
A STUDY ON MULTILATERAL TRADE AND INVESTMENTS AMONG BRICS COUNTRIES

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Abstract

The paper analyzes the importance of the BRICS group as representatives of emerging countries in the global economy. It is worth noting that the financial crisis had no strong effect on the BRICS group and it had a much better economic performance than developed countries. The main factors that led to the economic expansion of the group were an increased input of factors, and enormous scales of population and resources. The study says that positive for the important relationship between economic growths for exports of BRICS countries. Export is an increase in the foreign exchange value of our country. In 2016-17, India's overall exports USD 348.49 billion from April-December 2020-21. Thus, this research paper's purpose has based on India's export to BRICS countries. i.e Brazil, Russia, India, China and South Africa. The study concluded that though these economies have many challenges to sustain and maintain the trend. FDI will facilitate these economies to enhance large scale production, employment and sustainability.

INTRODUCTION

BRICS is an important grouping bringing together the major emerging economies from the world. BRICS is a major [emerging economies](#) like Brazil, Russia, India, China, and South Africa. The BRICS members are known for their significant influence on regional affairs. The governments of the BRICS states have met annually at formal summits in 2019. The Russia hosted the most recent [12th BRICS summit](#) on 17th November 2020 virtually due to the COVID-19 pandemic. Initially started the first four were grouped as "[BRIC](#)" before the induction of South Africa in 2010. The BRICS have a combined area of 39,746,220 km² (15,346,101.0 sq mi) and an estimated total population of about 3.21 billion or about 26.656% of the world land surface and 41.53% of the world population. The BRICS countries are combined nominal GDP of 23.2% of the [gross world product](#), 32% of the world GDP (PPP) and an estimated US\$4.46 trillion in 2018. The BRICS have received both praise and criticism from numerous commentators. Bilateral relations among BRICS states are conducted mainly based on non-interference, equality, and [mutual benefit](#). The existence of the BRICS grouping does not signify a formal or informal alliance; there are multiple economic, [territorial](#), and political disputes between the five governments.

BRICS countries have been the main engines of global economic growth over the years. Over a period of time, BRICS countries have come together to deliberate on important issues under the three pillars of political and security, economic and financial and cultural and people to people exchanges. This paper evaluates the trade scenario of all five BRICS nations, both in the context of world in general and BRICS in particular. Trade Scenario of global exports in US \$ 19.3 trillion from 2018 and US\$ 16.0 trillion in 2008. The annual growth of 2.8% during the 2008-2018.

Review of literature

P. Dhanasekaran and M. Sumathy (2018). This paper intends to analyse the impact of some selected macroeconomic factors on the economies of BRICS nations during the pre and post BRICS era. The analysis done based on the paired sample t-test found a significant impact on the imports, exports, GDP, REER and GCF of BRICS economies during the pre and post BRICS era. The impact is very significant in India as well. The study concluded that though these economies have many

challenges to sustain and maintain the trend. FDI will facilitate these economies to enhance large scale production, employment and sustainability.

Objectives of the study

1. To study the conceptual framework of BRICS Countries
2. To analyses the international export-import of BRICS Countries
3. To examine the investment of BRICS Countries.

Research Methodology

The present study is descriptive and analytical study in based on secondary sources. The secondary sources were collected from the books, published reports, Unpublished reports, journal, articles and the websites they were taken from UNCTAD, India Exim Bank Research, The Ministry of Commerce and Industry. The researcher has taken the BRICS countries only purposely selected the period from 2009-2021(April-May) for conducting this study.

BRICS IN INTERNATIONAL TRADE

The major global exporters in 2018 were China (12.9%); USA (8.6%); Germany (8.1%); Japan (3.8%); and South Korea (3.1%). The global exports recovered by growing at 10.5% and 9.9% in 2017 and 2018, respectively. The contribution of China in the total BRICS exports has increased from 60.8% in 2008 to 69.3% in 2018. Out of the other 4 nations, only India's share increased (7.7% to 9%), during this period. The following table -1 shows that the Export of goods by the BRIC countries from 2009- 2021.

