

National Confederation of Industry
Brazil

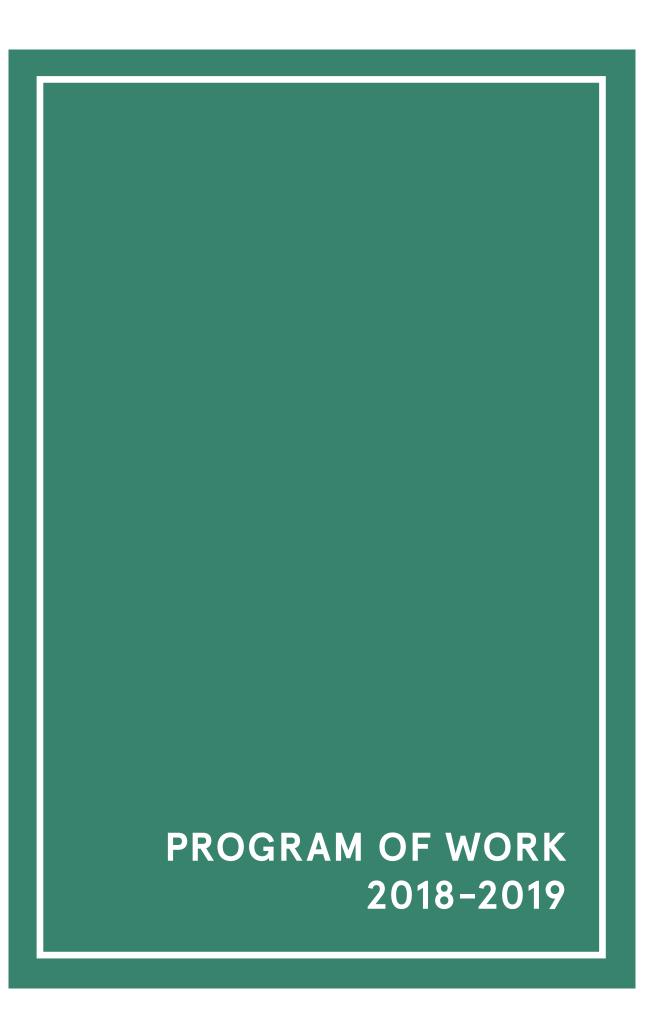
CNI. THE STRENGTH OF THE BRAZILIAN INDUSTRY

BISINESS Council

2018/2019

BBCBRICS Business Council

PROGRAM OF WORK







A MESSAGE FROM THE CHAIR

The BRICS Business Council is an important mechanism for cooperation between the private sector and the governments of Brazil, Russia, India, China and South Africa.

Established in 2013, during the BRICS Summit attended by the Heads of Government of the five member states, the Council is composed of twenty-five companies, five from each country, whose aim is to improve the business environment and to strengthen trade and investment among the countries of the block.

Over its five years of existence, the Council has become stronger and has worked more consistently. On a yearly basis, it submits reports to the Heads of State of the BRICS countries in order to consolidate the recommendations agreed upon by the private sectors in the five countries.

In recent years, new working groups have been created with the purpose of discussing the priority agenda of the Council. Discussions are currently held in the fields of infrastructure, manufacturing, energy and green economy, agribusiness, financial services, deregulation, skills development, regional aviation and digital economy.

In 2018, the Council's first cycle of presidency rotation will come to an end, and the moment is appropriate to make an assessment of the proposals submitted to the governments, as well as review the priorities for the coming years. It is essential that the Council should focus on concrete results and that such goal be reflected in its action plan.

One of the various priorities of the Brazilian Chapter that I would like to highlight, in particular, is the consolidation of the relationship between Brazil and the New Development Bank (NDB). There needs to be an increase the number of Brazilian projects funded by the bank. For that purpose, we have been working towards opening a Regional Office of the NDB in Brazil and having Brazil sign a Project Preparation Fund Agreement in order to determine funds to finance the preparation phase of forthcoming projects.

Finally, the BRICS Summit will be held in Brazil in 2019, when the Brazilian private sector will have a greater opportunity to help define the agenda of the Council. It is precisely with a view to adopting a more practical approach in the discussions that we are presenting the Work Program 2018-2019, whose main intention is to define the strategic objectives and outline the desired results for the Council during the Brazilian Presidency.

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BBC INSTITUTIONAL STRUCTURE

BRICS BUSINESS COUNCIL

The BRICS Business Council (CEBRICS in Portuguese) was created in 2013 at the V BRICS Summit in Durban, South Africa, bringing together members from five countries - Brazil, Russia, India, China and South Africa.



MISSION

BBC was established to strengthen and promote economic, commercial, business and investment ties among the business communities of the BRICS countries, ensuring regular dialogue between business communities and governments, and identifying trade- and investment-related bottlenecks in their relationships.

(Presidency); Transnet.

MEETINGS

The Board meets face to face twice a year at the Midterm Meeting and at the Annual Meeting. This occurs at the same time as the BRICS Summit, which brings together the Heads of State and Government of the five countries.

RUSSIA: State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank); Chamber of Commerce and Industry of the Russian Federation - CCIFR (Presidency); Russian Direct Investment Fund; Russian Railways - RZHD; State Corporation for Assistance to Development, Production and Export of Advanced Technology Industrial Production (Rostekh). **CHINA:** COSCO Shipping Group (Presidency); China **Petrochemical Corporation** (Sinopec Group); China Unicom; Bank of China INDIA: Apollo Tyres Ltd. Limited; Sinomach. (Presidency); Max Financial Services Ltd.; Sun International Pvt. Ltd.; Tata Steel Ltd.; UPL Ltd **SOUTH AFRICA:** Aspen Pharmacare; Business Unity South Africa; National Black Business Council; Sekunjalo **Investment Holdings**



INSTITUTIONAL STRUCTURE OF THE **BRAZILIAN SECTION OF BBC**

MEMBERS

The Brazilian Section of BBC is made up of board members Banco do Brasil, Embraer, BRF, Vale and WEG, and by companies, industry associations, and other entities, members of the working groups.

EXECUTIVE COMMITTEE

The Executive Committee is the representative body of the Brazilian section of the Council, which brings together members of the councils and working groups and is responsible for analyzing the pertinence of the policy agenda of the Brazilian Section of BBC, with the support of the Executive Secretariat.

PRESIDENCY

The Brazilian Section of BBC is chaired by Embraer.

EXECUTIVE SECRETARIAT

CNI is responsible for the Executive Secretariat of the Brazilian Section of BBC. The Executive Secretariat advises the President and the Executive Committee on the development of its initiatives, including the formulation of its Work Program and the strategy to achieve the determined objectives, as well as on the administrative matters that are necessary.

MEETINGS

The Executive Committee meets at least once a year and may be convened for extraordinary meetings.

WORK PROGRAM

The Brazilian Section of BBC is organized around a Work Program, jointly created by the Executive Secretariat and the members of the Executive Committee.



MEMBERS OF THE EXECUTIVE COMMITTEE

PRESIDENCY

Paulo Cesar de Souza e Silva, Embraer.

COMPANIES AND CORPORATE GROUPS

Andrade Gutierrez	CSE Engenharia	Intercement	Queiroz Galvão
Andritz	CWEI Brasil Participações	Intertechne	Raízen
Banco do Brasil	EDF Brasil	IRB Brasil RE	Stefanini
BBMapfre	Eletrobrás	Marcopolo	Vale
BRF	Embraer	OAS	Voith
Camargo Corrêa	Engie Brasil Participações	Odebrecht	WEG
Centro de Pesquisas Avançadas	GE	PCE Engenharia	
Wernher Von Braun	Gerdau	Progen	
CNEC WorleyParsons	Grupo Randon	Prumo Logística	

CORPORATE ASSOCIATIONS

Associação Brasileira da Indústria Elétrica e Eletrônica - ABINEE Associação Brasileira da Infraestrutura e Indústrias de Base - ABDIB

Associação Brasileira da Indústria do Esporte - ABRIESP

Associação Brasileira das Indústrias Exportadoras de Carne

Associação Brasileira das Indústrias Médico, Odontológicos, Hospitalares e de Equipamentos de Laboratório - ABIMO

Associação Brasileira de Máquinas e Equipamentos - ABIMAQ

Associação Brasileira de Proteína Animal - ABPA

Associação Nacional dos Exportadores de Sucos Cítricos

- CitrusBR

Indústria Brasileira de Árvores - IBÁ

Sindicato Nacional da Indústria da Construção Pesada -

SINICON

União da Indústria de Cana de Açúcar - ÚNICA

EXECUTIVE SECRETARIAT

BRICS - BRICS-PED

Fundação Getúlio Vargas - FGV

presariais Internacionais - IBREI

Confederação Nacional Indústria (CNI)

Robson Braga de Andrade, President

Carlos Eduardo Abijaodi, Director Industrial Development Diego Bonomo, Executive Manager of International Affairs

Câmara de Promoção e Desenvolvimento Econômico do

Instituto Brasileiro de Executivos de Finanças – IBEF

Serviço Nacional de Aprendizagem Industrial - SENAI

Instituto Brasileiro de Desenvolvimento de Relações Em-

Fernanda Maciel, Executive Secretary, Strategic Markets

Michelle Queiroz, AnalystStrategic Markets

CONFEDERATIONS AND FEDERATIONS

Confederação da Agricultura e Pecuária do Brasil – CNA Confederação Nacional da Indústria – CNI Federação das Indústrias do Estado de Minas Gerais - FIEMG

Federação das Indústrias do Estado de Rio de Janeiro - FIRJAN

Federação das Indústrias do Estado de Santa Catariana - FIESC

OTHER GROUPS

Agência Brasileira de Promoção de Exportações e Investimentos - Apex-Brasil

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BRAZILIAN PARTICIPATION IN WORKING GROUPS

A	GRIBUSINESS	ENERGY	PCE Engenharia	Gerdau
IBÁ (Leader) ELETROBRÁS (Leader) Raízer		Raízen	Grupo Randon	
	ABIEC	ABDIB	Voith	Intercement
	ABPA	Alston Brasil	WEG	Marcopolo
	Apex-Brasil	Andritz		Stefanini
	BRF	Apex-Brasil INFRASTRUCTURE		Vale
	BRICS-PED	Camargo Correa	ABDIB (Leader)	WEG
	CitrusBR	Centro de Pesquisas		
	CNA	Avançadas Wernher Von	MANUFACTURED GOODS	FINANCIAL SERVICES
	Raízen	Braun	ABIMAQ (Leader)	BANCO DO BRASIL (Leader)
	ÚNICA	CNEC WorleyParsons	ABIMO	BBMapfre
		CPFL	ABINEE	IBEF
		CSE Engenharia	ABRIESP	IBREI
S	KILLS DEVELOPMENT	CWEUI (Brasil) Parti-	Apex-Brasil	Digital Economy, Stefanini
S	ENAI (Leader)	cipações	Embraer	Regional Aviation, Embraer
		EDF Brasil	FGV	
		Engie Brasil Participações	FIEMG	
D	EREGULATION	GE	FIESC	
C	NI (Leader)	Intertechne	FIRJAN	



2017 - 2018 PRIORITIES



AGREEMENTS AND COOPERATION

SOCIAL SECURITY AGREEMENT

Signing of a plurilateral agreement or, alternatively, bilateral agreements between Brazil and the BRICS countries.

