



**BRICS**  
CHAMBER OF COMMERCE & INDUSTRY

July 29, 2016

FOR LIMITED CIRCULATION ONLY

[www.bricscci.com](http://www.bricscci.com)

## BRICS Bank board of directors meet in Shanghai



Infrastructure financing needs of the five BRICS countries was discussed at the annual meet of the New Development Bank's board of directors in Shanghai on Wednesday. The NDB was launched by the BRICS nations last year and is seen by its members as an alternative to the World Bank.

On Wednesday, Chinese Vice Premier Zhang Gaoli said the new lender needs to attract more capital into infrastructure and boost greater economic cooperation between the BRICS countries.

"The BRICS nations and developing countries will have a greater say in global economic governance," he said.

BRICS members like India and South Africa are struggling with infrastructure deficit.

India needs over \$1.5 trillion in investment in the next 10 years to bridge infrastructure gap, India's Finance Minister Arun Jaitley said at the BRICS Bank Board of Governors meet last month.

The NDB Board of Directors on Wednesday approved funding for its first Russian project: the development of a small-scale energy project in Karelia.

The new lender is allocating \$100 million for the project, President Kundapur Vaman Kamath told journalists.

## IMF lowers forecasts citing Brexit risks



Citing the risks that Brexit poses for the European economy in the interim and the world's economy in the long-run, the International Monetary Fund (IMF) on Tuesday sounded the alarm on its global economic forecast. It revised growth figures for both 2016 and 2017 as a stark reminder of how fragile world economies have become since the 2008 financial crisis.

Among some of its red flags has been the outlook on Venezuela; the IMF said that the Latin American country struggling with drastically low oil prices will continue to suffer as its inflation rate likely reaches 1.600 per cent in 2017.

For the rest of the world, the IMF revised global growth by 0.1 per cent for both 2016 and 2017, to 3.1 per cent and 3.4 per cent, respectively.

But the IMF's 'told you so' report focused first on Britain and the UK.

The IMF reiterated on Tuesday that it had never been in favor of the referendum let alone Britain's exit from the European Union.

At its last global economic forecast in April, the IMF had voiced its misgivings but at the same time expressed confidence that the UK economy would grow by 2.2 per cent in 2017 – one of the best performances in Europe and outpacing the US.

Just four short months later, however, the IMF has revised downward its forecast to just 1.3 per cent in 2017 largely due to the risks carried by Brexit.



## Brazil boosts security, drills for Olympics



Thousands of police, security forces, members of the army and special units this weekend took part in Brazil's biggest counter-terrorism drills ahead of the Rio 2016 Olympics.

The exercise came as the interim government discussed ways to boost security for the world's biggest sporting event which kicks off on August 5 and runs for 16 days.

Brazilian officials say they are taking no chances especially since intelligence units reportedly intercepted messages in Portuguese on websites associated with groups like the Islamic State.

There is also a heightened sense of alert since the attack in Nice, France last week which killed 84 people and wounded at least 200.

The interim cabinet held an emergency meeting over the weekend and warned that new security measures in the wake of the Nice attack could make people feel uncomfortable.

But the primary concern is to look after security and safety for the anticipated 500,000 global visitors coming to the Olympics, the athletes, and the citizens of Rio, officials said.

Olympic Games – at Atlanta 1996 and Munich 1972 – have shown that major sporting tournaments are susceptible to the threat of terror attacks.

The fact that a truck was used to kill so many people has alarmed security officials around the world.

## Chinese to invest \$2.8 bn in South Africa economic zone



A Chinese consortium will pump more than 40 billion rand (\$2.81 billion) into the South African economy to build an industrial park, the Trade Ministry has announced.

“A consortium of Chinese investors led by Hong Kong Mining Exchange will be investing more than R40bn into the park, which they will also develop and manage,” South Africa’s Department of Trade and Industry said in a statement.

The group led by Hong Kong Mining Exchange would invest in power, pig iron and steel plants amongst other commodities in the Musina-Makhado special economic zone in the Limpopo province.

” These projects will be implemented over a period of five years and are expected to create almost 21000 jobs in the region,” said the DTI statement.

Minerals such as chrome, manganese, coking coal and lime will be extracted and beneficiated in the park in line with the country’s national industrialisation objectives, the department said.

