



The Voice of BRICS...from New Delhi

Brazil-Russia-India-China-South Africa (BRICS), that largely comprises the emerging South constitutes 43 percent of world's population and has a trans-continental outreach. Because of their sizeable participation in global order, BRICS plays a pivotal role in international trade, development and capacity-building initiatives on issues which solicit global attention.

The 4th BRICS Summit came out with Delhi Declaration on March 29, 2012.

The Declaration focused on all pertinent issues ranging from Eurozone crisis to sustainable development and G-20. It also discussed political situation in West Asia stating that 'our objective is to facilitate a Syrian-led inclusive political process, and we welcome the joint efforts of the UN and the Arab League to this end'.

The idea of having a BRICS Development Bank was also discussed with a view to develop modality for its establishment. As per the Declaration, the aim of establishing such a bank is to mobilise resources for infrastructure and sustainable development projects in BRICS countries and also in other emerging economies and developing countries to supplement the existing efforts of multilateral and regional financial institutions for global growth and development.

Moreover, the role of G-20 as an emerging forum for enhancing multilateral cooperation was also highlighted. The BRICS Leaders noted that 'the primary role of the G20 as premier forum for international economic cooperation at this juncture is to facilitate enhanced macroeconomic policy coordination, to enable global economic recovery and secure financial stability, including through an improved international monetary and financial architecture'.

The Summit also called for reforms in the International Monetary Fund (IMF) and expressed their concern at the slow pace of quota and governance reforms in the IMF. The Leaders sought an urgent need to implement, as agreed, the 2010 Governance and Quota Reform before the 2012 IMF/World Bank Annual Meeting. Moreover, the BRICS Leaders also called for the Heads of IMF and World Bank to 'be selected through an open and merit-based process'.

A couple of days prior to the Leaders' Summit, i.e. on March 27, 2012, the partners of BRICS Trade & Economics Research Network (BRICS-TERN), held their second meeting in New Delhi and came out with BRICS-TERN New Delhi Resolution that was placed at the BRICS Leaders Summit in New Delhi on March 29, 2012. Among its 8 points calling for developing possible common position of BRICS on pertinent global issues, it also called for BRICS to strive to achieve an intra-BRICS trade of US\$500bn by 2015, with particular emphasis to better balance bilateral trade.

Also, an Indian Civil Society Consultation on BRICS under the theme 'Engaging BRICS as Emerging Global Governance Institution' was organised by Society for Participatory Research in Asia in New Delhi on March 23, 2012. The meeting, which included CUTS and other NGOs, called for the host of the 4th BRICS Summit to take a lead in evolving an institutional mechanism for ongoing dialogue with development NGOs and civil society in all the five BRICS countries.

Interestingly, with all such issues in mind, CUTS is also organising a side event on the theme of 'Future Challenges of Global Economic Governance and Role of the Emerging South' on the sidelines of UNCTAD XIII at Doha, on April 22, 2012. This session would entail a constructive dialogue in search of some pragmatic solutions to help meet the challenges of global economic governance through a defining role to be played by BRICS, the emerging South.



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Brazil-China Trade Differences

Brazil and China aired differences over their ballooning multi-billion trade relationship during a high-level meeting attended by Chinese Vice Premier Wang Qishan. Brazil is pushing for greater access for some of its products in China, which in 2009 overtook the US to become Brazil's largest trading partner, with bilateral trade reaching US\$77bn in 2011.

Beijing is now also the largest investor in the South American nation, with Brazil enjoying a trade surplus of some US\$11.5bn. Brasilia wants China to open its doors wider to Brazilian manufactured goods and limit its massive exports of shoes, textiles and other products such as autos that have been flooding into this country.

A senior Brazilian official said the sharp increase in imports of cheap Chinese products and access to the Chinese market for Brazilian manufactured goods "is an urgent problem which needs to be tackled." Brazil is the world's sixth largest economy, while China is the second biggest behind the US. *(www.hostednews.com, 13.02.12)*

India-Brazil Trade to Reach US\$10bn

Bilateral trade between Brazil and India could grow from US\$7.73bn in 2010 to US\$10bn in the next couple of years, technology being a key sector driving the increase. Indian Commerce and Industry Minister Anand Sharma made predictions during a meeting with Brazilian External Relations Minister Antonio Patriota in New Delhi, where ways to enhance collaboration were discussed.

According to Sharma, there is a "huge potential" for further cooperation between the two countries in core sectors such as IT, as well as engineering, infrastructure, oil and nuclear power. The Indian minister also put forward a proposal for an event aimed at facilitating networking and discussion of potential opportunities around trade and investment. *(www.itdecs.com, 09.03.12)*

China-Russia to Lift Bilateral Ties

Chinese President Hu Jintao and his Russian counterpart Dmitri Medvedev discussed bilateral ties and other issues of common concern, agreeing to promote China-Russia relations to a new level. The two leaders agreed to make joint efforts to lift their all-round strategic cooperation partnership to a new level.