COOPERATION AND FACILITATION INVESTMENT AGREEMENT

Signing of a plurilateral agreement or, alternatively, bilateral agreements between Brazil and the BRICS countries.

TRADE FACILITATION AGREEMENT (TFA) OF THE WORLD TRADE ORGANIZATION (WTO)

Implementation of the commitments of the BRICS countries.

BRICS MODEL E-PORT NETWORK

Implementation of the mechanism at BRICS.

CUSTOMS COOPERATION

(i) follow-up of the progress made under the BRICS Customs Committee; and (ii) entry into force of the Agreement on Mutual Assistance in Customs Matters concluded by Brazil and China on June 21, 2012.

COOPERATION IN RENEWABLE ENERGY

Signing a Memorandum of Understanding for joint initiatives in renewable energy, including biofuels, at the level of the BRICS.

INTELLECTUAL PROPERTY - PPH BRICS

Adoption of a work plan for the implementation of a PPH pilot program between the patent offices of the BRICS countries or, alternatively, bilateral programs between the National Institute of Intellectual Property and the offices of the BRICS countries.

BILATERAL TAX TREATRY

(i) Analysis of the text of the conventions to verify the need to update them; and (ii) Congressional approval, ratification, and promulgation for the entry into force of the Protocol Altering the Bilateral tax treaty between Brazil and South Africa, signed July 31, 2015.

FACILITATION OF TRAVEL BETWEEN THE BRICS AND INTERNATIONAL BUSINESS

Implementation of initiatives to facilitate travel between the BRICS countries.

FACILITATING THE LEGALIZATION OF DOCUMENTS IN THE BRICS

Ratification by China of the Apostille Convention.

COOPERATION IN REGIONAL AVIATION

(i) Signing of a Memorandum of understanding on Regional Aviation.

MUTUAL RECOGNITION AGREEMENT (MRA) OF AUTHORIZED ECONOMIC OPERATOR PROGRAMS (AEO)

Signing of work plans for ARM negotiation of the OAS Programs between Brazil and the BRICS countries, with priority for China in view of the volume of bilateral trade.



DIALOGUES AND GOVERNMENT **MEETINGS AT BRICS**

CONTRIBUTE TO THE CONSTRUCTION OF THE AGENDA OF GOVERNMENT MECHANISMS, IN PARTICULAR

BRICS Heads of State and Government; Dialogues between BRICS Ministers of State; BRICS Economic and Trade Issues Contact Group; BRICS Customs Cooperation Committee; BRICS Think Tanks Council.

STRATEGY FOR A BRICS ECONOMIC PARTNERSHIP

Monitor the implementation of initiatives envisaged in the document.



NEW DEVELOPMENT BANK (NDB)

COOPERATION BETWEEN NDB AND BBC

| Strengthening the dialogue between NDB and BBC

REGIONAL OFFICES OF THE NDB

Opening of the NDB office in Brazil.

ACTIVITY OF THE NDB

Defend the NDB's action in structuring projects with private participation; and the broad understanding of the scope of "infrastructure and sustainable development." development."

EXPANSION OF NDB MEMBERS

Defend the accession of Latin American countries as members of the NDB.



SUPPORT SERVICES FOR INTERNATIONALIZATION

BUSINESS PROMOTION-INDIA

Prospecting initiatives for Market Entry and Commercial Activities.

ATA CARNET FOR THE TEMPORARY ADMISSION OF **GOODS**

Increase of coverage.



ACCESS TO MARKETS

MERCOSUR-SACU AND MERCOSUR-INDIA

| Expand the scope and deepen the two agreements.

INDUSTRY AND COMMERCE ATTACHES FOR THE **BRAZILIAN EMBASSIES IN THE BRICS COUNTRIES**

Make efforts for Brazil to appoint industry and trade attachés to the Brazilian Embassy in the BRICS countries.

Source: Developed by the Executive Secretariat, CNI.



RESULTS OF 2015-2017 TRIENNIUM



AGREEMENTS AND COOPERATION

INVESTMENT COOPERATION AND FACILITATION

Conclusion of the negotiation of the text of the agreement between Brazil and India (2016).

SOCIAL SECURITY AGREEMENT

(i) Insertion of the theme at the BRICS Employment and Work Ministers meeting (2016); (ii) provision of such agreements in the Goa Declaration (2016); and (iii) conclusion of the negotiation of the text of the agreement between Brazil and India (2017).

TRADE FACILITATION AGREEMENT OF THE WORLD TRADE ORGANIZATION

Acceptance of the Protocol by Brazil (2016), Russia (2016), India (2016) and China (2015).

CUSTOMS COOPERATION

(i) Adoption of the BRICS Customs Committee Regulation (2016); (ii) submission to the National Congress of the Agreement between Brazil and China on Mutual Administrative Assistance in Customs Matters, 2012 (2015).

CONVENTIONS TO AVOID DOUBLE TAXATION IN **MATTERS OF INCOME TAXES**

(i) Entry into force of the Convention between Brazil and Russia (2017); and (ii) recognition that CSLL falls within the scope of the double taxation conventions (2015).

TRAVEL FACILITATION BETWEEN THE BRICS AND **INTERNATIONAL BUSINESS**

Institution by India of e-visa for BRICS nationals (2017). Signing of the visa facilitation Agreement between Brazil and China for Tourism and business travelers (2017).

FACILITATION OF LEGALIZATION OF DOCUMENTS IN THE BRICS

Ratification and entry into force of the Apostille Convention in Brazil (2016). Russia, India and South Africa were already parties to that convention.

RENEWABLE ENERGY COOPERATION

Inclusion of the relevance of cooperation in renewable energy in the Declaration of Goa (2016).

TREATY FOR THE ESTABLISHMENT OF THE CONTINGENT RESERVES AGREEMENT

Entry into force (2015) of the treaty, whose purpose is to provide temporary resources to BRICS members who face pressure on their balance of payments.



DIALOGUES AND GOVERNMENT **MEETINGS AT BRICS**

Recognition of the demand for cooperation between the BRICS Contact Group on Economic and Trade Issues (CGETI) and BBC in the Declaration of Trade Ministers (2016).

Holding a briefing meeting between the Brazilian government, coordinated by the Ministry of Foreign Affairs (MRE), and BBC on the BRICS Summit (2015 and 2016)

Participation of the CNI in a coordination meeting, coordinated by the MRE, on the topics under discussion in the CGETI (2015, 2016 and 2017).

Memorandum of Understanding on the Creation of a Joint BRICS Website (2015), which should facilitate access to ins $truments\, adopted\, by\, BRICS\, and\, the\, monitoring\, of\, progress.$



NEW DEVELOPMENT BANK (NDB)

Signing of the Memorandum of Understanding on Cooperation between the NDB and the national development banks of the BRICS countries (2016).

Inauguration of the Bank's regional office in South Africa (2017).

Publication of the General Strategy of the NDB (2017).

First meeting between BBC and NDB in New Delhi, India (2017).

Meetings between the NDB Vice-President, José Sarquis, and the Brazilian Section of BBC, in Brasília and in Shanghai (2018).

A meeting between the President of the CNI and the President of the NDB, in Brasilia (2018).

NDB and Brazilian Private Sector Dialogue, São Paulo, (2018).

Signing of the Memorandum of Understanding on Cooperation between the NDB and the BRICS Business Council, Xiamen, China (2017).

Entry into force of the Constitutive Agreement for the Establishment of the NDB (2015), and commencement of the Bank's operations (2015).



ACCESS TO MARKETS

MERCOSUR-SACU

Entry into force of the Agreement (2016).

MERCOSUR-INDIA

List of requests for extension of the Agreement (2016).

Source: Developed by the Executive Secretariat, CNI.

¹ PORTAL BRASIL. China autoriza exportações de 17 frigoríficos brasileiros. 2/11/2016. Available at: http://www.brasil.gov.br/ economia-e-emprego/2016/02/china-autoriza-exportacoes-de-17-frigorificos-brasileiros

² PORTAL BRASIL. Brasil negocia ampliação das exportações de suco de laranja para a China. 2/3/2016. Available at: http://www. brasil.gov.br/economia-e-emprego/2016/02/brasil-negociaampliaca o‐das‐exportacoes‐de‐suco‐de‐laranja‐para‐a‐china

³ AQSIQ. General announcement. 2017. http://www.aqsiq.gov.cn/ xxgk_13386/jlgg_12538/zjgg/2017/201702/t20170217_482965.htm

PORTAL BRASIL. Brasil fecha acordo para exportar produtos para a Índia. 9/21/2016. Available at: http://www.brasil.gov. br/economia-e-emprego/2016/09/brasil-fecha-acordo-paraexportar-produtos-para-a-india

⁴ ITAMARATY. Nota 18. Abertura do mercado da África do Sul para a carne suína brasileira. 1/18/2017. Available at: http://www. mercado-da-africa-do-sul-para-a-carne-suina-brasileira

 $^{\scriptscriptstyle 5}$ ITAMARATY. Nota 56. Reabertura do mercado sul-africano para carne bovina desossada brasileira. 2/26/2015. Available at: http:// www.itamaraty.gov.br/pt-BR/notas-a-imprensa/8245-reaberturado-mercado-sul-africano-para-carne-bovina-desossadabrasileira







The Program of Work of the Brazilian Section of BBC for the period 2018–2019 was prepared by the Executive Secretariat, with the participation of Executive Committee members, with the objective of improving the business environment and increasing the flow of trade and investments in BRICS. The topics of interest were divided into four areas: (1) Agreements and Cooperation; (2) Dialogues and Government Meetings; (3) New Development Bank; and (4) Access to Markets.



SOCIAL SECURITY AGREEMENT

The Brazilian Section of BBC supports the conclusion of a social security agreement between the five BRICS countries or, alternatively, the signing of bilateral agreements by Brazil with these countries.

Brazil does not have a social security agreement in force with any of the BRICS countries.7 On March, 2018 Brazil and India have finished a propolsal of agreement to be signed during a mission of the chancellour Aloysio Nunes to Índia, which was cancelled.8

The social security agreements will allow for the recognition of the social security contributions of the nationals of each BRICS country who work in the other countries of the group. These agreements will also bring economic gains to companies operating in the BRICS markets by avoiding double contribution to the five social security systems, which is strategic for the internationalization of Brazilian companies. Approximately 66% of company expenses with salaries and other expenses for expatriates can be reduced with the pension agreement.

