolitical rivalries are intensifying. International trade has become more political. Great-power competition is redrawing markets, alliances, and priorities.

In this environment, the central question for Brazil is not simply what is happening in the world. It is this: what will Brazil's place be in that world? The countries that prosper are not necessarily those with the most resources. They are the ones that read the transformations underway correctly — and act before those transformations are imposed on them.

That is why the timing of our event could not have been better. It took place the week after a new U.S. ambassador to Brazil was named; after the Office of the United States Trade Representative (USTR) announced the findings of its Section 301 investigation; and after the U.S. State Department formally designated the PCC and Comando Vermelho as terrorist organizations.

It is a reminder of an important lesson: reality rarely waits for us to be ready. That is why we need permanent forums for strategic reflection.

The relationship between Brazil and the United States remains one of the most consequential for our economic, political, and institutional future. And relationships of this importance are not managed on impulse. They are managed through dialogue, mutual understanding, skilled negotiation, and long-term vision.

Open doors achieve more than slammed doors. In times of disagreement, that truth matters even more. Brazil does not gain by narrowing its options. Brazil gains by broadening its ability to engage.

By being able to talk with everyone, negotiate with everyone, and cooperate with everyone — without ever relinquishing its national interests. In an age of fragmentation, dialogue is not a sign of weakness; it is an instrument of power. The essays that follow offer readers a privileged view of the forces reshaping geopolitics today, from professionals who have devoted their lives to understanding the changing international system.

Their participation reaffirms the DNA of Instituto Diálogos: a conversation about Brazil's place in the world.

Domestic politics can no longer be separated from international politics. A decision made in Washington, Brussels, Beijing, or New

CONVERSATIONS ONLY PRODUCE
RESULTS WHEN PEOPLE
ARE WILLING TO LISTEN



Delhi can affect jobs, investment, and opportunity in any Brazilian state. The future demands this integrated perspective. It also demands intellectual courage. The courage to question assumptions. The courage to listen to those who think differently. The courage to let go of old answers when facing new problems.

Brazil has extraordinary natural resources. It has productive capacity, diversity, and human talent. But none of these advantages is enough on its own. What turns potential into reality is the ability to build coherent national projects. National projects begin with ideas. Ideas begin with conversations. And conversations only produce results when people are willing to listen.

We believe the future does not simply happen; it is built. Countries that stop seriously debating their future end up living the future others have chosen for them. May this be the first of many dialogues Brazil needs. ■

MARCOS JANK



BRAZIL CAN OFFER THE WORLD SECURITY ACROSS EVERY COMMODITY SECTOR



WE ARE WITNESSING a geopolitical and geoeconomic shift of the utmost importance. Geopolitically, we have moved from globalization to fragmentation, to a breakdown in institutional governance, and to a world in which conflicts of every kind are unfolding at once.

For 40 years, we lived through a Cold War between the United States and the Soviet Union — two distant nations. The axis of conflict ran through the North Atlantic, with its center of gravity in Berlin. In the aftermath of World War II, the contest was an arms race.

Today, we have entered Cold War 2.0. The two poles are the United States and China, the theater of confrontation is the Indo-Pacific, and the epicenter is Taiwan.

That became clear at the meeting between President Donald Trump and Chinese leader Xi Jinping. The rivalry is no longer about weapons; it is about technology. Profoundly about technology.

We have moved from a world in which free trade was the prevailing idea — something so important for Brazil and

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A professor at Insper and former faculty member at the University of São Paulo (USP), he spent a decade abroad working on global agribusiness in the United States, Europe, and Asia. He served as president of the Brazilian Sugarcane Industry Association (UNICA) and as vice president of BRF for the Asia-Pacific region. He is currently a columnist for the newspaper O Estado de S. Paulo, a commentator for CNN Brasil, and a board member of major companies and institutions in the sector.



LET'S LOOK AT BRAZIL — AT WHAT BRAZIL CAN BECOME

for the global rise of Brazilian agribusiness — to a new era of protectionism and sovereignty.

This has displaced the interdependence among nations built after the war, with its common rules and network of international organizations. What prevails today is national security, unilateral pressure, and deterrence.

It is an entirely different world from the one we have known, and it affects every country. At the epicenter of these conflicts are commodities — something Brazil does very well, but could do far better. Commodities account for 75% of Brazil's exports, and that share grows year after year: agribusiness commodities make up 50% of our export basket, and energy and mining commodities another 25%.

For a long time, we saw commodities as a sign of a backward export profile, because market access was easy. That easy access created the illusion that they were endlessly available and even

strategically irrelevant. Logistics were ample and efficient, prices were low, and supply was guaranteed. Many, including the Brazilian press, dismissed commodities as an outdated export agenda. Undesirable, even. Some believed they would lead to deindustrialization and push the country back toward raw materials.

Today we know that exporting commodities is anything but simple. To begin with, commodities are not part of the primary sector, as we learned in school. Growing soybeans, refining critical minerals and rare earths, and producing bioenergy all require substantial industry, services, and innovation.

Very few countries can do it. Fewer than ten countries control the exports of each major commodity.

Since 2020, commodities have been at the heart of the world's major disputes. That is one more reason to look at Brazil — at what Brazil can become.

The war between Russia and Ukraine, for example, has commodities as its backdrop, notably grains and fertilizers. The tensions with Venezuela are rooted in oil. With Iran, it is oil, natural gas, and fertilizers.

In the confrontation between the United States and China, critical minerals and rare earths are in the crosshairs.

