Intra-BRICS Trade: An Assessment

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Abstract:-*BRICS countries have made significant progress in integrating with the global economy. Analysis of trading patterns within BRICS countries reveals that levels of intra-BRICS trade are quite diverse, mainly reflecting comparative sizes of the economies. Over the past decade, intra-BRICS trade has increased by nearly threefold, supported by increase in intra-regional trade for all the member countries. An analysis of the intra-BRICS trade reveals that China has played a significant role by accounting for nearly half of the intra-BRICS trade. This was followed by India, Brazil, Russia, and South Africa. However, it may be mentioned that BRICS countries have not harnessed the potential offered by the regional cooperation, especially given the significant growth of its market size to US$ 16.5 trillion in 2015 from US$ 6.1 trillion a decade ago, supported by a large consumer base of over 3 trillion population. An analysis of trade intensity index (TII) highlights that trade intensities of Brazil and South Africa with BRICS have improved since 2001, while that of China, India and Russia, on the other hand, have deteriorated since 2001. The mutually invigorating trade interaction among the BRICS countries is reflected in their trade composition. Brazil and Russia are among the world's largest producers and exporters of natural resource, while most of their imports include manufactured and processed goods. India and China, on the other hand are among the major exporters of manufactured and processed goods and major importers of natural resources. South Africa, apart from being a major trading partner for India, China and Brazil, serves as an important trade route for India-Brazil trade. Thus, growing synergies among the BRICS economies is mutually beneficial to the members. According to Goldman Sachs, a significant driver of BRICS growth stems from the large scale Chinese and Indian industrialisation and urbanisation creating strong demand for Russia's and Brazil's abundance of natural resources.*

Key words: *Trade agreement, Trade and environment, trade composition, BRICS, Export Intensity Index, Intra-BRICS Trade, Trade Intensity Index*

Introduction:-In the recent years, developing countries have increasingly emerged as regional and global growth engines, reflecting higher growth in economic activity and trade, as compared to the developed economies. Brazil, Russia, India, China and South Africa (BRICS) – the five emerging global powers from the continents of Asia, Africa and Latin America – are incrementally increasing their global engagements. Today, BRICS

economies together account for 22.5 per cent of the global output, 17.2 per cent of global trade, and over 40 per cent of the global population. Earlier called BRIC, without South Africa, this group was initially coined by Goldman Sachs in 2001, by Jim O'Neill in a paper titled 'Building Better Global Economic BRICs'. This paper concluded that over 10 years the weight of the BRIC countries and especially China in world GDP will grow, raising important issues about the global economic impact of fiscal and monetary policy in the BRIC countries. In 2003, their report, "Dreaming with BRICs: The Path to 2050" stated that by 2050 these economies together would be larger in US Dollar terms than the G-6 ('Group of Six'), consisting of the United States, Germany, Japan, the United Kingdom, France and Italy. BRICS had a tentative start in the margins of the 61st session of the UN General Assembly in New York in September 2006. The foreign ministers of four countries, Brazil, Russia, India and China, met briefly to explore ways to cooperate politically. The proposal to hold regular meetings came when the leaders of Russia, India and China met at the margins of G-8 Outreach Summit in St. Petersburg in July 2006 (Group of Eight consists of France, Germany, Italy, the United Kingdom, Japan, the United States, Canada, and Russia). This grouping of vastly different economies took a concrete shape when the leaders of the BRIC nations (Brazil, Russia, India, and China) agreed to hold regular summits starting in 2009 to discuss broad range of issues. South Africa was added to the list on April 13, 2011 creating "BRICS" (Brazil, Russia, India, China and South Africa). Nonetheless, BRICS remains largely heterogeneous in character, with wide variance in the socio-political-legal frameworks of member countries. By the year 2020, nominal GDP of BRICS economies is projected to touch US$ 23 trillion and its share in world GDP is expected to increase to 25.2 per cent. Growth in BRICS economies is also expected to stabilize by 2020, with India and China being the major drivers of the region's growth.