The BRICS Ministers of Labor and Employment, in paragraph 16 of the Joint Declaration of September 28, 2016, adopted in New Delhi, encouraged bilateral social security arrangements between the BRICS countries, and pledged them to work to develop a general structure for Cooperation in this area.9 In addition, in the Declaration of Goa, adopted in October 2016, the BRICS Heads of State and Government agreed, in § 76, to encourage bilateral social security agreements between the BRICS countries. 10

In view of the economic gains resulting from administrative facilities and eliminating dual contributions, such agreements become relevant to the greater trade and investment flow within the BRICS countries.



COOPERATION AND FACILITATION INVESTMENT

AGREEMENT (CFIA)

The Brazilian Section of BBC advocates that the BRICS countries initiate an institutional dialogue to exchange information on the models of investment treaties adopted or under analysis by each of the countries of the group, with the intention of signing a plurilateral or bilateral agreement on cooperation and facilitation of investments11, following the Brazilian model, based on three pillars: institutional governance; mechanisms to mitigate risks and prevent controversy; and thematic agendas for cooperation and facilitation of investments.

Under the auspices of BBC, in July 2015, at the meeting held in Ufa, the Declaration on Investment Principles was adopted at the initiative of the Brazilian Section, which addresses issues of cooperation regarding transparency, facilitation, consistency and predictability,

communication procedures, and consultations.

In October 2016, during the visit of the President of the Federative Republic of Brazil to India, on the margins of the BRICS Summit in Goa, the Cooperation and Facilitation Agreement between Brazil and India was initialed. The agreement was expected to be signed in 2018, but so far has not been signed. We await the conclusion and subsequent procedures for the entry into force of this agreement, the first between Brazil and one of the BRICS countries. 12

It should also be noted that in the context of the visit of the President of Brazil to Russia in June 2017, the Brazilian Ministry of Foreign Affairs and the Russian Ministry of Economic Development signed a Memorandum of Understanding on Economic and Investment Cooperation. The instrument aims to facilitate and increase investment flows by removing barriers that impede trade development and raising of investments. Institutionally, a Working Group

- 7 Brazil has the following agreements regarding social security signed and in effect: (a) plurilateral agreements: Ibero-american (convention in effect for the following countries: Argentina, Bolivia, Brazil, Chile, El Salvador, Ecuador, Spain, Paraguay, Peru, Portugal, and Uruguay); and Mercosur (Argentina, Brazil, Paraguay and Uruguay); (b) bilateral agreements: Germany, Belgium, Cape Verde, Canada, Chile, South Korea, Spain, France, Greece, Italy, Japan, Luxembourg, Portugal, and Quebec. In the process of ratification, are bilateral agreements signed with Bulgaria, Mozambique, Israel, United States and Switzerland, and a plurilateral accord signed with members of the Community of Portuguese Language Countries (CPLP). PRÊVIDENCIA SOCIAL. Acordos Internacionais. Last modified: 6/19/2017. Available at: http://www.previdencia.gov.br/a-previdencia/assuntos-internacionais/assuntos-internacionais-acordos-internacionais-portugues/
- 8 PREVIDÊNCIA SOCIAL. Internacional: Brasil e Índia formalizam texto de acordo de Previdência Social. 3/21/2017. Available at: http:// www.previdencia.gov.br/2017/03/internacional-brasil-e-india-assinam-acordo-de-previdencia-social/
- 9 BRICS INFORMATION CENTRE. BRICS Labour and Employment Ministers' Declaration: Employment Generation, Social Protection for All and Transition from Informality to Formality. 9/28/2016, New Delhi. Available at: http://www.brics.utoronto.ca/docs/160928-labour.html
- 10 ITAMARATY. VIII Cúpula do BRICS Goa, Índia, 15 e 16 de outubro de 2016 - Declaração e Plano de Ação de Goa. Available at: http://www.itamaraty.gov.br/pt-BR/notas-a-imprensa/14931-viii--cupula-do-brics-goa-india-15-e-16-de-outubro-de-2016-declaracao-e-plano-de-acao-de-goa
- 11 India and South Africa are reevaluating their bilateral agreement models regarding protection of investment and the exchange of experience could be relevant for providing better solutions for the protection of investments. FRITZ, Thomas. International Investment Agreements Under Scrutiny, 2015. Available at: https://www. tni.org/files/download/iias_report_feb_2015.pdf
- 12 In § 10 of the India Brazil Joint Statement, the countries' satisfaction was registered regarding conclusions of negotiations of an Investment Cooperation and Facilitation Agreement between both countries. MINISTRY OF EXTERNAL AFFAIRS. GOVERNMENT OF INDIA. Joint Statement during the visit of President of Brazil to India. 10/17/2016. Available at: http://www.mea.gov.in/bilateral--documents.htm?dtl/27499/IndiaBrazil+Joint+Statement+during+the+visit+of+President+of+Brazil+to+India



was set up within the framework of the Brazil-Russia Intergovernmental Commission for Economic, Commercial, Scientific and Technological Cooperation, with the possibility of private sector participation, in accordance with § 4.2. It is hoped that countries will in the future take advantage of this forum to start negotiations towards an CFIA.

Increased attention to the areas of cooperation and facilitation of investments would contribute to increasing the flow of investments between the BRICS countries, boosting trade patterns and opening up new integration initiatives.

Unlike other economic groups, the BRICS countries are not relevant investors in each other's economies. However, there has been an upward trend in recent years. The share of intra-BRICS investment in the total investments of the BRICS countries abroad was 10% (US\$ 1.7 trillion) in 2015, showing growth from 2010, when intra-BRICS investments totaled US\$ 800 billion, corresponding at the time to 3% of the total investments of BRICS countries abroad. 13

Brazilian investments in other BRICS countries are following this growth trend, currently representing a total of US\$ 471 million, with a larger share in China, followed by South Africa and India, as shown below (Chart 1).

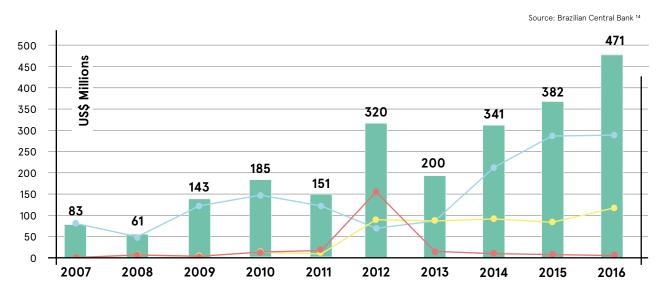
The Brazilian Section understands that intra-BRICS investments can be high, with support of tools to promote, cooperate on, and facilitate investments.

TRADE FACILITATION: IMPLEMENTATION OF **COMMITMENTS RELATED TO TRADE FACILITATION** AGREEMENT (TFA) OF THE WORLD TRADE **ORGANIZATION (WTO)**

The Brazilian Section of BBC advocates strengthening BRICS cooperation on trade facilitation, supporting the effective implementation by governments of their commitments under the WTO TFA.15 So far, among the BRICS, only South Africa has not yet deposited the instrument of acceptance of the Protocol that includes the TFA in Annex 1A of the WTO Agreement.

In this regard, we suggest the creation of a BRICS forum for dialogue and collaboration that will voluntarily bring together public and private entities, included in national committees, created through the TFA. The objectives of this forum would be:

Chart 1. Brazilian investments in other BRICS countries (US\$ millions)



UNCTAD. World Investment Report 2017. Available at: http://unctad.org/en/PublicationsLibrary/wir2017_en.pdf

¹⁴ The data for Brazilian investment in Russia are not available because they didn't reach, during any year of the series, the criteria of more than US\$10 million distributed over at least 3 (three) companies residing in Brazil.

 $^{^{15}} Dates of acceptance by BRICS countries of the Amendment Protocol to insert the Trade Facilitation Agreement into Annex 1A of the WTO Agreement are as follows: Brazilitation Agreement are as follows:$ 3/29/2016); Russia (4/22/2016); India (4/22/2016); and China (9/4/2015). South Africa has yet to deposit the acceptance instrument.

(i) to exchange experiences on the implementation of country commitments under the TFA; (ii) promote the use of singular foreign-trade portals as a tool to support the public and private sector in their efforts to facilitate trade; and (iii) to promote interaction between the singular foreign trade portals of the BRICS countries and the electronic exchange of data and documents.

TRADE FACILITATION: BRICS MODEL E-PORT

NETWORK

The Brazilian Section of BBC welcomes the decision of the BRICS Trade Ministers meeting in Shanghai on August 2, 2017 to create the BRICS Model E-Port Network with the aim of facilitating intra-group exports and imports, and requires the disclosure by government authorities involved of the fulfillment of the phases of its implementation.

The new mechanism aims to expedite the pre-shipment of goods, by exchanging documents electronically, when the ship is still en route to the port. The trade facilitation potential of this measure, which is more efficient in terms of simplifying customs obligations and reducing bureaucratic and logistical costs for Brazilian companies engaged in trade with the BRICS countries, is great.

CUSTOMS COOPERATION

In 2016, at the Goa Summit, the Regulation of the BRICS Customs Cooperation Committee was adopted. The Brazilian Section of BBC made itself available to support the work under this mechanism so that it results in benefits to trade facilitation between BRICS, and demands the publication by the Brazilian authorities of the results achieved.

In the bilateral context, Brazil has bilateral customs cooperation agreements in force with Russia¹⁶, India¹⁷, and South Africa¹⁸. For Brazil to formalize customs cooperation bilaterally with all BRICS countries, the agreement with China must be approved by the National Congress, ratified and promulgated. 19

Customs cooperation, in establishing the exchange of information between customs offices, is an important instrument for facilitating trade, as recognized in the WTO's own TFA. In addition, customs cooperation agreements contribute to efforts to modernize customs methods and procedures by providing for the exchange of experience, means and methods relating, for example, to customs valuation, rules of origin, tariff classification and customs procedures.

It is important to note that the World Customs Organization (WCO) has developed a series of instruments and tools, programs and initiatives with the aim of facilitating and standardizing customs work. According to the organization, there is a need to adopt strategies to ensure global trade in a format that does not prevent, but rather facilitates trade between countries.

1.6. | MUTUAL RECOGNITION AGREEMENT (MRA) OF AUTHORIZED ECONOMIC OPERATOR PROGRAMS

(AEO) BETWEEN BRICS COUNTRIES

Also in terms of trade facilitation, the existence of AEO programs in the BRICS countries and the celebration of future MRAs are essential factors in simplifying customs procedures for trade between companies in these countries, by establishing safety standards and information acceptable to all parties. Because of their positive impact on the integration of production chains and the smooth flow of international trade, MRAs are essential to increasing competitiveness.

