

Bridging gaps with BRICS

The BRICS Business Council, with a mandate to promote BRICS partnership with Africa, is off to a good start



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A review of the international press in recent times shows that the BRICS nations are slowly losing their sheen. You see articles that focus on how individual members of this group are faced with several domestic challenges. Growth is slowing down, currencies are under pressure, current account deficit is soaring and fiscal situation is far from comfortable. Each member of this group is busy tackling one or more of these issues. As a result, the realisation of the expectations that were set for the BRICS a few years back now look like a distant dream.

There is some merit in this narrative. However, to rule the BRICS out is premature. With 43% of the world's population, 40% of its currency reserves, 18% of its GDP and 17% of its trade, the BRICS is a force to reckon with. Its presence and impact will continue to be felt. In fact, the recent turn of events has made the BRICS even more conscious of the need to cooperate and work together.

As a result, at the fifth BRICS Summit held in Durban earlier this year, a new institutional mechanism was launched called the BRICS Business Council. The mandate given by the political leadership to this council was to look at measures that can enhance trade and investments and promote BRICS partnership with Africa for its industrialisation, integration and development. The first meeting of this council was held in Johannesburg a few weeks back and it was just the kind of start one could have hoped for to impart momentum to the working of this group. The attendance was excellent. Discussions were rich and wideranging. And with more than 100 CEOs of some of the largest businesses from across Africa, this engagement was a fertile ground for exchange of ideas on the future of the BRICS and Africa. The presence of

the Chairperson of the African Union, President of the African Development Bank, President of South Africa and leading members of his Cabinet underlined the political support for this initiative. As members of the BRICS Business Council sat together to firm up their agenda of work, several interesting and practical suggestions came up.

The issue of connectivity amongst BRICS countries has been a subject of debate for a while. You can't transact business if you can't travel easily. A case for having more direct flights between member nations was made. Closely following this was a discus-

sion on an enabling visa policy. To overcome difficulties here, council members agreed to promote the concept of a BRICS business travel card with multiple entry long-term visas for business people. Alongside easy travel, emphasis was also laid on accessing right information on business opportunities in each country. While in today's digital age this may not be difficult, yet, an enabling tool would do a lot of good particularly for

the SMEs. It was hence decided to set up an information exchange platform—a BRICS business portal. On the issue of promoting trade, there was a consensus for diversification away from resources-based trade to more value-added trade across sectors. Members of the council agreed that there is a case for jointly setting up special economic zones and industrial clusters for economic value addition in each country as well as in Africa.

Strong support was also evinced for trade in local currencies. Discussions on this proposal are already under way and BRICS Business Council agreed to lend support to this idea. An-

neither Russia nor Brazil is a member of OPEC. India and China have to pay an Asian premium for their energy requirements. We have in a sense a limited impact on the global energy dialogue. To address this issue, members pushed for more meaningful exchanges for trade, investment and technology transfer in the energy sector including renewables.

Pharmaceuticals sector too attracted attention. With countries across the globe trying to economise healthcare costs, generics can play an important role. Yet these face considerable constraints in several markets. Perhaps in the days ahead, BRICS countries can collectively put their weight behind promotion of generics worldwide.

As already mentioned, cooperation with Africa was an integral part of this dialogue and focus was on areas such as food security, infrastructure, healthcare and mining & energy.

Businesses from BRICS nations can support agriculture development in Africa by sharing best practices that have led to increase in crop productivity and improvement in food distribution in their own countries. They can also share experience on design, financing and execution of infrastructure projects as well as role of PPP.

In case of healthcare, already BRICS are committed to promote exports of vaccines for diseases such as HIV/AIDS, malaria, TB, etc, to other developing countries. Africa must be the beneficiary of any such collaborative effort. As far as mining is concerned, members agreed that as BRICS look at Africa to support their growth by providing mineral resources, they must in parallel ensure that projects flowing out of such partnerships are carried within the norms of what is considered environmentally and socially sustainable.

The energy on display during the BRICS Business Council meeting and the enthusiasm shown by all members towards an ambitious agenda that was set bodes well for this grouping. Managed well, this could be a fruitful journey for us.

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Other initiative of the governments on which BRICS Business Council members want to see progress is the setting up of a Development Bank. Energy security was another area that resonated during discussions. Within the group, we have some of the largest producers of oil and gas (Russia, Brazil). We also have some of the largest consumers of energy (India, China). Yet the voice of the BRICS in hydrocarbons space is quite muted.