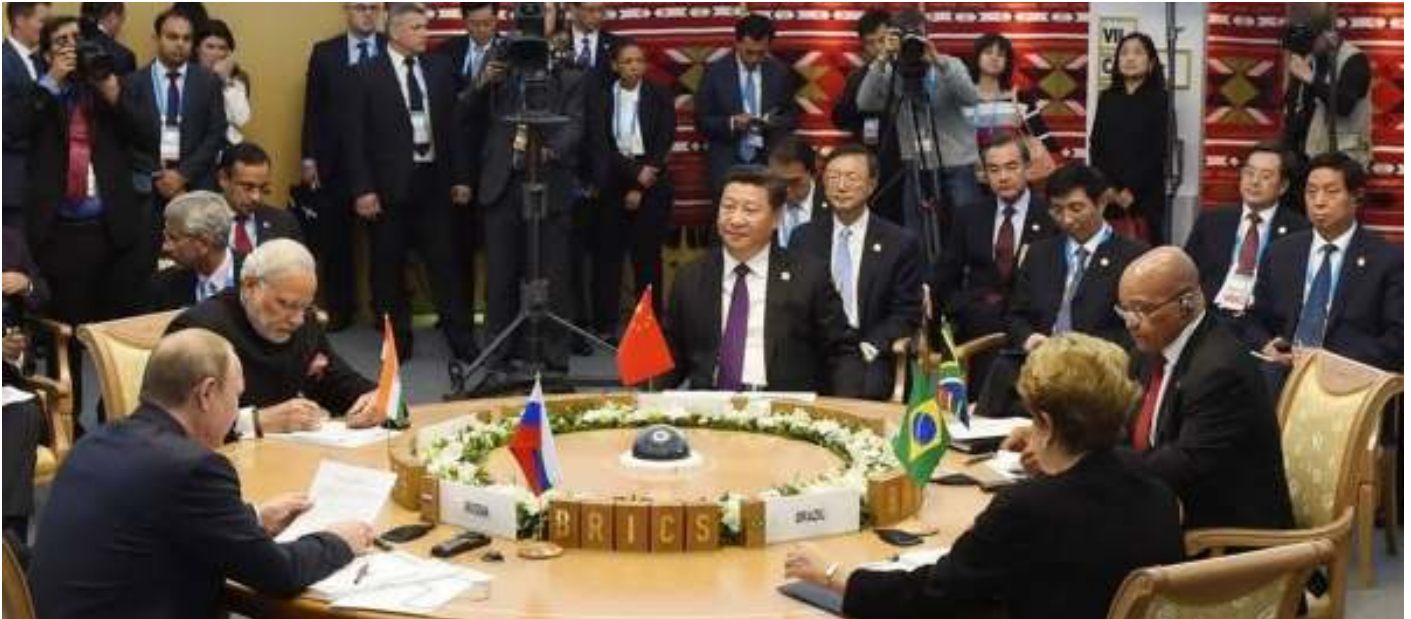
Trade and Investment Minister Rob Davies received Cabinet approval last week to designate the zone and issue an operator permit.

A new incentives package set up in 2014 includes a corporate tax rate of 15 per cent for qualifying investments, compared to the rate of 28 per cent for companies.

China is South Africa’s biggest trade partner.



## BRICS bank sells yuan bonds to fund green projects



The New Development Bank (NDB) launched by the BRICS countries has issued its first bonds worldwide to raise funds for clean energy projects in member states. The new lender sold 3 billion yuan (\$449 million) of yuan-denominated, green bonds in China's interbank market on Monday.

The green bonds were issued with a 5-year tenor and are the first such issuance by a bank of its type under guidelines issued by China's central bank in December

It was the first time in seven years that a global financial institution has issued yuan-denominated bonds in China.

The bonds attracted investors from home and abroad. At its roadshow last Tuesday, more than 40 domestic and overseas institutional investors subscribed to the bonds.

NDB president Kundapur Vaman Kamath said the issuance was a milestone for the multilateral development bank. It will help boost sustainable development and serve as a signal of support for capital markets in BRICS countries, Kamath said.

Kamath said the bank "will support more clean and renewable energy use to reduce carbon emissions".

Issuance of the yuan-denominated bonds shows the confidence international financial institutions have in the Chinese currency and could promote the internationalization of the yuan, said Chen Siqing, governor of the Bank of China.

## BRICS-MSME Round Table and Seminar on Services



The 2nd meeting of the micro, small and medium enterprises (MSME) Round Table and the Seminar on Services was held on 28 July, 2016 at Agra. The BRICS is a grouping consisting of 5 countries namely Brazil, China, India, Russia and South Africa. Mr Dammu Ravi, Joint Secretary, Department of Commerce was the moderator of both the MSME Round Table and the Seminar on Services.

Mr S.N Tripathi, Additional Secretary and Development Commissioner, MSME was the Chief Guest at the 2nd MSME Round Table. The Chief Guest highlighted the importance of the MSME sector and how the government had been a facilitator for the sector with a view to encouraging entrepreneurship in order to stimulate manufacturing in line with the flagship schemes of the government namely Make in India and Skill India. The deliberations were centred around the regulatory framework and institutional structures of MSMEs; the role of MSMEs in innovation, technology transfer and international projects; integration of MSMEs in the global value chains and a possible portal for BRICS MSMEs. India also provided a brief on the 1st BRICS Trade Fair to be held in October, 2016. The BRICS delegations decided that they would take the discussions and possible cooperation on MSMEs forward.

