



F-39 Gripen above Rio de Janeiro, Brazil. Copyright Saab AB. Photo: Saab AB.

Choosing Cooperation: The Strategic Impact of Brazil's Gripen Acquisition
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Abstract: The Gripen partnership between Brazil and Sweden illustrates how one strategic deal can transform bilateral relations—deepening industrial cooperation, fostering political dialogue, and strengthening ties through technology transfer and co-production. Today, the EU-Mercosur Agreement offers a systemic shift toward large-scale trade integration, investment flows, and institutional cooperation between two continents. In an era of rivalry and unilateralism, this agreement signals a clear choice for partnership and rules-based trade.

Keywords: Brazil; EU-Mercosur agreement; Gripen; Sweden; spheres of interest.

Optando pela cooperação: o impacto estratégico da aquisição de caças Gripen pelo Brasil

Resumo: A parceria Gripen entre o Brasil e a Suécia ilustra como um acordo estratégico pode transformar as relações bilaterais – aprofundando a cooperação industrial, fomentando o diálogo político e fortalecendo os laços por meio da transferência de tecnologia e da coprodução. Hoje, o Acordo UE-Mercosul oferece uma mudança sistêmica rumo à integração comercial em larga escala, aos fluxos de investimento e à cooperação institucional entre os dois continentes. Em uma era de rivalidade e unilateralismo, este acordo sinaliza uma clara escolha pela parceria e pelo comércio baseado em regras.

Palavras-chaves: Brasil; acordo UE-Mercosul; Gripen; áreas de interesse; Suécia.

TWO CENTURIES OF PARTNERSHIP

In 2026, Sweden and Brazil celebrate 200 years of diplomatic relations—a partnership that began politically in 1826 when Sweden recognized Brazil's independence and the two countries initiated an exchange of envoys.

Over the past two centuries, this relationship has evolved significantly, anchored in a foundation of strong economic ties, and driven by major Swedish companies operating in Brazil. Brands such as Electrolux, Scania, Tetra Pak and Volvo are so common across the country that many Brazilians may not even realize they are Swedish. The same is true for digital platforms and games like Spotify, Minecraft, and Candy Crush—services that seem to belong everywhere. Yet in terms of origin and innovation, they too are products of Sweden.

Individuals have played important roles in shaping this vast and multifaceted bond, and though there are many examples, only four will be named here: Emperor Pedro II installed an Ericsson telephone in his palace in the late 19th century, symbolizing early technological exchange between our nations. Football legend Marta Vieira da Silva captured hearts in both countries, boosting the popularity of women's football. Industrialist Marcus Wallenberg continues to advance business cooperation. And the São Paulo raised queen of Sweden, Her Majesty Queen Silvia, added a personal—and romantic—dimension to our bilateral ties. These examples reflect the depth and diversity of a relationship that blends commerce, culture, and shared values.

Among the many milestones, Brazil's 2014 decision to purchase 36 Saab Gripen (F-39) fighter aircraft stands out. One important factor was the mutual benefits of the Gripen program; a deal that demonstrates the power of trust-based collaboration. More than a defense contract, it symbolized strategic alignment, driving technology transfer,

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co-production, and long-term political dialogue. The Gripen program extends far beyond Brazil's purchase of Saab fighter aircraft; it has developed into a comprehensive industrial, technological, and training partnership between the two countries. This cooperation is built on two interconnected pillars: the industrial collaboration between Sweden's Saab and Brazil's Embraer, and the operational partnership between the *Força Aérea Brasileira* and the Swedish Air Force, which together drive joint system development, pilot and engineer training, and the transfer and growth of advanced aerospace technologies. At the heart of this effort sits Embraer's Gavião Peixoto facility, home to Gripen's Brazilian assembly line.

The Gripen program strengthened Sweden's reputation as a reliable partner and simultaneously positioned Brazil as a key player in advanced aerospace manufacturing. For Brazil, it fit into the country's broader ambition to be a regional power, upgrade its industrial base and increase technological sovereignty. For Sweden, at the time, it was the biggest export contract to date. For Brazil, the contract is likely the most ambitious defense-industrial partnership in the country's history. Brazil usually ranks first, second or third when it comes to Sweden's annual defense material exports—entirely because of Gripen.

This achievement illustrates how targeted cooperation can deliver transformative results—an important lesson as Sweden and the EU look to seize the broader opportunities offered by the EU-Mercosur Agreement.