BRICS Global Trade:-

The significance of international trade among BRICS countries was highlighted during the Sixth BRICS Summit in Fortaleza, Brazil in 2014. During this Summit the BRICS countries adopted a key decision on launching comprehensive talks regarding the BRICS Strategy for Economic Partnership and a draft BRICS Roadmap for BRICS Trade, Economic and Investment Cooperation. The total trade of BRICS has almost doubled from US$ 2.8 trillion in 2006 to US$ 5.7 trillion in 2015. This upward trend has been underlined by favorable growth performances of both its exports and imports. In the case of exports, total exports of BRICS has risen from US$ 1.6 trillion in 2006 to US$ 3.2 trillion in 2015, with a resultant rise in the share of BRICS in global exports from 13.2 per cent to 19.3 per cent during the period. As regards imports, total imports of BRICS have also witnessed a continuous

growth. In 2015, total imports rose to US$ 2.5 trillion (15.1 per cent of global imports), up from US$ 1.3 trillion (10.3 per cent of global imports) in 2006. BRICS together maintain a trade surplus, which has increased from US$ 314.8 billion in 2006 to US$ 644.7 billion in 2015. China, Russia and Brazil, maintained a trade surplus, while India and South Africa maintained a trade deficit in the same year. Electrical machinery and equipment dominated the exports of BRICS, accounting for 19.6 per cent of its

global exports in 2015. Other commodities in its export basket include machinery and equipment; mineral fuels, oils and its distillation products; furniture, bedding, mattresses, and cushions; and vehicles other than railway or tramway. Exports of furniture, bedding, mattresses, and cushions registered the highest growth with a CAGR of 14.4 per cent during 2006 and 2015. Imports of BRICS were also dominated by electrical machinery and equipment, accounting for 20.7 per cent of its global imports in 2015. While BRICS' export of electrical machinery and equipment mainly included telephone sets (HS 8517), imports of the BRICS economies was dominated by electronic integrated circuits (HS 8542). Other items in the import basket of BRICS include mineral fuels, oils and its distillation products; machinery and equipment; optical, photographic, medical or surgical apparatus; and vehicles other than railway or tramway.

Intra-BRICS Trade:-

BRICS countries have made significant progress in integrating with the global economy. Analysis of trading patterns within BRICS countries reveals that levels of An analysis of trade intensity index (TII) highlights that trade intensities of Brazil and South Africa with BRICS have improved since 2001, while that of China, India and Russia, on the other hand, have deteriorated since 2001. The mutually invigorating trade interactions among the BRICS countries is reflected in their trade composition. Brazil and Russia are among the world's largest producers and exporters of natural resource, while most of their imports include manufactured and processed goods. India and China, on the other hand, are among the major exporters of manufactured and processed goods, and major importers of natural resources. South Africa, apart from being a major trading partner for India, China and Brazil, serves as an important trade route for India-Brazil trade. Thus, growing synergies among the BRICS economies is mutually beneficial to the members. According to Goldman Sachs, a significant driver of BRICS growth stems from the large scale Chinese and

Indian industrialisation and urbanisation creating strong demand for Russia's and Brazil's abundance of natural resources.

Potential for Enhancing India's Trade with BRICS:-

Underlying the robust trend in bilateral trade between India and rest of BRICS countries, has been the rising trend in India's trade deficit with BRICS countries. India's trade deficit with rest of BRICS increased from US$ 8.7 billion in 2006, to US$ 58.4 billion in 2015. India maintained the largest trade deficit with China (US$ 52 billion), followed by Russia (US$ 2.9 billion), South Africa (US$ 2.5 billion), and Brazil (US$ 1 billion). To further enhance India's trade with the BRICS countries, and at the same time to address the rising trade deficit, an important strategy would be to focus on India's export potential to these countries. Such a strategy would also contribute to the overall efforts to enhance India's trade with BRICS. While India's current global capability could be matched with the import demand of BRICS countries, leading to enhanced exports from India, strategy to promote intra-BRICS trade are quite diverse, mainly reflecting comparative sizes of the economies. Over the past decade, intra-BRICS trade has increased by nearly threefold, supported by increase in intra-regional trade for all the member countries. An analysis of the intra-BRICS trade reveals that China has played a significant role by accounting for nearly half of the intra-BRICS trade. This was followed by India, Brazil, Russia, and South Africa. However, it may be mentioned that BRICS countries have not harnessed the potential offered by the regional cooperation, especially given the significant growth of its market size to US$ 16.5 trillion in 2015 from US$ 6.1 trillion a decade ago, supported by a large consumer base of over 3 trillion population. Bilateral trade relations could also encompass the case for enhancing domestic production in India to cater to the large demand existing in other BRICS countries.