In Brazil, AEOs have been implemented by the RFB (Brazilian Federal Revenue Service) incrementally.20 Accredited participants will face reduced bureaucracy in relation to customs procedures, minimizing customs intervention in the process, generating speed and greater reliability and transparency. The program will have positive effects on the integration of production chains and the flow of international trade.

 $^{^{16}}$ Legislative Decree n. 61/2004 approved the text of the Mutual Assistance Agreement between Brazil and Russia for the Prevention, Investigation, and Combat of Customs Violations, signed in Brasilia on 12/12/2001. Decree no. 5.237/2004 enacted the abovementioned agreement.

¹⁷ Legislative Decree n. 304/2011 approved the text of the Agreement between Brazil and India regarding Mutual Assistance in Customs Issues, signed in New Delhi on 5/4/2007. Decree n. 8.363/2014 enacted the abovementioned agreement. ⁸ Legislative Decree n. 662/2010 approved the text of the Agreement between Brazil and South Africa regarding Mutual Assistance between their Customs Administrations, signed in Cape Town on 5/11/2008. Decree no. 8.362/2014 enacted the abovementioned agreement.

MSC 599/2015. Transformed to PDC 729/2017.

²⁰ Instituted by Brazil Federal Revenue Service Normative Instruction no. 1.521, of 12/4/2014, which was revoked by RFB Normative Instruction no. 1.598, of 12/9/2015 [DOU of 12/11/2015], which included reference to Brazil's AEO Program.



To date, Brazil has signed an AEO MRA with Uruguay, and joint-work plans have been signed with the United States, Argentina, and Mexico. At the BRICS, China stands out as having an AEO MRA in operation with Singapore, South Korea, Hong Kong, Switzerland, and the European Union, and work plans signed with Australia, the United States, Israel, Japan, Malaysia, New Zealand, and Russia. 21

In order to expedite the signing of future MRAs, the Brazilian Section of BBC advocates the establishment of a joint work plan to initiate the exchange of information on the respective AEO programs of the BRICS countries, with a view to speeding up bureaucratic procedures for imports and exports among the countries in the group. With the MRAs, the procedures adopted for AEO certification in the BRICS countries could be considered equivalent. The Brazilian companies, participating in the AEO, will be automatically recognized in customs as low-risk companies, making their exports more agile, and increasing the competitiveness of Brazilian products in the Chinese, Indian, Russian and South African markets, as well as including Brazilian companies in the value chain. Given the volume of trade, priority should be given to the work plan with China.

BILATERAL TAX TREATY

The Brazilian Section of BBC supports the updating of a Bilateral Tax Treaty (BTT) between Brazil and the BRICS countries - Russia, India, China and South Africa - in order to guarantee greater security to companies that have business involving those countries.

The Brazilian Section of BBC carried out an analysis to identify cases needing attention and to present specific recommendations aimed at revising the norms in force in the

 $^{^{\}rm 21}CHINA\,CUSTOMS.\,China\,Customs\,Signs\,AEO\,Mutual\,Recognition\,Arrangement$ with Australian Customs. 3/27/2017. Available at: http://english.customs.gov.cn/ statics/41faa330-8221-4b50-8cae-e1e042f565ab.html [Accessed on17.07.2017]



agreements with Russia²², China²³, India²⁴ and South Africa²⁵.

It should be emphasized that, in 2015, Law 13.202, of December 8, 2015, in its art. 11, clarified that, for purposes of interpretation, the Bilateral Tax Treaty concluded by Brazil include the social contribution on net income (CSLL). Up to that date, there were discussions about the applicability of the conventional provisions to the CSLL, especially in cases where the treaty did not expressly mention such a tax, as was the case with the agreements with the BRICS countries.

Royalties and services also deserve attention. Despite the progress made with the Opinion of the Attorney General of the National Treasury (PGFN)/General Coordination of Tax Affairs (CAT) No. 2.363/2013 and the Interpretative Declaratory Act (IDA) of the Brazilian Federal Revenue Service (RFB) No. 5/2014, there can be no assurance that Brazil will not withhold income tax in cases involving international remittances for technical service payments.

In addition, in relation to Brazil and South Africa, it should be pointed out that the Protocol amending the Convention to Avoid Double Taxation and Prevent Fiscal Evasion with respect to Income Taxes, signed on July 31, 2015, was approved by the National Congress and its ratification is still pending. The protocol seeks to update the provisions of Article 26 of the said Convention, regarding access to tax information. The information exchanged between the respective tax authorities could be used

to combat fraud and tax evasion, as well as reducing room for tax avoidance, subject to the rules of fiscal confidentiality by agents on both sides. Such practices are especially relevant in the current international context of seeking greater tax transparency, greater cooperation between tax administrations, and combating abusive tax planning, considered by the G20 as one of the aggravating factors of the global financial crisis due to the erosion of the tax base and its impact on national budgets.

The Protocol is awaiting approval by the Brazilian Congress²⁶, for later ratification. The Brazilian Section of BBC requests the commitment of the Legislative and the Executive so that the instrument completes the necessary steps to reach full validity.

FACILITATION OF TRAVEL BETWEEN THE BRICS AND INTERNATIONAL BUSINESS

Cross-border mobility of people has become increasingly important for business as the world economy has become more connected. Participation in global value chains, with the consequent increase in trade in intermediate goods and services and in intra-firm trade, has been fundamental for the competitiveness of companies. In this context, the flow of entrepreneurs between countries becomes strategic for companies to access overseas markets,

find specialists for their projects, interact with clients, partners and investors, manage different teams, and implement company internationalization plans.

The Brazilian Section of BBC advocates measures aimed at facilitating travel, based on the premise that it is a tool for facilitating trade and investment in a broad sense. The mutual exemption from short-stay visas for business and tourism between the BRICS countries is the main goal to be achieved in the medium term. In its search for short-term results, the BRICS Brazilian Section requests that BRICS governments explore different measures, some of which have already begun to be implemented unilaterally (e-visa from India for BRICS nationals or a 10-year visa and multiple entries by South Africa for BRICS nationals) or bilaterally (mutual exemptions, such as existing agreements between Brazil and Russia, and between Brazil and South Africa).

Thus, the Brazilian Section of BBC recommends that BRICS countries: (a) reach mutual visa exemption agreements; (b) establish a BRICS consular dialogue to expedite discussions on travel facilitation proposals, develop common statistics, and monitor the implementation of commitments made; (c) facilitate the visa process, taking into account available technological advances; (d) issue long-stay and multiple entry visas; (e) facilitate the migration process for short-term entries; (f) establish the BRICS Business Travel Card; (g) sign investment facilitation and cooperation agreements, with specific provisions for travel facilitation, and monitoring by the joint committee; (h) sign and/or update air transport agreements between the BRICS countries, focused on increasing intra-BRICS connectivity and business. Within the scope of BBC, we propose launching the BRICS Visa-Free Coalition.

INTELLECTUAL PROPERTY: PATENT

PROSECUTION HIGHWAY AGREEMENT (PPH)

The Brazilian Section of BBC advocates strengthening the dialogue among the BRICS countries on intellectual property, as well as the conclusion of a Patent Prosecution Highway Agreement (PPH) among the BRICS countries, to ensure cooperation between their respective offices, in order to facilitate the analysis and the granting of patents.

The PPH will avoid the duplication of efforts of examiners in Brazil and other BRICS countries by ensuring reciprocal access and voluntary use of the analyses carried out by the offices in order to allow a patent to be granted in a shorter time. It should be noted that the State Intellectual Property Office of the People's Republic of China (SIPO) is one of the IP5 (five largest intellectual property offices in the world),27 which began on January 6, 2014, a broad Pilot program: IP5 PPH Patent Prosecution Highway.

The conclusion of a PPH would also contribute to closer cooperation in the area of intellectual property. It should be noted that in 2013, the five BRICS intellectual property offices, meeting in Magaliesburg, South Africa, adopted the BRICS Intellectual Property Offices Cooperation Road Map.²⁸ In addition, the topic of cooperation in the area of intellectual property is on the agenda of the Contact Group on Economic and Trade Issues. Institutional context has therefore been established.

Alternatively, bilateral pilot programs, such as the PPH signed between Brazil and China may be initiated with the other patent offices of the BRICS countries, should negotiations proceed at different speeds.

Furthermore, the Brazilian Section of BBC is interested in knowing the agendas of governmental discussion within the scope of the BRICS on the subject of intellectual property, requesting that the Brazilian government share the subjects prior to the meetings of the public sector so that the Brazilian private sector can manifest itself.

Legislative Decree no. 214/1991, and enacted by Decree no. 510/1992.

²² The Agreement to Avoid Double Taxation and Prevent Fiscal Evasion in Matters of Income Tax between Brazil and Russia was signed November 22, 2004, approved by Legislative Decree no. 80/2017, and enacted by Decree no. 9115/2017.

²³The Agreement to Avoid Double Taxation and Prevent Fiscal Evasion in Matters of Income Tax between Brazil and China was signed in Beijing on August 5, 1991, approved by Legislative Decree no. 85/1992, and enacted by Decree no. 762/1993. ²⁴ The Agreement to Avoid Double Taxation and Prevent Fiscal Evasion in Matters of Income Tax between Brazil and India was signed April 26, 1988, approved by

²⁵ The Agreement to Avoid Double Taxation and Prevent Fiscal Evasion in Matters of Income Tax between Brazil and South Africa was signed in Pretoria on Nov. 8, 2003, approved by Legislative Decree no. 301/2006, and enacted by Decree no. 5.922/2006. MPF Decree no. 433/2006 deals with the methods for applying the

²⁶ MSC 130/2016. Converted into PDC 523/2016. Awaiting designation of reporter in the Constitution, Justice and Citizenship Committee in the House of Deputies. ²⁷ China, South Korea, United States, Japan, and European Union.

 $^{^{\}rm 28}$ The Road Map specified seven areas of cooperation: (i) training of the human resources of the BRICS intellectual property offices [led by the National Institute of Intellectual Property - INPI (Brazil)]; (ii) intellectual property awareness within BRICS (led by the Chinese SIPO office); (iii) Examiners Exchange Program (led by the Russian Federal Service for Intellectual Property Office: Rospatent); (iv) Intellectual Property Information Services (led by SIPO), including the exchange of patent information; (V) processes and procedures related to intellectual property/patents (led by INPI); (Vi) national intellectual property strategy and intellectual property strategies for companies (led by the South African Office: Companies and Intellectual Property Commission - CIPC); (vii) collaboration in international forums (led by the Indian Office: the Office of the Controller General of Patents, Designs & Trade Marks - CGPDTM).

1.10. | FACILITATING THE LEGALIZATION OF

DOCUMENTS IN THE BRICS

The Convention Abolishing the Requirement of Legalization for Foreign Public Documents (The Hague Apostille Convention) of 1961 entered into force in Brazil in August 2016, with the objective of speeding up and simplifying the legalization of documents among the signatory countries, allowing for the mutual recognition of Brazilian documents abroad and foreign documents in Brazil. Among the BRICS, to date only China has not ratified the Apostille Convention²⁹.

