



BRICS Academic Forum 2019:
*Searching for new ways of
cooperation and
development*

BRICS Trade and Investment
Agenda

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Overview of Presentation

1. Background – SA's Economic Relations with the BRICs

- Sustainable Development core to BRICS cooperation
- Intra- BRICS trade and investment can drive **sustainable and inclusive growth** – offer tangible benefits to BRICS citizens

2. Three Proposals to Strengthen Economic Ties

- Partial Scope Agreement
- African Continental Free Trade Agreement
- New Development Bank



BRAZIL



RUSSIA



INDIA

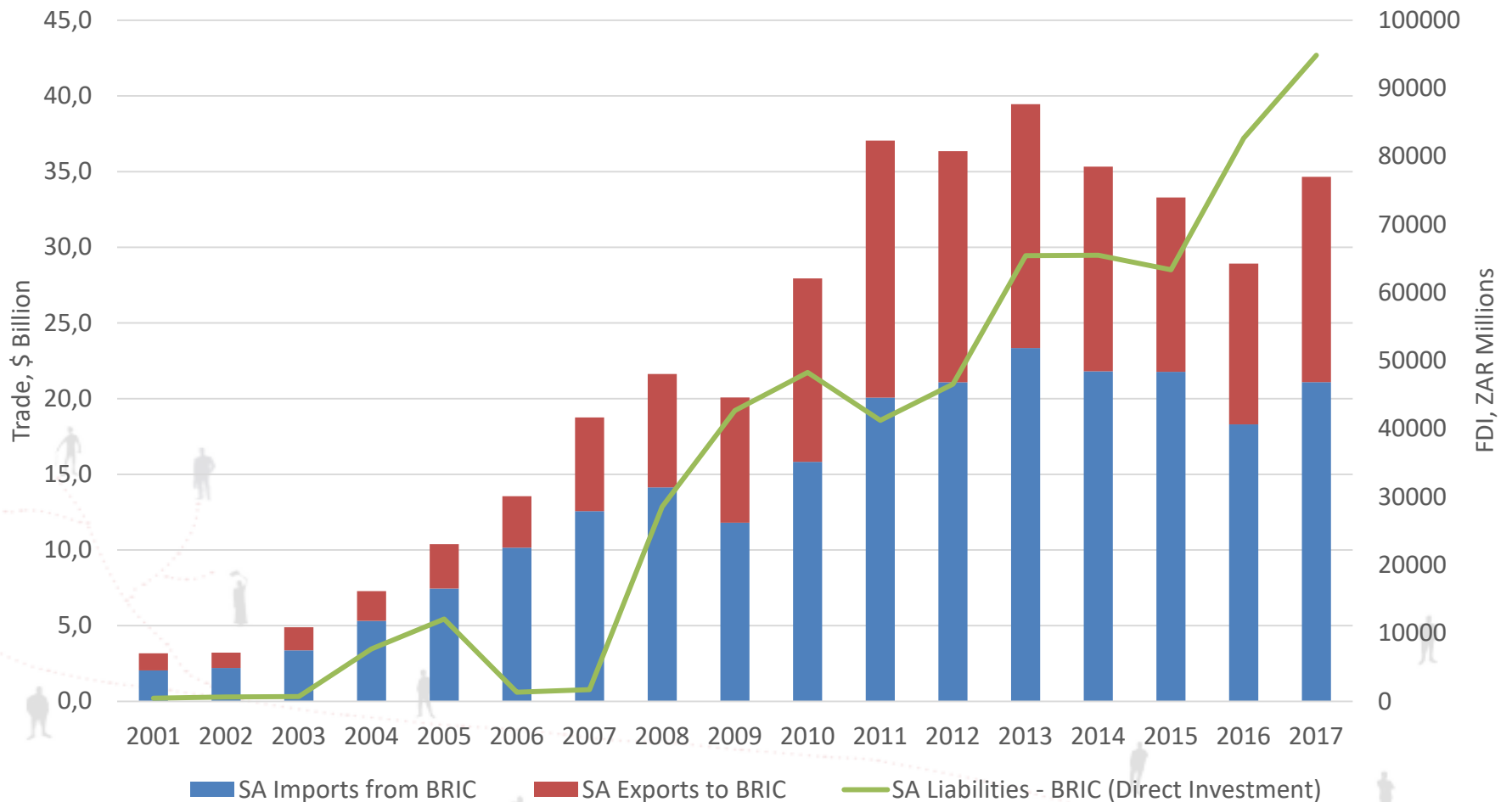


CHINA



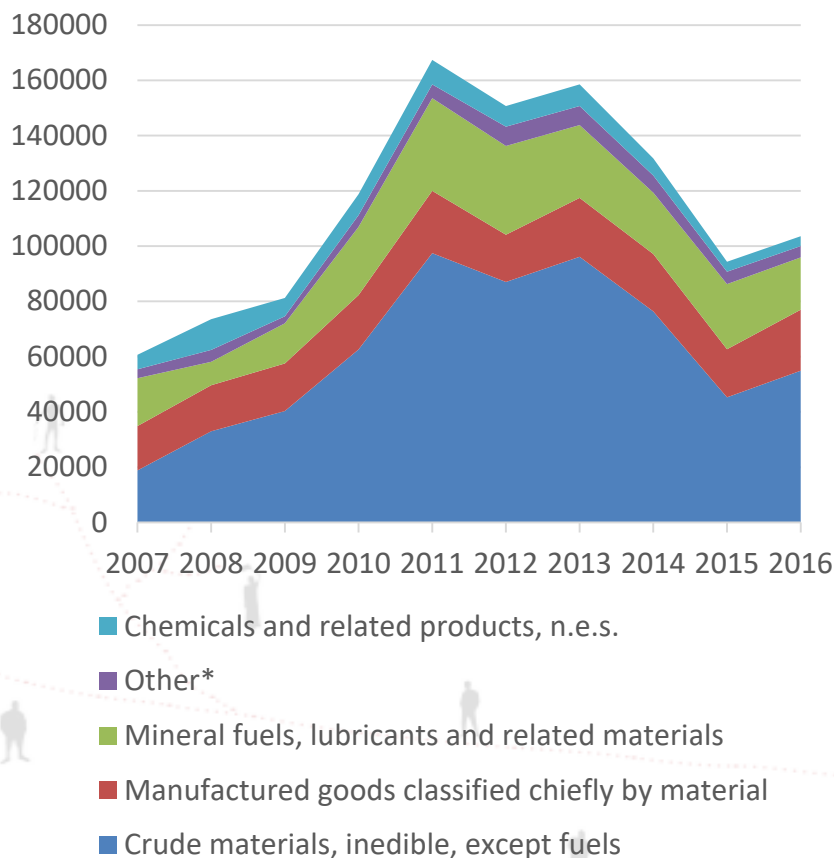
SOUTH AFRICA

Background - SA – BRICs Trade and Investment Relations

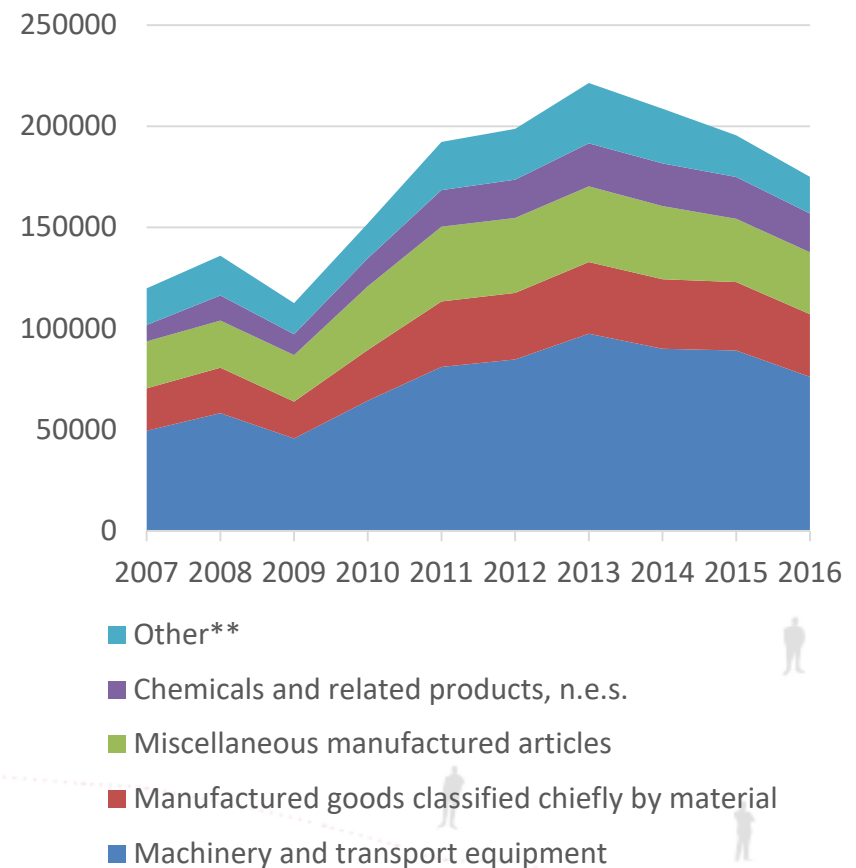


Background - SA – BRICs Trade and Investment Relations (ctd.)

South African **Export** Composition
to BRIC (\$ million)



South African **Import** Composition
from BRIC (\$ million)



BRICS Free Trade Agreement

- **Xiamen 2016**

- Reject - Customs Unions and Structure of Economies
- 2019 – Trade Rules; BRICS' commitment to MTS/WTO

- **Partial Scope Agreement (PSA)**

- Same as FTA, but limited goods/sectors (tariffs; phased)
- Trade Facilitations Provisions
