

Indian Diplomacy At Work

INDIA IN BRICS



OUR VIEW

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BRICS

The term BRIC (Brazil, Russia, India, and China) was first coined in 2001 by Goldman Sachs in the context of an exercise to forecast global economic trends over the next half century. As a grouping BRIC was first convened in September 2006 with a meeting of Foreign Ministers of four countries in New York on the sidelines of UN General Assembly. Following a consensus amongst the BRIC Leaders, South Africa was invited to join the grouping at the 3rd Summit in Sanya, China in April 2011. BRICS as a group has demonstrated the shared will and capacity to engage with each other as well as with the world community in seeking sustainable solutions to contemporary regional and global challenges and promote global stability and well-being.

2. Together the five BRICS countries account for about 40% of the world's population, a quarter of the world's land area and a combined GDP (PPP) of US \$ 24 trillion (2013 figures). The value of intra-BRICS trade was US \$ 310 billion in 2012. BRICS countries have set a target to increase intra-BRICS trade to US \$ 500 billion by 2015. BRICS Development Banks have signed a number of enabling MoUs/Agreements to promote intra-BRICS trade and investment.

3. Since its institutionalization in 2006, BRICS has evolved a number of mechanisms for consultation, coordination and cooperation. These include Summits, meetings of Foreign Ministers, Finance Ministers and Central Bank Governors, Agriculture Ministers, Health Ministers, Science & Technology Ministers, Education Ministers and National Security Advisers. A number of other cooperation mechanisms, including Academic Forum, Think Tanks Council, Business Forum, Business Council, Contact Group on Trade and Investment Issues [CGETI], BRICS Mayors and Friendship cities (Mumbai represents India), Urbanization Forum, meetings of Competition Authorities and National Statistical Authorities have also been established within BRICS in order to further deepen, expand and consolidate cooperation among the five member countries. All these cooperation mechanisms meet regularly. BRICS countries also consult each other on the margins of other multilateral meetings as and when required.

4. In addition to cooperating with each other in mutually agreed areas, BRICS countries exchange views and consult each other on contemporary

regional and global issues including reform of global governance – both political and economic, trade, finance, cooperation against terrorism and against transnational organized crime, climate change, post-2015 development agenda, etc.

5. So far BRICS has had 6 Annual Summits, one standalone meeting of Foreign Ministers in Yekaterinburg, Russia in May 2008, regular meetings of Foreign Ministers on the margins of the UN General Assembly in New York and several other Ministerial meetings.

6. Each BRICS Summit has been an important milestone on the BRICS time-line in its own way; the Second BRIC Summit hosted by Brazil in April 2010 put greater economic content on the agenda through new cooperation mechanisms such as BRICS Business Forum, Financial Forum bringing together Development Banks [EXIM Bank from India] of member countries, and institutionalization of BRICS Trade Ministers meeting. The 4th Summit hosted by India in March 2012 was important as it proposed the creation of the New Development Bank and placed the subject on the BRICS Agenda. The 5th Summit in Durban in March 2013 proposed a BRICS Contingent Reserve Arrangement. The 6th BRICS Summit hosted by Brazil on 15-16 July 2014 assumed importance as, among other things, it witnessed finality of major initiatives relating to the New Development Bank and Contingent Reserve Arrangement.

India in BRICS

7. India shares close economic and cultural ties with her BRICS partners. India attaches high importance to engagement with BRICS as a platform for coordination, consultation and cooperation on current issues. India's engagement with BRICS countries may be seen in the context of our pro-active and broad-based international engagement to contribute towards building a peaceful and prosperous world.

8. India's trade with BRICS partners is about US\$ 95 billion [2013-14 data from the Ministry of Commerce & Industry of India]. India's strengths lie in labour, services, generic pharmaceuticals, and information technology. There are significant synergies with other BRICS partners which may be tapped to further strengthen intra-BRICS linkages in these areas.

9. As mentioned above, India's notable contribution to BRICS is proposal of the New Development Bank which was put on the BRICS agenda at the 4th Summit hosted by India in New Delhi in March 2012. Subsequently, India hosted the first Negotiation Meeting for taking this initiative forward in August 2012. After several rounds of negotiations and Finance Ministers' meetings, the Agreement for setting up the Bank has been signed at the 6th Summit in Brazil in July 2014. The Bank will be headquartered in Shanghai, with a regional office in South Africa. The first President of the Bank will be from India.

10. Other Indian initiatives include a BRICS Report focusing on synergies and complementarities between the BRICS economies and highlighting their role as growth drivers of the world economy. This Report was released by the Leaders at the Delhi Summit in March 2012.

11. India also added the Urbanization Forum to BRICS cooperation mechanisms to bring greater focus on intra-BRICS cooperation to learn from each other's experience in tackling challenges of rapid urbanization faced by all BRICS members.

12. India institutionalized the practice of holding BRICS Academic Forum meetings as preparatory meetings feeding into the Summit agenda by hosting the first such meeting in New Delhi in May 2009 before the first BRIC Summit held in Yekaterinburg, Russia in June 2009.

13. At the 6th BRICS Summit in Brazil in July 2014, India has proposed important initiatives in order to strengthen intra-BRICS cooperation. These initiatives relate to online education, an affordable health care platform, a virtual BRICS university, BRICS language schools, cooperation in small and medium enterprises, tourism, youth exchanges, a Young Scientists Forum and disaster management. India will continue to work closely with BRICS partners to take these initiatives forward as well as for overall strengthening and deepening of BRICS cooperation.

Further reading

(i) **BRICS Long Term Vision**
[\[http://orfonline.org/cms/export/orfonline/modules/report/attachments/bricsvision_1376295709857.pdf\]](http://orfonline.org/cms/export/orfonline/modules/report/attachments/bricsvision_1376295709857.pdf)

(ii) **BRICS Report** [http://finmin.nic.in/reports/BRICS_Report.pdf]