

**“IBSA AGREEMENT-Potential and Challenges”**  
A dissertation report submitted to



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# EXECUTIVE SUMMARY

India, Brazil, and South Africa (IBSA) are transcending geographical, historical, and regional differences in order to promote their individual and collective interests at a time when the current economic hardship and declining U.S. hegemony mean greater opportunities for emerging countries in the global South. The IBSA Forum has also facilitated interaction amongst Indian, South African and Brazilian academics, business leaders, and other members of civil society.

Despite IBSA's contributions to the future of multilateralism, it continues to face profound challenges in distinguishing itself from other similar groupings. The proliferation of regional organizations in the post-cold war era begs the question: "What makes IBSA unique, what has it achieved in its first five years of existence, and what is its future?"

The informal nature of the IBSA dialogue forum and the fact that it lacks a permanent secretariat mean many unprecedented factors are at work in encouraging trilateral cooperation among these distant regional powers. India, South Africa, and Brazil are all democratic states that exert significant regional influence, yet all three face internal social challenges typical of developing nations. Each has demonstrated its capacity to act beyond its national and regional interests and all three display a growing willingness to assert their presence and increase their participation in global affairs.

Beyond the similarities between member countries, the grouping is in many ways a product of historical circumstance. An inter-regional alliance between Brazil, India, and South Africa would have been neither relevant nor possible ten years ago when Brazil was perceived as an economic disaster dealing with rampant inflation and the pains of a recent democratic transition, South Africa was coming out of apartheid, and India was addressing regional nuclear threats. Today, regional activities are necessary but not sufficient to advance a national agenda. A trans-regional grouping such as IBSA allows for sharing of best practices between the three member countries and strengthens the voice of the developing world as a whole.

IBSA fashioned a three-pillar approach to advance the agendas of its member countries and the larger developing world. The first component of IBSA's three-pillar approach is providing a forum for consultation and coordination on significant political issues, such as the reform of the United Nations and its Security Council, and negotiations at the World Trade Organization. The second pillar fosters trilateral cooperation on particular areas and projects through sixteen working groups set up for the common benefit of the three countries. The final pillar broadens IBSA's scope to the larger developing world through the IBSA facility fund, established in 2004.

This paper explores the opportunities for further economic cooperation between India, Brazil and South Africa in the context of the IBSA Trilateral Cooperation Forum and the challenges faced by the forum. The IBSA integrative efforts are opening new avenues for South-South Cooperation in several areas, including on commodities, manufacturing and services exports, transport and energy issues, FDI and transfer of technology, etc. despite the challenges faced. The paper also compares the three countries on various economic parameters.

# ACKNOWLEDGEMENT

I would like to take this bright opportunity to thank all the personalities to whom I am indebted for their assistances. I am specifically thankful to Professor Dr. Anshuman Gupta and Dr. Hiranmoy Roy for his immense support and guidance .Moreover I would even like to appreciate all the resources on the Internet for providing me with the all the necessary materials.

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# INTRODUCTION

## BACKGROUND

In September 2003, the failure of the G20 + countries in agriculture, a document prepared by the US and the EU proposal that led to the collapse of the WTO meeting in Cancun.

Before the collapse of the Cancun meeting, developing countries have an agreement that allows poor countries, have signed cancel the international pharmaceutical patents. In both events, India, Brazil and South Africa have played an important role and the IBSA Forum was launched a few months before the Cancun meeting.

The meeting will take place in 2004, resulted in the areas of common interest and squeezed in "An Agenda for Cooperation". This includes:

- Multilaterlism- especially including the reform of the United Nations;
- peace and security;
- terrorism;
- globalization;
- sustainable development; and
- social development.



India, Brazil and South Africa Trilateral Cooperation Forum (IBSA) is made a unique initiative in the area of South-South economic cooperation. What is different is that the "ginger group" of three large, economically prosperous and dynamic countries of the three continents that developed attempt to trade, investment, technology transfer and economic cooperation are to strengthen. Brazil is the largest economy in Latin America, with a significant presence in global trade. India has seen the fourth largest economy in the world by purchasing power and the second largest country in the world, has impressive economic growth rates and trade in recent years. South Africa is the nation's largest economy and trade in Africa, which accounts for the largest share of total trade with the African world.

## STRUCTURE IBSA FORUM

IBSA forum support a flexible structure, with no seat or permanent Executive Secretariat. At the highest decision-making are the Summit of Heads of State and Government, including five since 2006. The foreign ministers of the IBSA together about once also in the meetings of the Tripartite Commission Joint year. Occasionally, informal meetings between leaders IBSA IBSA or foreign policy, on the margins of the meetings of other international Forum as the United Nations General Assembly. In addition, sixteen IBSA working groups established to monitor cooperation on a wide range of technical fields. Several other initiatives colleagues were also organized by the IBSA Forum, including business forum and the parliamentary forum.

We can distinguish three "pillars" of the IBSA cooperation. The first is to coordinate efforts IBSA positions "on various issues of global governance in international institutions like the United Nations (UN) and the World Trade Organization (WTO).The second concerns the strengthening of economic relations between the two countries through the IBSA promote the expansion of trade and investment and the IBSA Establish a legal framework for the management within IBSA trade.The third technique comprises ("Industry") Cooperation Organized in the working group IBSA.Eto Sector Cooperation include promoting greater cooperation between experts of the three countries and development projects for cooperation to.Cooperation with the establishment of the Fund of IBSA IBSA poverty reduction.

## IBSA VS BRICS

Before South Africa, BRICS was made by three Asian powers, and far from Brazil. The inclusion in South Africa Forum globalization, increasing their visibility in world politics. BRICS has received much more attention than the IBSA. Officials believe that the IBSA really do not live up to its potential. Some say that IBSA is redundant, but that emphasizes the IBSA Secretary of State to a grouping of all the democracies of the south. China is not a democracy, and does not share the views and approach to global issues that are important to the IBSA. IBSA spoke of the social aspects of globalization within.

BRICS Height largely wrong. When the IBSA was founded, has deliberately not invited China and the absence of China, which makes the platform IBSA interesting to discuss. It 'important that the countries of the IBSA share basic views on global issues, and differ significantly from China. But there should be a synergy that is not what the issues discussed at the summit of the IBSA should not be at the top BRICS.

IBSA strong competition from the BRICS. There were questions about the importance of IBSA in South Africa to BRIC BRICS closed and was advanced countries is IBSA, so the idea of a merger seems interesting, but it would be a mistake. This situation represents a unique challenge to strengthen regional initiatives and their interaction with the countries in the developing world. In IBSA, each of which has been left in the same stage of development, and China its mark on the world stage. The Tripartite Forum to improve relations between India, Brazil and South Africa. You have no direct interest in the competition and be able to work on joint projects of benefit to all three. China-focused in BRICS very strong and the inclusion of South Africa in BRICS A particular challenge in India. A strong partnership between China and South Africa, China and the added benefit is detrimental to India. BRICS meet only a small part of the international vision of India. How should India forum where his neighborhood thrive strategic regional giants China shady. Instead of a strategic partner, China is a competitor of Brazil and India in South Africa.

IBSA is a coalition of the South, facilitating dialogue to unimaginable level. Development cooperation, together with a view of the socio-economic and trade between the three countries differ IBSA BRICS. These three countries to protect your space for the discussion of China. All members of the IBSA are democracies and for questions that can not be discussed in the BRICS summit to discuss.

# LITERATURE REVIEW

TITLE	AUTHOR	YEAR	DESCRIPTION
Is three a crowd or coalition? India, Brazil, South Africa in WTO	Mari-Lise du Preez	2007	Looks at what IBSA aims to achieve in WTO and tries to establish whether it is possible for the initiative to achieve these aims
The India-Brazil-South Africa Forum  A Decade On:  Mismatched Partners or the Rise of the South?	Folashadé Soule-Kohndou	2013	Addresses what are the underlying strategic aims of cooperating and how far IBSA has delivered
Is the whole greater than its components? A new regionalist analysis of the india-brazil-south africa (ibsa) dialogue forum	Katrine Blindheimsvik	2009	examine whether IBSA is on the right path and can thus be expected to 'deliver more in tangible benefits and pragmatic exchanges
Institutionalizing South-South Cooperation: Towards new paradigm	Oliver Stuenkel	2013	Achievements and recent trends in South South Cooperation
Much Ado About Something?	Draper, Mills and White	2004	Assessment of the potential of the IBSA Dialogue Forum
IBSA: an emerging trinity  In the new geography of international trade	Lakshmi Puri	2007	Explore opportunities for further economic cooperation between India, Brazil and South Africa in the context of the IBSA Trilateral Cooperation Forum

<p>The India-Brazil-South Africa (IBSA) Dialogue Forum: A platform for advancing South-South cooperation or a vehicle for the pursuit of prestige and power?</p>	<p>Sean Woolfrey</p>	<p>2013</p>	<p>the paper shows that IBSA cooperation is primarily motivated by the IBSA countries' shared national interests rather than by any ideas of South-South solidarity</p>
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# RESEARCH METHODOLOGY

The research focuses on both qualitative and quantitative factors. In terms of this dissertation. A comparison of countries is done on the basis of calculating comparative advantage index and complementarity index of top products traded between these countries. These are just a couple of examples of how it is, in the context of this thesis, possible to use quantitative indicators-many more exists. In order to monitor the integration process it is necessary to also use quantitative methods. An example of this is for instance how the IBSA Dialogue Forum have certain potential benefits and limitations .

The material needed for this dissertation includes official documents, books, journal articles and newspapers in addition to personal interviews and internet sources. It has used ITC trademap and UNCTAD for qualitative data.

## RESEARCH QUESTIONS

This study attempts to analyse one of the most recent examples of South-South cooperation – the IBSA Dialogue Forum.

Given the proliferation of organisations focusing on South-South cooperation, as well as some of their limited success (two examples of failed Southern based collaboration initiatives are the Zone of Peace and Co-operation of the South Atlantic (ZPCSA) and the Indian Ocean Rim (IOR)), this study seeks to address the question: Is IBSA offering anything new in terms of South-South cooperation and economic development?

The IBSA Dialogue Forum has been criticised for being an elitist idea of cooperation. If that is the case can this be changed by closer integration? If yes, what shape should this closer integration take?

## RESEARCH DESIGN

Descriptive Research has been used.

# COMPARATIVE ANALYSIS: IBSA

Brazil, India and South Africa have risen to positions of the main players in world politics and the world economy. They are regional powers. India, "Asian Drivers global change", have a significant impact on the world economy and world politics. Given the high level of growth, foreign policy and foreign economic policy and its integration in Latin America, Brazil is gaining influence. South Africa is much less important for the nation in South Africa with the goal of building security architecture, the integration of the Southern African Development Community (SADC) and monetary integration Southern African Customs Union (SACU).

Brazil, India and South Africa are very heterogeneous group of countries that differ significantly in the global economy in terms of size, population and weight economy. They are also different Stages of development, with a variation between its GDP per capita is similar to that of the OECD countries as a whole, and also have different growth prospects in the long term. But they are also long-term and stable path of economic growth in recent decades, which is expected to continue, and there are other economic indicators in general.

In fact, over the past two decades has grown faster than real GDP BCIS " average OESR. It was in China and India, in particular the case exceeded the annual growth rate approaching or before the current two-digit economic and financial Crisis. Brazil and South Africa growth more volatile and less spectacular, although the pace of growth of GDP in 2000. These positive results were obtained in both the overall reform of macroeconomic policies, which began in 1980 in China, favored in the mid-1980s in India, and in the early 1990s in Brazil and South Africa, and a significant increase in performance and a rapid integration of the world economy and provides better access to new technologies, capital and financial markets.

From 1990 to 2012, the weight of these countries into the world economy is gradually increased, with the exception of South Africa. In the period since 1990, per capita GDP has more than doubled in the three countries, thus closing the gap with OECD countries lower.

Another factor. The results of the growth of these countries in this time of deep economic reforms that have lived reforms geared mainly to greater economic stability and Liberalization and increase their productivity and trade foreign capital does not flow like never before.

Power in India started by market reforms in the mid-1980s, the momentum is gaining favor in the early 1990s. Restrictions on investments by large companies have been removed, the reform of financial markets and infrastructure is gradually improving, in relation to the reduction of budget deficits and improve tax reforms (OECD, 2007a). Although the growth of the Indian economy has actively discussed with a number of points of view on the different levels, there appears to be general agreement that the path of development in India at that time was a bit 'unusual, because the transfer of production from agricultural production was slower than that observed with similar from developing countries during the transition occur more rapidly. Consequently, the share of services in total production has increased significantly between 1990 and 2008, while the share of the industrial sector remained virtually unchanged at about 30%. Industrial enterprises in India not to all the benefits of comparative advantages of low The cost of labor remained small in scale, not taking full advantage of the economies of scale to increase their size. This has led to a limited productivity and weak employment.

Brazil has also changed its development strategy in 1990, opening its economy, reducing the role of government and the application of restrictive macroeconomic policies. The refusal of the control mechanism of the exchange rate in 1999 and the adoption of measures to control inflation and financial management combined Actions significant improvement in macroeconomic fundamentals. This allowed for a growth rate higher than the majority of Latin American countries since the early 2000s, the nature of the production growth of the sector less export-oriented than in China, and more balanced than in India. In fact, the annual GDP growth to double the level of five years, the currency rose to 4.7% in the period 2004-2008. swimmer followed the country.