- Example of RE sector – important for all of BRICS; competitive across these sectors
- Other potential VA-sectors: agro-processing; T&C; machinery; electrical equipment; automotive; pharmaceuticals

- **Services and 4IR**

- Can be used for services trade e.g. e-commerce



African Continental Free Trade Agreement (AfCFTA)

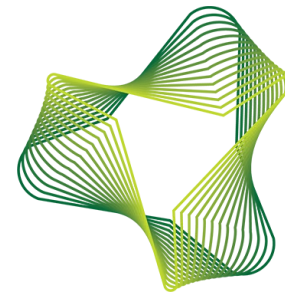
- **Africa Agenda Important in BRICS Cooperation**
- **About the AfCFTA**
 - Free movement of goods, services, capital and people of 55 AU member states
 - Trading starts 1 July 2020
- **Opportunity for BRICS**
 - Opportunity for SA and the BRICS – better and stronger economic ties
 - Investment in SA – good manufacturing base; well developed infrastructure
 - SEZs in SA - Investment opportunities: agro-processing, automotive, aquaculture, energy, metals, logistics and business process services sectors



Creating One African Market

New Development Bank

- **Large-scale infrastructure investment** – not everything for anyone
 - NDB AM 2019 – social infrastructure
- **NDB align to NDPs are important**
 - Bank's mandate 'Sustainable Development'
 - Relevance of the bank
 - Diversification of loans
 - Financial sustainability
- **Financing Industrialisation?**
 - Equity
 - On-lending to DFIs (e.g. IDC)



New Development Bank

NDB Loan Approvals (Jan 2019)

