PROMOTING BRICS COOPERATION FOR ECONOMIC GROWTH AND DEVELOPMENT[1]

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BRICS will serve as a new engine of consumption-driven growth, in a way more dramatic and faster than many analysts expected. With impressive average growth rate in the past two decades, the BRICS became a powerful and prominent force in the global economy. To harness the gains BRICS nations have made, we should consider promoting cooperation for growth and development among the BRICS, and through dialogue with other like-minded partners. This paper argues that BRICS could consider market integration in the areas of trade, foreign investment and capital markets to counteract the effects of negative global trends and work towards more extensive consultation and closer cooperation in international economic and also poses recommendations for BRICS cooperation in key areas.

Keywords: BRICS; Foreign Direct Investment; World Trade Organization; International Monetary Fund.

PROMOVENDO A COOPERAÇÃO NO BRICS PARA O CRESCIMENTO ECONÔMICO E O DESENVOLVIMENTO

O BRICS servirá como um novo motor de crescimento impulsionado pelo consumo, de uma forma mais dramática e rápida do que muitos analistas esperavam. Com uma impressionante taxa média de crescimento nas últimas duas décadas, os BRICS se tornaram uma força poderosa e proeminente na economia global. Para aproveitar os ganhos obtidos pelos BRICS, devemos considerar a promoção da cooperação para o crescimento e o desenvolvimento entre os BRICS, e através do diálogo com outros parceiros que partilham da mesma visão. Este artigo argumenta a possibilidade de os BRICS considerarem a integração dos mercados nos domínios do comércio, do investimento estrangeiro e dos mercados de capitais para contrariar os efeitos das tendências globais negativas e trabalhar para uma consulta mais ampla e uma cooperação mais estreita na economia internacional e além de apresentar recomendações para a cooperação dos BRICS em áreas fundamentais.

Palavras-chave: BRICS; Investimento Direto no Exterior; Organização Mundial do Comércio; Fundo Monetário Internacional.

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PROMOCIÓN DE LA COOPERECIÓN EN EL BRICS PARA EL CRECIMIENTO ECONÓMICO Y EL DESARROLLO

El BRICS será el nuevo motor de crescimiento económico generando consumo, de uma forma más intensa y eficiente de lo que esperan los analistas de mercado. Con una tasa de crescimiento medio impresionante en las últimas dos décadas, los BRICS se convirtieron en uma fuerza poderosa y prominente en la economia global. Para aprovechar las ganancias obtidas por los países BRICS, debemos promover la cooperación para el crescimiento y el desarrollo entre estos, así como el diálogo con países que comparten esta visión. Este artículo debate la posibilidad de integración de mercado entre los países BRICS en las áreas de comércio, inversión estratégica y capitales para contrarrestar os efectos negativos de las tendências globales y trabajar para un diálogo más amplio y una cooperación más estrecha en la economia internacional, además de presentar recomendaciones para la cooperación entre los BRICS en áreas fundamentales.

Palabras clave: BRICS; Inversión Directa Extranjera; Organización Mundial del Comercio; Fondo Monetario Internacional.

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1 INTRODUCTION

BRICS cooperation has covered economic, trade, finance, energy, health, science and technology, culture, agriculture, education and many other fields. Its cooperation mechanism is the best way for developing countries to unite and participate in the world economy and is also an important part of improving international multilateral cooperation. Its positive significance is to greatly enhance the voice of emerging market countries and developing countries in global governance, break the monopoly of western developed countries, and expand and deepen cooperation among developing countries. The BRICS countries are a new bright spot for South-South cooperation and a new platform for developing countries to participate in global economic governance.

In 2014, the BRICS accounted for over 40% of the world's population and one third of the world GDP in PPP terms (IMF, 2014), which weighted almost the same as the G7. As economies of fastest growth pace, the BRICS countries are often regarded as the engines of global economic recovery. From 2001 to 2017, the average economic growth rate of the BRICS was 7.1%, 3.3 percentage points higher than the world's average.

The BRICS countries have actively seized the opportunities of economic globalization, fully exerted their unique advantages, comprehensively promoted the economic and social development of all countries and became the leaders of emerging market countries and developing countries, occupying more and more important position in the world economic structure.

During this time, the GDP of the BRICS countries has increased from 12% to 23% in the global economy, the proportion of total trade has increased

from 11% to 16%, and the proportion of foreign investment has increased from 7% to 12%. The contribution of the world economic growth rate reached 50%. The International Monetary Fund said that India's economic growth has been strong as the impact of reforms (waste and tax reforms) has gradually diminished, coupled with strong investment and personal consumption growth. It is also predicted that the Indian economy would grow by 7.3% in 2018 and 7.4% in 2019.