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EU-MERCOSUL: BUILDING BRIDGES

With the January 17 signature of the EU-Mercosur Partnership Agreement (EMPA) and of the Interim Trade Agreement (iTA) between the EU and Mercosur, there is ample opportunity to lift cooperation to a new level, for EU as a group, as well as for Sweden as a country. Once in force, these two agreements will establish a framework for political dialogue, cooperation and trade relations within a modernized

and comprehensive partnership. The agreement lays the foundation for establishing one of the world's largest free-trade zones by population, encompassing a market of more than 700 million people.

Sweden, a highly export-oriented economy, has consistently supported the EU-Mercosur Agreement, with broad cross-party backing in parliament. This support is rooted in the principles of mutually beneficial, rules-based trade, but also in Sweden's own interests—lower tariffs on machinery, vehicles, telecom equipment, and pharmaceuticals, reduced bureaucracy, and improved market access for Swedish companies already deeply embedded in Brazil. While trade between our countries is important and growing, the biggest Swedish impact on Brazil's economy remains the presence of over 200 Swedish companies, several of them with long-standing operations in Brazil and significant production, employing tens of thousands of people.

The long-standing presence of Swedish firms in Brazil helped create the conditions for an ambitious project such as the local production of Gripen aircraft by Embraer, a partnership that was both natural as well as strategically significant.

The EU-Mercosur Agreement is a representation of Europe's interest in Latin America. This is not a new revelation. The European Union, as a single economic bloc, is Brazil's largest foreign investor. EU foreign direct investment (FDI) stock in Brazil has grown steadily in recent years, reaching approximately € 312 billion by the end of 2023, which represents a significant share of Brazil's total inward FDI. This makes the EU the most important external investor group in the country, ahead of other major players such as the United States. These figures are based on Eurostat data and official EU reports, which consistently highlight Brazil as the EU's top investment destination in Latin America.

Trade goes two ways. Brazilian agricultural products such as beef, coffee, poultry, sugar, ethanol, juice and fruit will gain improved access to the EU market under

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reduced tariffs. Brazilian industrial goods, including automotive parts and machinery, will face fewer trade barriers, making them more competitive in Europe. With clearer rules and reduced red tape, Brazil will attract more European investments in infrastructure, renewable energy, and high-tech sectors. Brazilian companies will benefit from easier participation in EU supply chains, especially in automotive, aerospace, and pharmaceuticals. Increased trade and investment flows are expected to generate employment and stimulate innovation in Brazil's manufacturing and service sectors.

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Another reason to highlight the importance of the EU-Mercosur Agreement extends beyond the borders of Brazil and the EU. At a time of intensifying global competition, when unilateralism and decoupling seem to carry more weight—we choose cooperation over confrontation. Rather than transactional approaches and rivalry, we build bridges.

UN CHARTER: COOPERATION, NOT COERCION

This choice must also be understood against the backdrop of dramatic geopolitical shifts in recent years. In Europe, Russia's illegal full-scale invasion of its peaceful neighbor Ukraine in 2022 shattered the security architecture built during the decades since the Helsinki Conference on Security and Cooperation in 1975.

The rejection of the notion that great powers should be granted spheres of influence is a cornerstone of Europe's security architecture. This principle is clearly articulated in the 1990 Charter of Paris for a New Europe, which stipulates that no State, nor any group of States, may designate any portion of the territory encompassed by the Organization for Security and Co-operation in Europe (OSCE) as falling within its sphere of influence. The Charter further affirms the sovereign right of each State to determine its own security arrangements and to choose its alliances freely.

The principle is backed by the provisions of the UN Charter which affirms the sovereign equality of all States and affirms every nation the right to determine its own security arrangements, provided it is done with respect for international law. Such decisions shall not be dictated by the proximity of major powers.

It was on this principle—and as a sovereign decision—that Sweden chose to join the North Atlantic Treaty Organization (NATO) in 2022.

Sovereign decision-making not only allows countries to define their own security and defense policies, it also gives them the freedom to decide independently which companies and nations they source their defense equipment from.

Rejecting spheres of influence is not just a European concern. It is as relevant for Europe as it is for the Americas. This was recently expressed by President Luiz Inácio Lula da Silva in a Guest Essay in *New York Times* (January 18, 2026) where he wrote that “The division of the world into zones of influence and neocolonial incursions for strategic resources are outdated and damaging.”