In the 2nd BRICS Seminar on Services, the issues that were discussed were cooperation on the services statistics in the BRICS region and possible areas of cooperation on trade facilitation in services. The discussions were useful and highlighted the importance of the service sector in the BRICS region.



## BRICS Group aims to work for inclusive growth, social security



The BRICS Employment Working Group aims to work for inclusive growth and to provide social security for migrant workforce. This was announced at the conclusion of the two-day BRICS meeting here today.

The meeting was a prelude to the major BRICS meeting to be hosted and chaired by India in September.

### India's proposals

"India has attempted to put forth some proposals for concrete collective action in the field of social security as well as research and capacity building. A broad consensus has been reached on social security agreement and networking of BRICS Labour Institutes. They will get fed into the forthcoming Labour and Employment Ministerial document," Union Minister for Labour Bandaru Dattatreya said.

Briefing newsmen on the sidelines of the conference here today, the Minister said, "Social protection to workers through various initiatives and schemes and inclusive growth is top on the agenda."

### Skilling mission

"Low skill levels remain a major concern for India. Increasing skill levels of the workers will enable them to earn better remuneration in the labour markets. The Centre has initiated a number of measures towards improving skills and addressing some of the concerns by the Skill India Mission. Programmes such as Make in India and Startup India have been launched to promote entrepreneurship, innovation and job creation," he said.



## IIT-Bombay Ranked 13 In QS University Rankings BRICS 2016



MUMBAI: Indian Institute of Technology (IIT) Bombay has moved up to rank 13 in the prestigious Quacquarelli Symonds (QS) University Rankings BRICS.

The results for 2016 were released on Wednesday by QS, a global higher education analyst.

"IIT Bombay ranks second in India, seven ranks below the Indian Institute of Science (IISc) in Bangalore at six," an IIT release stated.

Since its last appearance in 2015 in the rankings, the institute has moved up three places.

IIT Bombay's overall score is 84.4 out of 100. It has a score of 99.1 in academic reputation, 100 in employer reputation, 91.5 in Citations per paper, 94.7 in Papers per faculty and 97.6 in staff with PhD, all scores out of a maximum of 100.

Expressing his happiness on the significant achievement, Professor Devang Khakhar, Director, IIT Bombay said, "The improvement in ranks is a reflection of the progress being made by IIT Bombay, particularly in its research contributions."

Two other IITs which rank in the top 20 are IIT Delhi at 15th and IIT Madras at 19th.

'BRICS QS University Rankings: BRICS 2016' is a ranking of the 250 top universities in the five BRICS countries (Brazil, Russia, India, China and South Africa).

Performance of universities is based on eight key parameters viz. Academic reputation (30 per cent), Employer reputation (20 per cent), Faculty/student ratio (20 per cent), Staff with a PhD (10 per cent), Papers per faculty (10 per cent), Citations per paper (5 per cent), International faculty (2.5 per cent) and International students (2.5 per cent).

## INNOPROM ushers new era of India, Russia cooperation



The high level Indian delegation to INNOPROM 2016 held intense discussions and consultations with Russian political leaders and business houses over the past three days in Ekaterinburg, during the course of Russia's largest industrial trade forum.

Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry led the Indian delegation, also comprising Chief Ministers of the 3 most dynamic states of India, Andhra Pradesh (AP), Maharashtra and Rajasthan, and senior officials and representatives of 110 companies. They held detailed discussions to identify new areas of cooperation between India and Russia. The thrust of the discussions was to explore possibilities of investment in India, particularly in these Indian States, and in Russia and in the Urals Region as a whole.

This is the first time in several years that such a high level delegation has come to Russia, indicating the highest level of commitment to significantly strengthen India's Special and Privileged Partnership with Russia.

The delegation met Dennis Manturov, Russian Minister for Industry and Trade, Evgeny Kuyvashev, Governor of Sverdlovsk, Boris Dubrovskiy, Governor of Chelyabinsk Province and concluded their visit with a call on Russia's Prime Minister Dmitri Medvedev. Sitharaman and the three Chief Ministers toured the Indian pavilion, where Prime Minister Medvedev visited the Stalls of the three States.

Sitharaman informed Medvedev that the BRICS Industries Ministers' meeting would be held before the forthcoming BRICS Summit in Goa in October 2016. They agreed that they need to build upon the excellent bilateral cooperation in the defence, nuclear, oil & gas and other sectors.

They also discussed ways and means to achieve the target of \$30 billion by 2025, set by the leadership of India and Russia, strategic initiatives such as India's association with the Eurasian Economic Union (EAEU) and the International North South Corridor.