1.1 Similar concepts of development

The BRICS countries have similar development concepts and cooperation visions. On the eve of the G20 leaders' Buenos Aires summit, the BRICS leaders expressed their common views on world trade development.

The BRICS countries agree that full support should be given to the multilateral trading system represented by the WTO, including measures such as: *i)* call on all WTO members to oppose unilateralism and protectionist measures that are inconsistent with WTO rules and to repeal such discriminatory and restrictive measures; *ii)* support the work towards the improvement of the WTO with a view to enhance its relevance and effectiveness; *iii)* emphasize that in this work WTO members should safeguard the core values and basic principles of the WTO, and the interests of all members, especially developing members be reflected; *iv)* emphasizing the importance of the dispute settlement mechanism for the smooth operation of the WTO, it urged the immediate launch of the WTO Appellate Body selection process to maintain the stable and effective operation of the dispute settlement system; and *v)* committed to strengthen communication and cooperation, work with other members to promote the WTO to keep pace with the times, promote inclusive growth and countries to participate in international trade, and play a meaningful role in global governance.

At the same time, the parties also reaffirmed their commitment to world peace and stability, supported the core role of the United Nations, jointly strengthened multilateralism, promoted a fair, just, equitable, democratic and representative international order, and implemented the 2030 sustainable development agenda and climate (UN, 2013). With changes in the Paris Agreement, they also reaffirmed the strengthening of the BRICS strategic partnership and the implementation of the BRICS partnerships such as the New Industrial Revolution Partnership.

The BRICS countries are competitors in certain industries, but their industrial structures and resource endowments are generally complementary, creating a solid basis and vast space to exercise complementarity. A comprehensive analysis of the economic strength and trade patterns of the BRICS shows: China and India, both rich in labour and strong in manufacturing, have manufacturing expertise to offer to the other three members in the grouping, which are relatively weak in the sector.

Russia has a greater role in education and research. Russia's scientific and technological strength is strong, especially in basic theories, military industry and some heavy chemical industries. The weapons industry is a well-known Russian product brand.

South Africa is rich in resources, in particular, mineral products and precious metals, which are desirable raw materials for the Chinese and Indian markets. Brazil has a variety of agricultural resources and products on offer to all the other four members. As a result of the complementary economic cooperation, the trade volume among the BRICS increased 14 folds from US$21.1 billion in 2001 to US$770 billion in 2017.

In 2017, Brazil, Russia, India and China all ranked among the top 10 in terms of GDP denominated in US dollars as well as exports and imports of merchandise and services. The BRICS saw their weight in international trade roughly triple and their exports and imports considerably outperform other country groupings over the past two decades.

The BRICS countries' exports and imports growth remained positive despite the sluggish global trade in the period of 2008-2017, underlining the BRICS' contribution to job creation and output growth across the world, including in developed countries.Technological developments have become more visible in various sectors of the BRICS economies over the past two decades and led to changing composition of the BRICS' exports. A new trend emerges that high-technology goods take up a larger share of the BRICS' export baskets and capital goods get a larger share of their import baskets, indicating that industrialisation is taking place on large scale in these economies (see table 3).

TABLE 1
Composition of the BRICS' exports (2017)

Country	Merchandise imports (US$ billion)	Share in world total exports	Share of exports by commodity				Share of exports by destination			
			Agricultural products	Fuels and mining products	Manufactured products	Other				
Brazil	2,178.1	1.2	41.5	17.7	37.9	2.9	China (21.8)	EU (16.0)	US (12.5)	Argentina (8.1)
Russia	353.1	1.99	8.8	62.9	21.8	6.5	EU (44.4)	China (10.8)	Belarus (5.4)	Turkey (5.1)
India	298.4	1.7	12.8	13.8	70.5	2.9	EU (17.4)	US (16.1)	UAE (9.6)	Hong Kong SAR, China (5.0)
China	2,263.3	12.7	3.6	2.4	93.7	0.3	US (18.4)	EU (16.2)	Hong Kong SAR, China (13.7)	Japan (6.2)
South Africa	89.0	0.5	13.7	31.5	47.7	7.1	EU (21.7)	China (9.8)	US (7.5)	Japan (4.7)

Source: WTO (2018).