In South Africa, the end of apartheid and the general election in 1994, the negative trends of low productivity highlighted previously observed. Although growth remained sluggish at first, he raced through the cultivation Productivity, mainly driven mining, and then spread to other areas of the economy. This was achieved by a much slower rate of capital formation and a more efficient use of inputs. In fact, in the period 2000-2005, the growth of total factor productivity of the global economy has reached the 2% after unchanged in the last two decades of apartheid (OECD, 2008). Compared to other middle-income countries, South Africa has a relatively strong Average return The work, but a very low, which speeds do not contribute to differences in the standard of living of countries OESR. Vklad in production growth by 2000, after this date, recorded with a high contribution to growth in the service sector.

Since the early 1990s, these three countries have a significant increase in foreign direct investment (FDI), both in terms of volume and relative terms, lived as a percentage of gross domestic product and foreign investment overall. Start multiplied by a very low level, especially in India and South Africa, foreign direct investment in the last two decades, 74 in India, 13 in South Africa and eight in Brazil.

Trade openness, doubled by the ratio of trade to GDP than in Brazil India and since 1980 has accelerated significantly since the mid-1990s. This has increased less than in South Africa. In fact, since the mid-1990s, trade in South Africa was not keeping up with the development of world trade, especially in raw materials and intermediate products. As a result of its trade position remained relatively constant. Both imports and exports as a share of world trade remains low, despite international sanctions on trade and investment is, however, were removed after the fall of Apartheid.<sup>3</sup>, since 2004 accelerated exports from South Africa, which is due to 'price increase in value of their main exports

Over the past decade, the main problem is the increase in employment IBSA is fast enough to cope with the growing labor force. In both 1990 and 2000, lower than the GDP growth in Brazil has been the growth in employment and India, while South Africa has experienced employment growth higher than GDP in the first period and a significant drop in the second. The elasticity of employment, economic growth in Brazil and South Afr ICA against India. He also confirmed the differences in the type of growth the IBSA, with a low elasticity of employment in India, which, to a significant structural change and growth produttività Al contrary, Brazil, and South Africa, the economic growth since the late 1990s lawyers that more people into work, rather than a redistribution of jobs between sectors and for rapid economic change existing structural, as is the case with China, and to a lesser extent in India. PART labor standards vary from country to country IBSA with Brazil on the OECD average, while India and South Africa are significantly lower.

The development of informal employment in the last ten years, although in a different way in these

countries, the decline in Brazil and India is growing and, to a lesser extent, in South Africa. In fact, in India, in the informal sector of the National Commission on Entrepreneurship in the informal sector, as no job security, safety and well-being defined shape about 86% of the total workforce. Indian informal sector is very heterogeneous, including the production units that have different properties and a wide range of economic activities, but also the people (ie, workers, producers, entrepreneurs) who work in the service sector or produce according to the different types of Labor relations and mechanisms of production. Most of the informal sector of India Self employed. Some work as wage earners, but then often used only temporarily Basis. In addition, the underground economy in India because of the low technical level, limited access to resources and services as well as the inability profitable to sell their products with Companies with low productivity. As a result, the majority of participating in this work, the owners and workers evil.

In Brazil, informal workers are identified as those who do not register the workbook (Documentation of the relationship between employers and workers) have been defined. Informal began to grow in 1990 and reached a peak in 1999. Since then, the trend has changed and the rate of informality fell.

In South Africa, informal employment in both unregistered companies and employment of domestic workers work done. The informal employment is less common than in Two more

Countries, but has increased since 1993, mainly because of the excessive proportion of women among domestic workers, with higher rates among women than men. This pattern is observed in India. Having compared to OECD countries, South Africa and Brazil s a high levels of inequality. B recent years, poverty reduction was accompanied by a significant Wood falls inequality in Brazil alone. Inequality in India is lower, but still above the OECD average, and the growth trend. In China and India, income inequality has increased in urban and rural areas, while in South Africa, inequality has increased in the first, but fell in the second. In India in the past decade, inequality has increased significantly due to the observed increase in urban areas. Different to Center of gravity This urban-rural gap, several studies analyze trends inequality in India showed accentuation of regional imbalances. In fact, there is a growing concern in India, that the benefits of growth is concentrated in the rich countries, so that the poorest and most populous states still (Ie Bihar, Madhya Pradesh, Uttar Pradesh and Kerala). In richer countries have high rates of growth to a boom in business and commercial services, while most of the poorest countries, agriculture is the main way of life (although it is not always sufficient income), and industry is almost nonexistent, which leads to trade and limited services. Moreover, even the most backward areas of basic services such as education, health, housing, rural infrastructure and drinking water and no electricity. All this contributes to significant differences between the regions Sav

# INDIA

## GENERAL PROFILE: INDIA

### GENERAL INFORMATION FOR 2013

**Population (total)**  
1 252.1 Millions

**Exchange rates**  
58.598 INR/US\$

**GDP (current US dollars)**  
(e) 1 924 452 Millions US\$

**Land area**  
(l) 2 973 190 km<sup>2</sup>

**CPI growth (%)**  
10.91 %

**GDP growth (%)**  
(e) 4.90 %

### INTERNATIONAL MERCHANDISE TRADE

#### Total merchandise trade

(millions of US\$)	2005	2010	2013
Merchandise exports	99 616	226 351	313 235
Merchandise imports	142 870	350 233	466 042
Merchandise trade balance	-43 254	-123 881	-152 807

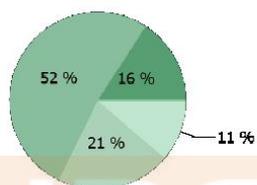
**+5.5 %**

Merchandise exports growth rate in 2013

#### Export structure by product group in 2013

(% of total exports)

- All food items
- Fuels
- Manufactured goods
- Other



#### Top 5 partners in 2013

(millions of US\$)

United States	41 957
United Arab Emirates	33 980
China	16 417
Singapore	14 189
China, Hong Kong SAR	13 667

### INTERNATIONAL TRADE IN SERVICES

#### Total trade in services

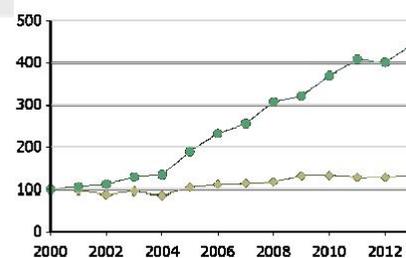
(millions of US\$)	2005	2010	2013
Services exports	(g) 52 527	116 946	(e) 151 386
Services imports	(g) 47 287	114 455	(e) 125 689
Services trade balance	(g) 5 241	2 490	(e) 25 697

#### Trade in services by main service category

(exports as % of total services)	2005	2010	2013
Transport	11.0	11.3	(e) 11.2
Travel	14.3	12.4	(e) 12.2
Other services	(g) 74.8	71.9	(e) 75.3

### TRADE INDICES

- ◆ Terms of trade indices
- ◆ Purchasing power indices of exports



## ECONOMIC TRENDS

### Economic trends indicators

(millions of US\$ unless otherwise specified)

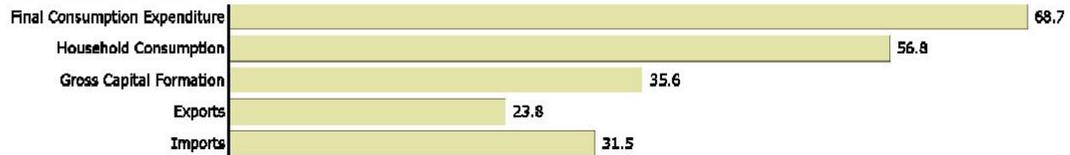
	2005	2010	2013
GDP, Current	837 499	1 704 795	(e) 1 924 452
GDP per capita, current	743	1 414	(e) 1 537
Real GDP growth, y-on-y, %	9.28	10.55	(e) 4.90
Current account balances, % of GDP	-1.23	-3.20	-2.56
Exchange rates ( vs. US\$)	44.100	45.726	58.598

**+4.9 %**

Gross Domestic Product  
growth rate in 2013

### GDP by expenditure in 2012

(% of total GDP)



## FDI AND EXTERNAL FINANCIAL RESOURCES

### Financial flows

(millions of US\$ unless otherwise specified)

	2005	2010	2013
Foreign Direct Investment flows, inward	7 621.77	27 431.23	28 199.45
Foreign Direct Investment flows, outward	2 985.49	15 932.52	1 678.74
Migrant's remittances, % of GDP	2.64	3.14	3.64

**+0.1 %**

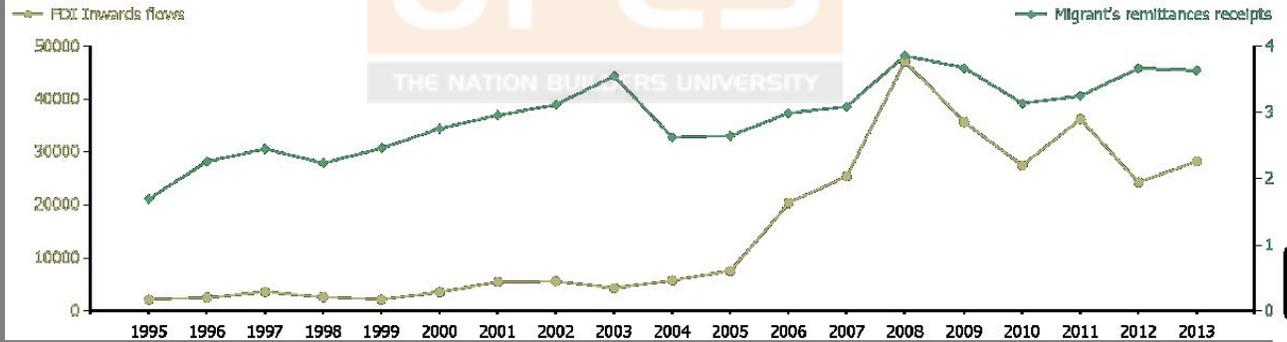
FDI outflows as % of GDP  
in 2013

### Financial flows trends

(millions of US\$)

### Financial flows trends

(millions of US\$)



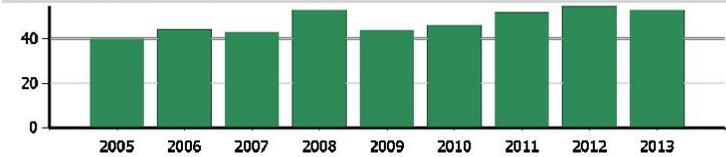
## TRADE IN GOODS AND SERVICES

### Goods and services trade balance indicators

<i>(% and index)</i>	2005	2010	2013
Trade balance, % of GDP	(g) -3.26	-5.34	(e) -4.97
Trade balance, % of import	(g) -14.99	-20.73	(e) -17.07
Normalized trade balance	(g) -0.081	-0.116	(e) -0.093

### Goods and services trade openness

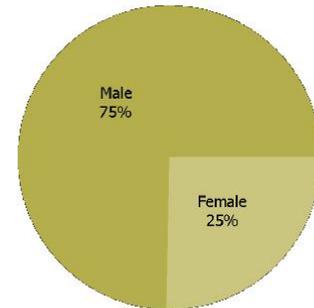
*(sum of imports and exports as % of GDP)*



## LABOUR FORCE

### Labour force by gender in 2013

*(% of total labour force, all sectors)*



## OTHER INDICATORS

### Maritime transport indicators

	2005	2010	2013
Merchant fleet, national flag (thousands DWT)	12 347	14 970	15 836
Liner Shipping Connectivity Index (max 2004 = 100)	36.88	41.40	44.35
Container port throughput (TEU)	..	9 752 908	10 653 343

### Information economy indicators

<i>(% of)</i>	2005	2010	2013
Share of ICT goods, % of total export	1.11	2.00	1.59
Share of ICT goods, % of total import	7.64	6.31	5.78
Share of workforce involved in the ICT sector	..	..	..