At the center of everything that is happening, you will always find these products: commodities.

At the center of the Middle East conflict is the closure of Hormuz — 50 kilometers of sea through which energy, food, fertilizers, and inputs of every kind flow to the rest of the world. Once again, commodities.

This shows how different today's world is from the one in which commodities were widely criticized because they were poorly understood. And Brazil, remarkably, holds a very strong position in some commodities, an emerging one in others, and a weak one in still others.

Brazil has a consolidated position in agribusiness commodities: it is the world's fourth-largest producer and its largest exporter, having recently overtaken the United States. The Americans still lead in total agricultural exports because they capture more added value. But in commodities, we are number one. We are extremely competitive and run the largest surplus in the world.

Our global position is vital to the food security of the world's population. The same holds for fibers and pulp. In oil, we now rank among the world's ten largest exporters, and the same is true of iron ore. In these products, our position is consolidated.

SINCE 2020, COMMODITIES
HAVE BEEN AT THE HEART
OF THE WORLD'S MAJOR DISPUTES



Where we remain underdeveloped on the global stage is bioenergy — even though our experience is extraordinary. It began with the first oil shock in the 1970s, with Proálcool and the ethanol-powered car, followed by biofuel blends in gasoline and diesel. Bioenergy took root here more than anywhere else in the world. Unfortunately, it was never globalized. It was never sufficiently recognized as a global solution for energy and climate.

But we are advancing. First came our old friend sugarcane, then soybeans and biodiesel. Now it is the turn of corn ethanol and its remarkable by-products. We also have SAF, sustainable aviation fuel, as well as marine fuels and much more, such as methane.

This is a frontier Brazil discovered. A Brazilian *jabuticaba* — something uniquely ours — that has yet to go global and still could, especially across the tropical world.

But we are vulnerable in fertilizers, petroleum derivatives, natural gas, mining, infrastructure, and logistics.

These are areas that fell behind and are only now catching up — and more slowly than they should.

Fertilizers may be the clearest evidence of Brazil's vulnerability today. We assumed global supply would be inexhaustible and that imports alone would solve every problem. We now see that we need a national fertilizer policy — not a statist or interventionist one — so that we are not so dependent on the world's most volatile straits. The closure of the Strait of Hormuz made that abundantly clear.

In my view, the U.S. president underestimated the full consequences of closing Hormuz. And it is not the only bottleneck in international trade. There is the Bab el-Mandeb Strait, at the mouth of the Red Sea. And the Strait of Malacca, between Singapore, Malaysia, and Sumatra — perhaps the most sensitive of all for China. Some 100,000 ships pass through it every year, and it is far narrower than Hormuz.

Merchant ships do have longer alternatives, of course. They can sail around Africa, as Vasco da Gama did at the end of the 15th century. But that is hardly a desirable solution — and it is far more expensive.

Brazil needs fertilizers for agriculture, and critical minerals and rare earths for electric vehicles, wind

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turbines, batteries, and semiconductors, as well as for the defense industry. And we have the reserves. In rare earths, Brazil matters enormously: we hold the world's second-largest reserves, 22% of the total, second only to China. Yet we account for just 0.02% of global production.

We also have potash and phosphate reserves, but we have lagged in developing them.

It is often said that Brazil lacks long-term state policy and cannot think strategically beyond the short term — beyond a single government's mandate. That may well be happening right now. Brasília seems unable to formulate anything with a longer horizon.

Yet in the 1970s, Brazil carried out two strategic state projects that underpin the success of the consolidated sectors I mentioned. The first was Tropical Agriculture, which emerged with Embrapa, agricultural universities, state research centers, public credit,

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and settlement programs — a state-driven effort guided by strategic vision.

Then the private sector took up the mantle, pioneering no-till farming, the second harvest, and integrated crop-livestock-forestry systems (ICLF). Our great strength lies in integrated tropical production systems — something neither Americans nor Europeans are able to replicate.

The second strategic state project grew out of the first oil crisis of the 1970s and made Brazil's energy mix 50% clean and renewable. It began with Proálcool, the ethanol car, ethanol at every gas station in the country, and ethanol blending in gasoline (32% today), later joined by biodiesel. Building on these state policies, the private sector introduced flex-fuel vehicles and new products and applications (biomethane, bioethylene, aviation and marine fuels, bio-hydrogen, and more). At

that time, Brazil built long-term state policies. Of course, the context was different: the state was far stronger and had far more resources.

Today, our aim must be public-private policy. Our core challenge is coordination — within and across commodity sectors.

The most important thing we can do now is look at agribusiness, mining (including fertilizers), and energy commodities as a whole, because they are deeply interconnected and we hold vast reserves in all of them.

That requires coordination, strategy, and public policy. How do we get there? The first step, I believe, is to map what is happening in the world of commodities: to understand why they represent such an opportunity, and which countries — few in number — dominate each of them.

The second pillar of a commodities strategy is added value. Not only value added in production, but value that can be created through international partnerships. This is absolutely essential, entirely achievable, and perhaps one of the most promising cooperation agendas between the United States and Brazil.

Energy and mining in the Western Hemisphere offer significant potential for partnership between the two countries.

It is crucial to add value to the raw materials Brazil has today — raw materials that supply the entire world. We must recognize that we excel in this field. But we can go further, and embrace the interdependence among commodities even more fully, because each one is linked to the others.