TABLE 2
Composition of the BRICS' imports (2017)

Country	Merchandise imports (US$ billion)	Share in world total imports	Share of exports by commodity				Share by source			
			Agricultural products	Fuels and mining products	Manufactured products	Others				
Brazil	157.5	0.9	8.7	14.1	77.1	0.1	EU (21.3)	China (18.1)	US (16.7)	Argentina (6.3)
Russia	237.8	1.3	13.5	2.9	75.2	8.3	EU (35.6)	China (21.2)	US (5.6)	Belarus (5.0)
India	447.2	2.5	8.1	30.0	51.7	10.2	China (16.6)	EU (10.4)	US (5.7)	UAE (4.9)
China	1,841.9	10.2	9.8	20.5	64.9	4.8	EU (13.1)	Republic of Korea (10.0)	Japan (9.2)	Taiwan, Province of China (8.7)
South Africa	101.3	0.5	9.3	16.1	66.4	8.2	EU (30.8)	China (18.3)	US (6.6)	India (4.7)

Source: WTO (2018).

TABLE 3
Trade relations in the BRICS countries
($ billions)

Exports from Russia	Brazil	China	India	South Africa	Advanced economies	Eurozone
1990	-	-	-	-	-	-
2000	0.3	5.2	1.1	0	60.6	39.0
2010	1.7	19.8	5.4	0.1	210.7	141.0
2015	1.9	28.6	5.6	0.3	197.9	133.3
2017	2.0	38.9	6.5	0.2	186.9	120.7
Exports from India	**Brazil**	**China**	**Russia**	**South Africa**	**Advanced economies**	**Eurozone**
1990	0.0	0.0	-	0.0	11.1	3.0
2000	0.2	0.8	0.9	0.3	27.4	7.6
2010	3.7	17.5	1.4	3.6	100.1	32.5
2015	3.1	9.7	1.6	3.9	123.2	32.2
2017	2.9	12.5	2.1	4.1	143.6	37.8
Exports from China	**Brazil**	**India**	**Russia**	**South Africa**	**Advanced economies**	**Eurozone**
1990	0.1	0.2	-	0.0	52.0	5.1
2000	1.2	1.6	2.2	1.0	208.3	30.6
2010	24.5	40.1	29.6	10.8	1,108.0	235.0
2015	27.4	58.3	34.8	15.9	1,500.3	250.7
2017	29.3	68.1	43.3	15.0	1,487.7	264.8

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(Continuation)

Exports from Brazil	China	India	Russia	South Africa	Advanced economies	Eurozone
1990	0.4	0.2	-	0.2	22.9	8.1
2000	1.1	0.3	0.4	0.3	34.6	13.0
2010	30.8	3.5	4.2	1.3	83.1	36.8
2015	35.6	3.6	2.5	1.4	76.8	29.0
2017	47.5	4.7	2.7	1.5	81.9	30.0
Exports from South Africa	China	India	Russia	Brazil	Advanced economies	Eurozone
1990	-	-	-	-	-	-
2000	0.3	0.4	0.0	0.2	15.1	6.2
2010	8,1	3.0	0.3	0.7	41.2	14.2
2015	7.5	3.2	0.3	0.6	34.1	13.0
2017	8.6	4.2	0.4	0.4	38.1	15.6

Source: IMF (2018).

Regarding the increase of investment flows, one must outline that global flows of FDI fell by 2.1% in 2016 and 16% 2017, following a sharp increase of 33.9% in 2015 (UNCTAD, 2018), but were still 22.4% higher than the pre-crisis average between 2005 and 2007.

Against the overall declining trend, the BRICS inward and outward flows were sometimes volatile, yet scored remarkable increase and the inflows of FDI exceeded the outflows over the last two decades. But currently, the BRICS tend to invest overseas more than before. Outflows rose by 21% in 2016, pushing the group's ODI stock to US$2.1 trillion – or over 8% of the world total in that year. In 2017, China, Brazil and India were among the top ten FDI inflow host economies, respectively ranking the 2nd, the 7th and the 10th. China received record inflows of US$144 billion. In general, FDI inflows to BRICS have amounted to 10.3% of the world total in 2017. According to the IMF data, the relative and absolute importance of FDI positions among the BRICS economies has been increasing.

2 BRICS' INTERNAL AND EXTERNAL MAIN CHALLENGES

Since the financial crisis, international trade and investment order has entered a new era of rule reconstruction. Economic globalization and the rapid development of high-tech, especially internet information technology, have fundamentally changed the global industry and economy. New industries and new economies have emerged in an endless stream, and the world economy is highly integrated. The new economy of globalization requires new rules. The reconstruction of global trade rules

has gradually emerged as two characteristics. First, as an important basis for trade globalization, the attention of trade rules under the WTO framework has gradually decreased. Second, regional multilateral trade negotiations have received support and attention from more and more countries.