Table-1
Export of goods by the BRICS countries
(in billion U.S. dollars)

Year	Brazil	Russia	India	China	South Africa
2009	152.99	303.39	164.91	1201.61	2,058.50
2010	201.92	400.63	226.35	1577.75	3,912.37
2011	256.04	522.01	302.91	1898.38	4,731.17
2012	242.58	529.26	296.83	2048.71	5,106.93
2013	242.03	521.84	314.85	2209.01	5,074.29
2014	225.1	496.81	322.69	2342.29	5,301.99
2015	191.13	341.42	267.95	2273.47	3,588.07
2016	185.19	281.71	264.54	2097.63	3,545.95
2017	217.83	353.1	299.24	2263.35	3,825.21
2018	239.28	443.13	324.78	2486.7	4,067.20
2019	222.64	418.8	324.16	2499.03	4,108.17
2020	209.88	172	42.6	21,187.15	3,934.20
2021 (April-May)	24.3	29.6	32.6	4,450.85	835.73
Total	2610.91	4813.7	3184.41	48535.93	50089.78
Maximum	256.04	529.26	324.78	21,187.15	4,108.17
Minimum	24.3	29.6	32.6	1201.61	835.73
Average	200.84	370.28	244.95	3733.53	3853.06
SD	60.00	148.52	102.58	5297.13	1243.15
CV	29.87	40.11	41.88	141.88	32.26

Source: The Ministry of Commerce and Industry, UNCTAD; India Exim Bank Research

From the above table shows that the, the exports of Brazil in maximum value of 256.04 from 2011 and Minimum value of 24.3 in 2021 followed by the average value of 200.84, Standard deviation of 60.00 and covariance of 29.87. The exports of Russia in maximum of 529.26 from 2012 and minimum value of 29.6 from 2021 followed by the average value of 370.28, Standard Deviation of 148.52 and covariance of 40.11. The exports of India in maximum of 324.78 from 2018 and minimum value of 32.6 from 2021 followed by the average value of 244.95, Standard Deviation of 102.58 and covariance of 41.88. the exports of china in maximum of 21,187.15 from 2020 and minimum value of 1201.61 from 2009 followed by the average value of 3733.53, Standard Deviation of 5297.13 and covariance of 141.88. The exports of South Africa in maximum of 4,108.17 from 2019 and minimum value of 835.73 from 2021 followed by the average value of 3853.06, Standard Deviation of 1243.15 and covariance of 141.8

IMPORT OF BRICS COUNTRIES

Imports by the BRICS nations amounted to US\$ 3.2 trillion in 2018, up from US\$ 2.0 trillion in 2008. It may be observed that the imports by the BRICS economies registered an AAGR of 6.2%, higher than its exports. Overall, the trade surplus for BRICS nations in 2018 was almost at the same level as in 2008. The following Table-2 shows that the exports of BRICS Countries.

Table-2
Import of goods by the BRICS countries

(in billion U.S. dollars)

Year	Brazil	Russia	India	China	South Africa
2009-10	133.68	191.8	257.2	1005.92	5,674.50
2010-11	191.54	248.63	350.23	1396.25	7,140.55
2011-12	236.96	323.83	464.46	1743.48	10,971.76
2012-13	233.4	335.45	489.69	1818.41	8,887.89
2013-14	250.56	341.27	465.4	1949.99	6,075.26
2014-15	239.16	307.88	462.91	1959.23	6,496.52
2015-16	179.09	193.02	394.13	1679.56	5,948.42
2016-17	143.41	191.49	361.65	1587.93	5,833.75
2017-18	157.54	238.38	449.92	1843.79	6,834.70
2018-19	188.56	248.7	514.46	2135.75	6,517.33
2019-20	184.1	254.05	483.86	2077.1	6,969.79
2020-21	166.28	231.66	17.12	65,212.25	7,570.79
2021-22 (April-May)	835.7	1,385.79	45.72	13,649.30	1,900.18
TOTAL	3139.98	4491.95	4756.75	98058.96	86821.44
Maximum	250.56	1,385.79	514.46	65,212.25	10,971.76
Minimum	133.68	191.8	45.72	1005.92	1,900.18
Average	241.54	345.53	365.90	7543.00	6678.57
SD	182.50	317.06	164.43	17639.56	2040.06
CV	75.56	91.76	44.94	233.85	30.55

Source: The Ministry of Commerce and Industry, UNCTAD; India Exim Bank Research

From the above table shows that the, the imports of Brazil in maximum value of 250.56 from 2013-14 and Minimum value of 133.68 in 2009-10 followed by the average value of 241.54, Standard deviation of 182.50 and covariance of 75.56. The imports of Russia in maximum of 1,385.79 from 2021 and minimum value of 191.8 from 2009 followed by the average value of 345.53, Standard

Deviation of 317.06 and covariance of 91.76. The imports of India in maximum of 514.46 from 2018-19 and minimum value of 17.12 from 2020 followed by the average value of 365.90, Standard Deviation of 164.43 and covariance of 44.94. The imports of china in maximum of 65,212.25 from 2020 -2021 and minimum value of 1005.92 from 2009 followed by the average value of 7543.00, Standard Deviation of 17639.56 and covariance of 233.85. The imports of South Africa in maximum of 10,971.76 from 2011-12 and minimum value of 1,900.18 from 2009, followed by the average value of 6678.57, Standard Deviation of 2040.06 and covariance of 33.5.

