

Global issues dominate day one of Brics Summit

Inclusive growth, the trade wars and their resultant impact dominated much of the discussions of the Brics Business Forum.



President Cyril Ramaphosa

The forum constituted the first day of the three-day summit underway at the richest square mile in Africa at the Sandton Convention Centre in Johannesburg on Wednesday.

Delegates from Brics (Brazil, Russia, India, China and South Africa) countries have descended in South Africa to chart a way forward for the bloc.

The summit is being held under the theme: Brics in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the Fourth Industrial Revolution.

In light of this theme, President Cyril Ramaphosa in his welcome speech urged delegates to look at the various opportunities presented by Africa and its newly signed African Continental Free Trade Area (AfCFTA).

The agreement provides access to a market of over one-billion people and a combined GDP of over \$3trn.

“In the past decade, Africa has grown at a rate of two to three percentage points faster than the global GDP, with regional growth predicted to remain stable above 5% in 2018.

“In addition to this, Africa’s working age population is expected to double to one billion in the next 25 years. The value of this free trade area will only be fully realised through massive investment in infrastructure and skills development,” said Ramaphosa.

Speaking through an interpreter, President Xi Jinping backed his counterpart in this regard, saying Brics countries must strengthen cooperation and extend it to African countries.

“Africa is home to more developing countries than any other continent in the world. We should strengthen cooperation with Africa and make Brics-Africa cooperation a model for south-south cooperation.

“We should actively carry out cooperation in African countries in areas such as poverty reduction, food security, innovation, infrastructure development and industrialisation in a way that will help African countries develop their economic structure and contribute to the implementation of agenda 2063 of the African Union and best enable Africa, an ancient continent, to gain strong vitality,” said Xi.

Working for balanced trade, 4th Industrial Revolution

Ahead of the summit, the imbalance of trade, with South Africa on the back foot, dominated discussions. Ramaphosa called for a shift to complementary trade as the world looks to the opportunities presented by the 4th Industrial Revolution.

“There is also much scope to expand the value of trade between Brics countries. As a country that is primarily an exporter of commodities to its bloc partners, South Africa supports a shift towards complementary and value-added trade.

“Linked to the trade agenda, we need to increase investment between Brics countries, particularly in the productive sectors of our economy.

“We also require a strategic roadmap regarding the opportunities presented by the Fourth Industrial Revolution and the measures required to mitigate its disruptive effect on industry,” said Ramaphosa.

President Xi said Brics countries must seize the opportunities presented by the 4th Industrial Revolution, which will change global development, people’s work and lives.

“The next decade will be a crucial one in which new global growth drivers will take the place of old ones. A new round of revolution and transformation in science, technology and industries - featuring artificial intelligence, big data, quantum information and biotechnology - are gaining momentum.

“They are giving birth to a number of industries, business fora and models, and will fundamentally change global development, people’s work and lives. We must seize this important opportunity to enable emerging markets and developing countries to achieve leapfrog development,” said President Xi.

Trade wars

With the world feeling the pinch of the global trade wars, Brics leaders acknowledged that they operate within a multilateral world.

“We are concerned by the rise in unilateral measures that are incompatible with World Trade Organisation rules and we are worried about the impact of these measures, especially on developing countries. These developments call for thorough discussion on the role of trade in promoting sustainable development and inclusive growth,” said Ramaphosa.

While acknowledging the trade wars, Xi drew a hard line and rejected the developments.

“Openness and cooperation are the sure way to achieve progress... A trade war should be rejected because there will be

no winner and economic hegemony is even more objectionable because it will undermine the collective interest of the international community. Those who pursue this course will only end up hurting themselves.

“As the world economy is going through profound transition and changes, only by opening themselves can different countries achieve mutual benefit, shared prosperity and sustainable development.

“We as Brics should firmly promote an open global economic and be resolute in rejecting unilateralism and protectionism... and jointly steer the global economy towards win-win outcomes,” said Xi.

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