As the Federal Reserve of the U.S. continuously pushes rate hikes, which support the U.S. dollar appreciation, many countries around the world are beginning to feel the impact. As a result, the world's major currencies depreciate by up to 15% against the U.S. dollar. Since April 2019, Argentina peso and Turkish lira have depreciated sharply against the US dollar. At the beginning of August, the Turkish lira plunged more than 25% against the U.S. dollar, sparking fears of the comeback of financial crisis. Some emerging market economies saw their currencies plummet upon the withdrawal of the Fed's quantitative easing program.

The Fed raised interest rates again by 25 basis points in the meeting on interest rates in June 2018, suggesting a tough attitude. Interest rates are expected to be raised twice a year, aiming to attract the inflow of international "hot money" into the United States.

The trend of rapid growth of the BRICS countries since the 1990s was halted by the global financial crisis. Since 2010, BRICS economies have grown at a slower rate, due to economic recession and unbalanced structures. China's growth rate dropped to 6.9 % in 2017. Russian economy has experienced sharp decline since 2013, and its economic growth rate was only 1.4% in 2017. Brazil has undergone stagflation, with its economy contracting 3.8% in 2015 and further 3.6% in 2016. After a two-year recession, the Brazilian economy merely grew by 1% in 2017. South Africa's GDP was up by 1.3% in 2017, a small increase on the level of 0.6% in 2016 but still lower than the historical average.

Demand-side policies targeting the cyclical fluctuations can hardly address the underlying structural problems. A structural problem prevailing in the BRICS countries is overreliance on capital investments and exports, which fuelled their rapid growth in earlier years but also left them vulnerable and exposed to alterations in external environment. With the global economic decline and the normalisation of the U.S. monetary policy, export demand is lacklustre globally and large amounts of investment flow out of emerging economies back to the US. It is imperative that BRICS countries shift their focus to domestic markets and push through structural reforms by means of increasing investments in infrastructure, public goods and R&D, stimulating business by tax cuts and boosting total factor productivity. As structural reforms cannot be accomplished overnight, BRICS economies may feel the pain and face pressures and challenges during the process.

As influential regional powers, the BRICS countries have made significant progress in regional trade and economic cooperation.

TABLE 4
RTAs signed by BRICS

Country	Number of RTAs in force (as of 27 July 2018)	Number of RTAs involving other BRICS countries[1]	Number of RTAs with other BRICS countries[2]
Brazil	11	2	None
Russia	12	None	None
India	18	2	None
China	16	1	None
South Africa	7	1	None

Source: WTO (2018).
Notes: [1] This refers to that they are both involved in a plurilateral free trade agreement.
[2] This refers to an individual BRICS country signing a bilateral FTA with another BRICS country.

Despite these achievements by individual BRICS countries, there are no bilateral Free Trade Agreements among the BRICS countries themselves. Bilateral cooperation among BRICS countries is mainly achieved under plurilateral agreements or through other forms. The absence of bilateral RTAs remains a major bottleneck retarding the further development of BRICS countries' economic cooperation.

3 FINAL REMARKS AND RECOMMENDED AREAS OF COOPERATION

The BRICS cooperation ushers in the second decade upon the backdrop of escalated global trade tensions. To strengthen cooperation mechanism, the BRICS may work to: *i)* improve the existing international order, firmly uphold multilateralism, urge all parties to abide by international rules, reaffirm the centrality of a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system, and resolutely oppose unilateralism; *ii)* strengthen the trade and investment cooperation guide by the consensus of the former summit including BRICS Action Agenda on Economic and Trade Cooperation; *iii)* build a "BRICS Partnership on New Industrial Revolution (PartNIR)", calling for a pattern of upstream and downstream supporting of the industrial chain in the world, and compromising growth and common prosperity in the fourth industrial revolution; *iv)* continue to consolidate the cooperation institutions of the "three-wheel drive", formulate specific plans and practices to carry out comprehensive cooperation and exchanges in these three major areas; *v)* promote the "BRICS+" cooperation model and build it into a model for South–South Cooperation; and *vi)* undertake the responsibility of improving global governance and become a firm defender of the legitimate rights and interests of developing countries. In term of economic practical cooperation, the following endeavors should be included.

3.1 Commodity trade and service trade

Trade, a powerful engine for economic development, play an important role in achieving inclusive growth and poverty reduction in BRICS countries, but today's trade disputes are escalating. The status of the multilateral trading system should be upheld, inclusive growth and shared prosperity should be promoted, and the role of a favorable external environment in promoting global trade growth should be strengthened.

