



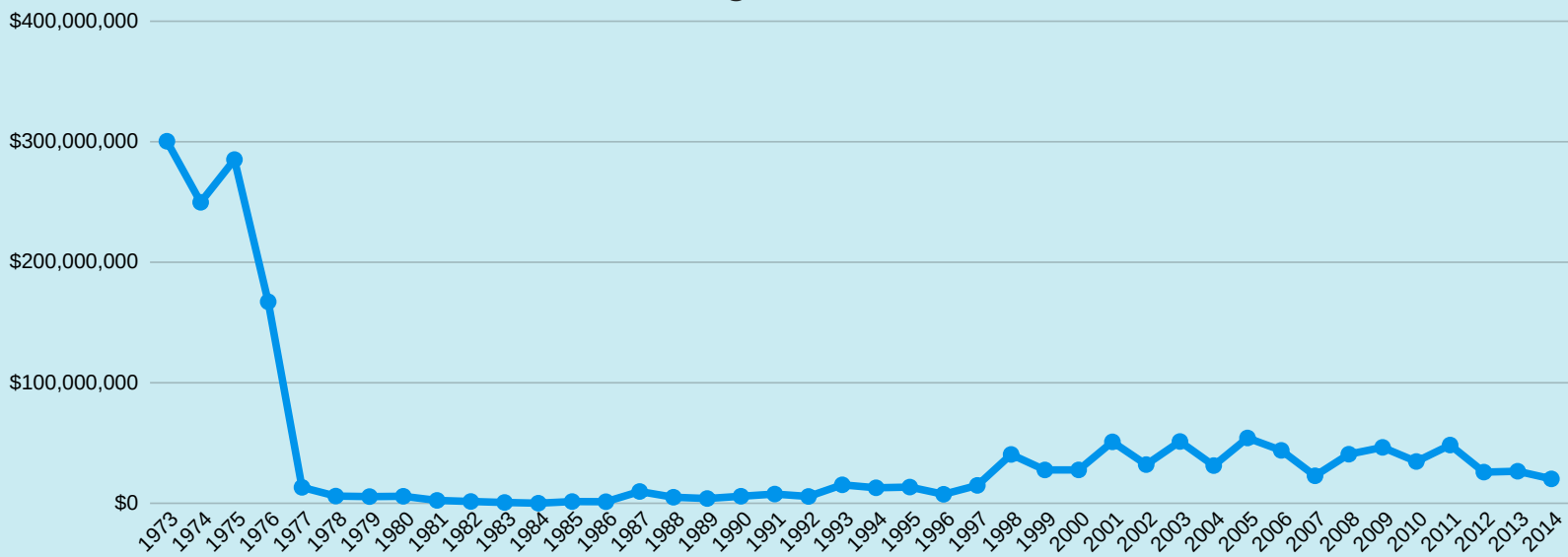
Strategic U.S. foreign aid dollars historically supported Brazil as it made a remarkable transition from a developing country to a middle-income state and now a global economic powerhouse and important U.S. partner. South America's largest country by both area and population, Brazil's modern prosperity belies a hardscrabble past. U.S. aid to Brazil took off in the 1960s, peaking in 1964 at nearly \$2.2 billion in today's dollars. This wide-ranging assistance included USAID food aid programs, economic development assistance, and military training and peacekeeping. By 1970, however, U.S. obligations had more than halved, declining to \$750 million, and ultimately falling to \$13 million by 1978. In 1985, Brazilian military rule ceased, and democracy rose, becoming more durable and finally enshrined in a 1988 constitution. At the same time, however, economic growth ground to a halt amid years of inflation, and protectionist trade policy stirred tension with Washington and other industrial economies.

For the next decade, U.S. aid to Brazil decreased to only a few million dollars each year, with a low of \$59,000 in 1984. Most of this assistance went towards anti-narcotics initiatives, as Brazil was - and still is - a major transit point for narcotics flows to Europe from Bolivia, Colombia, and Peru. By the early 1990s, however, a string of privatizations and economic liberalization encouraged improved relations with the United States, with aid hovering at around \$10 million annually. Aid remained at this level until 1998, when obligations topped \$40 million with increased U.S. economic and antinarcotics assistance through USAID and the Department of Defense.