Agribusiness, for example, produces food and renewable energy, but it depends on fertilizers. Everything is interconnected. We need to look at the world's dependencies, because the post-Hormuz world will be different. Countries will no longer rely so heavily on maritime straits or on supplies from conflict zones. They will seek food, energy, and mineral security. But they will also need legal certainty.

This is a tremendous opportunity for Brazil to position itself in the world far more intelligently than it has so far.

We often say that Brazilian agribusiness has always been “bought” rather than sold. Traditionally, it has never reached the end consumer. It delivers commodities to the port, and from there they travel to 200 countries. We don't even know exactly where

BRAZIL CAN BE A LEADING PLAYER —
LARGE, COMPETITIVE, RELIABLE,
AND SUSTAINABLE — IN ALL THREE
CATEGORIES OF COMMODITIES



they end up. This may be another major challenge for Brazil: to grow through interdependence and cross-investment, and through partnerships that add value to our products. The world is entering a series of transitions — not only toward decarbonization, but toward the relocation of supply chains and the diversification of products and markets. Brazil can offer the world security across every commodity sector.

Commodities are strategic, and they always have been throughout our history, ever since the discovery of Brazil and its first economic activity: sugarcane. Brazil can be a leading player — large, competitive, reliable, and sustainable — in all three categories of commodities.

We must treat commodities as a great national strategic project. Government cannot do everything alone, but the private sector should organize itself through institutions such as Instituto Diálogos to put this proposal on the table. ■





MARCOS TROYJO

Professor Marcos Troyjo is an economist, political scientist, and diplomat, and one of Brazil's leading voices on emerging economies, global megatrends, and the future of globalization. He is currently a 2026 MIT Wilhelm Fellow, a Transformational Leadership Fellow at the University of Oxford, a Global Leadership Fellow at Cornell University, and a Distinguished Fellow at INSEAD.

He served as president of the New Development Bank, becoming the first Westerner to lead an international organization headquartered in Asia and the first Brazilian to head a multilateral development bank. As Special Secretary for Foreign Trade and International Affairs at Brazil's Ministry of Economy, he took part in the negotiations of the Mercosur-European Union Agreement. He also founded BRICLab at Columbia University. Today, he advises multinational companies on strategies for economic development, innovation, sustainability, and global competitiveness.

THE NEXT FIVE YEARS WILL MATTER MORE THAN THE LAST 202 FOR RELATIONS BETWEEN BRAZIL AND THE UNITED STATES



I WAS 15 YEARS OLD when I first traveled to the United States, in 1982. In the 44 years since, I have gone back every single year of my life. I cannot remember a time like this, when the United States and Brazil have been so far apart.

I spent a year there as an exchange student, living in the home of Sol Stacy Williams, a Black pastor who had marched alongside the Reverend Martin Luther King Jr. in the historic marches on Washington.

The world has entered a very dangerous phase in its international political and economic relations.

That is why I believe the next five years of diplomatic relations between Brazil and the United States will matter more than the past 202 years, dating back to America's recognition of Brazil's independence in 1824.

This is a year of celebration in the United States, marking 250 years of independence. But it is also a year fraught with danger.



MISSISSIPPI, THE POOREST STATE IN THE UNITED STATES, HAS A HIGHER GDP PER CAPITA THAN ITALY, FRANCE, OR JAPAN

Columbia University professor Adam Tooze observes that, in an international crisis, the plagues usually arrive one after another, as in the Bible.

Lately, however, they have all arrived at once. We are still living in the aftermath of the greatest pandemic — the greatest global public health challenge — since the Spanish flu of the last century. Now we face the conflict in the Middle East, the most acute since the 1970s.

On top of that, there is a war in the heart of Europe — undoubtedly the most delicate conflict since the end of World War II.

And the world's two superpowers, the United States and China, are caught between an attempted decoupling and, at the same time, deep interdependence — what some call a Hot Peace, or Cold War 2.0.

This is the landscape of global conflict in which Brazil must find its place. And amid all of it, Brazil must engage with the United States.

Right now, in particular, we are in a very unproductive phase.

Over the next five years, certain trends will unfold that will profoundly shape how our two countries relate. The path we choose will determine whether relations between Brazil and the United States become more productive or less.

We must bear in mind that the United States is going through a curious moment, marked by deep contradictions.

On one hand, there is enormous wealth: the United States has a GDP of US\$31 trillion.

The market capitalization of just three of America's largest companies exceeds the value traded each day on the Frankfurt Stock Exchange, one of Europe's largest.

Of the 50 U.S. states, the poorest is Mississippi. Yet on its own, Mississippi has a higher GDP per capita than Italy, France, the United Kingdom, and Japan — the economic sensation of the 1980s.

Not long ago, Europe was the world's largest economy. When Lehman Brothers collapsed in 2008, per capita income in Europe was roughly 10% below that of the United States. Today, per capita

income in the United States is twice that of Europe.

These figures matter because, whether the Trump administration gets things right or wrong, the effects on Brazil are enormous.

On trade, we are at a very difficult moment. But Brazil's main obstacles will not come from the Section 301 investigations under U.S. trade law.

Consider the size of the U.S. economy relative to the rest of the world, and it becomes clear how small a share trade with Brazil represents. The United States has a nominal GDP of US\$31 trillion and, despite the new wave of protectionism, imports the equivalent of 12% of its GDP. In other words, the United States buys US\$3.6 trillion a year from the rest of the world.

U.S. imports alone are worth more than the GDP of France, the world's fifth-largest economy, and more than the combined GDP of over 50 African countries. US\$3.6 trillion is a truly significant sum.