**0.974 %**

Share of the total world merchant fleet in 2013

## GENERAL PROFILE: BRAZIL

### GENERAL INFORMATION FOR 2013

**Population (total)**  
200.4 Millions

**Exchange rates**  
2.157 BRL/US\$

**GDP (current US dollars)**  
(e) 2 250 370 Millions US\$

**Land area**  
(l) 8 358 140 km<sup>2</sup>

**CPI growth (%)**  
6.20 %

**GDP growth (%)**  
(e) 2.40 %

### INTERNATIONAL MERCHANDISE TRADE

#### Total merchandise trade

(millions of US\$)	2005	2010	2013
Merchandise exports	118 529	201 915	242 179
Merchandise imports	77 628	191 537	250 447
Merchandise trade balance	40 901	10 378	-8 268

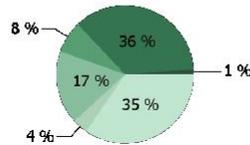
**-0.2 %**

Merchandise exports  
growth rate in 2013

#### Export structure by product group in 2013

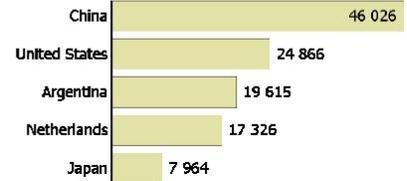
(% of total exports)

- All food items
- Agricultural raw materials
- Ores and metals
- Fuels
- Manufactured goods
- Other



#### Top 5 partners in 2013

(millions of US\$)



### ECONOMIC TRENDS

#### Economic trends indicators

(millions of US\$ unless otherwise specified)	2005	2010	2013
GDP, Current	882 044	2 143 035	(e) 2 250 370
GDP per capita, current	4 739	10 978	(e) 11 232
Real GDP growth, y-on-y, %	3.16	7.53	(e) 2.40
Current account balances, % of GDP	1.59	-2.21	-3.60
Exchange rates ( vs. US\$)	2.434	1.759	2.157

**+2.4 %**

Gross Domestic Product  
growth rate in 2013

#### GDP by expenditure in 2012

(% of total GDP)



### INTERNATIONAL TRADE IN SERVICES

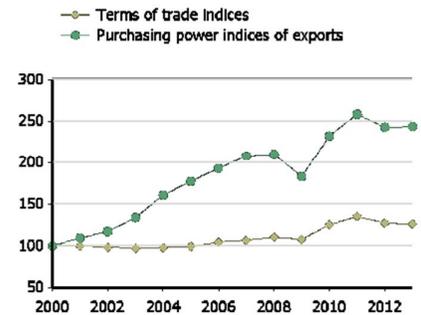
#### Total trade in services

(millions of US\$)	2005	2010	2013
Services exports	16 048	31 599	39 133
Services imports	24 356	62 434	86 349
Services trade balance	-8 309	-30 835	-47 216

#### Trade in services by main service category

(exports as % of total services)	2005	2010	2013
Transport	19.6	15.6	13.8
Travel	24.1	18.0	17.1
Other services	56.4	66.4	69.0

### TRADE INDICES



### FDI AND EXTERNAL FINANCIAL RESOURCES

#### Financial flows

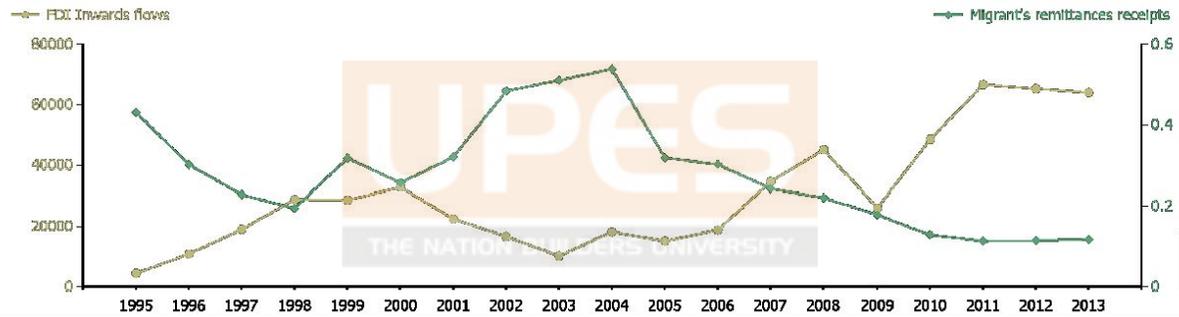
(millions of US\$ unless otherwise specified)	2005	2010	2013
Foreign Direct Investment flows, inward	15 066.29	48 506.49	64 045.33
Foreign Direct Investment flows, outward	2 516.70	11 587.57	-3 495.83
Migrant's remittances, % of GDP	0.32	0.13	0.12

**-0.2 %**

FDI outflows as % of GDP in 2013

#### Financial flows trends

(millions of US\$)



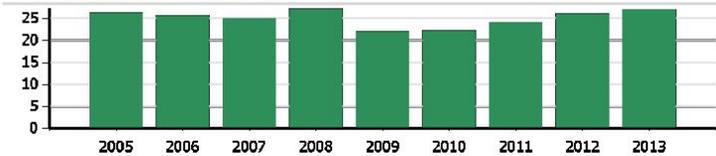
### TRADE IN GOODS AND SERVICES

#### Goods and services trade balance indicators

(% and index)	2005	2010	2013
Trade balance, % of GDP	4.13	-0.51	(e) -2.01
Trade balance, % of import	37.15	-4.43	(e) -13.86
Normalized trade balance	0.157	-0.023	(e) -0.074

#### Goods and services trade openness

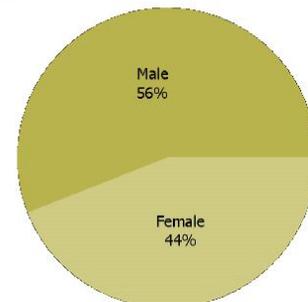
(sum of imports and exports as % of GDP)



### LABOUR FORCE

#### Labour force by gender in 2013

(% of total labour force, all sectors)



OTHER INDICATORS 

**Maritime transport indicators**

	2005	2010	2013
Merchant fleet, national flag (thousands DWT)	4 021	3 407	3 217
Liner Shipping Connectivity Index (max 2004 = 100)	31.49	31.65	36.88
Container port throughput (TEU)	..	8 138 608	10 176 613

**0.198 %**

Share of the total world merchant fleet in 2013

**Information economy indicators**

<i>(% of)</i>	2005	2010	2013
Share of ICT goods, % of total export	3.12	1.01	0.48
Share of ICT goods, % of total import	12.10	9.46	8.65
Share of workforce involved in the ICT sector	..	..	..



## GENERAL PROFILE: SOUTH AFRICA

### GENERAL INFORMATION FOR 2013

 **Population (total)**  
52.8 Millions

 **Exchange rates**  
9.655 ZAR/US\$

 **GDP (current US dollars)**  
(e) 352 475 Millions US\$

 **Land area**  
(l) 1 213 090 km<sup>2</sup>

 **CPI growth (%)**  
5.77 %

 **GDP growth (%)**  
(e) 1.90 %

### INTERNATIONAL MERCHANDISE TRADE

#### Total merchandise trade

(millions of US\$)

	2005	2010	2013
Merchandise exports	51 626	91 347	95 942
Merchandise imports	62 304	96 835	(e) 126 350
Merchandise trade balance	-10 679	-5 488	(e) -30 408

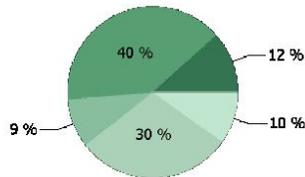
**-4.1 %**

Merchandise exports  
growth rate in 2013

#### Export structure by product group in 2013

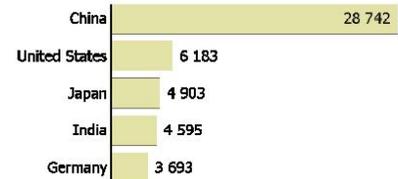
(% of total exports)

-  All food items
-  Ores and metals
-  Fuels
-  Manufactured goods
-  Other



#### Top 5 partners in 2013

(millions of US\$)



### INTERNATIONAL TRADE IN SERVICES

#### Total trade in services

(millions of US\$)

	2005	2010	2013
Services exports	11 300	14 004	14 175
Services imports	12 125	18 456	16 417
Services trade balance	-825	-4 453	-2 242

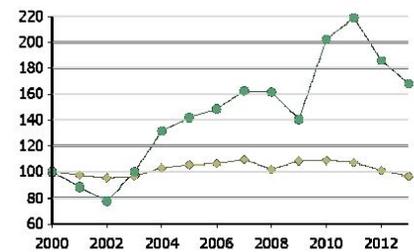
#### Trade in services by main service category

(exports as % of total services)

	2005	2010	2013
Transport	13.6	11.5	12.1
Travel	66.5	64.9	65.2
Other services	19.9	23.6	22.6

### TRADE INDICES

-  Terms of trade indices
-  Purchasing power indices of exports



## ECONOMIC TRENDS

### Economic trends indicators

(millions of US\$ unless otherwise specified)

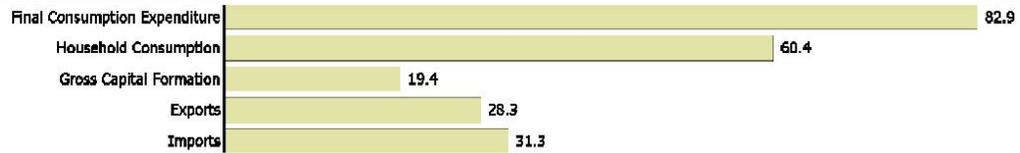
	2005	2010	2013
GDP, Current	247 052	363 241	(e) 352 475
GDP per capita, current	5 122	7 060	(e) 6 679
Real GDP growth, y-on-y, %	5.28	3.09	(e) 1.90
Current account balances, % of GDP	-3.45	-1.93	-5.82
Exchange rates ( vs. US\$)	6.359	7.321	9.655

**+1.9 %**

Gross Domestic Product growth rate in 2013

### GDP by expenditure in 2012

(% of total GDP)



## FDI AND EXTERNAL FINANCIAL RESOURCES

### Financial flows

(millions of US\$ unless otherwise specified)

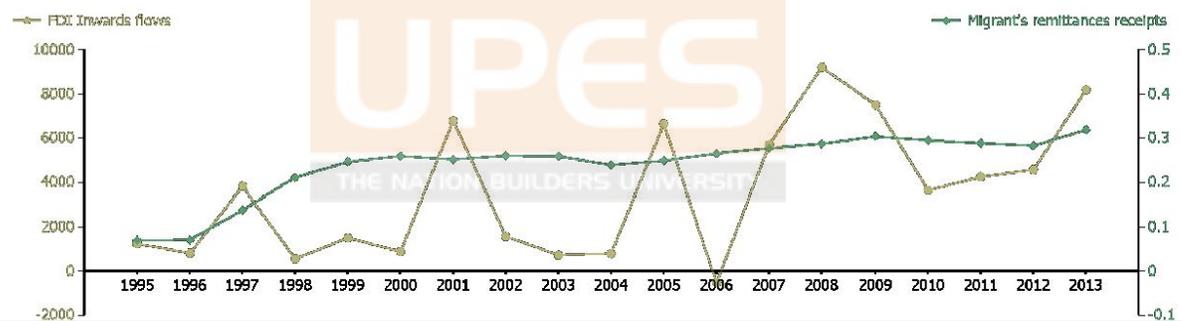
	2005	2010	2013
Foreign Direct Investment flows, inward	6 646.93	3 635.60	8 187.93
Foreign Direct Investment flows, outward	930.29	-75.67	5 619.85
Migrant's remittances, % of GDP	0.25	0.29	0.32

**+1.6 %**

FDI outflows as % of GDP in 2013

### Financial flows trends

(millions of US\$)



## TRADE IN GOODS AND SERVICES

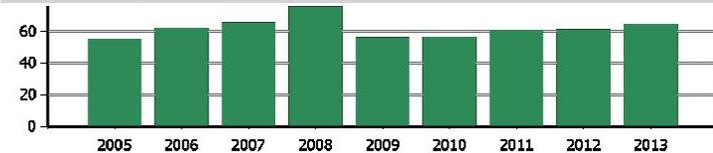
### Goods and services trade balance indicators

(% and index)

	2005	2010	2013
Trade balance, % of GDP	-0.46	0.68	(e) -2.93
Trade balance, % of import	-1.65	2.44	(e) -8.65
Normalized trade balance	-0.008	0.012	(e) -0.045

### Goods and services trade openness

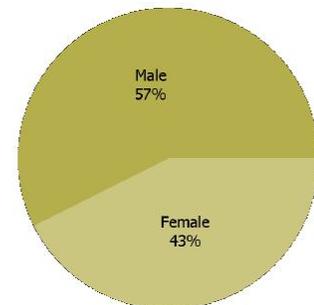
(sum of imports and exports as % of GDP)



## LABOUR FORCE

### Labour force by gender in 2013

(% of total labour force, all sectors)



OTHER INDICATORS 

**Maritime transport indicators**

	2005	2010	2013
Merchant fleet, national flag (thousands DWT)	104	126	57
Liner Shipping Connectivity Index (max 2004 = 100)	25.83	32.49	43.02
Container port throughput (TEU)	..	3 806 427	4 595 000

**Information economy indicators**

<i>(% of)</i>	2005	2010	2013
Share of ICT goods, % of total export	1.25	1.20	1.22
Share of ICT goods, % of total import	11.09	9.24	8.18
Share of workforce involved in the ICT sector	..	..	..