Hu said the two countries, in 2011, charted the course and set the goal for the development of the bilateral relationship in the next decade and developed a plan for cooperation in various fields. He stated that China and Russia could take a more active stance to implement major consensus on bilateral cooperation, maintain close high-level contacts and bolster political support for each other.

Medvedev said frequent high-level contacts and prompt exchange of views on bilateral ties and other major issues were of high importance in ensuring bilateral relations stayed on the right track.

(www.new.xinhuanet.com, 29.03.12)

China-South Africa Discuss Bilateral Cooperation

Chinese President Hu Jintao met his South African counterpart Jacob Zuma to discuss further development of China-South Africa relations.

President Hu visited South Africa in 2007 and his counterpart Zuma visited China in 2010. The two sides signed the Beijing Declaration and established a comprehensive strategic partnership, marking a new stage of development for China-South Africa relations.

China is the largest trading partner of South Africa in the world while South Africa is China's biggest trading partner in Africa. In 2011, bilateral trade was registered at US\$45.4bn. *(www.capitalfm.co.ke, 26.03.12)*

Trade between South Africa-Russia Increases

South Africa and Russia could double their trade in 2012 in comparison to 2011, indicated Russian Natural Resources and Ecology Minister Yuri Trutnev. He was speaking at the tenth meeting of the bilateral Intergovernmental Committee on Trade and Economic Cooperation (Itec).

In parallel with Itec, there was a meeting of the South Africa-Russia Business Council formed in 2006. South Africa-Russia agreed that there should be "frequent interaction through the Business Council in order to enhance knowledge of commercial opportunities and potential business opportunities; prioritise capacity building and skills transfers, particularly in strategic and high technology areas; and facilitate good cooperation between the South African and Russian Business Council chapters.

(www.stratsisincite.wordpress.com, 09.01.12)

China to Offer Loans to BRICS

China is planning to extend renminbi loans to other major emerging BRIC countries, in another step toward the expansion of the yuan's role in foreign exchange. The China Development Bank (CDB) will sign a memorandum of understanding at a meeting with its BRICS counterparts in New Delhi on March 29, 2012.

Under the agreement CDB, which lends mainly in dollars overseas, will make renminbi loans available, while the other BRICS nations' development banks will also extend loans denominated in their respective currencies.

The renminbi is the official currency of China and its primary unit is the yuan. Of the six largest economies in the world, China is the only one whose currency does not have reserve status. The initiative aims to boost trade between the five BRICs nations and promote use of the renminbi, rather than the US\$, for international trade and cross-border lending.

Much of China's banking system, however, remains regulated, and lending is largely controlled. *(www.reuters.com, 07.03.12)*



China Daily

Development Bank Tops BRICS Summit Agenda

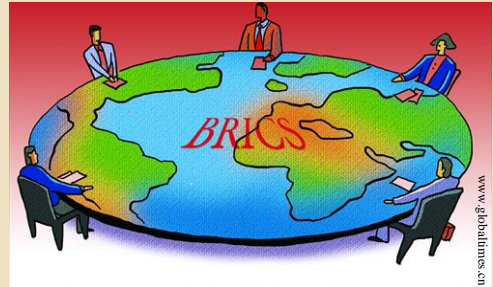
BRICS Leaders meeting for the 4th BRICS Summit are likely to sign a framework agreement for setting up a development bank on the lines of multilateral institutions such as World Bank. The proposed BRICS Development Bank will extend credit to member nations during crisis and for infrastructure development at lower costs.

While a joint statement after a meeting of the trade ministers of the five countries does not refer to the proposal, government officials said a joint working group will be announced to draft the contours of the proposed bank.

Also, stock exchanges of the five nations are likely to launch a benchmark equity index derivative. They would be cross-listed so that they can be traded in local currencies.

The delegates recommended that the five BRICS countries have lot of business opportunities and for the companies to engage in cooperation and have business activities they need financing services.

Therefore, there should be an institutional guarantee for financial services...So, the delegates put forward the idea of establishing a development bank to finance the business activity. (IE, 29.03.12)



South Africa on Brazil's Investment Trip

Deputy Trade and Industry Minister Thandi Tobias-Pokolo is leading 45 South African companies on a mission to Brazil on the lookout for trade and investment opportunities – and partnerships on 2014 Fifa World Cup projects.

The Investment and Trade Initiative (ITI) will span three 2014 Fifa World Cup host cities, namely Sao Paulo, Curitiba and Porto Alegre, focusing on South Africa's World Cup legacy while giving emerging exporters insight into the Brazilian market.