Even before President Trump announced, on April 2 of last year, what he

BRAZIL ACCOUNTS FOR JUST 1%
OF WHAT THE UNITED STATES
BUYS FROM THE WORLD



called “fair and reciprocal trade measures,” Brazil exported US\$36 billion a year to the United States. That means just 1% of everything the United States buys from the world comes from Brazil — and that was before the tariff hikes.

That is very little. If we measure the economic impact of the 25% tariffs that would result from Section 301, on top of the existing 25% or 37.5%, they would apply to that 1%. In other words, 0.25% of the US\$36 billion Brazil exports.

The macroeconomic impact, therefore, is small. Brazil must, of course, fight tooth and nail to keep these tariffs from being imposed on our exports. They would hurt companies in Santa Catarina, Paraná, Rio Grande do Sul, and São Paulo. Some sectors would be seriously harmed.

What is happening in the United States that matters most for Brazil lies elsewhere. While President Trump is raising



BRAZIL IS THE SAUDI ARABIA OF FOOD PRODUCTION

protectionist barriers against the rest of the world, at home he is pursuing an aggressive agenda of cutting red tape, deregulation, and tax cuts.

These cuts make the Reagan-era liberalization of the 1980s look like child's play. Over the remaining two and a half years of the Trump presidency, the U.S. tax burden is expected to fall from 27% to around 25% of GDP, with an even lower rate for corporations.

This matters for Brazil, because our tax burden remains between 33% and 34% of GDP.

Today we can say that China is the Saudi Arabia of manufacturing. Taiwan is the Saudi Arabia of semiconductors. Saudi Arabia is, of course, the Saudi Arabia of oil. And Brazil is the Saudi Arabia of food production.

But China is scaling back its investment in manufacturing. The share of investment the Chinese economy devotes to industry has been declining over time, as it did in other advanced

economies. Much of the industrial investment that fueled China's dramatic rise is now leaving the country for other destinations.

It is going to Vietnam, where the tax burden is 22% of GDP; to India, where it is 12%; and to the United States, where tax cuts should bring it down to 22% or 23%. But it is not coming to Brazil, where, even after the much-heralded tax reform, the burden remains between 33% and 34%.

Our competitiveness relative to the United States is very poor, both because of our business environment and because of the relative weight of taxation.

Brazil does, however, have two other attributes that make it well suited to forging partnerships with the United States — with an advantage over China.

We are a far more open country. China is deeply self-contained, turned inward. It starts with the country's name in Mandarin, *Zhong Guo*, which means the Central Country, or the Middle Kingdom.

Watch the evening news in Beijing, for instance, and behind the anchor you will not see the world map we know, with the globe divided at the Greenwich Meridian. You will see a map of China. The rest of the world is arranged around China.

The Chinese are closed even in their architecture. China's two best-known structures are symbols of closure: the Great Wall, built to protect what lies within from what lies without; and the Forbidden City, in the heart of Beijing — the seat of power, and once again an icon of concentrated authority.

What happened from 1978, when Deng Xiaoping launched China's economic reforms, until recently is the exception: a brief interlude in 5,000 years of Chinese history.

Kissinger's book on China makes this tendency toward closure very clear. And it is with some regret, but also with a sense of opportunity, that we now watch China closing itself off once again.

If we had to distill what guides Chinese strategists today, it would come down to two principles: China will seek to depend on as few countries as possible, and China will seek to make as many countries as possible depend on it.

This has an extraordinary effect on world trade. The Chinese are discovering that there is another kind of strait beyond geographic ones like Hormuz — 50,000 meters from one point of land to another across the

THE CHINESE ARE DISCOVERING
ANOTHER KIND OF STRAIT,
BEYOND PHYSICAL ONES
LIKE THE STRAIT OF HORMUZ:
THE CHOKE POINT



same body of water. It is the choke point, which China has now made the cornerstone of its global strategy.

Much of this stems from the remarkable victory China secured in its negotiations with the United States last year. On April 2, the United States imposed tariffs on the entire world, but the heaviest fell on China, partly because of the sheer volume of trade. And unlike other countries, China retaliated.

What followed was a tariff escalation that culminated in U.S. duties of 145% on Chinese exports. At that point, it is no longer a tariff; it is a quarantine. In the midst of negotiations, China struck back by deliberately restricting exports of the essential inputs of 21st-century science and industry: rare earths and critical minerals.



TODAY'S REVOLUTION DEPENDS ENTIRELY ON WATER, FOOD, ENERGY, AND OIL

Historian Niall Ferguson argues that the trade war is already over — and that China won. What China is doing now is trying to identify the world's next choke point. Will it be biotechnology? Quantum computing? New materials? Or something related to food?

If it is food, then the relationship between Brazil and the United States is being badly underused. Both countries stand to gain from trading with each other in a world of constrained food supply.

It reminds me of the 1980s film *Highlander*. We are entering a *Highlander* world. At the start of the film, the hero is surrounded by all the trappings of modern, contemporary life.

Then the film suddenly cuts to Scotland, where that same character's daily life revolves around putting food on the table, tending sheep, and turning the mill

with the force of water to grind flour and, in turn, make bread.

We are entering an era in which augmented reality is essential. Humanoid robotics is essential. Biotechnology is essential. No one doubts that the great global race is the race for artificial intelligence.

Yet unlike the dot-com revolution of the 1990s, today's revolution depends entirely on water, food, energy, and oil.