In Brazil, in the case of commercial documents that are usually legalized, certification can be carried out, keeping in mind that the purpose of the Apostille Convention is to simplify the process of international processing of documents, and not to create bureaucratic procedures that did not exist before. This measure facilitates trade and investment flows and is consistent with international custom and the guidelines of the Handbook on The Practical Operation of the Apostille Convention, published by the Hague Conference on Private International Law (§§ 146 to 152).

However, the Apostille does not apply to documents submitted in countries not party to the Convention, which includes China. In these cases, the legalization process will continue to be carried out by the Ministry of Foreign Affairs, through its regional offices (in Brazil) and Embassies and Consular Offices (abroad), generating bureaucracy that impacts business between countries.

For the purpose of business facilitation among the BRICS, China's adhesion to the Apostille Convention is an initiative that has the potential to contribute positively to reducing costs and bureaucratic procedures in trade and investment relations.

COOPERATION IN REGIONAL AVIATION

The Brazilian Section of CEBRICS congratulates the creation of a Regional Aviation Working Group in the Business Council, since it was a Brazilian demand with the aim of fostering the exchange of experiences among BRICS countries in the regional aviation sector.

The Brazilian Section of BRICS worked with the Brazilian Government to also advocate the establishment of a Memorandum of Understanding in regional aviation to set up cooperation projects among the five countries towards the development of the civil aviation sector.

Global air traffic is expected to grow 4.5% per year over the

next 20 years, generating the need for significant investments, especially by emerging economies to meet the demands of the sector. The BRICS countries have faced similar challenges in areas such as airport infrastructure management, safety and security, air traffic management, aerospace, innovation, qualification and training of human resources, and the environment.

In this context, the BRICS countries should seek to develop the efficiency and effectiveness of the aviation industry through government policies and regulations focused in particular on the regional aviation industry. Strengthening the private sector and government cooperation of BRICS countries will foster new opportunities for investments in a smart and sustainable aviation infrastructure.

1.12. COOPERATION ON RENEWABLE ENERGY

Over the last 40 years, Brazil has been developing the world's largest program for replacing fossil fuels with other renewable and clean sources. Reflecting upon this experience, the Brazilian Section of BBC advocates the establishment of a public-private partnership on renewable energy, taking into account the interests of the five countries.

Therefore, we recommend the signing of a Memorandum of Understanding on Renewable Energy in BRICS, covering several stages of the value chain and direct investments. For example, in the case of biofuel, the Brazilian agricultural sector would be engaged in technological transfer, adaptation to sugarcane varieties, and agricultural management. The processing industry and other technologies, such as the production of second-generation ethanol, as well as the logistics and distribution sectors, including blending processes, blending and pipelines, would also be contemplated. The memorandum should also include the exchange of knowledge about fuel technologies in the automotive industry, such as flex fuel, and public policy, including those related to sustainable practices.

In the Declaration of Goa, in §§ 68 to 70, the Heads of State and Government recognized the need for clean energy solutions and investments in renewable energy. They also noted that international cooperation in this field should focus on access to technology related to clean energy and financing, and that clean energy has significant importance for achieving the Sustainable Development Goals.

²⁹ The effective start date in other countries is as follows: Russia (5/31/1992); India (7/14/2005); South Africa (4/30/1995). HCCH. Convention of 5 October 1961 Abolishing the Requirement of Legalization for Foreign Public Documents. Last update: 12-VII-2017. Available at: https://www.hcch.net/en/instruments/ conventions/status-table/?cid=41





SUMMITS OF HEADS OF STATE AND

GOVERNMENT OF BRICS

The Brazilian Section of BBC works to ensure that the priorities of the Brazilian business community are reflected in the Annual Report of the Council, so that their claims are recognized within the scope of the BRICS government arrangement.

Traditionally, since the creation of BBC, at the Fifth BRICS Summit in Durban, the Council formally submits to the Heads of State and Government of the five countries their Annual Report, with recommendations on trade and investment, prepared under the leadership of the rotating presidency of the Advice.

Since 2009, the Heads of State and Government of the BRICS countries (with South Africa joining in 2011) meet annually. Eight Summit meetings have already been held, with all the leaders of the mechanism present:

III Summit: Sanya, China, April 2011; IV Summit: New Delhi, India, March 2012; V Summit: Durban, South Africa, March 2013; VI Summit: Fortaleza, Brazil, July 2014; VII Summit: Ufa, Russia, July 2015; VIII Summit: Goa, India, October 2016; and IX Summit: Xiamen, China, September 2017.

X Summit*: Johannesburg, South Africa, July 2018.

I Summit: Ekaterinburg, Russia, June 2009;

II Summit: Brasília, Brazil, April 2010;

(*confirmed)

At the end of the Summits, a joint declaration and its respective action plan are adopted. On occasion, treaties, memoranda of understanding, or other instruments of a political or technical nature may also be adopted, as outlined in the table 3. The Brazilian Section of CEBRICS requests

the Ministry of Foreign Affairs (MRE) to hold an annual briefing for the members of the Executive Committee, in the days prior to the BRICS Summit, with the participation of representatives from other ministerial portfolios. This meeting is strategic for the Brazilian private sector to learn about the topics that will be addressed at the Summit and its parallel events, and the Brazilian position regarding each one of them. It is also a time for the Brazilian government to learn about the objectives of the Brazilian business community in the BRICS context, as well as receive specific requests from members of the Brazilian Section.

The Brazilian Section of CEBRICS further requests that the five advisory members of the Brazilian Section of CEBRICS meet before the BRICS Summit with the President of the Federative Republic of Brazil and other Brazilian authorities, in order to emphasize the priorities of Brazilian businesspersons. Thus, we propose to include in the official program of the Presidency of the Republic, within the framework of the Summit of Heads of State and Government of BRICS, a meeting prior to the delivery of the Annual Report of CEBRICS, with the five businesspersons who are members of the Brazil council.

DIALOGUES BETWEEN BRICS MINISTERS OF STATE

The countries that constitute the BRICS hold meetings of Ministers of State and other authorities, which result in joint statements and, in some cases, the adoption of sectoral or strategic intergovernmental instruments.

Dialogue between government and private sector becomes an important tool for the addition of the Brazilian private sector's vision, concerns, priorities and recommendations to the political interests of Brazil in these meetings, giving the country an active role in propositions.

The Second Annual Report of BBC, adopted at the Council Meeting held in Ufa, Russia, emphasized the importance of recognizing the advisory role of the Business Council with the governmental bodies of BRICS. In this way, it is essential to create a channel for dialogue between the Brazilian Section of BBC and the Brazilian Ministers of State so that the country's position in BRICS ministerial meetings reflects the interests of the Brazilian private sector, which must also have access to the topics under discussion at the governmental level.



MAIN RESULTS OF LAST THREE BRICS SUMMITS

2017: XIAMEN

Xiamen Declaration and Plan of Action Xiamen

BRICS E-Commerce Cooperation Initiative

BRICS IPR Cooperation Guidelines

Action Plan for Deepening Industrial Cooperation Among BRICS Countries

BRICS Social Security Cooperation Framework

2016: GOA

Goa Declaration and Plan of Action of Goa

Regulation of the BRICS Customs Cooperation Committee

Memorandum of Understanding for the Establishment of the BRICS Agricultural Research Platform

Memorandum of Understanding on Mutual Cooperation between the BRICS Diplomatic Academies

Memorandum of Understanding on Cooperation between the New Development Bank and the National Bank for Economic and Social Development (BNDES), the State Corporation Bank for Development and Foreign Economic Affairs (VNESHECONOMBANK), the Export and Import Bank of India, China Development Bank Corporation, and South Africa Development Bank.

2015: UFA

Ufa Declaration and Plan of Action

Agreement on Cooperation in the Area of Culture

BRICS Joint Web Site Creation Memorandum of

Understanding

2014: FORTALEZA

Fortaleza Declaration and Plan of Action

Agreement on the New Development Bank

Treaty for the Establishment of a BRICS Contingent

Reserve Arrangement

Memorandum of Understanding on Cooperation between

BRICS Export Credit Insurance Agencies

Cooperation Agreement on Innovation

SOURCE: ITAMARATY



The Brazilian Section of BBC requests the establishment of a regular dialogue between the Brazilian representatives at the BRICS ministerial meetings and the members of the Brazilian Section in the BBC Working Groups - Agribusiness, Skills Development, Deregulation, Energy, Infrastructure, Manufactured Goods, Financial Services, Digital Economy and Regional Aviation. In order to do so, the publication and sharing of the results of the ministerial dialogues with the Brazilian Section of BBC are fundamental so that there can in fact be an exchange of information and knowledge between the private sector and the Brazilian Government.

BRICS CONTACT GROUP ON ECONOMIC AND **TRADE ISSUES - CGETI**

The Brazilian Section of BBC requests the creation of a mechanism for dialogue with representatives of the Brazilian government in the CGETI, namely the MDIC and the MRE, to share the agenda, hold a prior discussion of positions, evaluate recommendations and concerns of the private sector, and prioritize demands.

The CGETI was established at the III Sanya Summit in 2011 as a mechanism for engaging authorities within the BRICS countries to coordinate positions and define the cooperation priorities of the five countries in economic and international trade issues, providing support to meetings between the Ministers of Trade.

In the Declaration adopted by Trade Ministers as a result of its 5th meeting, held in Moscow in July 2015, the CGETI was instructed to explore possible ways to: (i) strengthen intra-BRICS trade and value chain development; (ii) initiate a preliminary discussion on a BRICS roadmap on economic cooperation, trade and investment by 2020, proposed by Russia; and (iii) develop the Terms of Reference of the Intellectual Property Rights Cooperation Mechanism.

In the Declaration adopted by Trade Ministers as a result of its 6th meeting, held in New Delhi in October 2016, CGETI was urged to: (i) develop proposals and initiatives to implement the trade and investment section of the BRICS Economic Partnership Strategy; (ii) cooperate with CEBRICS and NDB; (iii) develop a working document on a BRICS mechanism for the resolution of non-tariff barriers; (iv) work towards greater cooperation within the framework of the Standardization



Cooperation Agenda adopted by the CGETI; (v) coordinate activities within the Working Group on Trade Promotion; (Vi) explore all areas of the BRICS Agenda for E-Commerce Cooperation, adopted in 2015.30

The Brazilian Section of BBC requests meetings with representatives of the MDIC and the MRE, so that they can inform the private sector of the agenda of topics to be discussed, as well as allow the members of the Brazilian Section to present proposals and recommendations on matters that deserve the special attention of the Brazilian government.

Publication and sharing of the results of the CGETI meeting with the Brazilian private sector are also extremely important so that the Brazilian Section of the Council is kept informed of the progress and new issues on the BRICS agenda.

