

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5198
ANSWERED ON:24.04.2015
TRADE BETWEEN BRICS NATIONS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether BRICS nations have recently signed pacts to stimulate trade in their local currencies and agreed on a joint working group to set up a development bank;
- (b) if so, the details thereof along with the reaction of the importers-exporters on such pacts;
- (c) whether trade between BRICS nations is likely to improve in the coming years; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (b): The BRICS nations have signed the agreement to establish the New Development Bank. The designated signatories of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the Peoples Republic of China and the Republic of South Africa signed the Inter- Governmental Agreement on July 15, 2014 at Fortaleza Brazil, to establish the New Development Bank. The major objectives behind setting up this Bank are as under-

- i. to utilize resources at its disposal to support infrastructure and sustainable development projects, public or private, in the BRICS and other emerging market economies and developing countries, through the provision of loans, guarantees, equity participation and other financial instruments;
- ii. to cooperate as the Bank may deem appropriate, within its mandate, with international organizations, as well as national entities whether public or private, in particular with international financial institutions and national development banks;
- iii. to provide technical assistance for the preparation and implementation of infrastructure and sustainable development projects to be supported by the Bank.

The Bank will be an additional source of long term finance for infrastructure projects in India. In addition such a Bank will also be instrumental for increasing economic cooperation among BRICS countries, which will ensure more productive use of resources among BRICS countries including India.

(c) to (d): Some of the trade related measures outlined under BRICS cooperation on trade and investment matters in the 4th BRICS Trade Ministers Joint Communique signed on 14 July, 2014 in Fortaleza, Brazil would facilitate trade amongst BRICS countries. One of this refers to forging closer links between the Micro, Small and Medium Enterprises (MSMEs) of the BRICS countries.