

An Evolutionary Multilateral (BRICS) Trading to Improve Welfare in India

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Abstract: *The transformation of the of the multilateral trading system General Agreement on trade and Tariffs (GATT) to World Trade Organization (WTO) is truly historic and it lays down transparent basis of orderly world trade and the first attempt of evolutionary multilateral trading platform cutting across countries aimed at improved global trade and welfare gains for countries. It is broader than GATT both in terms coverage of areas extending beyond tariffs and non - tariffs to covering all trade related issues across one hundred and fifty odd countries more than two third are developing or emerging markets economics the rapid integration of the global economy increased inter dependence and larger dependence on mad required developing such a platform.*

Keywords: global trade, multilateral trading, World Trade Organization, trade policies, economic integration

1. Introduction

The task of arriving at a consensus across multiple area around so many countries was always a challenge and can never be easy in the last two decades there has been considerable progress especially in the elimination of non - tariff barriers (NTBs) to trade broad level consensus on intellectual property rights (TRIPS) investment measures (TRIMS) setting up of the dispute settlement board (DSB) for resolution of trade related disputes etc.

The WTO has made possible the global trade increasing by over 150 per cent sine 1990 however where has it got stuck in the market access initiatives (NAI) that market access for goods and services across countries divided in to three broad categories of

- 1) Agriculture
- 2) Non Agriculture Market Access (NAMA)
- 3) General Agreement of Trade in Service (GATS)

The issues of market access in agriculture was addressed in the Uruguay round of negotiations but more comprehensively covering all the areas at the Doha round of negotiations the initial deadline of conclusion of the Doha round was fixed as 1st January 2005 which was missed and so was the second unofficial deadline of December 2006 and all subsequent deadlines were also missed there has been no progress so far and the stalemate continues there is a broad consensus on the need for a transparent multilateral trading but only a macro level understanding and not beyond in terms of what needs to be done to achieve this objective the global crisis did distract attention with every economy trying to get back on their respective growth path

What are the stumbling blocks to the conclusion of the Doha round of negotiation the bone of contention is between the US Europe and japan on one hand and India china and others on the other hand not able to arrive at a consensus on the modus operandi of opening the agriculture and industrial sector

WTO and Ministerial Meeting of Developing Countries

A WTO Ministerial meeting of developing countries is being hosted by India in New Delhi on 13 - 14th may 2019 sixteen

developing countries six least developed countries (LDC) participated in the meeting

The meeting is being held at a time when the multilateral rule based trading system is facing serious and grave challenges in the recent past there have been increasing unilateral measures and counter measures by members deadlock in key areas of negotiations and the impasse in the appellate body which threaten the very existence of dispute settlement mechanism of the WTO and impacts the position of the WTO as an effective multilateral organization the current situation has given rise to demands from various quarters to reform the WTO

This meeting at New Delhi was an effort to bring together the developing countries and least developed countries on a platform for sharing common concerns on various issues affecting the WTO and work together to address these issues

The meeting also provided an opportunity to the developing countries and LDCs to build consensus on how to move forward on the WTO reforms while preserving the fundamentals of the multilateral trading system enshrined in the WTO

The deliberations aimed at getting a direction on how to constructively engage on various issues in the WTO both institutional and negotiating in the run up to the Twelfth ministerial conference of the WTO to be held in Kazakhstan in June 2020

The first meeting of RIC (Russia, India, and China) was held in 2005 in St. Petersburg. Brazil and South Africa joined the group in February 2011, when the current version of BRICS was completed. However, BRICS is not a formal alliance, and there are differences among members, but over the past decade, with dozens of meetings and summits, it has pursued common interests in strengthening mechanisms.

BRICS countries as a total currently include about 26 percent of the total global land mass, and about 42 percent of the world's population. This basic clout means that BRICS combined efforts in restructuring the global economy and strengthening economic and financial cooperation have been

welcomed by many countries – and been viewed with suspicion elsewhere.

India and intra - BRICS trade

India recorded over US\$100 billion in intra - BRICS trade in 2022 and it has traded with all members. BRICS allows India to resolve mutual differences and use it to strengthen relations with Africa and South America.