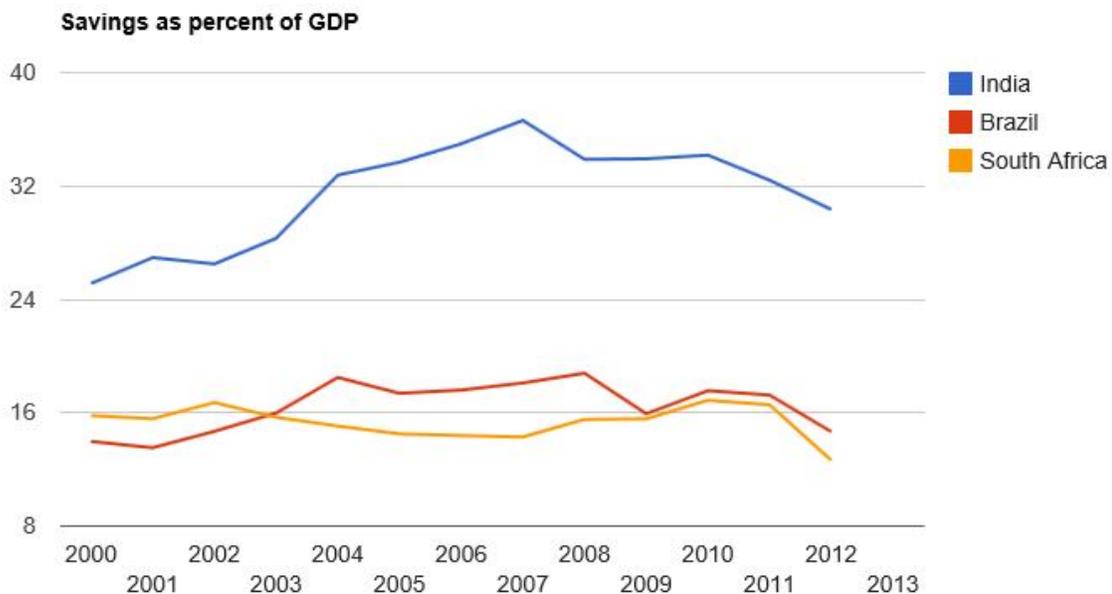
**0.004 %**

Share of the total world merchant fleet in 2013



## COMPARISON OF ECONOMIC INDICATORS

- SAVINGS



<http://www.compareallcountries.com/compare-countries/>

### Brazil

The savings rate in Brazil for almost 7 percentage points from 1999 to 2004 under the new macro-economic stability and the beginning of the boom in commodity prices. After stabilization, the average level of long-term savings fell in the wake of the global financial crisis and fell to 15 percent in 2012, with all three sectors, whereby the savings. The public and the business sector usually save cyclically, in part because of the sensitivity of earnings and revenue growth. Saving less cyclical families and sometimes partly compensates for changes in behavior savings in other areas. But the most significant savings behavior is that oscillates around a low level, in particular in public and consumers.

### South africa

On closer inspection, the savings rate in South Africa is a very low savings on South African household sector, with South African households DIS actually savings between 2006 and 2009. The public sector also dis saver during this period. South African business sector only net contribution to gross saving and also its contribution has been reduced and low during most of the past decade.

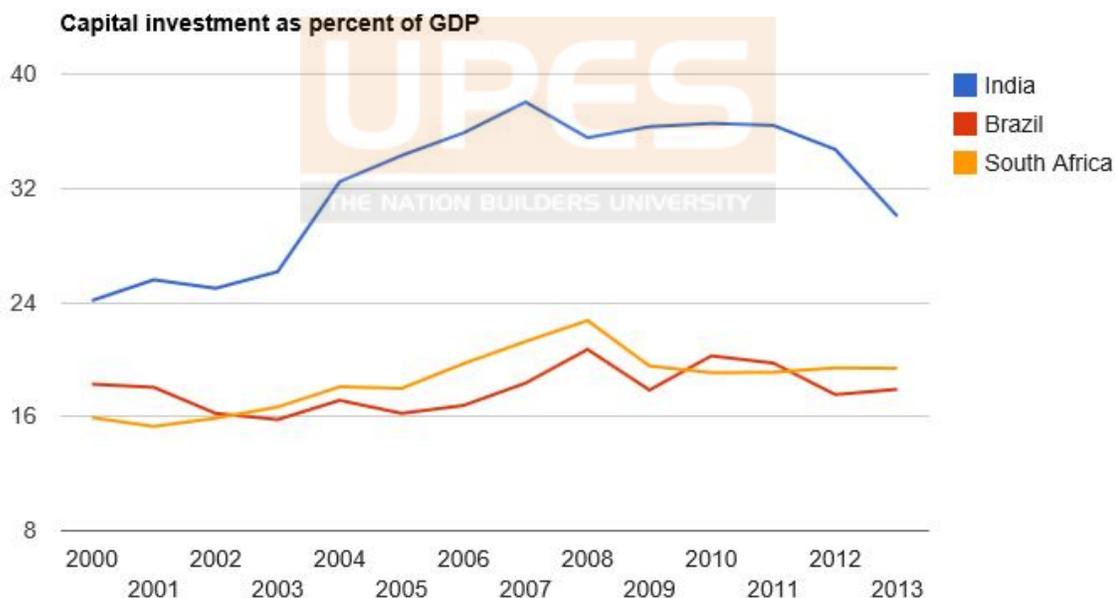
South African Savings Institute (SASI) shows that there are several reasons for the poor savings rate in South Africa. SASI cites slow growth in disposable income (due to the low employment growth and increase the tax burden), along with inflation and the lack of confidence in the future (lower propensity to save) as a possible reason for the household savings in low. SASI for the business sector suggests that the

lack of profitable investment opportunities (for various reasons, including high capital costs, Labor market rigidities and a relatively high corporate taxes) and the short-term behavior discourages the business sector of the economy for the future investment.

## India

The total rate of domestic savings in India in recent times comparable to Indonesia, Thailand and Korea, is much lower than in China, Malaysia and Singapore, but much higher than in many other developed countries and developing. The value for the increase in domestic savings in India and China in the period 2000 to 2007 was one of the highest in the world. In fact, the savings rate of many developed countries and some Asian countries with emerging markets, there was a decrease in this period. The savings rate in India since declined sharply in 2008, in many other countries, following the global financial crisis, but recovered partially in 2009. Although the savings rate in India in 2009 was lower than in 2007, unlike in China and Indonesia, for example, the degree of reduction in the savings rate in India was much lower than in many developed countries and developing with a market economy. But starting in 2011 that due to rising inflation, a downward trend in the savings rate

- INVESTMENTS



## India

Uncertainty and structural macroeconomic constraints in India continue to treat foreign investors. India experienced slower economically Growth, the implementation of large current account deficit and high inflation (UNCTAD, 2014) to tolerate. Despite these concerns, the inflow of foreign direct investment

2013 increased by 16.5% to 28 billion Dollars.

However, the reforms have the potential for a higher rate of investment (India, 2014A) to win. FDI can contribute to the economy, providing a decent and productive work and technological modernization

Elements of the Indian business environment continues to hinder foreign investors. For example, in India invoice 34% corporate tax rate is significantly higher in some of its Asian District (Balakrishnan, 2014). Although saving restrictions on foreign investment in various sectors in recent years away in many areas of capital restrictions on foreign ownership. For example, foreign direct investment in the insurance sector is limited to 26%, while the limit of 49% of foreign direct investment imposed in energy sector. While foreign ownership restrictions are not uncommon in the region, in order to find the need for a suitable joint venture partner risks as barriers to foreign direct investment.

The retail sector, particularly in the spotlight as a test case for reforms to encourage foreign investment (ESCAP, 2013) were aligned. FDI cap imposed by the Indian government in multi-brand retail - is currently at 51% - this is the main obstacle to the inflow of foreign direct investment. In addressing this issue, in 2013 the government relaxed FDI norms for the sector, thus creating the conditions that are necessary foreign traders Execution. Foreign investors are waiting for positive signals selected by the new government in the spring of 2014.

Outflows of foreign direct investment fell by 80.2% in 2013, a decline that started from the beginning of the global financial crisis in 2008 (Figure 3.6). Indian multinationals invested 1700000000 abroad in 2013, which is the weakest performance since the start of the new millennium.

## Brazil

In 1990, especially in the second half of the decade, there was a boom of foreign direct investment (FDI) in Brazil's economy, which has resulted in an increase in the already large role of foreign companies in Brazil, the production structure. Despite a slight drop in foreign direct investment in Brazil in the early twenty-first century, the flow remains high.

It is interesting that the flow will continue to grow until 2000, despite the Asian crisis of 1997, significantly reduce the Russian crisis of 1998 and also the Brazilian crisis of 1999. Since 2001, with the economic crisis, global flows of trade and investment, FDI flows to Brazil fell and reached a minimum of \$ 10.1 billion in 2003. In 2004, foreign direct investment rose and fell several times Year 2005.

Commodity producers kickstarted Investments Economic slowdown in Brazil in 2003 and 2006. Aber briefly when the economy slipped into recession in 2009, a heavy expansion in the service sector, which was revived Growth. When GDP growth of 1% in 2012 to reduce, President Dilma Rousseff has launched a series of ambitious projects aimed at increasing private investment in infrastructure in Brazil, with the aim to revitalize its economy back.

Meanwhile, after decades, foreign investors for capital, technology and innovation, Brazilian companies appear to be the main players in the M & A international scene. From 2008 to 2010, the amount invested, the Brazilian companies abroad almost twice a year by the Central Bank of Brazil.

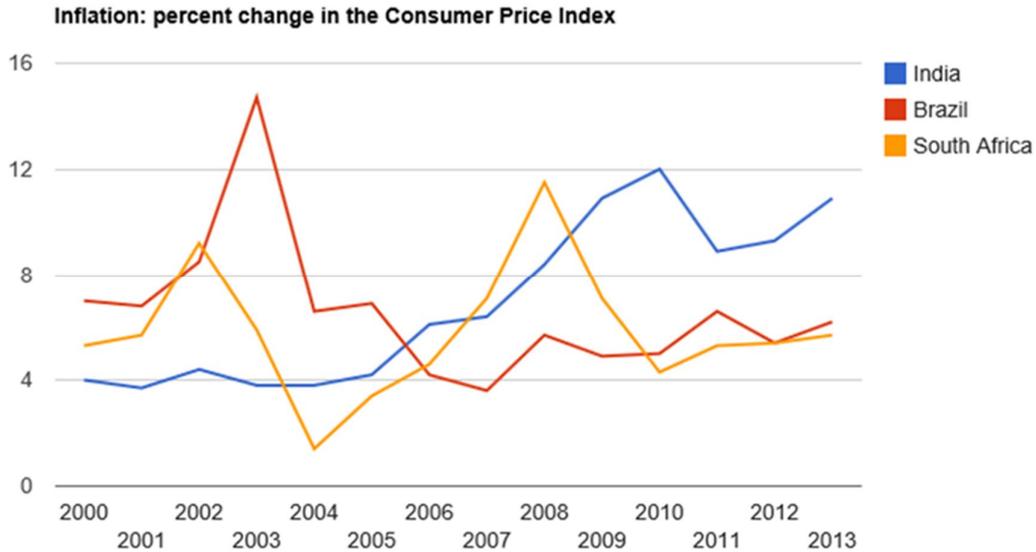
## South Africa

The investment climate in South Africa has changed over the years. In the 1970s and 1980s, Foreign trade and investment in South Africa has been strongly influenced by the sanctions and boycotts. The penalties and the campaign against apartheid because of low investment in South Africa or even withdrawn. Domestic investment, which was based on import substitution found central location for foreign direct investment. Investment climate in 1994, when the first democratically elected government came to power. The country has become politically stable, with an economy more open and outward-looking. Manufacturing sector saw the largest destination for European investment made in the last decade, followed by the United States and Japan (Hamouch and Rumney, 2005). Gas and oil has attracted a large number of foreign investment between 1994 and 1999, while investment in the mining sector was much stronger from 2000

The strong growth of FDI in the manufacturing industry in South Africa has been the result of a public policy well thought out and well managed, particularly in the automotive industry. So in 2002, the auto industry was the third largest sector of the economy of South Africa (after mining and financial services) is measured by their share of GDP. From 2002 to 2010 there was a change in the contribution of foreign direct investment in the economy sector. Greenfield projects in areas such as information technology have attracted more FDI than the historic mining sector, which indicates a change in the motivation of FDI from the natural look for foreign direct investment in the market and the effectiveness of searches for foreign direct investment.

South Africa has an open investment climate and foreign direct investment has a crucial role in the development of its economy. Since the end of apartheid in South Africa has significant economic reforms to attract more foreign direct investment. However, it was not implemented. Since 1980, foreign direct investment remains low compared to other emerging markets. The importance is attributed to high unemployment, lack of qualified staff The work, the incidence of HIV / AIDS, less bureaucracy and extend from the government. After overcoming problems such as difficulty in securing work permits for executives and professionals, and is waiting for him, the cost and complexity of factors Labor law and investment incentives inadequate among others.

- INFLATION



### Brazil

in 2001 and 2002, a series of internal and external shocks has been hit the Brazilian economy, with a significant impact on inflation. Inflation was 7.7% in 2001 to 1.7 percentage points above the upper limit of the inflation target. In 2006, inflation stood at 3.14% -This is the lowest inflation rate in the period 1999-2007. The increase in the exchange rate, explains the low rate of inflation in 2006. Finally, in 2007, inflation stood at 4.46%. Although inflation rose temporarily above the target in 2011 and early 2013, the central bank to successfully control inflation, especially when the dubious distinction of Brazil is considered to 1994.

in 2015 Inflation in Brazil hit its highest level in the last decade, indicating that many problems the second largest emerging markets. Consumer prices rose by 7.7 percent in the 12 months to February - the highest annual rate since May 2005 and the one that has exceeded even the most pessimistic nomic forecasts of economists.

The increase in transport costs are largely to blame, after the government was forced to raise fuel taxes in early February to address the growing financial crisis in the country, after the increase of 8, 4 percent of gasoline prices in Russia since January.

### South africa

Announced February 23, 2000 the Minister of Finance, the adoption of inflation targeting as the basis of monetary policy in South Africa (see South Africa in 2000, for that matter). This statement is confirmed by the adoption of a framework based on monetary policy rules, thus limiting the risk of inconsistency problems in the implementation of monetary policy. The South African government is responsible for the establishment and regulation of the target.