Further expand trade in BRICS countries, especially value-added trade, promote inclusive growth. BRICS should:

- establish an intra-BRICS Free Trade Area and remove trade barriers, step by step, create a favorable external environment by utilizing multilateral economic governance institutions and improving international economic order;
- initiate a trade facilitation program of BRICS countries to lower intra-BRICS trade costs and enhance trade effectiveness, in which each BRICS country needs to take concrete actions to reduce trade cost under the program;
- improve intra-BRICS trade governance to endorse the central role of the WTO in global trade governance, commit to an open global economy and further trade liberalization and facilitation;
- enhance trade finance with the support of the New Development Bank, World Bank and existing trade finance facility programs of multilateral or regional development banks of BRICS countries to increase trade volume and eliminate trade financing gaps;
- develop a BRICS trade outlook index as a major indicator of overall economic growth. The index should be used as an "early warning" system to provide real-time information on trade developments, and help BRICS countries assess their trade-related policies;
- boost trade in services. Guided by *BRICS Trade in Services Cooperation Roadmap* BRICS countries should commit to launching policies that support a well-regulated and competitive services market, strengthen cooperation in the field of International Trade in Services Statistics, and facilitate the participation of service providers in global value chains;
- establish a platform on e-commerce cooperation to allow BRICS countries' governments and enterprises to conduct dialogues based on BRICS *E-commerce Cooperation Initiative*, study the evolving role of e-commerce

in international trade and related policy matters conducted by the WTO together with other relevant international organizations; and

- promote trade in green goods, eco-friendly goods and clean energy technologies to implement the Paris Agreement on climate change and achieve the objectives of humane, sustainable and green development.

3.2 Intra-BRICS and beyond-BRICS investment

According to statistics, mutual investment among BRICS countries remains relatively small. BRICS countries should stimulate intra-BRICS investment, and launch pragmatic cooperation to promote mutual investment among BRICS countries. BRICS countries should invest in new areas that are driving technological change, especially during the fourth industrial revolution, to ensure global integration of knowledge and technology.

Guided by *Outlines For BRICS Investment Facilitation*, the investment facilitation actions should be as follows:

- improve transparency of investment policies frameworks. It includes timely publication of laws and regulations and their amendments, establishment of consultation points to provide policy advice for enterprises, and opportunities to comment on investment policies of various countries;
- improve the efficiency investment-related administrative procedures. It advocates that investors be informed of the results of approval in time, and that investment approval procedures be simplified through "one-stop" services, so as to minimize the administrative costs associated with investment and reduce the burden on enterprises;
- improve the level of BRICS cooperation in service capacity. It advocates the establishment of a public-private dialogue mechanism, the establishment of a platform for the government to listen to business opinions and address business concerns, and the promotion of exchanges and policy coordination among investment authorities in various countries;
- establish effective bilateral or multilateral investment dispute settlement mechanisms, including mediation and arbitration, to facilitate investment dispute prevention and resolution and support investment retention;
- establish regional investment compacts, e.g., for cross-border infrastructure development, initiate industrial collaboration or building of regional value chains, and investigate the merits of signing an investment protection agreement to promote mutual investment among BRICS countries;

- promote internationally accepted responsible investment principles and good practices related to GVCs, including the G20 Guiding Principles for Global Investment Policy-making;
- establish regular consultations or a formal collaboration mechanism between relevant authorities of BRICS countries. Organize investment promotion forums, business fairs and business-government networking events to boost inward FDI and ODI of BRICS countries;
- organize regular workshops to exchange best practices in a community friendly, and environment friendly manner in FDI and ODI projects/programs in/from BRICS countries;
- strengthen intellectual property cooperation based on *BRICS IPR Cooperation Guidelines*, promote investment cooperation in high-tech fields, and enhance the status of BRICS in the global value chain; and
- promote investment cooperation in advancing the Oceans Economy among BRICS countries, which encompasses multiple sectors, including the strategic areas of maritime transport, shipbuilding, offshore oil and exploration, aquaculture, port development, research and technology, conservation and sustainable use of marine resources, marine and coastal tourism, financial and insurance services, as well as coastal industrial zone development.

3.3 Promoting the circulation of money and finance

The BRICS countries become more sensitive and responsive to the changing global financial conditions. It is incumbent upon BRICS countries to promote the reform of global economic governance. BRICS countries should collectively commit to contribute to improving and reinforcing the global financial architecture, and minimizing systemic risk by exploring arrangements that target the underlying systemic problems in the global financial system.