Given India's expertise in several manufactured products, and technology which is affordable and adaptable, other BRICS countries would also stand to gain with increased import of such items from India. This would also help in further strengthening bilateral ties, and resulting in a mutually rewarding long-term partnership. Potential items of export for India to other BRICS countries up to the 6-digit HS code, have been identified and presented in the study.

Challenges and the Way Forward:-

BRICS countries have made significant progress in integrating with the global economy. According to the IMF, more than 40 per cent of the global economic growth is generated by BRICS economies. However, the share of intra-BRICS trade to its global trade is still as low. Further, intra-BRICS trade is dominated by China on both export and import fronts. The growth of intra- BRICS trade has been constrained primarily by high and escalating trade costs and restrictive trade policy environment. In the World Bank's 'Ease of Doing

Business', trading across borders index, it has been observed that despite progress made in the past, the trading across borders rankings of BRICS countries remain low. Cumbersome documentation and customs clearance, poor inland transportation and terminal handling, are some of the reasons that hamper exports. BRICS economies have reduced their tariff rates in the recent years, however, there exists import restrictions in terms of non-tariff barriers. There has been a rise in the incidence of technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) applied by the BRICS. Apart from these, the prevalence of anti-dumping measures, countervailing duties and safeguards have also affected intra-BRICS trade. In order to expand cooperation in trade among BRICS countries, the following goals should be pursued:

- enhancing consultations and exchanging information on macroeconomic and trade policies;
- encouraging trade and investment links between BRICS countries with an emphasis on promoting market access on goods and services amongst BRICS countries and supporting industrial complementarities, sustainable development and inclusive growth;
- simplifying and increasing the efficiency of administrative procedures to facilitate and accelerate mutual trade and investment;
- improving the transparency of trade and investment climate in the framework of international obligations and national legislation; and
- creating favorable conditions for development of mutual trade and foreign direct investment in the BRICS countries in order to diversify production and exports.

The world economy has undergone a fundamental change over the last couple of decades which has witnessed a tectonic shift in contribution of developing economies across key macroeconomic variables. Developing economies now account for a significant share in world GDP, trade and investment flows. Brazil, Russia, India, China and South Africa (BRICS) – the five emerging global powers from the continents of Asia, Africa and Latin America – are incrementally increasing their global engagements and using their economic weight to redefine the international landscape in myriad areas. The grouping of these five economies has a striking convergence of interests across a wide range of issues, and is now driven by the desire to create a
new world order where the power shifts more in favour of the developing nations. BRICS is an acronym for the group of five leading emerging economies, namely, Brazil, Russia, India, China and South Africa. Initially called BRIC, without South Africa, this group was initially dubbed by Goldman Sachs in 2001, by Jim O'Neill in a paper titled 'Building Better Global