In the spring of 2009, prices for most metals and agricultural export prices have fallen sharply. Gold prices remained high, reflecting the different roles of protection of metal against inflation, an important industrial matter "safe harbor" if perceived risky assets differently

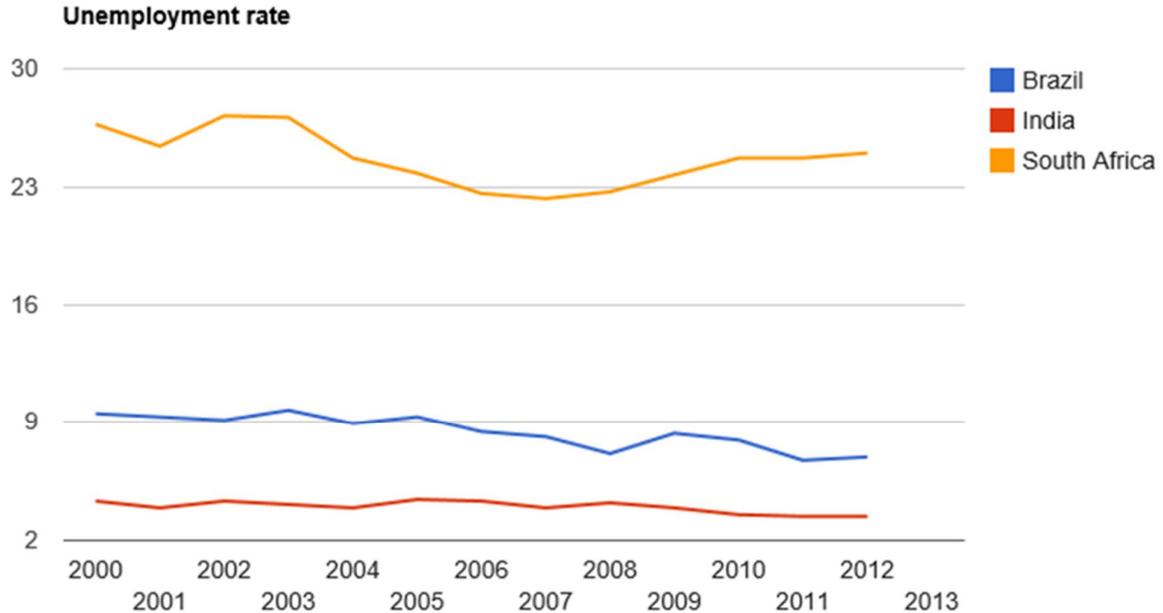
In a small open economy, SA under exogenous shocks that affect inflation. Water hammer side as a sharp rise in oil prices and drought, food prices could lead to a move away from the target, but, after the monetary policy have little effect in the first place.

## India

The range of inflation varied from a minimum of 3.3 per cent in 1999-2000 to a maximum of 7.2 percent in 2000 to 01 in this Period, 2000 -2012 Inflation has been slowing down a clear trend. In fact, in the years 2002-03, when the country faced a severe drought, inflation remained moderate at 3.4 percent. Moreover, in the years 2002-03 was also characterized the simultaneous action of many other adverse changes, such as the voltages of the border and the high price of crude oil in the world. 2010-11 year was characterized by high inflation to keep the back of expectations of higher inflation, rising prices of vegetables out of season with rains after the monsoon and the increase in world prices, resulting in significant cost of production and demand, the pressure from December 2010 in 2010-11 drivers of inflation. The foods were the main factors of price increase in April and August 2010, which is about two-fifths of the increase in WPI. Their share fell in August and November, when the non-core products are the main factors. Slower growth for 2011/12 is expected to ease the pressure on inflation nucleus. However, the degree of moderation further pressure on the rupee depreciation and high commodity prices globally has been limited.

Phase easing of inflation was. With a decrease in the contribution of food products rose again in February 2012, as prices rose sharply after the seasonal decline in the contribution of non-food production. Production remains high, despite the slowdown. Contribution Group overall fuel inflation remains high and significant for the whole year, despite the repressed inflation of regulated prices of certain petroleum products, coal and electricity. Inflation slowed to 7.7 percent in the first half of the year (April to September) of 2012-13.

- UNEMPLOYMENT RATE

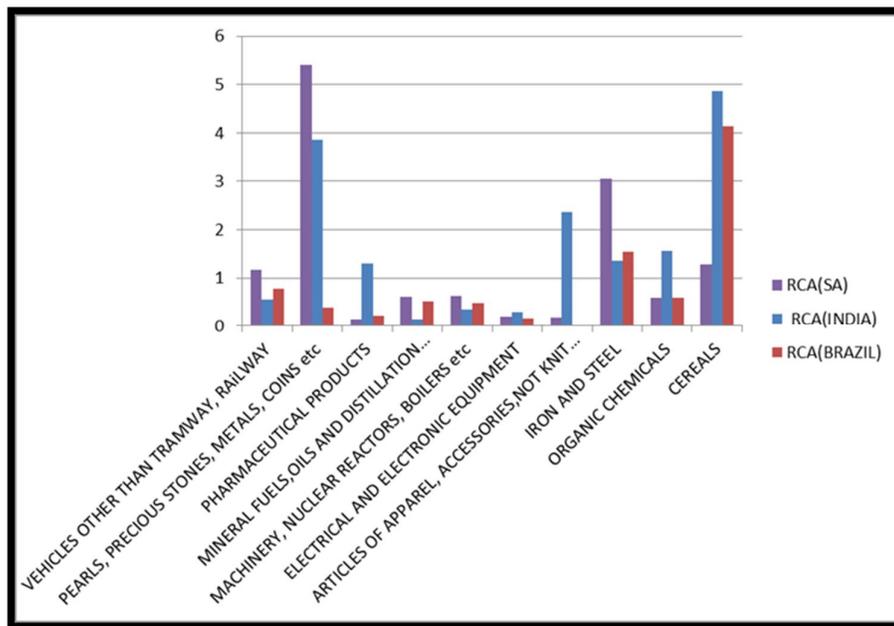


In both 1990 and 2000, employment growth was lower than the GDP growth in Brazil, China and India, while South Africa has experienced employment growth higher than GDP in the first period and a significant drop in the second. The elasticity of employment, economic growth in Brazil and South Africa than in India, which means that the high rates of economic growth should be in the second to absorb enough jobs, the number of people who are respected in the market Work do every year. It also confirms the differences in the type of growth BCISs, with a low elasticity of labor in India, what. Significant growth structural change and productivity Conversely, Brazil, and South Africa, the economic growth since the late 1990s lawyers that more people into work, rather than a redistribution of jobs between sectors and for rapid economic change existing structural, as is the case with China, and to a lesser extent in India.

In terms of unemployment rate ranging from 3.4% to 23.8% of India in South Africa, only in Brazil, which has similar to the OECD average, ranging from 6% to 10% unemployment rate. In South Africa, unemployment has a level of 30% in the early 2000s due to slow economic growth in the first years after the fall of apartheid, which are not enough jobs for workers in Labour Market create in this period increased. Apartheid is not enough jobs for more workers in Labour Market must be created in this period. Although the unemployment rate fell after improved economic growth, followed by a decrease, as population growth and low The growth of the labor force - in particular on the impact of HIV / AIDS - remains at a very high level and is very unevenly distributed, different ethnicity, age, gender and skill in agriculture remains high in four countries for about. 10% of employees in Brazil and South Africa, 40% in China and 56% in India make up,

## COMPARISON OF TRADE INDICATORS

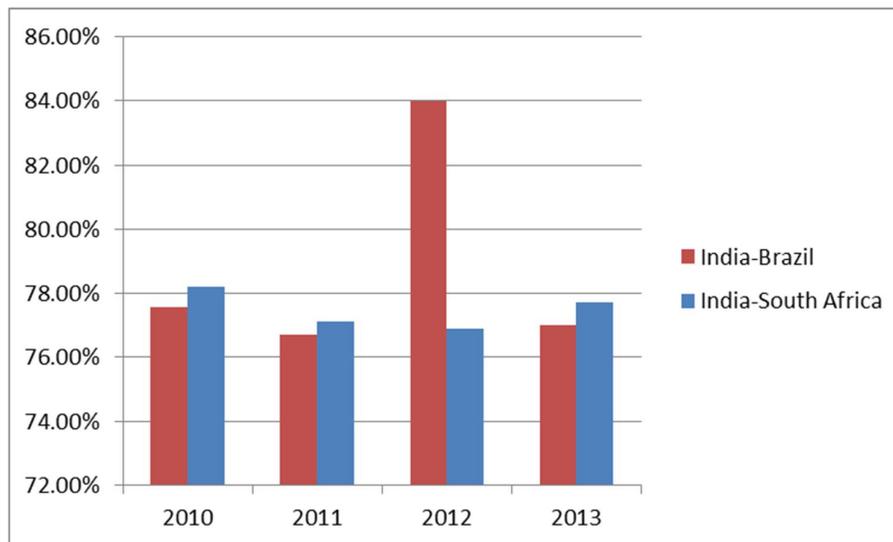
### REVEALED COMPARATIVE ADVANTAGE



### COMPLEMENTARITIES INDEX

This type of index measures the overlap and the extent to which the export structure of a country is the structure of imports, in another country. The high degree of complementarity is more favorable prospects for a successful trade agreements.

The following figure illustrates the complementarity of India with Brazil and South Africa for 2010-13



# POTENTIAL IBSA

## Goods synergy

The goods will be located in one of the most difficult of the most promising areas for economic cooperation IBSA, as well. IBSA countries all major hardware manufacturers and soft commodities - agriculture, minerals and metals - with different levels of participation in the trade in these areas. Resources Brazil and South Africa, agricultural and mining essential part of their export baskets, while in India constantly growing substantially part of their import cart. Each country is a major producer of agricultural products around the world, but the structure of trade in agricultural products between them and expand opportunities to throw the trade flows existing different in some agricultural products and the opening of new wholesale other products.

India is a major producer of wheat, sugar, tea, spices, rice, lentils, dairy products and cotton, but also export trade is limited because of the increasing domestic demand, reducing the surface must maintain prices affordable food for poor consumers and farmers get food. So, in the short term, they will try to get some trade barriers for agricultural products, but also in the medium and long term there will be a substantial increase in the values of imports and sugar, vegetable oil, lentils, and also cereals like wheat. At the same time, increasing the purchasing power of the huge population increases the demand for agricultural products and higher processed the. Of dairy products, meat, fresh fruit and vegetables, drinks, including fruit juices and coffee Agricultural exports from India are rice, tea, spices, fish, fruit and vegetables, grain and processed foods.

Agriculture is the strength of Brazil with almost maximum availability of arable land and water, high agricultural productivity and competitiveness in the transport, storage, distribution and logistics for the export of agricultural products. He is one of the world's largest producers of sugar, soybeans, soybean oil, coffee, labyrinth, orange juice, beef, poultry, and cotton.

South Africa, another major exporter of agricultural products, is the largest in Africa. He has a comparative advantage in wheat, meat, dairy, fruit and vegetables, horticulture and marine products. With a strong vertical integration by producers and distributors from developed countries, their exports of agricultural products is largely related to the EU-25 market, but the direction of a more diverse.

Receipt of this, there is significant potential for expansion of bilateral trade in agricultural products between the three, and of Triangular trade in agriculture. For example, India is a major importer of sugar, soybeans and soybean oil, while gradually absorbed coffee drinks and poultry from Brazil. South Africa can look at export opportunities in Brazil in milk, wheat, coarse grains and processed products in India and other fish production. India has the potential to increase their exports of rice, tea, spices and processed products in these countries. In consideration of the areas of intra trilateral, such as cotton are on offer. Both India and South Africa imports of cotton from Brazil, South Africa, during, while exports of cotton in India. India turn to export cotton yarn and fabric of the two countries. This matrix trade represents the differentiation of existing products.

In the minerals and metals every three similar offers. With its size and the perspective of geography, the are good sites for different minerals in significant quantities. They have a strong technological expertise in mining areas and mining, as well as several national companies able to prominent actors in global markets. All three countries have large and growing domestic markets for minerals and metals and raw materials. Moreover, all tend to, if possible, to obtain the integrated production and supply chain. This script contains several opportunities for trade and investment, cross-fertilization.

### **Energy cooperation**

Energy is an interesting area of cooperation between IBSA in relation to the three main aspects: (such as solar, wind, hydro, nuclear energy) and biofuels (such as biodiesel and ethanol from fossil fuels (such as oil, gas, coal), renewable and alternative energy sources biomass). All of the fastest growing economies with large supplies of energy and various domestic production and external dependence on fossil fuels and diversification Programs alternative energy sources and to develop trade. All three countries have taken the brunt of privatization and started efforts between the public and private sectors to save energy. This includes Program biofuel / ethanol

in Brazil, attempts to industrial clusters around the coal deposits in South Africa and India, which supports efficient off state subsidy for wind and solar power, support for new energy technology trade and environment for exploration, production and processing of fossil fuels. building

Fossil fuel cooperation between India and South Africa is important for India to make full use of its huge coal reserves, already provides 56 percent power trading. South Africa "Sasol is the world's largest producer of oil from coal, coal gasification, and turn it into a series of liquid fuels and petrochemical Materials. Relations between India and Brazil has already started cooperation on trade and investment in the oil and gas, and Brazil is believed a large and untapped and unused gas and also oil reserves, which are included in appetite exponential India Oil might be able to fix imports. Deepwater oil is another area of cooperation Brazil-Indian. Petrobras expand as a leader in manufacturing technology in deep water oil drilling, particularly in the production of offshore wells. There are also opportunities for trilateral cooperation undeveloped areas with great potential for all three countries, such as the extraction and processing of oil shale.