ITIs create an excellent platform to showcase South Africa's manufacturing and export capabilities as well as investment prospects in the markets in which the ITIs are held, which are targeted high-growth markets.

(www.southafricainfo.com, 12.03.12)

China-Russia to Boost Tourism

A China-Russia tourism forum kicked off in Beijing as part of efforts to foster exchanges and friendship between both countries. Vice Premier Wang Qishan and his Russian counterpart Vladislav Surkov attended the forum's opening ceremony.

Wang said that China has become Russia's second biggest source of tourists, while Russia has become China's third-largest source. The total number of mutual tourists will exceed five million by 2015.

Surkov said Russia attaches great importance to developing relations with China and is willing to further promote bilateral cooperation in all fields. Russia also welcomes Chinese enterprises to invest in its tourism.

China and Russia will hold the "Year of Russian Tourism" in China in 2012 and the "Year of Chinese Tourism" in Russia in 2013. (CD, 24.03.12)

India Expects Chinese Investment

China and India will see great potential in economic cooperation in the future, Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India said.

Chinese telecom equipment maker Huawei is setting up a new campus for its research and development centre in Bangalore with an investment of US\$150mn.

The campus will be the biggest of the telecom firm outside China.

A high level Indian delegation would visit China to streamline mutual investment opportunities between the two countries and discuss steps to remove impediments in this regard. (www.china.org.cn, 06.04.12)

China to Accelerate Investment in Brazil

Chinese direct investments into Brazil are likely to accelerate as a result of the slowing growth at home, according to Desmond Wee, Head of International Trade at the Brazilian unit of HSBC Holdings PLC.

As more-traditional markets in Europe and the US face difficulties of their own, Chinese companies are increasingly attracted to the growing consumer power in Brazil, as they look for more scale.

China became Brazil's main trading partner in 2009, supplanting the U.S., and bilateral trade reached US\$77bn in 2011. HSBC expects that gap to narrow in 2012, as imports from China are likely to grow faster than exports, in spite of the recent measures taken by the Brazilian government to curb the real's appreciation and to protect the country's exports.

(www.english.capital.gr, 22.03.12)

South Africa Urges Indian Investments

Indian businesses wishing to invest in South Africa need to be prepared to invest in value addition over time. Elizabeth Thabethe, Visiting Deputy Minister for Trade & Industry, said entry was open to almost all sectors, but it was a 'use it or lose it' policy. Bilateral trade between 2006 and 2010 had grown from US\$2.2bn to US\$5.7bn.

Numerous Indian multinationals had entered the South African market across sectors, including Tata Steel, Tata Motors, Tata Consultancy Services, the Mahindra Group, Cipla, Ranbaxy and Ashok Leyland. Total foreign FDI from India to South Africa, amounts to US\$3.8bn.

From there, South African Breweries had taken majority stake in Mysore Breweries and energy giant Sasol was exploring setting up a multi-billion dollar plant in India.

(BS, 26.03.12)

BRICS to Develop Common Position on Governance Issues

BRICS-TERN is an initiative in the direction of promoting cross regional cooperation through research and advocacy on a wide range of contemporary issues.

BRICS-TERN partners met in New Delhi on March 27, 2012 and adopted and recommended the following Resolution to the BRICS Leaders Summit.



➔ L-R: Bipul Chatterjee, G K Pillai and Li En Heng

1. That BRICS should strive to achieve an intra-BRICS trade of US\$500bn by 2015, with particular emphasis to better balance bilateral trade.
2. That BRICS should voice its concern against unilateral protectionist measures on climate change like aviation tax, border adjustment taxes and related issues being taken by some developed countries and that the principle of “common but differentiated responsibilities” should be maintained, taking into account historical responsibilities; and that BRICS should adopt proactive measures to counter such unilateral measures adopted by some developed countries.
3. That BRICS should propose for adaptable and affordable green technology transfer including through appropriate amendments to the TRIPs agreement; and that there should be enhanced green technological cooperation among BRICS, multi-stakeholder consultations and research including cost-benefit analysis towards a green economy in relation to sustainable development.
4. That BRICS should work towards common position on climate change, food security and trade linkages.
5. That energy security is a common concern of BRICS and a Forum for energy security should be established with an aim to develop intra-BRICS value-chains in the energy sector.
6. That BRICS should work in close partnership with other like-minded countries to conclude the Doha Round of multilateral negotiations, in line with its development mandate.
7. That BRICS should work together to take common positions at G-20 which is emerging as an important new platform for global economic governance.
8. That BRICS should strive to forge a consensus among the developing countries for a candidate respectively for the World Bank President and the WTO Director General.

Sources

BS: Business Standard; CD: China Daily; IE: Indian Express