Commodities are back at center stage. They are not a separate economic vertical. To a large extent, they are the very foundation on which the advanced frontiers of the 21st-century economy stand — especially at a time of immense food insecurity and immense energy insecurity.

A study by MIT professor Mihaela Papa shows that if data centers — the engines that power artificial intelligence — were a country, they would be the world's 11th-largest energy consumer.

All of this is an invitation for Brazil and the United States to draw closer than they are today. In my view, nothing is more unproductive than a wasted

opportunity. And that is precisely where the two largest democracies in the West — two of the world's largest economies — find themselves today.

I don't want to sound pessimistic, but I believe there are more storm clouds ahead. It is true that the Age of Globalization, driven by economics, has changed. Today, geopolitics is flying the plane. But geopolitics is politics. And to ease tensions in the bilateral relationship, both here and in Washington, we need a strategic vision that looks beyond the short-term electoral horizon. I am not seeing that happen.

I believe it will be hard to find a technical solution to problems that were easier to resolve in the past. Under Presidents Bill Clinton and Fernando Henrique Cardoso, the United States also opened an investigation against Brazil. But the political charge in the air back then was nothing like what we see today, in politics or in geopolitics.

On both sides, those in charge need greater wisdom — the wisdom to look beyond electoral cycles. Otherwise, we will continue to squander what should be one of the most productive and fruitful bilateral relationships in the world: the relationship between Brazil and the United States. ■

THE AGE OF GLOBALIZATION, DRIVEN
BY ECONOMICS, HAS CHANGED.
TODAY, GEOPOLITICS
IS FLYING THE PLANE



RICARDO ZÚNIGA



THE WORLD BEFORE TRUMP IS NEVER COMING BACK



AT THIS MOMENT, it is essential to consider the symbolism of the closure of the Strait of Hormuz and the disruption of the world's oil supply.

The lesson of Hormuz carries over to another strategic issue: rare earths. It shows every country the importance of having options — of not being dependent. For any great nation, having options is paramount.

Moreover, Brazil cannot afford to ignore what happens in the United States, for the simple reason that it is the world's largest economy. And everything has changed since January 2025, when Donald Trump took office.

The world in which the United States set the rules of the international order is not coming back. That era lasted 80 years, until now. But the world we see today will not be the world of 2030 either; the United States will change again.

The next U.S. administration will be somewhat more orthodox, more in line with tradition.

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From 2012 to 2015, he served as Senior Director for Western Hemisphere Affairs at the White House National Security Council, advising President Barack Obama, Vice President Joe Biden, and other senior officials on the Americas. He also served on diplomatic missions in Mexico, Portugal, Cuba, Spain, and Brazil. He is currently a member of the American Academy of Diplomacy and sits on the board of the Digital Democracy Institute of the Americas. He holds a degree in International Relations from the University of Virginia.



SEPTEMBER 11 WAS FOLLOWED BY 20 YEARS OF FOCUS ON WAR

The simple reason is that there is no other figure like President Donald Trump in American politics. No one like him will take the helm of the Republican Party. He has no equal. That, too, will bring another significant shift in international relations.

I joined the diplomatic service in 1993, at the height of America's unipolar moment. It was a different world. We believed that world would endure, and that the global destiny was liberal democracy and open markets.

We imagined the world was on that path, headed toward that destiny, that future. Clearly, we were wrong; the world changed completely. What we saw as the problems and challenges ceased to be, and new ones emerged.

Until the 1990s, however, the changes still seemed manageable. New economic actors emerged on the

world stage and the G20 was created, but the order and framework the United States had built after World War II remained in place.

The first great shock was September 11, 2001, the attack on the Twin Towers in New York. For the next 20 years, the United States turned its focus to war — to a tactical problem rather than a strategic one.

As a result, the United States neglected the strategic challenges, and they grew, while we diplomats failed to fully grasp the changes underway in the world.

For 30 years in the diplomatic service, I defended an order that was deteriorating, eroding dramatically. It was very hard for all of us in American public service, because our focus was elsewhere.

The creation of the BRICS was part of this new reality. It raised a question: did the birth of the BRICS reflect an effort by other countries to manage China's entry into the global economy, or was it a vehicle for China's rise on the world stage?

Even this new BRICS dynamic seemed manageable. But then came another major shock: the 2008 financial crisis and the collapse of Lehman Brothers.

That year, globalization came home to the United States and touched the entire population in one way or another. Americans came to believe that the crisis had undermined the very model we ourselves had founded.

American power rested on a model of open economies and nations committed to democracy. At home, the perception took hold that we Americans had become victims of globalization. That is the central pillar of President Trump's domestic politics.

In his view, America's role in the world ended up harming the country itself and the well-being of its people.

That is not true. But what matters here is how Americans perceive it. Perception counts more than anything else.

During the years the country was focused on war, we Americans did not see what was happening. In truth, we had no idea what was unfolding strategically around the world.

It was not for lack of warnings. The United States has many think tanks and centers of analysis. One of the best is the National Intelligence Council.

The Council brings together analysts from many government agencies, representing a range of viewpoints, with complete freedom to conduct

AS EARLY AS 2012, A REPORT
BY THE U.S. NATIONAL INTELLIGENCE
COUNCIL WARNED THAT A PANDEMIC
COULD SHAKE THE WORLD



their analyses. Their core mission is to anticipate what the world will look like in 20 years.