Following steps may be taken:

- enhance financial governance cooperation in supervising international finance, optimize the bilateral supervision mechanism by instituting a coordination mechanism among financial regulators to improve their regulatory measures, increase market transparency and reduce asymmetric information;
- promote reform to build the IMF into an institution that practices multilateralism and protects the voice and representation of the poorest members of the IMF, including Sub-Saharan Africa;
- promote coordination among monetary authorities of BRICS countries in managing cross-border capital flows, work together to build a supervision

mechanism for the macro-economy and financial markets and create a regional international financial security net to monitor global capital flows and avoid the cross-border transmission of financial risks;

- establish a financial market development and stability fund to develop a BRICS bond market;
- explore the prospect of trade settlement in domestic currencies, which helps mitigate the negative impacts of currency volatility on trade and help promote the international use of the BRICS countries' currencies;
- further BRICS cross-region monetary cooperation, enhance the effectiveness of the Contingent Reserve Arrangement (CRA) and promote CRA's cooperation with the IMF, to supplement the global financial safety net, neutralize the inherent systemic risk that emanates from adverse spillovers from unconventional monetary policies (UMPs) and an over-reliance on the US dollar, and enhance the capacity of collectively coping with external shocks;
- leverage on the NDB to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, and promote local currency financing and investment; and
- strengthen international cooperation in combating illicit financial flows, increase mutual exchanges and data sharing, and implement and improve Financial Action Task Force on Money Laundering (FATF)'s Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation.

3.4 Strengthen infrastructure development

Infrastructure construction, including roads, bridges, tunnels, water supply networks, sewage systems, electrical grids, telecommunication facilities among others, is the main task facing BRICS countries. Technologies, investment and planning are the key factors determining infrastructure development.

The BRICS may:

- tap resources of the newly founded NDB, AIIB and conventional international financial institutions, such as the World Bank, to develop infrastructure and other productive sectors, including energy and power, transportation and communications, rural infrastructure and agriculture development, water supply and sanitation, urban development and logistics etc.;

- conduct joint research on financing to address infrastructural needs of the BRICS and their respective regions, so that the NDB can make targeted financing schedules;
- innovate financing tools and open up diversified financial channels to effectively utilize both public and private capital and draw on the experiences of BRICS countries and developed countries in establishing Public-Private Partnership (PPP) programs, for example, BRICS Good Practices on Public-Private Partnership Frameworks; and
- develop mechanisms for peer-to-peer partnerships in infrastructure construction to facilitate the BRICS cooperation in exchanges of infrastructural technologies, experiences and concrete problems-solving approaches.

3.5 Establishing the BRICS Partnership on New Industrial Revolution (PartNIR)

The PartNIR, established at the 10th BRICS Summit in Johannesburg and as the outcomes of the BRICS Meetings of Science and Technology and Industry Ministers, aims at deepening BRICS cooperation in digitalization, industrialization, innovation, inclusiveness and investment, pursuing innovation-driven development, strengthening coordination on macroeconomic policies, reinforcing each other's efforts in renewing economic driving forces and upgrading economic structure, and maximizing the opportunities and addressing the challenges arising from the 4th Industrial Revolution. BRICS may:

Establish the PartNIR with an Advisory Group composed of representatives from industrial sectors and relevant governmental bodies to determine the Terms of Reference and a Work Plan aligned with the 4th Industrial Revolution priorities, to enhance the coordination in macroeconomic policies and the synergy of development strategies to further harmonize the interests of each BRICS member and enhance mutual trust. The Advisory group should work closely with BRICS Business Council (BBC) in order to encourage the involvement and participation of the private sector in BBC working groups to accelerate mutually beneficial industrial cooperation across a wide variety of industrial and manufacturing sectors.

- Align the Information and Communications Technology (ICT) sector work-stream program by setting up a Digital BRICS Task Force (DBTF) under the Working Group of ICT Cooperation under the framework of the BRICS Ministers of Communication Meeting. The DBTF will focus on promoting the deployment of ICT infrastructure, enhancing digital transformation, and facilitating adoption of innovation technologies.
- Establish An Integrated Hub for BRICS Innovation Collaboration on ICT (Information and Communications Technology) and HPC (High

Performance Computing) to enhance and accelerate advancement of knowledge and innovation on ICT and HPC. The Integrated Hub could facilitate the scientists' exchange and communication, support BRICS jointly funded research project and help scientists to cooperate with the industrial circles of various countries to bring scientific and technological achievements to market.