BRICS CUSTOMS COOPERATION COMMITTEE

On October 16, 2016, the Regulation of the BRICS Customs Cooperation Committee was adopted in Goa.31 It is a permanent cooperation body of the BRICS aimed at ensuring the cooperation of the customs authorities of BRICS states in the field of customs policy.

The main activities of the Committee are: to determine the priorities of customs matters in the BRICS; facilitate the approximation of BRICS customs legislation; coordinate the practical cooperation of customs and other relevant BRICS national authorities on aspects of customs policy; contribute to the implementation of interstate and intergovernmental decisions of the BRICS states in customs matters.

The functions of the Committee are: to study and prepare decisions and recommendations on all matters relating to customs cooperation; promote cooperation between intergovernmental organizations and integration associations on matters within their competence; consult on customs cooperation, technical assistance, trade facilitation and mutual administrative assistance in customs matters; exchange of information and participation in consultations with a view to establishing, where possible,

 $^{^{}_{30}}\,BRICS\,INDIA\,2016.\,6th\,Meeting\,of\,the\,BRICS\,Trade\,Ministers\,on\,13\,October\,2016$ at New Delhi: Trade Ministers Communique. Available at: http://brics2016.gov.in/ upload/files/document/58006d2c04b26BRICSTradeMinistersCommuniquefinal.

 $^{^{\}bar{3}^3}$ ITAMARATY. Regulation on the Customs Cooperation Committee of the BRICS. Available at: http://www.itamaraty.gov.br/pt-BR/notas-a-imprensa/14933-viiicupula-do-brics-goa-india-15-e-16-de-outubro-de-2016-atos-assinados

common positions in international organizations in the field of customs, such as the World Trade Organization, the World Customs Organization, etc.; review the course of implementation of the obligations undertaken by the customs authorities of the BRICS states and implement recommendations in accordance with the decisions of the Committee.

BRICS THINK TANKS COUNCIL

The BRICS Think Tanks Council was established in 2013 during the 5th BRICS Academic Forum in Durban³² with the purpose of sharing and disseminating information; conduct research, policy analysis and prospective studies; as well as to develop capabilities within BRICS.

The Brazilian Section of BBC suggests the establishment of a dialogue channel with the Brazilian representative at the BRICS Think Tanks Council - the Institute of Applied Economic Research (IPEA) - so that the research agenda and studies of the Think Tanks Council Reflects themes of interest to the Brazilian private sector in the context of the economic integration of Brazil with other BRICS countries.

In the IX BRICS Summit, in Xiamen, the Economic Framework Cooperation Strategic Framework of BRICS Customs Cooperation we signed .32

2.6. STRATEGY FOR A BRICS ECONOMIC

PARTNERSHIP

The BRICS Economic Partnership Strategy was adopted at the 7th BRICS Summit in Ufa in 2015 to increase economic growth and the competitiveness of BRICS economies globally.

In view of the relevant themes that the Strategy addresses, the Brazilian Section of BBC requests greater interaction with the Brazilian governmental bodies in charge of implementing the challenges presented in this document, creating a dialogue mechanism between the Brazilian Government authorities engaged in the themes Strategy and the members of the Executive Committee of the Brazilian Section of BBC. In addition, we request the issuance and publication of reports on national developments related to the implementation of the BRICS Economic Partnership Strategy.

The purpose of the Strategy is to: improve market access opportunities and facilitate linkages between markets; promote mutual trade and investment and create a business-friendly environment for investors and entrepreneurs in all BRICS countries; enhance and diversify trade and investment cooperation in order to support the creation of added value among the BRICS countries; strengthen coordination in macroeconomic policy and create resilience to external economic shocks; fight for inclusive economic growth in order to eradicate poverty, combat unemployment and promote social inclusion; promote the exchange of information through the BRICS Virtual Secretariat and the BRICS Economic Exchange Platform, as well as other agreed--upon platforms; consolidate efforts to ensure better quality of growth by stimulating innovative economic development based on advanced technologies and talent development with a view to building knowledge economies; and seek greater interaction and cooperation with non-BRICS countries and international organizations and forums. 34

The document expressly states that BRICS members will engage with business communities in their respective countries to implement the Strategy, and will encourage greater collaboration among BRICS business communities. The priority areas for cooperation are: trade and investment; mineral processing and industry; energy; cooperation in agriculture; science, technology and innovation (Memorandum of Understanding on Science, Technology and Innovation); financial cooperation; institutional, physical, and interpersonal connectivity (education and business and labor mobility); and cooperation in Information and Communication Technologies (ICTs).

³² Itamarty: Economic Cooperation Strategic Framework of BRICS Customs Cooperation at: http://www.itamaraty.gov.br/en/press-releases/17427-9th-bricssummit-brics-leaders-xiamen-declaration-xiamen-china-september-4-2017). The members of the other BRICS countries include: National Committee on BRICS Research (Russia); Observer Research Foundation (India); China Center for Contemporary World Studies; Human Sciences Research Council (South

³⁴ ITAMARATY. Estratégia para uma Parceria Econômica do BRICS, 7/9/2015. Available at: http://brics.itamaraty.gov.br/images/Strategy_ptbr.pdf



The Constitutive Agreement for the Establishment of the NDB was celebrated in Fortaleza in July 2014, during the VI Summit of Heads of State and Government of the BRICS. The Bank was designed to mobilize resources for infrastructure and sustainable development projects in a manner complementary to the resources of other multilateral, regional and national development banks, in view of the significant gap between available resources for infrastructure financing and sustainable development and growing demand.

The agreement provided that the NDB would finance both public and private sector projects and could use a wide range of financial instruments, including loans, guarantees and equity investments.

In June 2015, the Agreement entered into force³⁵ and the headquarters was inaugurated in Shanghai, China. With regard to the structure, the Board of Governors is composed of the fiscal authorities of each of the founding members, that is, the BRICS. The Minister of Finance represents Brazil as Governor in the governance structure, and the Secretary of International Affairs is the non-resident Director of Brazil. In turn, the management is carried out by the President of the NDB and four Vice-Presidents, who form the Board of Directors.³⁶ The Ministry of Finance's International

Affairs Secretariat is Brazil's focal point for dealing with the Bank.

During 2016 and 2017, the Bank has been publishing its policies of action.³⁷ On June 30, 2017, the Board of Governors of the NDB approved the document "General Strategy for the NDB 2017-2021"³⁸ (General Strategy), which establishes how the Bank intends to fulfill its mandate to mobilize resources for infrastructure and sustainable development projects in BRICS countries and other emerging economies and developing countries, complementing the current efforts of multilateral andregional financial institutions for global development.

 $^{^{35}}$ The Brazilian Congress approved the text of the Agreement on the NDB through Legislative Decree no. 131, of 6/3/2015, and the Brazilian Government deposited the instrument of ratification of the Agreement on 6/23/2015. As of 7/3/2015, all BRICS countries had ratified and deposited their instruments of ratification, giving effective power to the NDB.

³⁶ The presidency rotates, and the first mandate, stipulated to last five years and non-renewable, will belong to India's Kundapur Vaman Kamath. The chief officers are: Xian Zhu (Chief Operations Officer); Leslie Maasdorp (Chief Financial Officer); Paulo Nogueira Batista Jr. (Chief Risk Officer); and Vladimir Kazbekov (Chief Administrative Officer).

 $^{^{\}overline{37}}$ The prevailing NDB policies can be consulted at: NDB. Policies. http://www.ndb. int/data-and-documents/policies/

^{*}NDB. NDB's General Strategy: 2017-2021. 02.07.2017. Available at: http://www.ndb.int/wp-content/uploads/2017/07/NDB-Strategy-Final.pdf

To date, the bank has approved twenty different operations in the five BRICS countries, totaling about US\$5.3 billion and targeting renewable energy and road transport infrastructure. Financing on the order of US\$300 million was granted to BNDES to finance projects in the area of renewable energy. ³⁹ On May, 2018, the Bank announced a loan to Petrobras of US\$ 200 million dollars. It was the first non-sovereign guaranteed operations granted for a Brazilian company. Previous loans were granted to governamental institutions.

The Brazilian Section of BBC has been accompanying the NDB since its inception and the beginning of its operations, in view of the potential benefits for the development of Brazilian infrastructure and its positive impacts in several areas, including industrial development, connectivity and regional integration, reduction of transport costs, energy efficiency, etc.

During the IX BRICS Summit, in Xiamen, the New Development Bank and the BRICS Business Council signed a Memorandum of Understanding. The purpose of the MoU is to establish a strategic partnership, harness their respective resource, advantages and professional expertise, aiming to build a long-term, stable and mutually beneficial relationship, and to jointly promote the cooperation among and the development of BRICS countries

The analysis of the performance of the NDB in relation to the Brazilian reality of the infrastructure and sustainable development sector makes it important to consider the demands presented below.

3.1. OPENING OF NDB OFFICE IN BRAZIL

The Brazilian Section of BBC defends the opening of an NDB office in Brazil as soon as possible. Brazil is the country that is located the farthest away geographically from the NDB. The opening of the Bank's regional office is essential for the engagement of the Brazilian authorities and the private sector, for greater transparency and circulation of information on NDB policies and the structuring of projects to be presented to the Bank, and for an understanding of the local realities and regulations on infrastructure and sustainable development.

There is a provision in art. 4 of the agreement establishing the NDB that it be based in Shanghai, China, and that it may establish offices in other countries necessary for the performance of its functions. The agreement further determines that the first regional office will be in Johannesburg.

The General Strategy has determined that the main functions of the regional offices will be the identification and preparation of projects that can be financed in the BRICS and other future member countries of the Bank. Preparation of the project encompasses all



activities necessary to move from conceptualization to project implementation, including identifying sources of funding, conducting evaluations, and consulting with strategic partners.

The General Strategy also provides for regional offices to work collaboratively with sustainable development and infrastructure entities, such as national development banks and representative offices of multilateral and regional development banks, in order to maximize the impact of the NDB.

With regard to the location of offices, the General Strategy stipulated that the first regional office be established in Johannesburg in South Africa, thus following what was provided for in the Bank accord. It was determined that subsequent regional offices would be established as needed in Brazil, Russia and India, and that the second regional office will be in Brazil. However, no reference was made to the expected timeline for the establishment of the office in Brazil. The South Africa office was established in 17th August 2017.

The Brazilian Section of BBC welcomes the indication that the second office of the Bank should be established in Brazil and the information that the negotiations between the Brazilian Government and the Bank on this issue have advanced significantly. However, due to the relevance of the functions of the office in the structuring of fundable projects, the Brazilian Section of



BBC requests that the office should be open in 2018.

3.2. | NDB ENGAGEMENT IN STRUCTURING

PROJECTS

The Brazilian Section of BBC argues that the NDB has a significant role in the structuring of projects, which include private participation, such as concessions and public-private partnerships.