Every four years, they publish a report looking two decades ahead. These reports are presented to America's leaders, the decision-makers of the day. But those leaders did not pay attention. The reports were filed away in a drawer and never taken into account.

They should have been. As early as its 2012 report, the Council identified an epidemic among the major events that could affect every country in the world. In 2012, the report pointed to the possibility of a global pandemic. And indeed, Covid swept the world in 2020, 2021, and 2022.

Beyond that accurate forecast, the report sent an even more urgent message about global warming and climate change — another issue of global importance. Its other warnings included the withdrawal of the United States from international agencies.



WE HAVE YET TO FULLY ANALYZE
THE IMPACT OF COMMODITIES
AND DEMOGRAPHIC CHANGE
ON THE WORLD

That is exactly what is happening today, as the United States turns inward. And it matters, because this is the world's most important economy.

The irony is that the United States had the freedom and the capacity to anticipate the changes and impacts that would reshape the world, yet failed to act on those forecasts.

That same 2012 National Intelligence Council report also addressed the rise of artificial intelligence, the impact of commodities, and demographics — the world's shifting population trends. Demographics is another critical factor that has not yet been properly analyzed, and it will affect us all.

Instituto Diálogos has the opportunity to play that same role in Brazil — and, beyond that, to bridge the gap between the analyst, the practitioner, and the decision-maker. The Institute brings together some of the most important figures in Brazil's economy, people who took part in the growth of these sectors and

helped establish Brazil as one of the world's leading food producers. That success was built on foundations laid 20 or 30 years earlier. Brazil has the capacity to do it again.

Together with the United States — but also with Europe, South Korea, Japan, and India — Brazil can build a fully independent supply chain that eliminates the rare earths bottleneck currently controlled by China.

Brazil has other opportunities as well. Seizing them will require a clear understanding of what lies ahead, grounded in analysis free of political bias. That is why the nonpartisan character of Instituto Diálogos is so essential.

It allows for an objective analysis of the world to come. I must say, as an American, that I believe part of the problem was ours. We assumed the world as we imagined it was inevitable. We believed the whole world shared our vision. Not the whole world does, but Brazil shares those

BRAZIL AND THE UNITED STATES
SHARE A FUTURE, A DESTINY,
THAT MUST BE BUILT NOW



values and the same vision of the future. It is one of the things I admire most about Brazil.

Brazil is more similar to the United States than any other country in the region. Brazil and the United States share a future, a destiny, that must be built now — with planning not for the next two years, but for 20 or 30 years of action.

Brazil has led revolutions in agribusiness and in renewable energy. Mining is the third — Brazil's next great cycle — but it will not be the last. This must be built on sound, reliable information that can be shared and turned into action: public action and private-sector action.

In the United States, we are at a moment when we have lost that bipartisan vision centered on the national interest.

This is affecting everything. It is new; it has never happened before in the United States. Politics used to stop at the water's edge. Foreign policy was something apart, never mixed with domestic politics.

Right now, that fundamental pillar is not working, and American success is on hold. It will return, but for now it will create a certain amount of confusion.

I fully agree that China won last year's trade standoff. The Chinese

WHAT IS GOOD FOR BRAZIL
IS GOOD FOR THE UNITED STATES.
AND WHAT IS GOOD FOR
THE UNITED STATES SHOULD BE
GOOD FOR BRAZIL, TOO



understood and analyzed what they had lost during President Donald Trump's first term (2017–2021).

As for current U.S. involvement with Iran, we cannot assume the United States will be alone in the conflict. Other countries will get involved — they already are — and will respond to our actions.

You Brazilians and we Americans must recover our ability to look ahead. It is important to do so with friends. And being able to do so with Brazil offers the United States its best chance of success.

What is good for Brazil is good for the United States. And what is good for the United States should be good for Brazil, too. You, here, can define how to make that happen — and turn fine words into action.

EUROPE WILL NOT WANT
TO DEPEND ON CHINA.
IT WILL PREFER A STRATEGIC
ALLIANCE WITH BRAZIL

”

In this new global configuration, it is important for Brazil to take part in building a different kind of world — one that will depend on alliances.

The United States will rebuild itself and reshape the alliances that were so central to its power over the past 80 years.

Take rare earths: Europe now wants to depend less on the United States. On defense, Europe will need other allies. NATO itself is under threat.

My sense is that Europe distrusts the United States and will distrust the next administration as well. Europe will also need allies on rare earths; it will not want to depend on China. I believe it will prefer a strategic alliance with Brazil. Brazil's opportunities are real, and the country can play a central role in building a more positive future for the world. ■





NICHOLAS BURNS



BEYOND COMMERCIAL INTERESTS,
BRAZIL AND THE UNITED STATES
SHARE THE SAME VALUES
OF FREEDOM AND DEMOCRACY

”

THE UNITED STATES AND BRAZIL are not just friends; we are partners. I was here seven years ago, during the pandemic, and I served in China for four years (2021–2025). I commend Instituto Diálogos for this initiative, because it allows Americans and Brazilians to come together and talk.

I don't mean to sound arrogant, but we are the two most important nations in the Western Hemisphere, by virtue of our population, our history, and our economies.

The United States and Brazil must be friends.

I do not understand how we reached the point of being almost competitors. Of course there are trade issues, but that is not a major problem. It is certainly nothing like our situation with China.

When I served in Beijing, one of my closest colleagues was Brazilian Ambassador Marcos Galvão. We lived just a few meters apart and talked a great deal on the way to and from work — and over *cafézinho*.