- Establish the BRICS Network of Science Parks and Technology Business Incubators, support SMEs in high-tech fields to cultivate new industries and new growth drivers among BRICS, promote economic transformation of BRICS and strengthen sustainable development capacity.
- Exchange of information and best practices with respect to digitization, capacity building, projects which secure inclusive and equitable growth.
- Enhance the cooperation in the field of future network research by establishing a Council of decentralized BRICS Institute of Future Networks (BIFN). The Council, as the BIFN's decision-making body, composed of the representatives designated by the BRICS Communications Ministers, shall encourage each member to decide on the level of its participation and designate either a premium national body or establish such a body to be the local branch of the BIFN.
- Implement cooperative projects on human resources development, deepen the cooperation of think tanks to jointly plan for cooperation in the new industrial revolution.
- Enable the internet to play a key and positive role in promoting global economic, social and cultural development and promote the equal participation of all countries in the evolution of the Internet and cyber governance, based on the proper use of ICTs.
- Be alert to the risks and challenges posed by the fourth industrial revolution, especially unemployment and security loopholes caused by the massive application of artificial intelligence technology, bioengineering, and strive to jointly prevent and respond to various risks.

3.6 Reforming global economic governance

In face of rising trade tensions, geopolitical risks, volatile commodity prices, high private and public indebtedness, unbalanced and insufficient inclusive growth, reform of global economic governance is needed. To achieve this goal, the BRICS may:

- continue policy dialogue and coordination with major advanced economies and emerging market economies under the framework of

the G20, Financial Stability Board and other ways to address potential risks and advance global governance;

- exercise the BRICS influence as regional and global powers to expand their circle of friends by "BRICS+" model in the existing regional integration organizations, and push forward the establishment of new cooperative platforms;
- continue strengthening NDB's operational and institutional framework, to firmly establish it as a trusted provider of development cooperation services;
- play the due role in the formulation and revision of international rules and constructively participate in the global problem-solving process of hotspot issues on the global stage; and
- establish a strong Global Financial Safety Net with an adequately resourced, quota-based IMF at its center, and in the process of the IMF reform, protecting of the voice and representation of the poorest members of the IMF, including Sub-Saharan Africa.

3.7 Upgrading global value chain and global production network

The rising importance of the GVCs is one of the most notable outcomes of globalization. However, BRICS countries are still faced with challenges which constrain their participating in and/or moving up the GVCs. To overcome these constraints and get an equitable share of the benefits of globalization, the BRICS countries should attach greater importance to facilitating their participation in GVCs, get more integrated into GVCs and move up the value chain. The BRICS countries should work simultaneously on moving up the global value chain and seizing the opportunity of the fourth industrial revolution.

The following actions may be taken:

- launch a BRICS GVC development initiative to promote inclusive, open and coordinated development of a BRICS GVC through capacity building, trade promotion, assistance and information technology sharing, better integrate the SMEs into global trade;
- create a GVC evaluation center and support research on the impact integration into GVCs on growth, productivity and job creation;
- launch high-quality capacity building and development programs to foster innovation, and facilitate inclusive participation in the GVCs of such sectors as including infrastructure, technology, supply chain connectivity, agriculture, innovation, e-commerce, skills training and

corporate social responsibility, and establish, adopt and comply with relevant national, regional and international standards, technical regulations and compliance assessment procedures;

- launch special initiatives to encourage competent companies of BRICS countries to take the lead in global value chains, and assist SMEs to benefit from the evolution of global value chains;
- enhance cooperation with developed countries in GVC-related areas, by facilitating the BRICS participation and create more opportunities for the BRICS to move both upward and downward along the value chain;
- establish a BRICS association of micro-, small and medium enterprises (MSME) chambers and industry bodies, and chalk out an agenda specific to MSMEs and explore the participation of MSME stakeholders in BRICS economic events such as trade fairs, exhibitions, buyer-seller meetings, conferences etc.;
- hold annual intra-BRICS SME cooperation forums, create concrete cooperation opportunities, share best practices through peer learning, transfer technology and innovation resources, train and exchange staff, set new goals and launch development programs;
- advance major intra-BRICS SME cooperation demonstrations, establishing new joint pilot programs based on feasibility studies, jointly explore a better cooperative model of SMEs, and demonstrate cooperation outcomes; and
- sign a BRICS SMEs Cooperation Agreement based on the existing BRICS Exchange Alliance, which provides a legal foundation for intra-BRICS SMEs cooperation.