Sweden, together with the EU, has previously observed that Nicolás Maduro lacked legitimacy as a democratically elected president. This was also stated by many speakers at the meeting of the UN Security Council concerning Venezuela on January 5. But two wrongs don't make a right. The US operation against Nicolás Maduro in Venezuela was not in accordance with international law. Sweden stands up for international law, including all the principles of the UN Charter. All States have a responsibility to respect and act in accordance with international law, regardless of any other political or security considerations. Respect for international law is a security interest for Sweden, and we will always find it important to signal when States act in a way that is not in accordance with international law.

FROM MARGIN TO CENTER

But global power is not only shifting in the direction of those powers that support the idea of spheres of interest. The historic “North” or “West”—although these terms may be considered too vague and outdated—is outnumbered by the countries that were left in the margins or out altogether when the post-World War II structures of international cooperation were raised.

What is often referred to as “the Global South” is increasingly shaping the trajectory of the international order. Brazil stands out as one of its most influential actors. As the largest economy in Latin America and a leading voice among emerging powers, Brazil plays a pivotal role in global governance, climate negotiations, and trade. Its demographic weight, economic dynamism, and vast natural resources make it indispensable for addressing shared challenges. Brazil has returned to being an avid actor on the global scene, with important presidencies, among those of the UN Security Council (October 2023), G20 (2024), BRICS (2025) and COP 30 (since November 2025). Committed and active diplomacy has always been a hallmark of

Itamaraty's employees—but at the time of writing there is also the political will to be a forward-looking and dialogue-oriented actor.

For the European Union, engaging Brazil is not only about promoting common values but also about building a balanced and inclusive global system. This requires moving beyond rhetoric to concrete action: investing in Brazil's growth, supporting development initiatives, and ensuring meaningful participation in multilateral decision-making. A strong EU-Brazil partnership is essential for advancing a rules-based international order with genuine and mutual cooperation, fostering stability in an increasingly multipolar world.

SHARED BENEFITS, STRONGER TIES

The same logic underlies the cooperation between Brazil and Sweden. At times like these, trusted partners become more important than ever. With the Gripen deal, Sweden and Brazil have become strategic partners in a region where China and the US compete for influence.

Prior to the Gripen deal, defense ties between our countries were limited. Brazil's search for a next-generation fighter aircraft created an opportunity for Sweden to enter a sector previously dominated by the United States and France. The contract was unique as it centered on so much more than just a mere purchase of aircrafts, but included local assembly and co-production as well as long-term maintenance and training cooperation, something which necessitated extensive technology transfer. With an experienced and achieved partner like Embraer, this was not a difficult choice. The production contributes to Brazil's technological autonomy.

From a business perspective, both countries gained from this deal: it strengthened Sweden's reputation as a reliable, non-hegemonic defense partner and increased Swedish exports of high-value aerospace components. For Sweden—and Saab in particular—it gave a partner in testing and developing the Gripen, a foot into the South American market and a strategic distant production capacity.

At the same time, it confirmed Brazil's advanced aerospace industry and boosted Brazilian exports of parts and subassemblies for co-production. Brazil is positioned to be a potential exporter of Gripen components to third markets. On both sides, it expanded bilateral trade in services, including engineering and training.

But the impacts went beyond economic and industry dimensions, as it laid a foundation for bilateral political dialogue at ministerial and technical levels. These dialogues are still evolving. More than a decade after the deal was made, Brazil and Sweden held, in September 2025, their first ever dialogue on UN matters. This has

begun as a complement to multiple existing dialogues, such as the annual political consultations, the expert cooperations within the innovation partnership and the various military and defense dialogues.

CONCLUSION

What conclusions can be made by one single strategic deal such as Gripen ahead of the vast opportunities created by the now signed EU-Mercosur agreement?

The Gripen acquisition has transformed Sweden-Brazil relations, by deepening industrial cooperation, increasing political exchange and co-developing fundamental assets of security. On its own, the Gripen partnership shows what one strategic deal can achieve—deep trust, technology transfer, and a foundation for lasting dialogue. Gripen strengthened Sweden's position as a trusted partner and showcased the benefits of technology transfer and co-production. In short: it was a milestone for bilateral ties.

Today, with the EU-Mercosur Agreement, we stand before an opportunity of an entirely different magnitude. This is not just about aircrafts or tariffs; it is about shaping the future of cooperation between two continents.

The EU-Mercosur Agreement represents a systemic shift: it enables large-scale trade integration, investment flows, and institutional cooperation between entire regions—a game-changer for regional and global engagement.

At a time when global competition grows sharper and unilateralism threatens stability, we choose partnership. We choose rules-based trade. We choose to work with Brazil—a leading voice of the Global South—to build a fairer, more inclusive international order. ☰

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