Ambassador Nicholas Burns is the Professor of the Practice of Diplomacy and International Relations at Harvard University's Kennedy School of Government, where he also founded and directs the Future of Diplomacy Project. From 2021 to 2025, he served as U.S. Ambassador to the People's Republic of China, leading the American diplomatic mission and playing a central role in managing one of the most strategic bilateral relationships in the world.

Over more than 30 years in public service, Burns served six U.S. presidents and held senior posts including Under Secretary of State for Political Affairs, U.S. Ambassador to NATO, and Ambassador to Greece. Internationally recognized for his diplomatic career, he has received numerous honors and is affiliated with leading institutions dedicated to foreign policy, international security, and global affairs.

“FRANKLY, WE DO NOT WANT
A COMMUNIST STATE,
AN AUTOCRACY, TO BECOME THE DOMINANT
MILITARY POWER IN THAT PART
OF THE WORLD: THE INDO-PACIFIC

China is an entirely different story. There is no question that the United States and China are peers — the world's great powers. They are the two largest economies and have the largest militaries.

Objectively, they are the only two countries whose power — economic, military, diplomatic, or technological — has significant reach anywhere in the world today.

What is striking is that the United States is now divided between two parties that agree on absolutely nothing — except China. Former President Joe Biden, a Democrat, and President Donald Trump, a Republican, share much the same view of China. Both believe the United States must compete with China. Peacefully, but compete.

Both the United States and China want to be the dominant military power in the Indo-Pacific, a region that spans the North Pacific, the South China Sea, and the Taiwan Strait.

I was always struck when Chinese interlocutors told me that “the Pacific belongs to the Pacific, not to you Americans.”

Just look at the map. The United States has Hawaii, Samoa, and Guam, and a vast Pacific coastline that includes Alaska and runs through Washington and Oregon all the way down to California. We are both a Pacific and an Atlantic nation.

There is clear competition for military leadership in the region. We Americans are engaged in that competition, as is China's People's Army, which has dramatically expanded its military power.

As a democracy, we frankly do not want to see a communist state, an autocracy, become the dominant military power in that part of the world: the Indo-Pacific, stretching to the Arabian Peninsula, the Bay of Bengal, and the Strait of Malacca.

Four of the world's largest economies are there. The four largest militaries are there. The United States, China, India, and Japan are all there — just look at the map

of the world. We do not want the region dominated by China's People's Liberation Army, so we are competing.

We are competing in technology — the heart of this rivalry. Which country, the United States or China, and which companies will lead? The contest spans artificial intelligence; quantum computing, including the race to build the first quantum supercomputer; biotechnology, a field in which China is advancing extraordinarily fast; cybertechnology; and space technology.

Those are just five areas. During my years as ambassador to China, from 2021 to 2025, I watched technology move to the center of the competition between us.

Of course, we also compete in trade and in supply chains. That is fair, normal competition. Nations have always competed in these areas, even friendly ones. The United States and Canada compete economically, for example — but by the rules. The problem is that China does not always play by the rules.

So be careful. If you do business with China, you need to understand that intellectual property theft remains a serious problem.

Another is forced technology transfer. A Brazilian or American company that sets up

WE HAVE TO ADMIRE THE EXTRAORDINARY
ECONOMY CHINA HAS BUILT.
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OR FOR THE UNITED STATES



operations in China is forced to hand over key technology to its Chinese partner.

China now accounts for 33% of global manufacturing. By a conservative estimate, that share will reach 40% by around 2030. We have to admire the extraordinary economy China has built. But it is not sustainable for Brazil, for the United States, for India or Japan, for South Korea or the European Union. Last year, China ran a trade surplus of US\$1.2 trillion with the rest of the world.

China is pulling rare earths off the global market.

And now it is in conflict with us. Last year, President Trump raised tariffs on Chinese goods to 125%. China responded. I would not say either side won or lost; I think we reached a truce.

What is new is that, for the first time in 100 years,



THE GREAT IRONY IS THAT CHINA
IS NOT ONLY OUR GREATEST COMPETITOR;
IT IS ALSO A MAJOR PARTNER

China retaliated — to show the United States that it is dealing with an equal. Trade and investment will always be a third arena of competition.

The fourth arena is the most important of all. It is about what Brazilians and Americans believe in. We believe in freedom: freedom of the press, freedom of expression. We believe in the rule of law. And we certainly believe in religious freedom.

The government of the Chinese Communist Party believes in none of these things.

The United States and China compete as equals, but competition is not the whole story. The irony and complexity of the relationship with China — for Brazil as much as for the United States — is that China is not only our greatest competitor, but also a partner.

Take climate change. We are the world's two largest emitters of carbon dioxide: China accounts for 30% and the United States for 10%. How can the

United Nations and the world tackle climate change if the United States and China are not working together to cut carbon emissions?

Under the Biden administration, we worked with China. It may be the area where we had the most in common and where our cooperation was most successful. We were also working more closely with Brazil, Japan, India, and the European Union. It was not perfect, but we were working together.

President Donald Trump, however, does not believe in climate change, so he pulled the United States out of that effort.

Whoever is elected in 2028, Republican or Democrat, will resume cooperation with China on climate change.

We are also partners on fentanyl, the synthetic opioid that is the leading cause of the tragic deaths of Americans aged 18 to 49. China does not export fentanyl itself, but its illicit market is exporting the precursor chemicals used to make it to drug cartels in the United States, Central America, and Mexico.