3.8 FTA strategy

Economic integration is one of the results of globalization. As key regional and world actors, the BRICS countries have made and will continuously make significant progress in regional and inter-regional trade and economic cooperation, and build an "open, inclusive non-discriminatory, transparent and rule-based multilateral trading system". The BRICS countries will continue to advocate the principles of multilateralism and promote global economic governance reform.

- Promote the negotiation and signing of new FTAs between BRICS countries based on an agreed timetable and taking into account the interests of economic development in participating countries.

- Study the influence and challenges brought by USMCA, CPTPP, EU-Japan EPA as well as other mega agreements in multilateral trading.
- Enhance intra-BRICS cooperation at relevant multilateral platforms of trade facilitation, law enforcement, use of advanced information technologies and capacity building etc.
- Establish closer ties between trade facilitation agencies of BRICS countries, and provide policy support to Customs authorities to work with one another, and facilitate mutual trade by SMEs.
- Build up bilateral or multilateral trade dispute mediation and arbitration agencies to resolve disputes and conflicts in trade activities between BRICS countries.

3.9 "BRICS+" strategy

- Establish a South-South cooperation mechanism led by BRICS countries. BRICS countries should commit themselves to encouraging South-South trade cooperation under the framework of the WTO, the Eurasian Economic Community, ASEAN, etc., and assist developing countries to better integrate into global production chains, and upgrade their industries. Communications and coordination agencies should be set up under the South-South cooperation mechanism to resolve potential problems.
- Encourage information and technology trade and cooperation between BRICS countries and developed countries, strengthen the former's capacity for technology absorption, improvement and innovation.
- Facilitate South-North cooperation which could introduce inward foreign direct investment with technology, human resources, and other useful production factors, and support developing countries to move up the global production chain and global value chain.
- Find new "BRICS+" trade partners to boost external demand by taking advantage of the excess production/manufacturing capacities of some BRICS countries.
- Hold dialogue among Multilateral Development Banks to exchange best practice in the financing for inclusive development.

3.10 Concerned about agriculture

The agricultural sector plays a central role in BRICS countries' economic development. The BRICS countries should strengthen their comparative advantages in agriculture and increase their supply of agricultural commodities

to the global market, and achieve inclusive, green and sustainable development to move up agro-food GVC. To achieve this, the BRICS may:

- promote open agro-food trade, by correcting trade distortions, in particular tariff and non-tariff barriers, and implement trade facilitation measures;
- implement the BRICS Agricultural Research Platform (ARP) goals and targets, including within the framework of agricultural research platforms and basic agricultural information exchange systems, and join forces in fields such as the production, storage and trade of agricultural products, logistics and technology;
- promote the development of physical and digital infrastructure for transport, energy, logistics and other services;
- set up an agricultural technology innovation and transfer platform, which facilitates cooperation in the fields of advanced agricultural technologies, equipment and technical personnel;
- launch information-sharing and communication activities centering on common challenges in agricultural development, and set up an agricultural information platform and exchange agricultural information regularly;
- guarantee food security and food safety by improving agricultural productivity and efficiency, jointly counter negative effects of climate change on agricultural productivity, especially the destructive effects of extreme weather, and protect arable land and ecological safety; and
- establish the BRICS Agricultural Research Platform (ARP), organize seminars to explore measures and approaches to facilitate trade and investment in agricultural sectors among BRICS countries, increase productivity and quality, and eventually enable a competitive BRICS agricultural sector.

3.11 Ensuring energy security

Energy plays a key role in BRICS countries' development. The main tasks of the BRICS in the energy sector are to bring about transformation to energy-economy and ensure sufficient energy supply (energy security). To this end, the BRICS may:

- establish an energy policy institute to coordinate the BRICS energy policies for both traditional and renewable energy sources;
- establish bilateral and multilateral energy partnerships among BRICS countries, encourage the BRICS to exercise complementarities in the energy sector and achieve win-win outcomes;

- launch a clean energy and renewable energy research center, ramp up joint research in the development and use of new and clean fuels, strengthen investment in the infrastructure of new energy, and increase the proportion of renewable sources in the energy mix, encourage BRICS countries to adopt cleaner energy sources and switch to a low-carbon and less energy-intensive economy;
- hold BRICS energy cooperation forums on a regular basis, enhance concrete cooperation, share technologies of and experiences in energy exploration and use, enhance safety, and improve energy efficiency;
- facilitate trade and investment in clean and renewable energies among BRICS countries; and
- strengthen BRICS science and technology cooperation to accelerate energy transformation for uses in heating and industries.

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