INVESTMENT OF BRICS COUNTRIES

The BRICS seeks to deepen, broaden and intensify cooperation within the grouping and among the individual countries for more sustainable, equitable and mutually beneficial development. Given the objectives of the BRICS mechanism investment becomes crucial. According to the United Nations Conference on Trade and Development (UNCTAD), the FDI into all the BRICS nations together amounted to US\$ 261.2 billion in 2018, up from US\$ 191.8 billion in 2009, thereby registering an AAGR of 4.3% during this period. Out of the US\$ 261.2 billion FDI in 2018 in BRICS nations, China accounted for almost US\$ 139 billion, followed by Brazil at US\$ 61.2 billion, and India at US\$ 42.3 billion. With respect to the growth rates of FDI in the BRICS nations, the highest AAGR in FDI during 2009 to 2018 was recorded for Brazil at 21.3%.

Table-3
INVESTMENT OF BRICS COUNTRIES

Years/ Countries	Brazil (%)	China (%)	India (%)	Russia (%)	South Africa (%)
2009	25.9	95	35.6	27.8	7.5
2010	77.7	114.7	27.4	31.7	3.6
2011	97.4	124	36.2	36.9	4.2
2012	82.1	121.1	24.2	30.2	4.6
2013	59.1	123.9	28.2	53.4	8.3
2014	63.8	128.5	34.6	29.2	5.8
2015	49.5	135.6	44.1	11.9	1.7
2016	52.8	133.7	44.5	37.2	2.2
2017	67.6	134.1	39.9	26	2
2018	61.2	139	42.3	13.3	5.3
TOTAL	637.1	1249.6	357	297.6	45.2
Maximum	97.4	139	44.5	53.4	2
Minimum	25.9	95	24.2	11.9	8.3
Average	63.71	124.96	35.70	29.76	4.52
SD	19.61	12.92	7.21	11.91	2.26
CV	30.79	10.34	20.20	40.03	50.05

Source: UNCTAD; India Exim Bank Research

From the above table shows that the, the investment of Brazil, the mean value of 63.71 followed by Standard Deviation 19.61 and covariance 30.79. The investment of Russia. The average value of 124.96, standard deviation 12.93 and covariance 10.34. The investment of India, the average value of 35.7, standard deviation 7.21 and covariance 20.2. The investment of China, the average value of

29.76, standard deviation 11.91 and covariance 10.03. The investment of South Africa, The average value of 4.52, standard deviation 2.26 and covariance 50.05.

INTRA-INVESTMENT OF BRICS COUNTRIES

Report on UNCTAD, the total investment is almost 10% of the world received during 2009-2019. The table shows that the, out of the US\$ 1005.8 billion of investment, almost 57% came through China, followed by showing the significant role the country has been playing in global investments. The result also gets reflected in the context of intra-BRICS investments, where China's share stood at 78%. Intra-BRICS investment amounted to US\$ 131.7 billion, during the same period

Intra-BRICS Investment in US\$ Million (During 2009-2019)

S. No	Source Countries	Destination countries (US\$ Millions)					
		India	Russia	Brazil	China	South Africa	Total
1	Brazil	406.1	223.1	-	1804.4	49.8	2483.4
2	Russia	2519.9	-	942.8	4649.2	200.3	8312.2
3	India	-	1274.5	2924.4	7920.7	2598.4	14718.0
4	China	40790.5	35791.9	14634.7	-	12037.1	103254.2
5	South Africa	416	156.7	902.3	1461.9	-	2936.9
Total		44132.5	37446.2	19404.2	15836.2	14885.6	131704.7

Source: FDI Intelligence from the Financial Times Ltd; India Exim Bank Research

The following table intra investment of BRICS countries, the total investment of India in other countries 44132.5 million US dollars followed by the total investment of Russia in other countries 37446.2 million US dollars, the total investment Brazil of in other countries 19404.2 million US dollars, the total investment of China in other countries 15836.2 million US dollars and the total investment of South Africa in other countries 14885.6 million US dollars.

Conclusion

In this study, the researcher found that BRICS Countries overall concluded that there is scope for increasing the export of all products. The researcher found the highest export of all products from India. India is one of the developing countries in this world. Moreover, the quantity of export of products trade between SAARC, ASEAN, and BRICS. Export helps increase its foreign exchange value. India can make a solid and healthy relationship with other BRICS countries by exporting and importing its products.

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