Common Economic Strategy on the anvil to boost intra-BRICS trade

NEW DELHI, April 17, 2015. A Common Economic Strategy was currently being worked out in Moscow to bring about a user-friendly and easily accessible trade framework for boosting intra-BRICS trade, said Ms. Sujata Mehta, Secretary (ER & DPA), Ministry of External Affairs, Government of India, here today at a Capacity Building programme on ‘Promoting Trade and Investments with BRICS countries’, organized by FICCI, under the aegis of the BRICS Business Council, in partnership with Exim Bank.

She said that there were several shared interests that bring the BRICS economies together. One of the major agenda of the grouping is to reform the global governance architecture which is yet to reflect the changing global picture where the emerging economies are playing a larger role. Ms. Mehta added that over the last two years the BRICS Business Council has played an important role in ensuring that there was a regular dialogue between the business communities and governments of the BRICS nations.

Ms. Mehta said that the BRICS economies present huge opportunities for collaboration which can take economic growth and development to the next level in all our countries. The synergies and complementarities between the economies underscore the opportunities for collaborating across a wide range of areas from agriculture to infrastructure to energy and financial markets.

She welcomed suggestions with regard to doing business with any of the BRICS countries, which could be taken up at the G2G level. Ms. Mehta urged FICCI to compile all such suggestions and forward them to her Ministry so that concerned departments of the government and executing agencies could bring further improvements that could help exporters and investors.

On the occasion, Ms. Mehta released an EXIM Bank study ‘Research & Development in BRICS: An insight’.

Ms. Geetha Muralidhar, Executive Director (CMD-addl. charge), ECGC Ltd., exhorted the business community to make plans to enhance trade. She added that though the trade now stands in favour of China, but with Brazil’s increasing imports in the last three to four years and South Africa’s ability to absorb more, India could boost its trade volume s by engaging with other BRICS nations, apart from China.

On the lines of EXIM Bank, Ms. Muralidhar said that ECGC had also signed MOUs with its counterparts in respective BRICS nations. The MOUs, besides exchange of information would also look at supporting common projects undertaken by two or more BRICS countries in a third nation and respective
export credit agencies of the BRICS nations could join hands to take such
endeavour forward.

**Mr. Yaduvendra Mathur, CMD, EXIM Bank of India**, said that the financial
institutions of the BRICS countries created a framework and signed nine MOUs
amongst themselves over the last four years to enhance the trade ties. He added
that the five banks have been meeting on the sidelines of BRICS Business
Council meetings to innovate and arrive at real collaborative processes. Mr.
Mathur said that trade figures have been in favour of China but attempts were
being made to bring the other four BRICS countries at par.

Speaking about the objective of the meeting, Mr. Mathur said that it was an
opportunity to identify prospective businesses that could be explored for
expanding the trade base of BRICS. Besides, challenges could also be
addressed at the forum and businesspersons could explain what kind of
innovative financial products they were looking for. The financial institutions
could then innovate products around those parameters.

**Mr. Onkar Kanwar, CMD, Apollo Tyres and Chairman, BRICS Business
Council India Chapter**, said that several suggestions were drawn out based on
the inputs received from individual companies, industry associations and other
development agencies from across BRICS countries. One related to issuance of
visa for travel to BRICS countries by bonafide business people. This has been a
subject of concern for some time now and respective governments have been
requested to look into this matter. Also, the business community was looking
forward to the guiding principles of the New Development Bank and felt that this
institution must on priority support projects that promote intra-regional
connectivity, further use of renewable energy and focus on skill development in
the BRICS countries.

Mr. Kanwar said that the considered view of the BRICS Business Council
promotion was that promoting trade in local currencies would provide a great
impetus to intra-BRICS trade. Further, having a common declaration on
investment principles was suggested. It was felt that if all BRIC countries agree
on such a declaration it would bring transparency in investment procedures and
guarantee investments made by businesses from BRICS in any of the member
countries. This could be a major stimulant to attracting future investment in
BRICS countries and promoting intra-BRICS investments.

In his concluding remarks **Mr. Sidharth Birla, Immediate Past President, FICCI
and Chairman, Xpro India Limited**, said that one of the fundamental
contribution or rather achievement of BRICS grouping is its demonstrated
capacity to set up global institutions. The New Development Bank, which will
become operational in near future, is a significant step forward in our mutual
cooperation. The governance structure in the New Development Bank will be
equitable and all partner countries will be able to leverage resources to finance
infrastructure and sustainable projects in their countries as per their own development priorities.

He invited Ms. Muralidhar to have ECGC join the BRICS Business Council Working Group on Financial Services and added that EXIM Bank was already a member of this group and ECGC's presence would further strengthen India's position.