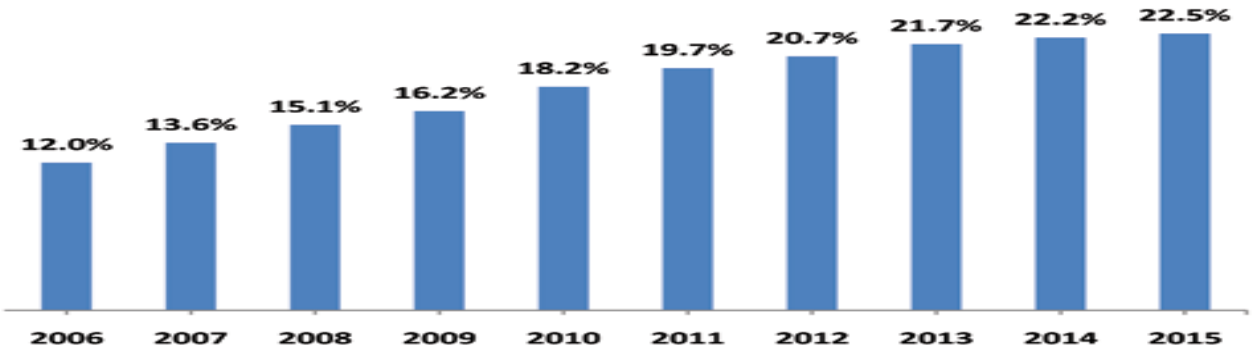
Economic BRICs'. This paper concluded that over 10 years the weight of the BRIC countries and especially China in world GDP will grow, raising important issues about the global economic impact of fiscal and monetary policy in the BRIC countries. In 2003, their report, "Dreaming with BRICs: The Path to 2050" stated that by 2050 these economies together would be larger in US Dollar terms than the G-6 ('Group of Six'), consisting of the United States, Germany, Japan, the United Kingdom, France and Italy. BRICS had a tentative start in the margins of the 61st session of the UN General Assembly in New York in September 2006. The foreign ministers of four countries, Brazil, Russia, India and China, met briefly to explore ways to cooperate politically. The proposal to hold regular meetings came when the leaders of Russia, India and China met at the margins of G-81 Outreach Summit in St. Petersburg in July 20062. This grouping of vastly different economies took a concrete shape when the leaders of the BRIC nations (Brazil, Russia, India, and China) agreed to hold regular summits starting in 2009 to discuss broad range of issues. South Africa was added to the list on April 13, 2011 creating "BRICS" (Brazil, Russia, India, China and South Africa). Nonetheless, BRICS remains largely heterogeneous in character, with wide variance in the socio-political-legal frameworks of member countries. BRICS grouping is important for its members in terms of their portrayal of creating for themselves an important role on the global stage. The size of the five BRICS economies together increased by nearly three-fold, from US$ 6.1 trillion in 2006 to US$ 16.5 trillion in 2015 **(Table 1.1)**. Accordingly, the share of BRICS in global GDP also consistently increased from 12 per cent in 2006 to 22.5 per cent in 2015 **(Chart 1.1)**. By the year 2020, nominal GDP of BRICS economies is projected to touch US$ 23 trillion and its share in world GDP is expected to increase to 25.2 per cent by 2020.China, the largest economy among BRICS countries, accounted for 66.6 per cent of the cumulative GDP of BRICS economies in 2015, followed by India (12.7 per cent), Brazil (10.8 percent), Russia (8 per cent) and South Africa (1.9 per cent). The biggest factor that propels BRICS economies is the huge market space that it offers to the entire world. BRICS economies account for 42 per cent of the global population in 2015, of which China and India accounted for a major share of 18.7 per cent and 17.8 per cent, respectively. While India, South Africa and Brazil may reap a demographic dividend in the coming years, China has seen a sharp deceleration in its population growth rate, Russia has had marginal growth in its population over the past decade. According to the UN projections, by 2020, working age population is expected to rise by 240 million in India and 20 million in Brazil. Russia's and China's demographic projections suggest that their workforce will decline by 2020.

