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Business Council



BRICS ECONOMIC INDABA

**Talking Points:
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POSTURE

“We are in a global winter, and the sunshine is on South Africa and the continent” Prof Sooklal

- Thus SA needs to leverage our strategic position

KEY MESSAGE AREAS

Call for:

1. Economic collaboration: More reciprocity and mutual assistance from BRIC partners
2. Trade imbalance: Balanced trade patterns between SA and BRIC
3. Africa agenda: intensify global economic participation for Africa



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1. ECONOMIC COLLABORATION

- SABBC - Government - SA Business: highlight joint responsibility to ensure summit success and collaboration required to:
 - Harmonise / balance economic and foreign policies in light of geopolitical dynamics to mitigate risk / adverse trading conditions for business
 - Address low economic growth and poverty
 - Accelerate the growth of our economy
- SA – BRIC: highlight joint commitment to:
 - Symbiotic trade relationships based on mutual assistance – reciprocity
 - Accelerate intra-BRICS bi- and multilateral trade and investment
 - Balance trade activity - inbound investment and outbound export opportunities
 - Advance Africa's global economic participation
- SA – Africa collaboration to intensify:
 - intra-continental trade
 - AFCTA as a catalyst to advance Africa economic agenda
 - SA as catalyst to Africa trade with global and BRIC markets



TRADE

- SA to adopt firm stance on:
 - Inward buying mission
 - Ensuring reciprocity from BRIC partners
 - agitate for change to improve disproportionate trade patterns
- Adopt a more 'opportunity exploration approach' and build on complementarities - thus, focus on :
 - Track trade statistics amongst the BRICS nations
 - Identify areas where trade performance has not met expectations, seeking to understand the cause of the underperformance, and
 - Propose solutions to identified non-tariff barrier challenges.
 - Enhance the complementarities and opportunities
 - Promote and enhance mutual trade and investment, creating a business-friendly environment for investors and entrepreneurs in all BRIC and African countries



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TRADE

- Highlight trade deficit through trade stats i.e.
 - exports are majority raw materials, finished goods are finding their way back into SA - distorted arrangement
 - Trade with China remains the dominant force accounting for 63% of exports to BRICS in 2022, although down from 73% in 2021.
 - Russia was the only BRICS country showing a decrease in total trade with South Africa last year, of about 10%.
- Highlight need for trade diversification i.e.
 - value-added products make up between 4 and 9% of our exports to BRICS
 - while primary products such as coal, iron ores and manganese dominate
 - The export of Citrus to Russia suffered under the unilateral economic measures imposed in reaction to the Ukraine conflict.

AFRICA AGENDA:

- SA as a catalyst (**not gateway**) to creation of opportunity for Africa to participate in BRIC- and global value chains
- Highlight need for protection of continental free trade agreement – mitigate exploitation and divisive mechanisms (by BRIC)
- Outline current challenges i.e. access to African product for export - high tariffs
- Outline opportunities and 4 value chains which these opportunities are at as identified by AFCTA strategy:
 1. Agriculture and agro-processing
 2. Automotive and vehicle parts
 3. Pharmaceuticals
 4. Transportation, logistics and distribution
- Opportunities in AFCTA area:
 - sectoral alignment with each BRIC state to leverage available opportunities
 - BRIC partners to participate in AFCTA by localising production and services in continent
 - investment in infrastructure, manufacturing to boost supply capacities and promote economic diversification
 - capacity building and technology to support structural transformation and advance development imperatives
 - Aggregate 54 African markets to provide scale and mass to African trade:
 - For balanced trading with bigger markets i.e. China or India
 - Greater leverage for the continent – opportunity to identify the areas of complementarity



Thank you



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