Each made significant investments in hydroelectric projects, large and small, and seeks to develop. Brazil dependence on hydropower is equivalent to 90 per cent and India is also necessary to develop its hydropower resources to the maximum. South Africa, in particular Fire of small hydro projects. There are significant opportunities, experiences, exchanges to share with hydropower equipment and technology under IBSA in this area.

Solar energy can be the basis for the trilateral cooperation for the development and transfer of technology, production and trade, as all three countries during the year have a lot of sunlight. Fortunately, the IBSA countries have developed considerable potential Photovoltaics, Solar cookers, heating and lighting and equipment for the generation of energy through research, development and public-private partnerships. In fact, solar energy is the ideal candidate for the project IBSA, be implemented with the support of the three

governments and with the participation of the main actors of the private sector in these countries.

Growing concern over the fluctuations in oil prices, energy independence and environmental impact of fossil fuels have attracted considerable attention to cover for biofuels as an alternative to the growing world energy needs. Brazil has been a pioneer and marketing of biofuels, bioethanol, biodiesel, and, more recently, H-Bio - for use, particularly in the transport sector. India has recently turned to biofuels to meet its energy needs in a substantial and set ambitious targets for replication of the experience of Brazil. While using India Jatropha - a plant that originally adopted by the Portuguese from Brazil to India - for his program Biodiesel Ethanol is produced in India from molasses of sugar cane and then rests with the food and other purposes under the sugar shortage of land. India has already started to import large amounts of ethanol from Brazil to achieve the goal, mixing, and this is one of the most important sectors of the trade between India and Brazil. South Africa has an emerging market for biofuels, and the production capacity is currently under development with the sugar and the corn and participates in the development of projects such as ethanol Africa. Therefore, the most important business opportunities for Brazil in South Africa, but not only for India in biofuels and related technologies, including alternative fuels (UNCTAD, 2006).

### **Production**

Great, all kinds of skills and complementarity and specialization of IBSA Vis-à-Vis fed each other is clearly emerging. India is a strong and inexpensive Workforce intensive high-tech products. Promising processing zones for export to Brazil and South Africa, from the pharmaceutical, chemical and petroleum products, textiles and clothing, agriculture Machinery, automotive Railway equipment, technical articles, leather goods, steel and steel products, transmission and distribution of energy, automation products, telecommunication equipment, medical equipment, gems and jewelry etc.

Opportunities for exports from Brazil to other countries of the IBSA production ranges from chemicals and petrochemicals, minerals and metals, such as copper and iron, steel and steel products, building materials, textiles and clothing, leather and leather products, processing Agricultural products, Rubber and rubber products, pulp, paper and wood products, auto parts and electronics and aircraft. Exports of South Africa, in a variety of industries, from food processing, wood and wood products, vehicles and equipment, fertilizers, mining machinery, rail vehicles Automotive Chemistry, ICT and telecommunications equipment, metal products, textiles, clothing and footwear.

It seems that the three countries compete with each other in a number of sectors, such as automotive, transportation, textile, clothing and leather chemicals. But looking at their specialization to a more detailed level, it is clear that they sell the place significant opportunities for intra-industry and cross-industry trade and foreign direct investment, both for the market and the efficiency of research and strategic reasons. As indicated in the literature, in each case, the FTA, the increase of commercial offers intra-sector To reduce the insurance for the costs of win-win and restructuring.

## Service

In the service sector of the country IBSA are among the main 12 countries developing represent 75 percent of the participation of developing countries in international trade in services. All three services are relatively developed economy and actively participate in the trade in services.

The category "other commercial services" is currently the most dynamic segment of trade in services, which include wide range of services activities.<sup>6</sup> Brazil and India are becoming strong international players in this segment of trade in services. In the case of India, 74.4 per cent of total exports of services in this dynamic field, and in the case of Brazil, 51 percent of total exports of services. Imports of services, or 52.6 per cent in the case of India and 54.5 percent for Brazil. South Africa is a picture of the structure of export services similar to that of most countries in the developing world where most of the exports of services accounted for the transportation and travel, and other commercial services account for only 11, 8 per cent of total exports of services and 21.9 percent of total imports. Strong individual countries of the IBSA in various service sectors and sub-sectors to generate numerous synergies and potential sales through all four modes of supply of services. This is not only in terms of sectors, but niche within sectors, such as trade intra-industrial products.

For example, are largely dependent on the global competitiveness of the ICT-based services, the current state threshold services in India and are already looking South Africa and Brazil as an important node in the globalization of the ICT strategy. Moreover, India is moving up the value chain is always peripherals such as Brazil and South Africa are ready and attractive platform and a regional network LLY. Delovye and professional services, medical services and quality education services, particularly in the field of ICT and related technical services among others strengths of India, Brazil and South Africa, which can be linked through trade and foreign direct investment.

Brazil has become a global player in the field of consulting, design and construction SERVICES. Bolshie Brazilian companies N. Odebrecht, Camargo Correa and Andrade Gutierrez, among others, have a long history of very active on the world market for these services to compete successfully with companies in developed countries. Brazil has also developed services for the oil industry because of the competitiveness of its relative Petrobras complex. In addition, Brazil is to provide services for agriculture, as well as a variety of specialized professional services to other members of IBSA in a good position. Brazil is also an important contribution to the integration of financial markets in the IBSA through the expansion of financial services companies in the region.

South Africa has the most advanced, banking and insurance in sub-Saharan Africa, and play an important role in the region and provides the international competitiveness. There is potential for expansion of the South African financial services in Brazil and India.

In fact, were the financial services and insurance South African pioneers of investment, particularly in India, but also in Brazil. South Africa has also well developed the volume of distribution facilities and has a wholesale company and retail which is very active in Africa, but also investments in India as a case of Shoprite. Advantage niche for South Africa is located in the mountain of services that have been

developed based on the availability of resources of the country.

Culture and leisure offer a lucrative area of intra-IBSA trade and cooperation. In this section, three have excellent capacity and regional and global public relations, offered including links with the ICT sector and cultural products unique. Moreover, India is the world's largest producer of the film with a powerful potential television and produced music program, while South Africa and Brazil both have a strong position in the TV show and music. There are four types of actions that can be examined. Market access IBSA audiovisual and cultural expression in the most general sense. Second, a concerted effort to put together the production and distribution of products, markets IBSA each other and the markets of third countries, in particular the region. Third, to share their technological capacities each. For example, India could offer IT software related to production for audiovisual media. Fourth, the promotion of cultural activities and cultural groups, and other products are available, the means by host governments. Progress in this area, not only to overcome the cultural divide positive externalities for the economy should contribute.

A similar effect is obtained by the modernization of trade and investment in tourism services among the IBSA countries. So far, none of the three countries, the facts on the main tourism destinations and source countries themselves. Despite the fact that interferes with significant improvements in tourist flows between India and South Africa, Streams India, Brazil to the high cost of travel and the availability of frequencies. Increased mutual understanding, even by IBSA partnership sufficient incentives for the private sector and the government, which are needed to improve the flow of tourists through IBSA measures must be implemented to create. Implementation of IBSA air traffic will help you achieve this goal.

### **IBSA in the WTO**

Perhaps the most distinctive feature of the cooperation was the way of the IBSA IBSA forum for consultation and coordination on used Global Governance. IBSA countries a strong advocate for multilateralism, but the need for the countries' participation in the decision making process of multilateral development institutions in order to strengthen multilateralism and to the interests of the world South10 3 for better support. Countries IBSA IBSA forum used as a platform for lobbying and coordinate their efforts in search of a higher priority for in the framework of multilateral institutions and other forums for institutional reform. IBSA statement and statements given importance in the IBSA cooperation in the UN and WTO, but the IBSA countries have also tried to coordinate their positions in other forums, such as the Convention on Biological Diversity and the International Atomic Energy Agency.

### **Cooperation on the reform of the Security Council of the United Nations**

As an outspoken supporter of multilateralism, IBSA countries, the United Nations considered legitimate Forum to address the issues of global security. Furthermore, the The State BSA has no desire produce an alternative to the existing institutional order<sup>106</sup>. After IN Brasilia Declaration IBSA countries to recognize the state of international law, "the importance of respect, Strengthening the United Nations and the Security Council and the implementation of the priorities of diplomacy as a means of preserving

peace and security in the upright position. "However, the IBSA countries agree that it is imperative that the United Nations and the United Nations Security Council (UNSC) for the reform in particular.

IBSA countries believe that the current members of the United Nations Security Council reflects the world order half of the twentieth century, rather than the current geopolitical realities. This, they argue, has not led to sufficiently respond to the priorities of developing countries in establishing - which represent the vast majority of UN membership<sup>109</sup>. Moreover, they argue that the membership of the Security Council should be expanded "to include countries in Africa, Asia and Latin America in developing both the permanent and non-permanent to reflect the current reality and make it more democratic, legitimate, representative and reaction "<sup>110</sup>th To this end, the IBSA countries must work together to bring about reform of the United Nations Security Council" urgent "<sup>111</sup>. They also agreed to cooperate with other countries interested in a genuine reform of the Security Council.

IBSA position on the reform of the Security Council, formulated in terms of representation and needs of developing countries is closely connected with the desire of IBSA "for their permanent seats in an enlarged Security Council<sup>113</sup> connected. As a regional power and an important contribution to the functioning of the United Nations - India is actively involved in numerous peacekeeping operations of the United Nations, Brazil a significant financial contribution to the United Nations and South Africa, a major player in the UN missions in Africa - IBSA countries believe that they are "natural candidates" for permanent membership in an enlarged Security Council. Pressing the case to the United Nations Security Council, which allows for greater regional representation IBSA countries support each other implicitly proposals for a permanent seat, without damage to their own ends.

Despite the common interests of the IBSA "in the reform of the United Nations Security Council, and the production value that such a reform could bring IBSA cooperation on this issue involved surprisingly little in terms of specific initiatives. IBSA countries have certainly IBSA summits and ministerial meetings, which provide for the reform of the United Nations Security Council. In fact, over the last IBSA summit, went even further, confirmed its "willingness and ability" in general to take responsibility for that permanent member of the United Nations Security Council, entail<sup>116</sup> and to show their support of each other's aspirations permanent Security Seats<sup>117</sup> register Besides these applications, IBSA cooperation in the reform the security organizations in -sponsoring limited United Nations General Assembly on the reform of the Security Council for the year 2007.

One reason for the lack of IBSA action on reform of the Security Council, India and Brazil have preferred a permanent seat on the Security Council under the aegis of the G4, an alliance between India, Japan, Germany and Brazil lobbying for the specific purpose of supporting this press formed four countries in the permanent membership of the Security Council. G4 support for a permanent seat in the fact that, on the basis of a series of measures that support rightly the most powerful countries that do not have a permanent seat on the Security Council. Unlike the IBSA Forum, clear picture to enforce many of their arguments in terms of the interests of developing countries as a whole, G4, with its specific purpose, an ideal platform for India and Brazil, their requests for a seat Standing in the Security Council,

Another reason why the IBSA forum can not be used as a platform for the IBSA countries in order to

push for a permanent seat in the Security Council of the United Nations that, in contrast with Brazil and India, South Africa limited in its ability in a permanent seat on the UN Security Council to advertise. This is because the land in accordance with the African Union (AU) guidelines for the prevention of African countries such as lobbying. AU supports the preference for African permanent seat on the "real turning point" of the Security Council, instead of an African country, the entire continent. IBSA Forum therefore be limited to calls for the expansion of the membership of the Security Council more representative, rather than the promotion of specific claims IBSA countries.

In any case, it is unlikely that a concerted effort IBSA countries would make a big difference for the lack of progress in the development and reform of the Security Council. This is because, while there is broad support for the reform of the Security Council and make it representative, a consensus on the exact design of the reform, in particular the countries would benefit from the expansion of the members of the United Nations Security Council has proved difficult to benefit.

The joint efforts by the G4 and others for the reform of the Security Council failed to mid-2000s because of the opposition, and not by the permanent members of the Security Council of the United Nations exists, but the ranks of the center of world powers.

In fact, over the current permanent members of the United Nations Security Council is so keen on the idea of reforming the Security Council, given the potential can not have, to dilute your key influences Challenge IBSA country in its proposals for permanent seats on the Security Council, the resistance of regional competitors. It turns out that the strongest opposition to the efforts of the G4 came from countries with which the struggle for regional supremacy. For example, Argentina and Mexico to the efforts of Brazil for a permanent seat, unlike Italy to the proposal of Germany, Pakistan rejects India and other Asian countries against Japan. Moreover, in countries such as Nigeria and Egypt are likely to resist attempts by South Africa to qualify for the African seat on an enlarged Security Council.

