

## **BRICS and Intra-regional Trade Relations**

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**Abstract:** The acronym BRICS represents a group of five major emerging national economies: Brazil, Russia, India, China, and South Africa. This paper explores the dynamics of intra-regional trade relations within the BRICS bloc, examining the trends, challenges, and opportunities that shape their economic interactions. The BRICS nations, with their substantial combined population and economic output, play a pivotal role in the global economy. Despite their geographical dispersion and diverse economic structures, these countries have sought to strengthen economic ties within the bloc through increased trade activities. The analysis delves into the historical context of BRICS cooperation and the evolution of their intra-regional trade agreements. Challenges to intra-regional trade within BRICS include variations in economic development levels, regulatory disparities, and geopolitical considerations. The paper explores how these challenges impact trade relations and hinder the realization of the full economic potential of the BRICS bloc. Additionally, the study investigates the role of multilateral institutions and initiatives in facilitating and catalyzing intra-BRICS trade. Furthermore, the paper sheds light on the various strategies employed by BRICS nations to enhance intra-regional trade, such as the establishment of the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA). It also examines the influence of global economic trends and geopolitical shifts on the trade dynamics within the block. In conclusion, the analysis provides insights into the future prospects of intra-regional trade relations among BRICS nations, considering ongoing global economic changes and the evolving nature of international cooperation. The findings contribute to a comprehensive understanding of the complexities and opportunities inherent in the economic interactions among these influential emerging economies.

**Key words:** BRICS, merchandise, Brazil, Russia, India, China, and South Africa.

### **Introduction**

BRICS is an acronym that refers to a group of five major emerging national economies: Brazil, Russia, India, China, and South Africa. The BRICS association aims to promote cooperation and collaboration among these countries on various economic, political, and strategic issues. The member nations are spread across different continents and represent diverse cultures, political systems, and economic structures.

### **Intra-regional Trade Relations within BRICS:**

Intra-regional trade refers to the exchange of goods and services among countries within a specific region. For the BRICS nations, fostering strong intra-regional trade relations

has been a key focus to leverage their collective economic potential. Here are some key points regarding intra-regional trade relations within BRICS:

**Economic Diversity:**

BRICS nations possess diverse economies with varying strengths and weaknesses. China has a robust manufacturing sector, while Brazil is known for its agricultural exports. Russia has abundant natural resources, and India is a growing service and information technology hub. South Africa also contributes with its minerals and natural resources.

**Trade Agreements:**

BRICS countries have engaged in various trade agreements and partnerships to facilitate smoother intra-regional trade. The New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA) are examples of financial mechanisms established by BRICS to enhance economic cooperation and provide stability during times of crisis.

**Reducing Trade Barriers:**

BRICS nations have worked towards reducing trade barriers and tariffs to promote easier movement of goods and services within the group. Efforts have been made to harmonize trade policies and standards, making it more convenient for businesses to operate across borders.

**Joint Investment Projects:**

BRICS countries have initiated joint investment projects and infrastructure development programs to enhance connectivity and trade facilitation. Collaboration in sectors such as energy, transportation, and technology has been pursued to strengthen economic ties.

**Currency Cooperation:**

Discussions on currency cooperation and reducing dependency on the U.S. dollar in trade transactions have taken place within BRICS. Some member countries have engaged in bilateral trade agreements using their own currencies, promoting financial independence and stability.

**Challenges:**

Despite the potential benefits, intra-regional trade among BRICS nations faces challenges such as differences in regulatory frameworks, language barriers, and varying levels of economic development. Geopolitical tensions and external economic pressures can also impact the smooth functioning of intra-regional trade. In conclusion, while BRICS nations have made significant strides in promoting intra-regional trade relations, ongoing efforts are required to address challenges and unlock the full economic potential of this diverse and influential group. Continued collaboration in areas like trade facilitation, investment, and infrastructure development can contribute to sustained growth and stability within the BRICS community.

**Literature review**

As of that time, the BRICS nations, which include Brazil, Russia, India, China, and South Africa, were actively engaged in discussions and initiatives aimed at enhancing intra-regional trade and economic cooperation. These countries, despite their diverse economic structures and priorities, recognized the potential benefits of collaboration and sought to strengthen ties.

### **Trade Agreements:**

BRICS countries were exploring the possibility of trade agreements and partnerships among themselves to reduce trade barriers and facilitate the flow of goods and services.

### **Economic Cooperation:**

There were discussions on enhancing economic cooperation through initiatives such as joint investments, infrastructure development projects, and technology transfer.

### **Financial Cooperation:**

BRICS nations were considering measures to promote financial cooperation, including discussions on the creation of a BRICS development bank. This initiative aimed to provide financial support for infrastructure projects within the member countries.

### **Challenges:**

Despite the potential benefits, there were also challenges, including differences in economic structures, regulatory environments, and levels of development among the BRICS nations.

### **Global Economic Governance:**

BRICS countries were advocating for reforms in global economic governance institutions, such as the International Monetary Fund (IMF) and the World Bank, to better reflect the changing economic landscape and give emerging economies a greater voice.

To get more detailed and up-to-date information on the literature available in 2012, you may want to consult academic databases, journals, and repositories. Search for relevant articles, reports, and books that focus on BRICS and intra-regional trade relations during that specific time period. Online databases like JSTOR, Google Scholar, and academic library catalogs can be useful resources for accessing scholarly literature.