We have asked Chinese President Xi Jinping for help. Biden and Trump pursued the same policy of seeking China's cooperation.

A third example of cooperation is global health. We all lived through a terrible period during the pandemic.

At the time, there was a serious dispute between the United States and China. Trump accused China of spreading the Covid-19 virus, but I think we have moved well beyond that. Experts predict another pandemic in the coming decades, sooner or later. We would very much like to work together next time; the United States and China should cooperate on global health.

I always found my job as U.S. ambassador in Beijing difficult, because in the morning I was competing with China and in the afternoon I was working with China. Brazil may have a similar relationship.

The last element I mentioned — the belief in freedom that Americans and Brazilians share — is the most important. We have global military competition and global trade competition with China, but we must live in peace with China.

Biden and Trump do not say so publicly, but they have followed the same policy with great consistency. We must live in peace. We live in a world of nuclear weapons, and the United States and China are both nuclear powers. It would be criminal madness for either of us to use

BRAZIL HAS MORE IN COMMON
WITH THE UNITED STATES
THAN WITH CHINA



nuclear weapons. I believe Xi Jinping agrees. We must live in peace with one another. That is what makes the relationship between our two countries so complex.

Brazil and the United States are, of course, different countries, and each of us is obliged to pursue its national interests. To begin the conversation, I would like to offer a suggestion. In terms of values, Brazil has more in common with the United States than with China. We do not want China to dominate global trade in manufactured goods. We believe in a world where democracy — not communism or authoritarianism — prevails.

But I recognize that the relationship between Brazil and the United States is a two-way street. I do not believe in a world order, or an American policy, built on raising tariffs. I have always been a believer in free trade. I still think lower tariff barriers make world trade easier, and that more free trade and less protectionism benefit us all.

That is certainly true for a great agricultural exporter like Brazil, and certainly for my own country.

Many people today want to downplay the importance of globalization, but the period from the late 1970s until at least the last decade brought unprecedented prosperity to the world. More than a billion people — close to two billion — rose out of poverty into the middle class or beyond. Trading partners grew closer, not further apart.

From January 2020 to 2025, the average effective U.S. tariff on trade with the rest of the world was 2.4%. Today it is 11% — the highest since the 1930s. I am not comfortable with that, and I do not think it is wise. I hope the United States will one day return to a free-trade model.

I certainly disagree with what the U.S. administration did last week: raising tariffs by 20% or 25% on 59 countries. Last year, it raised tariffs on Brazilian and Indian goods to 50%, and on Japan and South Korea to 25%. These are our friends. I do not think we are doing a good job of treating our friends well. Nor do I believe that raising tariffs on the entire world serves our own interests.

I am concerned because we have moved from a world of

WE HAVE MOVED FROM A WORLD OF ORDER,
FROM THE LATE 1940s
TO THE LAST DECADE,
TO A WORLD OF DISORDER



order, from the late 1940s until the last decade, to a world of disorder. That world of relative order was a world of laws and rules. We had a general agreement on tariffs and trade, and we had the World Trade Organization (WTO), where disputes were routine and we accepted the outcome, win or lose.

We still have the United Nations system created in 1945, but its Security Council is completely paralyzed. It does not work, because the United States and its allies veto everything China and Russia propose, and vice versa.

When I worked for President George W. Bush and Secretary Condoleezza Rice, we developed a proposal to bring Brazil onto the Security Council as a permanent member. We proposed Brazil, India, and Japan, plus an African country. Today's Security Council reflects the balance of power of 1945, not that of the 21st century — with no Latin American or African member, and without India or Japan. We failed. We could

not persuade the rest of the world to support our proposal — including your neighbor Argentina, which, unsurprisingly, was not very receptive. We need to reform the UN Security Council. Brazil is an important global power and should have a seat. The Security Council is not working. As a result, Western trade operates under multilateral institutions that do not function.

On the other side, we have authoritarian powers — China, Russia, Iran, and North Korea, to name four — that are growing more confident together. Xi Jinping likes to say that the East is rising and the West — meaning us, Brazil and the United States — is failing and in decline.

We do not want to live in a world where authoritarian powers are ascendant. We see what they are doing in Ukraine. Thirty thousand North Korean soldiers are fighting in Ukraine alongside Russia. Iran is building drones for Russia. China supplies 90% of the microelectronics Russia needs for its weapons.

I do not believe it is in the interest of Brazil or the United States to see this kind of authoritarian coalition grow. So we have moved from a world of order to a world of disorder. Beyond the paralysis of the United Nations and the World Trade Organization, and the advance of authoritarian powers, there is one more source

of disorder: the United States.

I do not want to criticize my own country. I am a patriot and have served as a diplomat for decades. But the United States is not playing the role that every president — from Truman, Eisenhower, John F. Kennedy, and Ronald Reagan, through both Bushes, Obama, Biden, and Trump in his first term — used to play.

We are pushing allies away, waging trade wars, and acting unilaterally in a world that demands cooperation. That worries me. But in a democracy, it is our job, in the United States, to have that debate at home.

You must make your own choices, of course. You are a large and influential country — a major power. We both want to do business with China and attract investment, though the United States does so on a more restricted basis. We are both democracies. We share the same hemisphere. We need to rebuild the relationship between the United States and Brazil. That means the United States must be a good neighbor — perhaps a less intrusive one. Perhaps we can talk before firing off tariffs and sanctions. We are two leading nations that need to talk more; we are far more friends than competitors. And perhaps we need more time to reflect on the choices we make. ■



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