India - Russia

Russia has rapidly moved from 25th to 7th position among India's trading partners over the past two years. Between April 2022 and February 2023, bilateral trade reached a record US\$45 billion. Almost a third of this volume was mineral products (including ore and fuel). In turn, India exported goods worth US\$4.43 billion to the Russian Federation in 2021. These are mainly chemical products, machinery, equipment and vehicles, food products and agricultural raw materials. This trade can be expected to grow given the mutually desirable commodity items the two possess, in addition to improving trade routes shortly to become available via the INSTC.

Prognosis: Rapidly growing trade based on energy, however non - oil trade is also increasing. As Indian and Russian traders and consumers adapt, and supply chains such as the INSTC come online, the bilateral trade development between these two BRICS members is highly promising.

India - China

Bilateral trade between India and China touched an all - time high of US\$135.98 billion in 2022, while New Delhi's trade deficit with Beijing crossed the US\$100 billion mark for the first time. Despite frosty political relations, bilateral trade is currently steady. The main products that China exported are computers, smart phones, and semiconductors, while India exported iron ore, refined petroleum, and raw aluminum.

India - Brazil

India is now the 5th largest trading partner of Brazil, with India exporting US\$9.72 billion of products during 2022, a significant increase over 2021's US\$6.77 billion. Brazil exported US\$6.34 billion to India during 2022, an increase from US\$4.9 billion in 2021.

The main products that India exports to Brazil are refined petroleum, pesticides, and packaged medicaments. The main products that Brazil exports to India are crude petroleum, soybean oil, and gold.

India - South Africa

In 2022, bilateral trade reached just under US\$20 billion, in a well - balanced trade relationship with a small increase over 2021. The main products that South Africa exported to India are gold, coal briquettes, and raw copper. The main products that India exports to South Africa are refined petroleum, autos, and special purpose ships.

Connections so much as say China or Russia, as it already has a significant African network dating back to the British colonial times. Consequently, South Africa isn't so important in terms of India's overall Africa policy, but trade is steady, and opportunities can be found.

India is cautious about BRICS expansion. India's role in the neighboring SAARC trade organization is a central part of its foreign policy, while India considers sub - regional cooperation to promote economic growth, social progress, cultural development, and security in South Asia. That said, India can use the strength and power of BRICS expansion to develop a strategy for regional cooperation within SAARC.

The **SAARC** trade network includes India as well as Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri - Lanka. India dominates and makes sure multifunctional trade does so on its own terms, resulting in a bloc that has been hindered in terms of its true potential. SAARC's overall GDP is worth about US\$4.47 trillion. Nevertheless, SAARC does have its uses and international investors interested in the India market can access SAARC nations under certain conditions if invested there.

India is also a member of **BIMSTEC**, a similar trade entity that includes Bhutan, Bangladesh, Myanmar, Thailand, Nepal, and Sri Lanka. It also tends to suffer from too much Indian love; however, opportunities exist. Routes east to ASEAN via Myanmar and Thailand may show future promise, as India also has a Free Trade Agreement with ASEAN.

BRICS is facing many challenges, such as internal differences, global economic growth slowdown, geopolitical tensions, coordination problems, disagreements and different priorities of members, along with external pressures.

Economic cooperation within BRICS is still limited, and its cohesion is not especially strong, meaning we can expect an increase in institutionalizing the various BRICS initiatives during this summit. There are also likely to be discussions concerning BRICS trade liberalization and reducing each other's import tariffs.

Although BRICS is not an official alliance, broad common interests such as moving towards a multipolar global governance system have brought greater opportunities with huge potential. In this way, it represents a huge consumer market, having a large middle class, natural resources, good communication and networks, a sound legal system, and modern infrastructure.

The existing **BRICS 2025 strategy**, which was implemented in 2020 and will soon be due for renewal, has been useful in developing trade and mutual investment between BRICS countries, strengthening customs cooperation, inclusive growth, and diversifying cooperation into different sectors

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