Ultimately, despite repeated calls for the reform of the Security Council, which comes from the forum IBSA IBSA countries are not able to use the forum as a means to their goals in terms of the Security Council of the United Nations Belonging. Obligations's South Africa and the desire of IBSA countries "for IBSA forum is meant to be seen as a platform to promote the interests of the South, which IBSA IBSA countries aspirations forum has not been used for an open, champion, but a more safety representative is not required, this approach is not able to close a significant gap between the expectations of the IBSA countries for a permanent seat in the Security Council of the United Nations and its ability to achieve these purposes. In addition, relatively little consensus forge IBSA Forum on countries might be included in an expanded UN Security Council and contributed IBSA countries continue to face strong opposition from his ship member

Applications of regional rivals. Cooperation in the Doha negotiations within the World Trade Organisation WTO was another important area of cooperation between the countries of the IBSA. Brasilia Declaration Chat recognizes "the importance of a predictable, rule-based and transparent international trading system "for the development prospects of developing countries today and IBSA look into the WTO, through a system of this type is to create the best mechanism. However, the IBSA countries are

recognize that the current reform of the multilateral trade rules is needed to ensure that countries in the developing world to take advantage of global trade.

With their common belief in the importance of this reform, the IBSA countries were tried together in the current "Doha round" of trade negotiations in the **WTO**, launched in 2001 for life to cooperate. Round introduce lower trade barriers and trade rules that work prospects existing notes for a ride "great challenge" as the Doha Development Agenda, the development of better trade. During the development cycle reflects the will of the countries in the developing South to change its trade relations with the industrialized countries of the North, the two groups are increasingly at odds when it comes to introducing the development objectives of the Doha . For example, the United States and the European Union must reduce agricultural subsidies considerable reluctance national and showed their markets to agricultural exports from developing countries.

IBSA countries, recognition the potential benefits of cooperation agreed on the Doha Round, coordinate their negotiating positions to give a stronger voice in the interest of Sud.Ha stressed the importance of "promoting the development agenda of the WTO", and an ambitious outcome of the Doha Round, including the guarantee of "reverse protectionism and trade-distorting practices."They also called on developed WTO members to the development of a true to solve the problems of the countries in developing and successful "to show more flexibility." In the early years of the Doha Round, the IBSA countries have been relatively successful in defending their interests and the promotion of the Third World. For example, the IBSA countries have been active in lobbying for an agreement to reduce involved gain access cheaper drugs, the negative impact of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) on the ability countries in the developing world. Their efforts, together with other interested members of the WTO decision was made for export (the so-called "visa-free travel"), enabling countries in the developing world, the local production of generic drugs to countries with crisis public health within the WTO General Council in 2003 in order to access the poor countries of low-cost version for generic drugs.

The most famous example of cooperation between IBSA in the framework of the Doha Round, however, came at the WTO Ministerial Conference in Cancun in September 2003. On the eve of the meeting in Cancun, the European Union and the United States have produced a joint text on trade in agricultural products which are very unsatisfactory in many countries in the developing world who continue to receive their very nature, the status quo in terms of what the rich countries Subsidies their domestic agriculture.In response, a group of developing countries is an alternative proposal, which was presented as a preparation "The Minister" at the beginning of the document in September 2003.Dieses marks the formation of the G20 + coalition in the agricultural negotiations of the Doha Round.

IBSA countries have played a leading role in the creation of the G20 +. Brazil and India together a first draft of the G20 + response before working with other countries in the developing world - including South Africa - what would become the members of the G20 +. The main role of IBSA "in the G20 + is also a tool for the coalition held a meeting in Cancun together under strong pressure from the European Union and the United States. Given the reluctance of the EU and the US to influence their position and + represent the diversity of interests in the G20, then took a lot that the coalition would not survive

meeting<sup>146</sup> Cancun. Eventually, however, G20 + resisted and refused the "success" of the EU and SShA. Eto of the proposal for the G20 + was able to take the leadership and coordination for purchase at the "core" of the coalition, which includes the country IBSA, Argentina and China show. In close collaboration, the group of large emerging countries could adopt a common position in the negotiations that contain a variety of interests of different members of the G20 + and reflects a common concern in the fight against injustice on the part of agricultural subsidies in rich countries.

After Cancun, G20 + has become a major player in the agricultural negotiations in Doha. Net weight of the group that represents about 70 percent of the rural population in the world and about a fifth of the GDP of agriculture in the world, forced into negotiations for a new paradigm in which the agenda was no longer valid EU and the US , and developed through negotiations involving the two economies and countries in the developing world. In addition, the ability of the G20 + technically and politically motivated to develop proposals brought many of the Group's position in the current mode projects to resist negotiations

The cooperation among the IBSA countries plays an important role in the widest sense G20 +. The close cooperation and political relations helped the IBSA countries to overcome their differences in the agriculture negotiations, and this in turn transferred to the G20 +, to promote the development of positions to support all members. Brazil and India are also important in the G20 + underrepresented Negotiating forum as the G5 or "five interested parties", which has become the main forum for the development of a framework for negotiations on agriculture in the WTO meetings in Geneva in 2004 and Hong Kong in 2005.

G20 +, not only in the coalition of Doha, where they were involved IBSA countries, though. All three IBSA countries are active in the "NAMA 11", a coalition of developing countries in the 6th WTO Ministerial Conference in Hong Kong established in 2005 also involved. NAMA 11 coalition has been a major player in the non-agricultural market access, the Doha Round (in NAMA) negotiations which deals with trade in industrial products. NAMA 11 coalition aims to create flexibility for developing countries with regard to the obligations in terms of market access for industrial products. This reflects the emphasis of the IBSA countries "less than full reciprocity [tariff] reduction commitments" and the importance of flexibility "to solve the problem of the sensitivity of internal development and least developed countries."

As in the G20 + in the agriculture negotiations Brazil and India have played an important role in representing the NAMA 11 in clashes with other important negotiating partners, such as meetings of the G6. Although a common position in the negotiations on NAMA has sometimes proved difficult, the coalition was largely able to maintain a united front and a constructive contribution to the negotiations on the development of the various proposals on improving the IBSA countries, and other members of the coalition necessary flexibility were aligned.

In the end, however, the IBSA strategy in coalitions with like-minded countries in the developing world in the Doha Round has achieved limited success. While coalitions such as the G20 + and NAMA played 11 important role in promoting the objective IBSA "offer greater voice of developing countries in trade negotiations, the main objectives of the IBSA countries have tried to get through negotiations remains

elusive. In fact, the biggest success of IBSA cooperation in the framework of the Doha Round, probably was the rise of India and Brazil with the "inner circle" of the WTO negotiations, and that may have occurred in the absence of cooperation IBSA.

The main objective of the IBSA countries are faced with the fact that the emergence of a powerful voice of developing countries in the WTO seems to have contributed to the current impasse in the Doha Round. Since the market power of the developing countries has increased, the ability to developed countries to always ran along the path, and therefore has an interest in the multilateral trading system. Increasingly, these countries and the EU back regional and bilateral trade agreements in order to achieve their own interests, rather than trying to reach has been heavily diluted by the multilateral system in which its market power.

The result is that there is no momentum in the negotiations of the Doha Round and the last package of agreements does not seem to be reached in the near future. So it would be fair to say that countries IBSA goals in the round, including a comprehensive reform of the multilateral trade rules and to create equal conditions for subsidies in rich countries, almost as much, and in 2012 were created IBSA Forum.

### **Cooperation in the reform of the economic and financial crisis**

The reform of the economic and financial crisis was another important objective of the collaboration IBSA IBSA countries and Brasilia Declaration agreed to "cooperation for the implementation of the international financial system for development."

They demand a development-oriented international financial architecture are concentrated on two adjacent areas of reform. First, the IBSA countries have argued that countries in developing a greater role in decision-making process in the financial, economic and legislative framework, both through expansion G8 into forum representative or through the "change of political capital" from the G8 the G20 as the highest forum of economic policy coordination. Second, the IBSA countries have stressed the need for "a voice and participation of developing countries stronger" of the Bretton - World Bank and IMF. In particular, stress the need for a reform of IMF quotas to ensure "an equitable distribution of votes between the developed and developing in line with their participation in the global economy."

Until the mid-2000s, the industrialized countries have begun to recognize the needs of developing countries to participate in the global financial and economic management to increase. It was clear that, if the "outreach five" (O5) - IBSA countries as well as Mexico and China - have been invited to participate in the G8 summit in Gleneagles in 2005. Then, at the G8 summit in Heiligendamn 2007 G8-O5 relationship was formalized through the introduction of "thematic dialogue" on important global issues. However, this "Heiligendamn Process" does not represent the official expansion for the G8, and in some countries complained O5 given a limited role in Summit Heiligendamn.

Another important paradigm shift in government financial and economic crisis came in 2009 at the G20 summit in Pittsburgh. In a statement at the summit, the leaders of the G20 countries have announced that they are "appointed G20 is the premier forum for our international economic cooperation." These was reporting that the G-20 G8 was in the process of eclipsing as the most important international forum for

global economic cooperation, a process that impetus for the modernization of the level of the G20 ministers and governors of central banks given Heads of State and Government in 2008. Zunehmende importance of the G-20 was from the IBSA countries that are members of the G20 were welcomed, G20 recognizes the role of "an important forum for the development of the economy and global governance."

It is important to note that members of the developing countries of the G20 are able to promote the agenda of the G20. They were able to introduce new questions in the forum to influence the terms of the discussion on some key issues and have some success. A good example is the debate on capital controls. The issue of cross-border capital flows has been very controversial, as developing country members of the G20, the right to use the IBSA countries like China, arguing, Capital controls to protect its economy, while resisting the European Union and the United States regarding the free movement of capital. The fact that the International Monetary Fund,

Organization has long controlled his position against the use of capital controls has recently recognized that capital flows can lead to disturbances in the economies shows that participation in the G20 gives developing more say in managing economic and financial crisis.

Another important item on the agenda of developing countries in the G20 - and one that the IBSA countries have repeatedly emphasized, - A reform of the Bretton Woods institutions. This question has been on the agenda of the G20 to the G20 summit in Beijing in 2005. IBSA countries and other countries in the developing world has asked the members of the G20 that quotas and representation in institutions reflect the economic importance of its members and that the selection of management be merit Based and ensure broad representation of all members of the G20 calls. These have not gone unnoticed. In 2008, the IMF held a redistribution of quotas and voting rights. Then, at a summit in Seoul of the G20 agreed to a second round of redistribution of resources they would like to see the votes of the developed redistributed some rights IMF with developing economies in 2010. However, this second round have not yet entered in the redistribution of quotas, and the industrialized countries are still the vast majority of the voting rights in the IMF.

In recent years, the country has IBSA, reaches a voice in economic policy coordination at the global level. However, it seems that this has led to less intense lobbying on Sale from the developed world, that some of the issues of global governance only be properly addressed in collaboration with major emerging countries. While the IBSA countries tend to emphasize their goals with regard to increasing the participation of developing countries, it is clear that all three countries are trying to provide a more important role in global economic policy coordination. From time to time, the IBSA countries also had difficulty coordinating with each other, for example, when Brazil and South Africa supported the Nigerian candidates in the recent election of a new president of the World Bank, and India has elected to issues of global economic governance for the candidate of the United States. Therefore, it is difficult to determine whether the IBSA cooperation on reform of the economic and financial crisis is cheaper than rhetoric.

## **Cooperation on global climate talks**

Climate change is another global problem management, IBSA countries have tried to cooperate. As countries in the developing world are facing similar problems in terms of vulnerability to the impacts of

climate change and the difficulties with trying to mitigate climate change are linked, and seeks to promote the much needed economic development<sup>185</sup>. In addition, all three IBSA countries will face the challenge of trying their industrial policy and domestic investment in the industrial sector in low and zero emissions, at the same time trying to concentrate to maintain or improve the competitiveness of their economies. India and South Africa are the main causes of global climate change through their emissions of greenhouse gases (GHG), and has come under pressure to accept binding targets for reducing emissions.

Given the similar problems to meet energy security, climate change and socio-economic development of the IBSA countries compared to their common determination that the climate and energy policy without any negative impact on economic growth and the increased pressure on them to fighting in safety, climate change, it is not surprising that they have decided to work together against climate change. To do this, they have created a working group for the environment and climate change, and decided to hold consultations within IBSA Forum on Climate Change and coordinate their positions on the issues of climate change on relevant multilateral Forum.

Among the various communications and statements made by the Summit and IBSA Minister, "Position" IBSA clear and consistent on climate change should be. In line with its support for multilateralism in other IBSA countries have repeatedly stresses that The international response to climate change should be coordinated according to the Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. They also believe that the global response must be guided by the principle of "common but differentiated responsibilities". In particular, the IBSA countries argue that the industrialized countries to take the lead in combating climate change through the implementation of its obligations under the Kyoto Protocol and the adoption of more ambitious targets to reduce emissions for the period after 2012, while developing countries are required only to take "nationally appropriate mitigation measures. "

The highlight of the IBSA cooperation on climate change came in 2009, the Climate Change Conference of the United Nations (Copenhagen Summit) containing the 15th Conference of Parties (COP 15) to the UNFCCC and fifth Meeting of the Parties The Kyoto Protocol. On the eve of the Copenhagen summit, the IBSA countries, cooperation with China, a new Brazil and South Africa, India and China (BASIC) for coalition talks. At the first meeting of the BASIC Ministerial Conference held in Beijing a few weeks before the Copenhagen summit, the major countries agreed to coordinate their positions in their countries, and issues of justice, equity, and social and economic development. Countries believe that their cooperation may include the pressure that they expected to offset exerted on them by the developed countries in the negotiations.