Table 1.1: Macroeconomic Snapshot of BRICS Countries

	GDP (US$ bn)		Real GDP Growth (%)		Population		Inflation (average consumer prices, %)		Exports (US$ bn)		Imports (US$ bn)		Current account balance (US$ bn)	
	2006	2015	2006	2015	2006	2015	2006	2015	2006	2015	2006	2015	2006	2015
Brazil	1,107.6	1,772.6	4.0	-3.8	1,314.5	1,374.6	4.2	9.0	137.8	191.1	91.3	171.4	13.0	-58.9
Russia	1,055.9	1,324.7	8.2	-3.7	142.8	146.3	9.7	15.5	301.6	343.9	137.8	182.8	92.3	65.8
India	949.1	2,090.7	9.3	7.6	187.3	204.5	5.7	4.9	121.2	264.4	178.2	390.7	-9.6	-26.2
China	2,751.9	10,982.8	12.7	6.9	1,130.0	1,292.7	1.5	1.4	968.9	2,281.9	791.5	1,681.7	231.8	293.2
South Africa	271.8	313.0	5.6	1.3	48.0	55.0	4.7	4.6	52.6	69.6	68.5	79.6	-12.2	-13.7
BRICS	**6,136.4**	**16,483.8**	**7.9***	**1.6***	**2,822.6**	**3,073.0**	**5.2**	**7.1**	**1,582.1**	**3,150.9**	**1,267.3**	**2,506.2**	**315.5**	**260.2**

*Average growth
Source: IMF, World Economic Outlook, April 2016 and July 2016 Update; and Exim Bank Analysis.

Chart 1.1: Share of BRICS Countries in World GDP

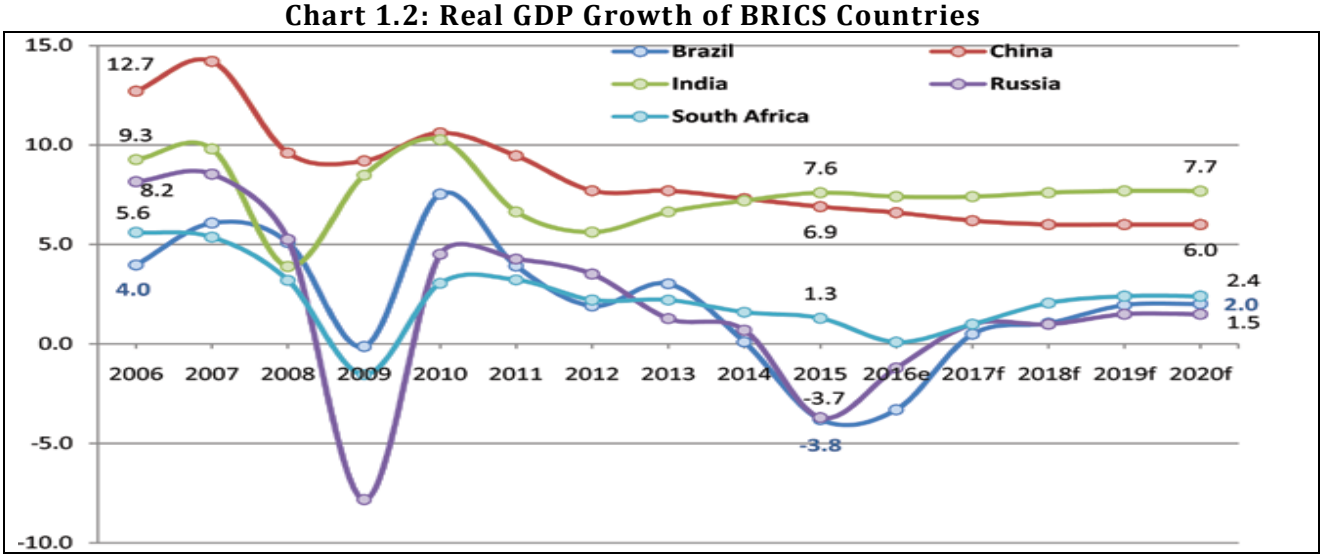


Source: IMF, World Economic Outlook, April 2016 and July 2016 Update; and Exim Bank Analysis.

