

## **8th Meeting of the BRICS Trade Ministers: Joint Communiqué**

**05 Jul 2018**

1. The 8th BRICS Trade Ministers met on 5 July 2018 in Magaliesburg, South Africa under the chairmanship of Dr Rob Davies, Minister of Trade and Industry of South Africa. We met in preparation of the 10th Summit convened under the theme “*BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution*” and had open and constructive discussions.

### **Global economic developments**

2. We note with satisfaction the global economic recovery, albeit still slow in some parts of the world. Downside risks to the global economy, however, remain.
3. We note, with much concern that the world economy remains unbalanced and there is increasing backlash against globalization. Many countries are becoming more inward looking with some major players in international trade seemingly moving away from multilateralism to focus on bilateral trade arrangements.
4. We note with satisfaction that the intra-BRICS exports have significantly increased in recent years but agree that more should be done to increase trade, specifically value added trade, within BRICS.

### **Current state of play in the WTO**

5. We reaffirm the centrality of the rules-based transparent, non-discriminatory, open and inclusive multilateral trading system (MTS), as embodied in the WTO. The MTS has contributed significantly to economic growth, development and employment over the past seventy years. We agree to make all efforts to strengthen the multilateral trading system and make the WTO more responsive to the needs of its members.
6. We recognise that the multilateral trading system is facing unprecedented challenges. We are deeply concerned with the systemic impact of unilateral measures that are incompatible with World Trade Organisation (WTO) rules and that put the multilateral trading system at risk. Of key concern is the disregard of the multilateral rules and principles that underpin international trade. We are further concerned about the increased trade tension which will without a doubt negatively impact countries, including BRICS.
7. We call on all WTO Members to oppose protectionism and honour their commitments, including those in previous Ministerial decisions, in the WTO.
8. We emphasise that global trade rules should facilitate effective participation of all countries in the multilateral trading system, that development must remain integral in the WTO’s work and the need to continue to make positive efforts to ensure that developing country Members, and especially the least-developed country Members, secure a share in the growth of world trade commensurate with the needs of their economic development.
9. We emphasise the importance of a functional and effective dispute settlement mechanism. We express our concern on the impasse to the appointment of Appellate Body members and affirm our commitment to work together with other WTO Members to find a solution.
10. In this regard we endorse the *BRICS Statement of support for an inclusive multilateral trading system* and the *Statement on WTO matters*, **annexed as A and B**, respectively.

### **Strengthening intra-BRICS economic cooperation**

11. We note that the Contact Group on Economic and Trade Issues (CGETI) has convened three meetings in 2018, and commend the officials for the outcomes achieved in various areas, as outlined below.

12. We direct the CGETI to continue its work in areas where it is possible to deepen intra-BRICS cooperation in a practical way to implement the consensus reached by the previous Leaders summits, including the Strategy for the BRICS Economic Partnership and the BRICS Action Agenda on Economic and Trade Cooperation, while respecting the tradition of each presidency focusing on selected issues in order to pursue a manageable agenda.

#### **Promoting value-added intra-BRICS trade**

13. We commend the CGETI for reconvening the Trade Promotion Working Group. We further welcome the commissioning of the review of the BRICS Joint Trade Study on increased value-added trade, and we endorse the terms of reference for the study (**Annex C**).

#### **Enhancing cooperation on technical regulations, standards, metrology and conformity assessment procedures**

14. We endorse the *Working Mechanism on technical regulations, standards, metrology and conformity assessment procedures* aimed at enhancing co-operation in the fields of technical regulations, standards, metrology and conformity assessment procedures in order to facilitate and increase trade in goods. (**Annexed as D**)

#### **Deepening intra-BRICS investment cooperation**

15. We recognise the importance of investment cooperation especially in key sectors that support industrial and manufacturing output. We re-iterate the need for investment cooperation in new sectors that drive technological change particularly in the Fourth Industrial Revolution to ensure integration in the global knowledge and technology sectors.
16. We applaud South Africa's hosting of the BRICS Business Forum on 25 July 2018. The Business Forum aims to promote greater private sector participation in key sectors that will support inclusive growth and economic development, as well as stimulate intra-BRICS investments and encourage partnerships between BRICS companies to enhance foreign direct investments, promote building and integration of value chains and promote investments into key projects in Africa.

#### **Cooperation in Intellectual Property Rights**

17. We acknowledge that the *Implementation Framework for Intellectual Property Rights Cooperation Mechanism* (IPRCM) aims to strengthen and enhance IPR cooperation amongst the BRICS countries. (**Annex E**)
18. We endorse the *IPRCM Action Plan* (**Annex F**) which encapsulates specific practical activities. Notwithstanding the action plan, it is noted that each Chair will have the flexibility to pursue specific topics in line with its priorities and based on BRICS consensus.
19. We further endorse the development of the BRICS IPR Guidebook, which will serve as a practical guide for IP owners and users in BRICS countries and endorse the outline for the IPR Guidebook. (**Annexed as G**)
20. We also note cooperation under BRICS Heads of Intellectual Property Offices (HIPO) has been going on successfully for six years, which includes sustained progressive activities of cooperation at international fora and the endeavour to explore future cooperation in new technologies.