Presents a united front to the main group surprised many observers at the Copenhagen summit, the major countries to coordinate their positions on a regular basis and have shown greater unity than expected

climate diplomacy South. In addition, the core group has played a very important role in the negotiations and, finally, gives the final result of the conference, along with Australia and the United States to push the EU in this process. Significantly so for the IBSA Copenhagen recognizes the principle of common but differentiated responsibilities and does not require developing a legally binding commitments to reduce emissions.

Although the IBSA countries to continue to meet regularly with the main coalition to tackle climate change, have tried to maintain the momentum of the Copenhagen Summit and the internal tensions threatened their ability to interfere as a unified coalition negotiations. The difficulties IBSA / body has been assigned to deal with COP 17 in Durban at the end of 2011. In Durban, BASIC coalition faced a single opposition of the north for his request to the principle of differentiated responsibilities. Main countries IBSA / also faced calls from the developed world and the least developed countries and small island developing States, to increase the responsibility on their part. Areas between the IBSA countries at the surface, Brazil and South Africa are reportedly more willing to India with at least some of the demands for greater ambition in relation to agree on commitments to reduce emissions.

It 'important to note that, unlike in previous COP documents, such as the Copenhagen Accord, the outcome of COP 17 - the Durban Platform for Enhanced Action - no relation to the principle of common but differentiated responsibilities. Instead, it offers a "process of developing a protocol or legal instrument an agreed outcome with legal force ... for all parties," is dangerously close to the commitments legally binding great IBSA countries / trying to avoid. This result shows that the ability of IBSA / Main countries to maintain their focus for "differentiated responsibility" on climate change has weakened and raises important questions about the future role of the IBSA / main cooperation on climate change.

## CHALLENGES IN IBSA

The participants were of the opinion that there are some limitations and problems, the Forum is currently facing. There is a clear lack of coordination between the three member countries. These three countries to unite their efforts and complementarities. Everything three countries forum, and must be competition from other countries in the region, the leaders in the face of difficult challenges. For example, India is facing the problems of Pakistan, Indonesia and Malaysia; South Africa, Nigeria and Egypt; and Brazil, Argentina and Mexico. In addition, individual members of the other international Organizations signed agreements

/ Individuals coordination and affect the operation of the forum. Forum can only be effective if it works normally grow. There are some internal problems that have plagued the three States - corruption, rising crime, political violence, economic inequality, etc., which are addressed properly in every country need for a forum to be successful.

Apart from the usual channels of cooperation and political and economic development, the participants, the participation of civil society and companies need to be strengthened to a successful forum for dialogue. Some have expressed the view that the participation of civil society must not be independent from the government. Rather, it should be to actually be a public-private partnership. The participants also believe that further cooperation on energy, food security, transport, health, Security technologies and information will be discussed in the coming days, and that the Member States of best practices to learn together in various fields.

Structural constraints lack of budget. Activities funded IBSA line Ministries and is not intended to cabinets or foreign ministries of IBSA. Such as trade relations, despite the increase in the three-way trade between India, Brazil and South Africa, as a stated goal of promoting trade and the strategic goal of autonomy through diversification face serious limitations. Protectionist barriers between the three countries to continue growing interregional Hinder integration.

The intensification of trade flows is also on the Conservation of protectionist measures that further limits apply to each of these countries, despite the increase in tripartite consultations and cooperation. In June 2012, for example, Brazil, the first legal step the World Trade Organization, the use of anti-dumping measures in South Africa on Brazilian poultry meat exports challenge won. The International Trade Administration Commission of South Africa (ITAC) imposed anti-dumping duties on chicken and frozen chicken after studying the burial suspect imported from Brazil in 2008-2010. These activities have been following a complaint from the Association of South African birds (SAPA) on behalf of the leading manufacturers of poultry products in Vasu, who claimed that the alleged dumped imports imposed because of its properties. After calculating South Africa set of provisional anti-dumping duty 62, 9% reduction in housing and 46.5% in Brazil boned. But the final after a series of meetings, including meetings of the IBSA decision of the Ministry of Trade and Industry (DTI) has rejected the recommendation ITAC that dumping be imposed.

In January 2013, India has also shown concern for South Africa frozen boneless buffalo meat imported from India. After the access to markets of frozen boneless buffalo meat, meat processing unit

Slaughterhouse approval in January 2011, to grant, subject to import South Africa in May 2011 because of health risks and diseases of animals. These protectionist measures, although it portrays as a united front, India, Brazil and South Africa to remain competitive and to apply protectionist measures. South Africa as a regional power in SACU in Double Position is expected to protect the interests of the first region and do not want something like a national trade be perceived for regional trade.

Another purpose of the IBSA Forum in the light of his 10th birthday is an increasing risk of duplication between the current forum BRICS and IBSA. BRICS (originally BRIC) Forum was originally initiated by Foreign Minister in 2006, on the sidelines of the annual session of the UN General Assembly. BRIC was updated a diplomatic meeting on a large scale in June 2009 in Russia. According to the proposals for the conduct of South Africa, BRIC BRICS officially the third summit in China in April 2011. BRICS still below the IBSA organizational. As expands two forums Currently, similar trends and institutional framework. BRICS WG agricultural experts was created in 2010, during the IBSA WG Agriculture was established in 2004 as the BRICS project further mutual cooperation in the area of tax policy and tax administration in January 2013 the initiative, which is very similar to IBSA WG taxes duties and powers, created in 2007: a meeting of senior officials of the budget BRICS is also in the month of January 2013. Discussions on mutual cooperation in the area of tax policy and tax administration going. 58 BRICS meeting of senior officials took place in the field of science and technology in 2010 year, while the IBSA WG for Science and Technology is one of the first IBSA AG was founded in 2004.

This trend creates a risk of duplication and excessive activity in the forum IBSA and BRICS and is a problem for the various officials of the governments of the two forums involved Problems. However they decided the leaders of the two groups separated and merge IBSA in BRICS. This decision is mainly political, allows three IBSA countries in the developing world to maintain some autonomy China and the existing cooperation in the framework of a democratic process and to resume a more balanced because there is no economic hegemony of the IBSA like China in BRICS.

IBSA also facing some problems negotiations. One is IBSA free trade agreement between the two groups and the integration of a country, MERCOSUR, SACU and India means a free trade agreement. Mercosur customs union with free trade between Brazil, Argentina, Paraguay and Uruguay (members) and the application of the common external tariff. Venezuela has recently put together MERCOSUR. SACU is a customs union with the goods traded freely tariffs and quotas between South Africa, Botswana, Lesotho, Swaziland and Namibia (members), and use the customs of South Africa as a common external tariff. So IBSA FTA wider market access for India in MERCOSUR and SACU is to make available; Brazil and India in the SACU; and for South Africa in the Mercosur and India. At the same time, it is important in the negotiations on the free trade area IBSA, Brazil and South Africa note that you need to consult and the consent of all the partners of Customs Union tariff concessions they make, will be changes in the common external tariffs to be learned.

In addition, the IBSA countries are various bilateral trade agreements, regional and interregional, some of which are still in further negotiations as GSTP. Therefore, each country would ensure that the IBSA IBSA FTA does not affect their other business relationships. Maintaining such consistency in trade negotiations and agreements requires, among other things, improve the ability of institutional sales

representatives in the various countries to negotiate and to strengthen and ensure broadly representative of the national advisory and consultative process at the national level and reflect the point View concerned.

## CONCLUSION AND RECOMMENDATIONS

In achieving these objectives IBSA member countries have a number of questions that are significant limitations and may in opportunities based on specific guidelines for action to address.

Since IBSA was launched under the relatively low level of the previous interaction between the members for life - as measured by various economic indicators in the areas of trade and investment - the big push is needed at this time l ' beginning. At the same time, there are real economic complementarity could provide a solid springboard for greater economic integration among its members.

This ensures that they are business partners and investment "natural", the synergies are fully realized. The challenge in the short term, a critical mass of trade and the winners obvious, the initiatives to create a support base and ensure its sustainability to develop over time. This requires IBSA countries bring their own experiences on best practices in the field of public-private partnerships in the context of IBSA and run some high profile and sustainable pilot projects, such as solar, wind, biofuels and oilshales energy, forging IBSA "Iron and Steel" triangle, cooperation in the aerospace industry, and joint research and development in high technology sectors, such as biotechnology and nanotechnology, as well as socio-critical areas such as drugs and vaccines for tropical diseases and "living technology" for the poor.

With one of the most important challenges such as IBSA gap physical, cultural and economic life of its members to overcome, it would be important at the same time strive to overcome these three areas. Considerable progress has been made to overcome the economic gap continues to demonstrate that the cultural and physical distance overcome if there is enough economic gravity, and vice versa. The geographical and cultural proximity is highlighted in the literature as factors, the successful integration and the development of cooperation between the two countries. For example, to share a common language of the country, it is estimated that the total trade flows almost twice as that between two otherwise similar countries, without a common language. This is a significant factor between India and South Africa, on the one hand, and Brazil on the other, and therefore need to be addressed with due priority. As already mentioned, the gap through the appropriate language support intergovernmental cooperation, exchange of cultural and educational services will have an important role in contributing to the implementation of all the initiatives IBSA. Furthermore, in order to cope with growing transport and other transaction costs due to the effects of the distance that should already be taken by transport solutions IBSA including the creation of air and sea routes between the three countries to urgently implement .

To leave behind the history of relatively less institutionalized and structured cooperation between the countries of IBSA, brave and quick steps to take, inter alia through ambitious trade liberalization, promotion of giving so that regulatory and ensure convergence intergovernmental agreements interregional This requires political IBSA IBSA give priority to cooperation with stakeholders and allow participants to improve mutual understanding and to move quickly on the learning curve involved in joint ventures and to maintain the momentum. For example, a joint effort in politics, business and corporate level must be made to ensure that the "Made in IBSA" logic to impose a zero-sum view of structured

trades and investment liberalization among members of IBSA

Starting from the point of convergence of the IBSA PTSD can be an act of faith need to go deeper, but the liberalization partial or even full liberalization with FTA. In the background of the three times within IBSA trade of the last decade in the panorama popular UNCTAD simulations show that within IBSA trade may double on an annual basis in view of full liberalization, and this is regardless of the dynamic effects. It is important that in this case all three countries in the creation of exchanges and costs minimum. Paper identifies a number of key sectors and specific products to be the driver of this significant expansion of trade.

Since IBSA countries will maintain hub complex agreements and regional commitments, without institutional cooperation IBSA is a balance between logic compatible IBSA and geo-economic and political feasibility of these other agreements and pores you. In particular, any IBSA agreement

actually has to be negotiated and not implemented only in Brazil, but also all Members MERCOSUR. Analogically, in the case of South Africa, IBSA should all S Members ACU. Questo is itself

a rather complicated process INVOL directly VING 11 countries. Also measures to be taken at the level of IBSA consequences for the functioning of other arrangements that provide members IBSA. Dal OU g calculations show, including members of MERCOSUR and SACU have a net positive effect and spread the benefits to all States concerned, it should be possible, both technical and political obstacles to overcome.

Way to address some of the various factors and challenges in institutional cooperation IBSA is the adoption of "variable geometry" approach advanced in areas and among partners amenable and do. This would be to avoid the procedure

To move IBSA hostage to the lowest common denominator, and significantly reducing the benefits to lead efforts IBSA. As observed in Document if the conditions exist, there are a number of possibilities and benefits that offer the necessary training and longrun impetus for IBSA promises to become a reality. This will allow the accommodation National sentiment in the process of tariff Liberalization and degradation. Near Services, the expression of variable geometry for the liberalization of some sectors associated with the different rate IBSA.

Realism would like the achievement of the first harvest in these areas can help to maintain the momentum to be taken great strides in depth that economic integration. For example, in connection with the IMSA OTA, the immediate elimination of tariffs unpleasant step in the right direction. Cooperation agreement with non-tariff barriers, especially sanitary and phytosanitary (SPS) and technical barriers (TBT) requirements of goods traffic on a tripartite basis immediately improve the conditions of market access for trade in goods. Also made for services, the binding of autonomous liberalization can create an environment favorable for catalysis IBSA trade in services. This send a positive signal to all concerned that the process of real and here to stay.

While bilateral relations between India, Brazil, India and South Africa, Brazil and South Africa are the

main engines of the three C IBSA IBSA partnership, ie convergence, collaboration and cooperation, not less i sit important that The partnership aims consciously to create value and synergies from the tripartite Designed to add properties and the implementation of the agreements, companies and projects. For example, it makes sense to conclude agreements on mutual recognition (MRA) for standards and qualification requirements on trade in goods and services in a tripartite three separate bilateral agreement. In addition to saving resources in the negotiations, three-pronged approach to simplify the ideal tool for administrators, businesses and consumers in the IBSA.

IBSA has the Potential to be a coalition reliable and responsible of the most powerful countries of the Third World. If it can be shown (and maintain) a focused agenda, the partnership between India, Brazil and South Africa will be more constructive than previous unions southern.

In addition to identifying potential problems and the paper is a comparative analysis of the most important trade and economic output. IBSA Forum has shown that developing countries can build a sustainable coalitions that are not on specific issues, and that this coalition can remain relevant in certain areas, even if it is able to achieve its goals in another minute. In addition, in the current, highly globalized world, developing countries are not likely to try to resolve the relationship with the developed world. Rather than the IBSA countries have done that countries developing today are likely to see the SSC as a supplement, not replace North-South relations.

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