Real GDP growth of BRICS economies has slowed down in 2015, primarily due to a fall in commodity prices. Of the five BRICS nations, real GDP of Brazil and Russia contracted by 3.8 per cent and 3.7 per cent in 2015, respectively, as compared to a growth of 0.1 per cent and 0.7 per cent registered in the previous year **(Chart 1.2)**. Brazil's growth in 2015 was mainly affected by a fall in business and consumer confidence due to the deteriorating political conditions, thus resulting in decline in investment. Russia's recession in 2015 was primarily reflecting the interaction of falling oil prices and international sanctions with pre-existing structural weaknesses. China's economic growth in 2015 was slow compared to last year, at 6.9 per cent in 2015 as compared to 7.3 per cent in 2014. During the year,China's investment growth slowed and imports contracted, but consumption growth remained steady. India was the fastest growing major economy in 2015, with growth at 7.6 per cent. India's growth was primarily driven by strong private consumption, which was benefited from lower energy prices and higher real incomes. By 2020, growth of BRICS economies is expected to stabilize, with India and China being the major drivers of the region's growth. The economies of all the five BRICS countries are dominated by the

services sector. In 2014, services sector accounted for 70.8 per cent of Brazil's GDP, followed by South Africa (68.1 per cent), Russia (63.7 per cent), India (52.6 per cent) and China (48.1 percent)5. The share of industrial sector was the highest in China's GDP, amounting to 42.7 per cent in 2014, Russia (32.1 per cent), India (30 per cent), South Africa (29.5 per cent), and Brazil (24 per cent). Major industries in BRICS countries are represented in **Table 1.2**.

Chart 1.2: Real GDP Growth of BRICS Countries



Source: IMF, World Economic Outlook, April 2016 and July 2016 Update; and Exim Bank Analysis.

India's agricultural sector6 accounted for 17.2 per cent of its GDP in 2014, followed by China (9.2 per cent), Brazil (5.2 per cent), Russia (4.2 per cent), and South Africa (2.5 per cent). Major agriculture and allied products of BRICS countries is tabulated in **Table 1.3**. Major natural resources of BRICS countries are highlighted in **Table 1.4**.

Table 1.2: Major Industries in BRICS Countries

Brazil	Textiles, shoes, chemicals, cement, lumber, iron ore, tin, steel, aircraft, motor vehicles and parts, and other machinery and equipment.
Russia	Mining and extractive industries producing coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries (including radar, missile production, advanced electronic components), shipbuilding; road and rail transportation equipment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs, and handicrafts.
India	Textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, and pharmaceuticals.
China	Mining and ore processing, iron, steel, aluminum, and other metals, coal; machine building; armaments; textiles and apparel; petroleum; cement; chemicals; fertilizers; consumer products (including footwear, toys, and electronics); food processing; transportation equipment, including automobiles, rail cars and locomotives, ships, aircraft; telecommunications equipment, commercial space launch vehicles, and satellites.
South Africa	Mining (world's largest producer of platinum, gold, chromium), automobile assembly, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, and commercial ship repair.

Source: CIA World Factbook

Table 1.3: Major Agriculture and Allied Products of BRICS Countries

Brazil	Coffee, soybeans, wheat, rice, corn, sugarcane, cocoa, citrus, and beef.
Russia	Grain, sugar beets, sunflower seeds, vegetables, fruits, beef, and milk.
India	Rice, wheat, oilseed, cotton, jute, tea, sugarcane, lentils, onions, potatoes, dairy products, sheep, goats, poultry, and fish.
China	Rice, wheat, potatoes, corn, peanuts, tea, millet, barley, apples, cotton, oilseed, pork, and fish.
South Africa	Corn, wheat, sugarcane, fruits, vegetables, beef, poultry, mutton, wool, and dairy products.