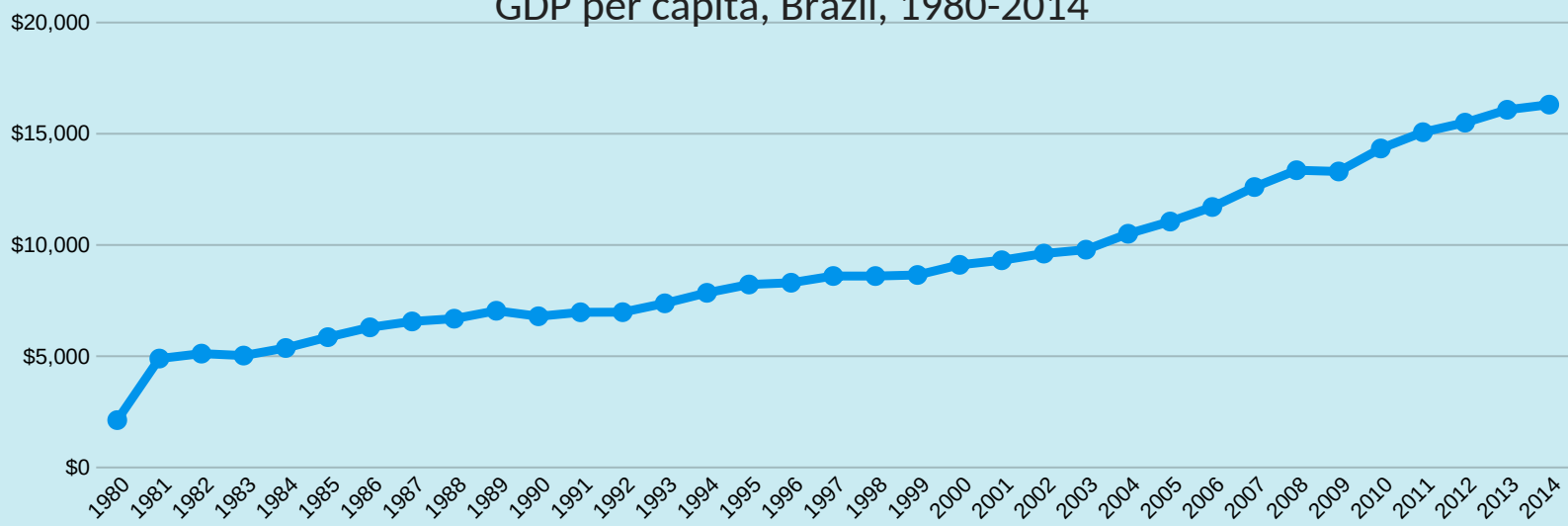
As Brazil's economy boomed, diversifying from agricultural exports such as sugar and coffee to industrial and financial sectors, it became apparent that U.S. cooperation with Brazil - by now the largest economy in South America - was crucial to peace and cooperation throughout the Western Hemisphere. GDP growth from 2000-2012 averaged above 5% annually, cementing Brazil as a member of the newly established and economically-optimistic BRICS designation. Throughout the 2000s, U.S. aid to Brazil focused on counter-terrorism, counter-narcotics, and economic development, ranging between \$20 and \$50 million each year and contributing to the nation's remarkable growth.

Since 2012, annual aid obligations to Brazil have once again fallen to below \$30 million and have continued to focus on specific, high-level goals with this key partner, including counter-narcotics, WMD nonproliferation, and rainforest conservation rather than basic human necessities of food security or sanitation. This represents a drastic shift in US-Brazil relations.

U.S. Aid Obligations, 1973-2014



GDP per capita, Brazil, 1980-2014



The United States and Brazil now often partner to support aid programs in other countries, such as addressing nutrition in Honduran schools and combatting fall armyworm, a devastating agricultural pest, in sub-Saharan Africa. Today Brazil is an enthusiastic partner and leader in aid programs in several developing countries.

Although problems such as corruption persist, as the 2016 Petrobras scandal highlighted, Brazil's economy is robust: exports include agricultural products (Brazil leads the world in soybean exports), oil, steel, cars, and aircraft, with a healthy internal market that allows for sustainable, if modest, growth. Currently, the United States is Brazil's second-largest trading partner, with an annual goods-and-services trade value of over \$100 billion.

However, Brazil's value to the United States goes far beyond an economic relationship between two of the largest economies in the western hemisphere: continued partnerships between the two nations have resulted in trilateral aid programs, anti-narcotics measures, and research products that benefit citizens the world over. This cooperation is due to its healthy economy and political system, supported in part by a history of sustained U.S. assistance.

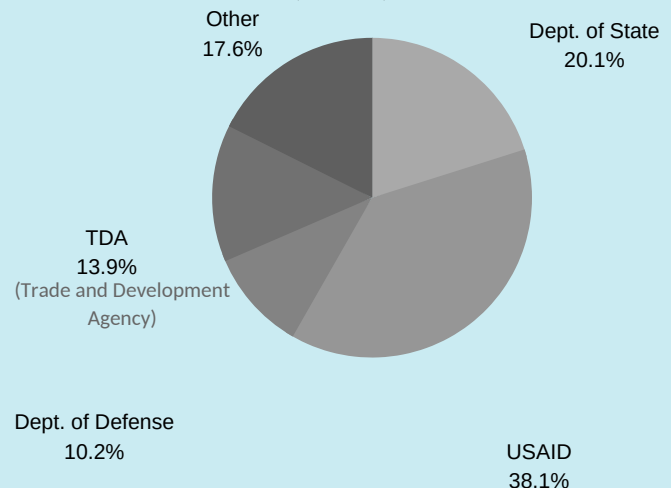
Brazil in 1980

GNI per capita:	\$2190
US Trade Value:	\$10.6 billion
IGO Membership:	OIC, UN, WorldBank

Brazil Today

GNI per capita:	\$8600
US Trade Value:	\$70.66 billion
IGO Membership:	G20, BRICS, Mercosur

U.S. Aid Obligation Breakdown (2014)



Sources:

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 "Trade Value" measure is taken from this source and is calculated by adding the value of exports to the U.S. to the value of imports from the U.S. for the year 2018.