#### **BRICS Cooperation on Inclusive E-Commerce Development**

21. BRICS Ministers have recognised the importance of electronic commerce; beginning in 2015 with the endorsement of the Framework for BRICS E-commerce Cooperation; followed by the [pdf2016 Trade Ministers' Communiqué \(157 KB\)](#), supporting cooperation on e-commerce; and subsequently resulting in the endorsement of the BRICS E-Commerce Cooperation Initiative and the establishment of the BRICS E-Commerce Working Group in 2017.

22. E-commerce is an increasingly important economic activity and is transforming the global economy. We undertake to enhance BRICS cooperation on inclusive e-commerce development.
23. We acknowledge the need to examine the development dimensions and the socio-economic implications to ensure e-commerce better contributes to sustainable development and inclusive growth. We acknowledge in particular the need to address the digital divide. We take note of the e-commerce elements in the UNCTAD Information Economy Report 2017 on Digitalization, Trade and Development.
24. We acknowledge the commencement of the E-Commerce Working Group and agree to take forward our intensified efforts in promoting cooperation on e-commerce by endorsing the *BRICS Cooperation Framework on Inclusive E-Commerce Development (Annex H)* and continue work on initiatives agreed.
25. We recognise the usefulness of sharing experiences in promoting development through e-commerce as an ongoing activity and will explore the possibility of sharing best practices, including continuing discussions on developing case studies. We note the work done thus far and look forward to more efforts in this regard.

### **Trade in Services**

26. We acknowledge that trade in services is an increasingly important economic activity for BRICS countries, driving global economic and trade growth and creating job opportunities, with BRICS countries' contribution to total global Trade in Services amounting to 12.1% in 2016, up from 8% in 2006 (World Bank, 2017). We recognise that BRICS countries have significant potential to enhance collaboration in services trade to promote mutually beneficial outcomes. In this regard, the 6th Meeting of the BRICS Trade Ministers, in New Delhi, India, endorsed the BRICS Framework for Cooperation on Trade in Services. Subsequently, the 7th Meeting of BRICS Trade Ministers, in Shanghai, China, endorsed the BRICS Trade in Services Cooperation Roadmap to further promote cooperation among members in areas of mutual benefit. We applaud the establishment of the BRICS Focal Points on Trade in Services and the initial exchange of information on international trade in services between BRICS members.
27. We are committed to strengthen cooperation in the field of International Trade in Services Statistics. BRICS countries will initially seek to identify areas in which gains are most realistically achievable. We are committed to promote information sharing and capacity building in Trade in Services by enhancing collaboration amongst organizations responsible for international trade in services statistics and other relevant governmental organisations in BRICS Member countries. Furthermore, we agree to continue the discussion on developing a guidebook on Trade in Services.

### **Cooperation with regards to Small, Medium and Micro Enterprises**

28. The BRICS Ministers recognises the critical role that MSMEs and cooperatives continue to play in their contribution to economic growth and employment generation.
29. Furthermore, continued collaboration amongst the BRICS countries is significant in particular by promoting and developing the potential of Micro, Small and Medium Enterprises (MSMEs) and cooperatives in the economy.
30. The 10th BRICS Summit therefore further encourages the strengthening of MSME and Cooperatives in line with the BRICS MSME Cooperation Framework to promote cooperation between MSMEs; exchange of information and best practices on MSMEs regulation and support, facilitation of MSME's access to public services, financing, exports and international projects.
31. The BRICS Ministers mandate the CGETI to establish the institutional arrangement of MSMEs (**Annex I**) through holding dedicated CGETI sessions and establishing Focal Points to give effect to the MSME Cooperation Framework. This will contribute to fostering cooperation on MSME promotion and development amongst the BRICS member countries.

### **Monitoring mechanism for CGETI activities**

32. We endorse the *BRICS CGETI Monitoring Mechanism* as a living document and commend the CGETI for developing a mechanism to track and monitor initiatives, which can be used by future presidencies when setting their own priorities and outcomes. Updating the mechanism would be the responsibility of each current Chair. (**Annex J**)

### **Other issues**

33. We note various initiatives presented to the CGETI by Russia, namely: a BRICS Business Women Alliance for the purpose of supporting women's entrepreneurship; regulatory impact assessment; and economic development and integration of remote areas.
34. We note that Russia is a candidate for hosting the EXPO-2025 in Yekaterinburg.
35. We note commencement of the work on the BRICS Model E-Port Network initiated by China, including the capacity building initiative, and applaud the further discussions held in this regard. We note discussions guided by the ToR and the Annual Work Plan of the BRICS Model E-Port Network on a voluntary basis, and look forward to the Capacity Building Program to be organized in China in September 2018.
36. China will host China International Import Expo on 5-10 November 2018 in Shanghai and welcome BRICS members to display their products at the Expo. The BRICS members welcome the initiative, and encourage their business community to actively participate in it.

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### **Annexes**

- A. BRICS Statement of support for an inclusive multilateral trading system
- B. Statement on WTO matters
- C. Terms of Reference for the review of the BRICS Joint Trade Study
- D. Working mechanism on technical regulations, standards, metrology, conformity assessment, and accreditation
- E. BRICS IPRCM Implementation Framework
- F. BRICS IPR Action Plan
- G. Outline for the Guidebook on intellectual property rights in BRICS countries
- H. BRICS Cooperation Framework on inclusive e-commerce development
- I. Terms of Reference to strengthen institutional arrangements on MSME cooperation
- J. BRICS CGETI Monitoring Mechanism

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