Source: CIA World Factbook

Table 1.4: Major Resources of BRICS Countries

Brazil	Bauxite, gold, iron ore, manganese, nickel, phosphates, platinum, tin, rare earth elements, uranium, petroleum, hydropower, and timber.
Russia	Major deposits of oil, natural gas, coal, and many strategic minerals, reserves of rare earth elements, and timber.
India	Coal (fourth-largest reserves in the world), iron ore, manganese, mica, bauxite, rare earth elements, titanium ore, chromite, natural gas, diamonds, petroleum, limestone, and arable land.
China	Coal, iron ore, petroleum, natural gas, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminum, lead, zinc, rare earth elements, uranium, hydropower potential (world's largest), and arable land.
South Africa	Gold, chromium, antimony, coal, iron ore, manganese, nickel, phosphates, tin, rare earth elements, uranium, gem diamonds, platinum, copper, vanadium, salt, and natural gas.

Source: CIA World Factbook

Intra-BRICS Trade intensity of BRICS as a group The following expressions have been used to measure XII, MII and TII for the BRICS as a group:

XIIbb= (xbb/Xbw)/(xwb/Xww)

Wherexbb is the dollar value of exports of BRICS countries to BRICS, Xbw is the dollar value of the total exports of BRICS to the world, xwb is the dollar value of world exports to BRICS, and Xww is the dollar value of world exports.

MIIbb = (mbb/Mbw)/(mwb/Mww)

Wherembb is the dollar value of imports of BRICS countries from BRICS, Mbw is the dollar value of the total imports of BRICS from the world, mwbis the dollar value of world imports from the BRICS, and Mww is the dollar value of world imports.

TIIbb = (Tbb/Tb)/(Tb/Tw)

whereTbb is exports of BRICS countries to BRICS plus imports of BRICS countries from BRICS; Tb is total exports of BRICS to the world plus total imports of BRICS from the world; and Tw is total world exports plus imports.

Despite the fact that intra-BRICS exports, imports and total trade has increased at a compound annual growth rate of 19.11,20.13 and 20 percent respectively during 2001-2015,the Intra-BRICS Export Intensity Index, Import Intensity Index and Trade Intensity Index show a declining trend during 2001-2015. Compared to 2001, The XII,MII and TII decreased in 2015 by .13, .12 and .12 percentage points respectively, as shown in Table -4 and Figure-4.

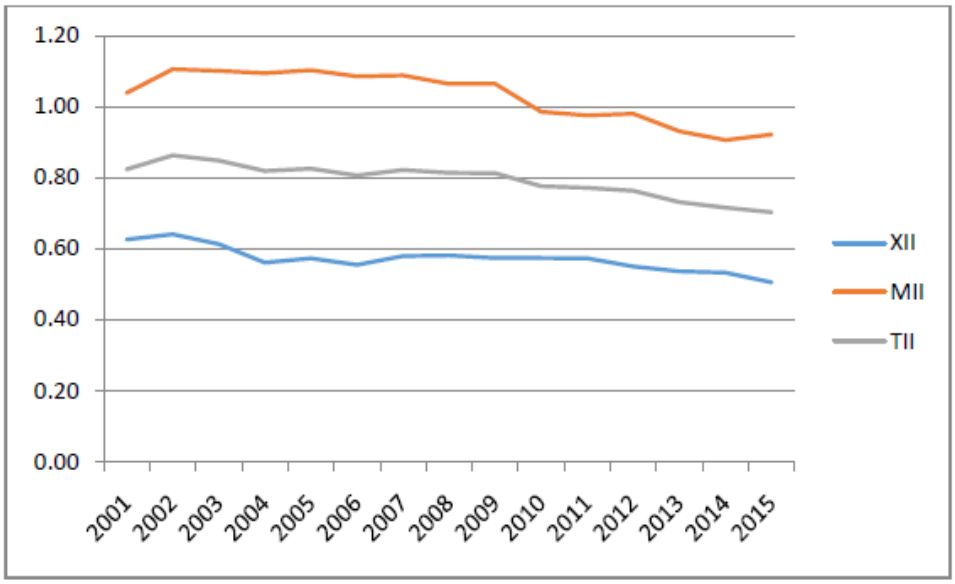
Table-4 Trade intensities of Intra-BRICS Trade