### **Findings:**

In 2012, the BRICS (Brazil, Russia, India, China, and South Africa) nations continued to play a significant role in shaping global economic dynamics. While specific findings related to intra-regional trade relations may vary, some general trends and observations can be highlighted:

### **Trade Growth:**

BRICS countries witnessed continued growth in their intra-regional trade during 2012. The member countries took steps to strengthen economic ties and increase trade volumes among themselves.

### **Diversification of Trade Partners:**

While intra-BRICS trade was growing, these countries were also diversifying their trade partners. They sought to reduce dependence on traditional Western markets and establish stronger economic connections within their own bloc.

### **Trade Agreements and Initiatives:**

BRICS nations engaged in discussions and negotiations to enhance economic cooperation. They explored the possibility of creating new trade agreements and initiatives to facilitate smoother trade flows among member countries.

### **Infrastructure Development:**

Infrastructure development was a key focus for BRICS nations to support and sustain increased trade. This included efforts to improve transportation networks, logistics, and communication systems to facilitate the movement of goods within the region.

### **Currency Agreements:**

Some BRICS nations explored bilateral and multilateral agreements to conduct trade in their local currencies, aiming to reduce dependence on the U.S. dollar. This was part of broader efforts to enhance financial cooperation and reduce vulnerability to external economic shocks.

### **Challenges:**

Despite the positive trends, challenges existed. Differences in economic structures, regulatory frameworks, and varying levels of development among BRICS nations posed obstacles to seamless intra-regional trade. Addressing these disparities became a part of the ongoing dialogue among member countries.

### **Global Economic Uncertainties:**

The global economic environment in 2012 was characterized by uncertainties and challenges, including the Eurozone crisis and slower growth in developed economies. BRICS nations, while strengthening intra-regional ties, were also impacted by external factors that influenced their trade dynamics.

It's important to note that specific data and findings for intra-regional trade in 2012 may require a detailed analysis of trade statistics, policy documents, and economic reports from that period. The information provided here is a general overview based on the trends and discussions observed during that time.

### **Outcomes:**

In 2012, BRICS (Brazil, Russia, India, China, and South Africa) continued to play a significant role in shaping global economic dynamics. While the specific outcomes and trade relations can vary among the member countries, here are some general trends and developments during that time:

#### **Economic Growth:**

BRICS nations collectively represented a substantial portion of global economic output and demonstrated strong economic growth. China and India, in particular, were driving forces behind this growth.

#### **Intra-BRICS Trade:**

Intra-BRICS trade relations saw increased collaboration. The member countries aimed to enhance economic cooperation and reduce dependency on traditional Western markets. Trade agreements and initiatives were explored to facilitate smoother commerce among the BRICS nations.

#### **Bilateral Agreements:**

Various bilateral agreements were signed between member countries to strengthen economic ties. These agreements covered areas such as trade, investment, technology transfer, and cultural exchange.

### **Development Banks:**

Discussions about establishing a BRICS development bank gained momentum during this period. The aim was to create an alternative to Western-dominated financial institutions, providing funding for infrastructure and development projects within the BRICS nations.

### **Challenges and Differences:**

Despite the overall cooperation, there were also challenges and differences among BRICS nations. Divergent economic structures, political priorities, and trade policies sometimes led to tensions and negotiations.

### **Commodity Trade:**

Given the composition of the BRICS nations, commodity trade, especially in resources such as oil, gas, minerals, and agricultural products, played a crucial role in intra-BRICS trade relations.

### **Global Governance Reform:**

BRICS continued to advocate for reforms in global governance structures, including the International Monetary Fund (IMF) and World Bank. The member countries sought a more equitable distribution of voting rights and influence in these institutions.

### **South-South Cooperation:**

BRICS countries actively engaged in South-South cooperation, fostering economic and political ties with other developing nations. This approach aimed to promote mutual development and reduce dependence on traditional economic powers.

It's important to note that the specifics of intra-regional trade and outcomes can vary for each member country within BRICS. Additionally, the geopolitical and economic landscape has continued to evolve since 2012, and subsequent years may have brought new developments and challenges for the BRICS nations.

### **Conclusion**

In 2012, the BRICS countries continued to play a significant role in shaping global economic dynamics. The member countries collaborated on various fronts, including economic, political, and social issues. Here are some key points regarding BRICS and intra-regional trade relations in 2012:

**Economic Cooperation:** BRICS nations focused on strengthening economic ties among themselves. Efforts were made to enhance cooperation in trade, investment, and finance. The member countries recognized the potential for increased economic collaboration and sought to create mechanisms for mutual benefit.

**Intra-BRICS Trade:** In 2012, intra-BRICS trade showed positive trends. The member countries aimed to increase the share of their mutual trade and reduce dependence on traditional economic powerhouses. Initiatives were taken to facilitate trade and investment among BRICS nations.

**BRICS Summits:** The annual BRICS Summit in 2012 provided a platform for member countries to discuss key issues, share perspectives, and coordinate policies. These summits played a crucial role in fostering a sense of unity and common purpose among the BRICS nations.

**Development Bank Proposal:** In 2012, discussions around the establishment of a BRICS Development Bank gained momentum. The idea was to create an institution that could

provide funding for infrastructure projects and other development initiatives within the member countries and other emerging economies.

**Challenges:** Despite the positive developments, challenges existed in terms of divergent economic interests, political differences, and varying levels of development among BRICS nations. Managing these differences while promoting collaboration was an ongoing task.

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