Brazil has an accumulated deficit of investments in infrastructure stocks and quality, ranking 72nd among 138 countries in the last Global Competitiveness Report of the World Economic Forum (WEF) in the infrastructure category.⁴⁰

The Brazilian scenario is characterized by reduced investments in infrastructure compared to other countries, and fiscal constraints and budgetary rigidity make it difficult to solve this problem through public investments. Therefore, private participation is indispensable for making the necessary investments.

However, there are problems related to the structuring of projects for private participation, which involve elevated costs and complexity because studies on demand, engineering, socio-environmental, economic-financial, legal, etc. issues are required. Attempts in recent years, including the procedures for expressions of interest (PMIs), the partnerships of the National Bank for Economic and Social Development (BNDES) and the Brazilian Project Structuring Company (EBP), the International Finance Corporation (IFC) of the World Bank Group, the Inter-American Development Bank (Project Preparation Facilities), and research foundations, were unable to overcome these difficulties.

Therefore, the Brazilian Section of CEBRICS received in a positive way the provision in the General Strategy of the NDB that special funds will go towards supporting the preparation of projects. According to this document, preparation is a critical phase of the life cycle of a project because it has a significant impact on potential project returns, quality of service, and sustainability. If done improperly, the preparation undermines the viability of a project, discouraging potential investors. Thus, achieving adequate investments in infrastructure requires technical assistance to prepare and implement infrastructure projects that integrate economic, environmental and social agendas. Special funds will increase investment in project

NDB. Projects. Available at: http://www.ndb.int/projects/list-of-all-projects/
 WEF. The Global Competitiveness Report 2016–2017. Available at: http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf

preparation, development, and the implementation of a pipeline of projects that meet the Bank's strategic priorities.

The Preparation Project Fund will provide a favorable environment for the elaboration of feasibility studies and projects. The fund will also maximize local expertise for the use of resorces among NDB country members.

The Brazilian Section of BBC reiterates

that the NDB has a relevant role to

play in structuring projects for private

participation, combining international

best practices with local best practices.

The Agreement to Contribute for the Preparation Project Fund was signed by China and Russia in 2017, and by India in 2018. Brazil and South Africa have not signed the Agreement yet.

The Brazlian Section of BBC expects that Brazil participate on

PPF, signing the Agreement to Contribute for the Preparation Project Fund, due to its strategic role for consistent and well structured projects, and achieve relevant infrastructure benefits.

3.3. PROJECTS SUPPORTED BY THE NDB AND THE "SUSTAINABLE INFRASTRUCTURE AND DEVELOPMENT" SCOPE

The Brazilian Section of BBC considered it a positive that the General Strategy has demonstrated that the NDB will recognize a broad scope of "infrastructure and sustainable development" by including the following priority areas for its operation in the period 2017 to 2021:

- (i) Clean energy: structural transformation of the energy sector, in particular by the promotion of new renewable technologies; energy efficiency, including the modernization of existing power plants, overhaul of power grids, and energy-efficient construction techniques; reduction of air, water and soil pollution in the energy sector. Specific projects in this area could include: wind power, generation and distribution of solar energy, hydroelectric plants, and intelligent urban energy systems. The NDB emphasizes in its operation the adoption of innovative technologies, such as energy storage systems, adaptive intelligent energy networks, and solid waste energy generation.
- (ii) Transport infrastructure that strengthens connectivity between people, markets and services: improved connectivity has numerous socio-economic benefits and is an important element for inclusive development, especially for disadvantaged urban and rural populations. Increased job opportunities and access to markets and social services, such as education and health, result in higher incomes, higher employment and better living

standards. With regard to transport infrastructure, the priority areas include: promotion of affordable modes of transport with lower emissions and greater energy efficiency; and improved transportation connectivity, with an eye to regional and national economic activity.

(iii) Irrigation, water resource management and sanitation: a

modernized agricultural sector is critical to a country's development, and requires advanced and efficient irrigation systems and management of scarce water resources. Drinking water supply and sanitation are important for health, living standards and economic growth. With regard to irrigation, water and sanitation, priority areas include:

irrigation infrastructure; supply of drinking water and sanitation; and technology to enable the efficient management of water resources.

- (iv) Sustainable urban development: more efficient and sustainable urban environments have multiple positive effects on quality of life, energy use, economic productivity and inclusive access to opportunities. The NDB will prioritize the following areas: water supply; electricity supply; sanitation, including solid waste management; urban transport and infrastructure; infrastructure and social services; information technology infrastructure, including e-governance solutions; and cities subject to climate change.
- (v) Economic Cooperation and Integration: The NDB supports economic cooperation and integration among its member countries by financing projects that can strengthen the relationship between member countries and in which more than one country is involved, especially infrastructure projects geared toward trade, such as multimodal facilities, rail and road connections, and port infrastructure. The NDB will also support projects related to infrastructure and sustainable development that contribute to the sharing of technology among member countries.

The General Strategy makes clear that the above list is not exhaustive and that in a subsequent phase the Bank will consider financing sustainable development projects not directly related to infrastructure, which could include: climate change, depletion of natural resources, conservation and/or pollution of biodiversity, as well as sustainable land use, including sustainable agriculture and forestry, in line with the Green Bond Principles. ⁴

The Brazilian Section of BBC advocates broad engagement performance of the NDB within the framework of the scope - infrastructure and sustainable development - attributed to it by the constitutive agreement.



3.4. | FINANCING IN LOCAL CURRENCIES

The Brazilian Section of BBC advocates that the Bank promote loans in local currencies in order to reduce foreign exchange risks. The General Strategy has taken positive steps along this path by providing that the opportunities for lending in local currencies will be actively pursued by the Bank both to reduce risks to borrowers and to promote local capital markets.

Infrastructure and sustainable development projects are generally long-term, and borrowers find it difficult to cover exchange rate risks during their duration. In addition, most projects do not generate revenue in foreign currency.

3.5. EXPANSION OF NDB MEMBERS: LATIN AMERI-

CAN COUNTRIES

The Brazilian Section of BBC defends the expansion of NDB members to include countries in Latin America.

According to art. Of the NDB, membership shall be open to members of the United Nations at such time and under such conditions as the Board of Governors of the Bank may determine. On April 1, 2017, during the 2nd NDB Board of Governors Annual Meeting in New Delhi, India, the Terms, Conditions and Procedures for the Admission of New Members to the NDB 42 were approved and it was agreed that the Bank will prepare a list of countries to be invited for admission to the Bank, to be submitted to the Board of Governors for approval.

The General Strategy provided for the Bank to plan to expand membership gradually so as not to overburden its decision-making and operational capacity. Membership expansion will be conducted in a way that ensures the geographic diversity and reasonable representativeness of lower income, middle income, and advanced countries.

The Brazilian Section of BBC considers it relevant for there to be a significant presence of Latin American countries in order to strengthen the representativeness of the region in the NDB and to increase the number of projects that can be financed that can contribute to national industrial development.

⁴¹ INTERNATIONAL CAPITAL MARKET ASSOCIATION (ICMA). The Green Bond Principles 2017: Voluntary Process for Issuing Green Bonds. Available at: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdfv

⁴² NDB. Terms, Conditions and Procedures for the Admission of New Members to the New Development Bank. 01.04.2017. Available at: http://www.ndb.int/wp-content/uploads/2017/06/Terms-Conditions-and-Procedures1.pdf



In relation to international trade in BRICS, we note that intra-group exports are still relatively small compared to exports from the BRICS countries to trading partners not participating in the group. In 2016, intra-BRICS exports accounted for 7.9% of total BRICS exports.⁴³ The numbers per country can be conferred in the chart 2 below.

In the Brazilian case, exports to Russia, India, China and South Africa show a concentration in basic products, as seen in chart 3.

The concentration of Brazilian exports to the BRICS markets by destination is also evident, as shown in chart 4.

There is, therefore, the double challenge of adding value to the exported products and diversifying the destination of Brazilian exports to the BRICS countries, requiring trade promotion and actions aimed at removing barriers.

4.1. MERCOSUR-INDIA AND MERCOSUR-SACU

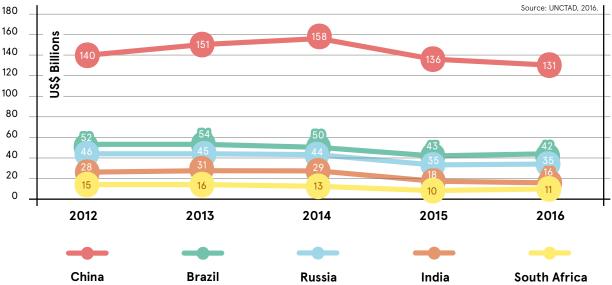
AGREEMENTS

The Brazilian Section of BBC calls for the expansion of the scope and breadth of two agreements within the Common Market of the South (Mercosur): the Mercosur-India Preferential Trade Agreement (PTA) and the Preferential Trade Agreement between Mercosur and the Southern African Customs Union (SACU).

The Mercosur-India PTA, effective since June 1, 2009, is quite limited, including only 452 concessions from Mercosur for Indian products and 450 concessions from India that benefit Mercosur's export products. The negotiated preferences are 10%, 20% and 100%, with 95% of the concessions being concentrated in the first two bands. These concessions need to be expanded to benefit Brazil's higher value-added exports, as well as to include issues such as services, government procurement, investment, and trade facilitation.

In 2013, a public consultation was held by the Ministry of Industry, Foreign Trade and Services (MDIC) to map the offensive and defensive interests of the Brazilian private sector in relation to the expansion of the Agreement. In 2016, lists of requests were exchanged between Mercosur and India, and the Agreement continues to be renegotiated by the authorities.44 Some sectors with recognized opportunities may be mentioned. There is great interest from the chicken meat export sector in the Indian market. However, the high tariffs (35% for whole chicken, and 100% for cuts and processed meat) are practically prohibitive and prevent exports, even with the market open from the sanitary point of view since 2008. The machinery and equipment sector can also gain competitive-





⁴³ According to data from the United Nations Conference on Trade and Development – (UNCTAD) of 2016.

[#]MDIC. Ampliação do ACP Mercosul-Índia. Available at: http://www.mdic.gov.br/index.php/comercio-exterior/negociacoes-internacionais/9-assuntos/categ-comercio--exterior/1567-ampliacao-do-acp-mercosul-india

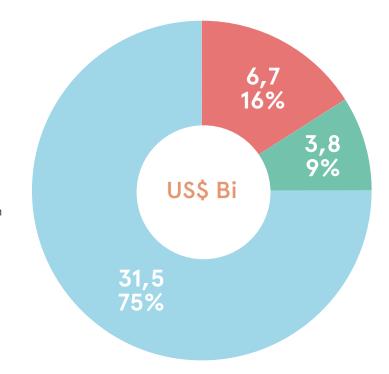


Chart 3.