Year	XII	MII	TII
2001	0.63	1.04	0.82
2002	0.64	1.11	0.86
2003	0.61	1.10	0.85
2004	0.56	1.09	0.82
2005	0.57	1.10	0.83
2006	0.55	1.09	0.81
2007	0.58	1.09	0.82
2008	0.58	1.06	0.81
2009	0.57	1.06	0.81
2010	0.57	0.99	0.78
2011	0.57	0.98	0.77
2012	0.55	0.98	0.76
2013	0.54	0.93	0.73
2014	0.53	0.91	0.72
2015	0.50	0.92	0.70

Source: Compiled and Computed by the author basedonInternational Trade Centre, (ITC)database, Trade by Commodity Statistics 2001-2015[17]

Because of similarity in consumer preferences, comparable per capita income, and often complementarities of resource endowment, there exists the huge trade (and investment) potential among BRICS countries[19], but the intra-regional trade among BRICS countries, though increasing over time, is just 12 percent of their total trade.

Figure-4Intra-BRICS Export Intensity Index, Import Intensity Index and Trade Intensity Index



Source: Compiled by Author based on Table-4

Conclusion:-

When the term BRIC was coined in 2001 by Mr Jim O"Neill of Goldman Sachs, the Brazil, Russia, India and China were viewed as the countries from whom much of the world"s economic growth was expected to come. The economies of these countries were forecasted to realise fast economic growth and be larger than some of the developed economies. It

was also forecasted by Goldman Sachs, that the United States would be the only Western power to make it into the top five [18]. Projections made about BRICS grouping pose a very optimistic picture about BRICS role in global economy. The share of BRICS countries in total world commodity trade has persistently increased during 2001-2015. During 2001 to 2015 it is more than doubled, increasing from 7.33%to17.25%.So far as trade among BRICS Countries is concerned, it has increased over time. During 2001-2015, intra-BRICS trade as percent of Total BRICS trade is almost doubled, increasing from 6.03 to 12.12.

However it is worth mentioning that China is the dominant contributor in both cases. Out of total BRICS share in world trade (17.25), 12.08 percent is accounted by China only. India‟s share is just 2% while Brazil, Russia and South Africa have only 1.11, 1.56 and 0.51 % share in world trade. In 2014, China accounted for more than fifty percent (51.4) of intra-BRICS exports and 43.34 percent of intra-BRICS imports [1].The present study mainly focused on examining the intra-BRICS trade intensities of BRICS as a group and that of individual BRICS countries. The findings of the study indicates that in spite of the fact that the Compound annual growth rates of intra-BRICS exports, imports and total trade have been around twenty percent, the intensity of intra-BRICS exports, imports and total trade decreased during 2001-15.One possible reason for it that has come out of the study is that during 2001-2015, total world trade with BRICS as a ratio of total world trade increased at a faster rate (6.31) than the total intra -BRICS trade as a ratio of total BRICS trade from World(5.11). Further, the findings of the present study also reveals the fact that although 17 percent of world trade is accounted by BRICS but so far as trade among BRICS countries is concerned, intra-BRICS trade is just 12.12 percent of total BRICS trade with the world. Intra-BRICS trade of major BRICS countries (China, India and Russia) became less intense as intra-BRICS trade intensities decreased in 2015 compared to that in 2001. For India and Russia it is 0.84 and 0.84 respectively and for China, it is just 0.59 in 2015, implying that China‟s trade with other BRICS countries is far less than expected, given its importance in world trade. However for Brazil and South Africa, trade flows between these two countries and other BRICS countries is more than expected given their importance in world trade, as the figures for intra-BRICS trade intensity are greater than one.

Limitations Of The Study Andscope For Further Research:-

The analysis of intra BRICS trade intensities done in the study focuses on trade in commodities only and hence trade in services has not been included. Since service sector accounted for more than 50 percent of GDP in all BRICS countries except China in 2014 [20], in future researches, focus may be widened by also including trade in

services.Besides, in order to assess future prospects of intra BRICS trade for each member country, trade complementarity indices can be calculated.

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