Brazilian exports to BRICS by aggregated factor in 2016 (in US\$ billions and %)

Basics

Semimanufactured

Manufactured

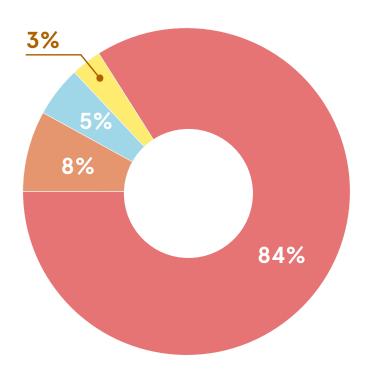
Source: SECEX/MDIC.



China India

Russia

Source: Aliceweb, MDIC, 2016.



ness with tariff negotiations, as in the case of friction materials subject to 12.5% tariffs. In the same sense, the pulp and paper industry demands the total revocation on CutSize and Folio paper and card, and Reel, taxed at 5%.

Signed on December 15, 2008 by the Mercosur Member States, and on April 3, 2009, by SACU Members (South Africa, Botswana, Lesotho, Namibia and Swaziland), the agreement entered into force only on April 1, 2016. The Mercosur-SACU Agreement encompasses more tariff lines than India, but it is still limited. There are 1,076 lines offered from Mercosur to SACU and 1,064 from SACU to Mercosur. Negotiated margins were 10%, 25%, 50% and 100% with about 40% of the tariff lines with a preference of 100%. Likewise, it is necessary to expand the concessions and also to include new issues to make the agreement more advantageous for Brazil.

Examples of sectors that seek better access to the South African market include: industrialized food products, which face high tariffs of 21% for biscuits, cakes and pastas; beef, exports of which are subject to 40% tariffs, undermining the competitiveness of the Brazilian product in the face of exports from Namibia, Botswana and Lesotho; paper and pulp, which face a 10% tariff on CutSize and Folio paper and card, and Reel.

Thus, trade negotiations under the two agreements should consider the inclusion of the products for which there is Brazilian offensive interest, in order to guarantee better access to the Indian and South African markets.

4.2. INDUSTRY AND TRADE ATTACHÉ AT BRAZILIAN

EMBASSIES IN BRICS COUNTRIES

The Brazilian Section of CEBRICS defends the designation of an industry and trade attaché to work in the Brazilian Embassies in Moscow, New Delhi, Beijing and Pretoria, exercising an advisory mission in matters of industry and trade.

In a manner similar to the agricultural attaché⁴⁵, the attaché of industry and trade should: seek better access conditions and prospect new opportunities for products of Brazilian industry; collect, analyze and disseminate information on the local market and trade trends; articulate actions to support the external promotion of Brazilian industry products; monitor, analyze and report on industrial policies and legislation of interest to the Brazilian industry, as well as on possible changes in non-tariff barriers policies; monitor and report on consumption trends

and requirements for industrialized products; indicate and facilitate contacts with specialists, importers and local authorities; as well as keep the Brazilian government informed about actual or potential problems affecting trade in Brazilian industry products in the local and regional markets.

Many countries, including the main members of the G-20, currently have representatives who specialize in industry and trade issues in their diplomatic missions abroad. The designation of an industry and trade attaché is a fundamental measure for defending the interests of Brazilian industry and for its competitiveness in the face of its competitors in Russia, India, China and South Africa.

⁴⁵ Decree no. 6.464, of 5/27/2008, which discusses the designation and activities of agricultural attachés in Brazilian diplomatic missions abroad. [DOU of 5/28/2008



INITIATIVES FOR MARKET ENTRY AND COMMERCIAL

ACTIVITIES

Business promotion services play a key role in creating opportunities for increased commercial exchange and the development of international partnerships. The Brazilian Chapter of the BRI-CS Business Council is committed to supporting prospecting initiatives in the member countries and encouraging greater participation from Brazil in commercial activities, such as trade fairs, missions and business meetings.

While prospecting activities provide entrepreneurs with further insights, business initiatives are focused on holding business meetings in order to help new enterprises enter global value chains as well as expand the current bilateral trade.

Every year, business support institutions and the government decide on their priorities as far as business promotion is concerned. It is essential that Russia, India, China and South Africa should be considered as target markets for Brazil's business activities. Similarly, Brazil should be the focus of the work agenda of BRICS countries.

5.2. ATA CARNET FOR THE TEMPORARY

ADMISSION OF GOODS: INCREASE OF COVERAGE

The Brazilian Chapter of the BRICS Business Council advocates an increase in the number of eligible purposes for admission of ATA carnets in accordance with the purposes eligible under international conventions. The use of the ATA Carnet is applicable for 12 (twelve) purposes compatible with trade promotion operations, scientific and artistic exhibitions and sports purposes.

The ATA Carnet is an internationally recognized document that enables the simplification of customs procedures for temporary exports and imports. By presenting an ATA Carnet document, goods can circulate within 77 countries for 12 months with total relief from import duty for up to one year. It can be used for trade promotion, cultural and scientific exhibitions and events, in addition to international sporting events.

A larger number of customs operations in BRICS countries have been supported by the ATA Carnet. Between 2015 and 2016, issue of the document increased in South Africa (15.4%), China (7.3%), India (8.3%) and Russia (11.8%).

Brazil started to issue the document in 2016. In the following year, 218 users in Brazil registered for an account and submitted an application in the platform to have the document issued. A total of 99 ATA Carnets were issued, thus supporting goods worth more than \$2.5 million.

To allow Brazilian users of the ATA Carnet to enjoy the full benefits of the regime in BRICS countries, it is recommended that a greater number of purposes should be accepted, as listed below, by each member country.

RUSSIA

The Brazilian Chapter of the BRICS Business Council advocates an increase in the number of items covered by the temporary admission regime (ATA Carnets) in Russia by including "Unaccompanied goods" on a permanent basis. The experience of exception during the World Cup 2018 in Russia, by including "Sports gear & equipment" and "Unaccompanied goods", can serve as a pilot project in order to broaden the scope of the ATA Carnet in that country.

INDIA

The Brazilian Chapter of the BRICS Business Council advocates an increase in the number of items covered by the temporary admission regime (ATA Carnets) in India by including "Commercial samples" and "Professional equipment". According to information from the guarantor entity in that country, the main purposes of issuing the ATA carnet were exhibitions at trade fairs, events and seminars, accompanied transportation of professional equipment and shipping of commercial samples. Currently, India is a signatory to the ATA Convention for "Exhibitions and Fairs".

CHINA

The Brazilian Chapter of the BRICS Business Council advocates an increase in the number of items covered by the temporary admission regime (ATA Carnets) in China by including "Commercial samples" and "Professional equipment". Currently, China is a signatory to the annex which only allows use in "Exhibitions and Fairs".





JANUARY

End of India Section as president and beginning of China Section as president of BBC.

MARCH

Mid-Year Meeting of BBC Working Groups, New Delhi, India.

Mid-Year Meeting of BBC, New Delhi, India.

Meeting of members of Brazilian Section of BBC and
Brazilian Ambassador to India, New Delhi, India.

APRIL

Meeting of BBC with the NDB, New Delhi, India.
Inaugural ceremony and signing of minutes of
2nd Meeting of the Board of Governors of the
NDB, New Delhi, India.

Seminar about the NDB, New Delhi, India.

Meeting of Brazilian Section of BBC about

Brazilian private sector priorities in relation to
the NDB, ABDIB, São Paulo, SP.

Meeting between the President of the NDB and

the President of the CNI, CNI, Brasília, DF. BBC Secretariats Teleconference, Cosco Shipping, China.

MAY

Meeting of Brazilian Section of BBC with the Vice-President of the NDB, Paulo Nogueira Batista Jr., and representatives from the Finance Ministry and the BNDES, CNI, São Paulo, SP.

JUNE

CNI meeting with the Inter-regional
Mechanisms Department of the MRE dedicated
to the BRICS agenda, MRE, Brasília, DF.
Participation by CNI in the coordinating
meeting of CGETI issues, MRE, Brasília, DF.
BBC Secretariats Teleconference, Cosco
Shipping, China.

JULY

CNI meeting with the MDIC team dedicated to BRICS agenda, MDIC, Brasília, DF.
BBC Secretariats Teleconference, Cosco
Shipping, China.

AUGUST

BBC Secretariats Teleconference, Cosco Shipping, China.

Technical briefing meeting with authorities from the Brazilian government about the IX BRICS Summit, MRE, Brasília, DF.

Meeting of BBC Working Groups, Shanghai.

Meeting of BBC Working Groups, Shanghai, China.

Annual BBC Meeting, Shanghai, China.

Meeting between BBC and Government of
Shanghai, China.

Meeting between BBC and the NDB, Shanghai, China.

SEPTEMBER

BRICS Business Forum, Xiamen, Chinese Council of Promotion of Investment and Trade (CCPIT), China.

BBC Meeting with BRICS Heads of State and Government Summit, Xiamen, China.

NOVEMBER

Meeting of the Brazilian Section of BBC, Embraer, São Paulo.

JANUARY

Meeting between BBC and NDB's Vice-President Chief Risk Officer, José Sarquis, Brasília, DF.

FEBRUARY

Participation by CNI in the coordinating meeting of CGETI issues, MRE, Brasília, DF.

MARCH

Coordenation Meeting between CNI and MRE, Brasília, DF Mid-Year Meeting of BBC Working Groups, Shanghai, China.

Mid-Year Meeting of BBC, Shanghai, China.

Meeting of the Brazilian Delegation with NDB's VicePresident Chief Risk Officer, José Sarquis, Shanghai,
China

MAY

BBC Secretariat Teleconference, Sekunjalo, South Africa

BBC Secretariat Teleconference, Sekunjalo, South Africa

NDB and Brazilian Private Sector Dialogue, FIESP, São Paulo

CNI meeting with the Inter-regional Mechanisms

Department of the MRE dedicated to the BRICS
agenda, MRE, Brasília, DF.

JUNE

Meeting of the Brazilian Section of BBC, Embraer, São Paulo.

BBC Secretariat Teleconference, Sekunjalo, South Africa

Coordenation Meeting between the Brazilian Government and the BBC Working Groups

(Infrastructure, Financial Services, Regioanl

Aviation and Energy)

JULY

BBC Chairs Teleconference, Sekunjalo, South
Africa

Meeting of BBC Working Groups, Durban, South

Africa*

Annual BBC Meeting, Durban, South Africa*
Meeting between BBC and Government of
KwaZulu Natal, Durban, South Africa.*
Working Breakfast between BBC and the NDB,
Durban, South Africa.*

BRICS Business Forum, Johannesburg, South Africa*

BBC Meeting with BRICS Heads of State and Government Summit, Johannesburg, South Africa*

*Prospective agenda

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