

The Eighth Meeting of the brics Trade Ministers 5 July 2018

Magaliesburg, South Africa

JOINT COMMUNIQUE

1. The 8th BRICS Trade Ministers met on 5 July 2018 in Magaliesburg, South Africa under the chairmanship of Dr Rob Davies, Minister of Trade and Industry of South Africa. We met in preparation of the 10th Summit convened under the theme "BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution" and had open and constructive discussions.

Global economic developments

- 2. We note with satisfaction the global economic recovery, albeit still slow in some parts of the world. Downside risks to the global economy, however, remain.
- 3. We note, with much concern that the world economy remains unbalanced and there is increasing backlash against globalization. Many countries are becoming more inward looking with some major players in international trade seemingly moving away from multilateralism to focus on bilateral trade arrangements.
- 4. We note with satisfaction that the intra-BRICS exports have significantly increased in recent years but agree that more should be done to increase trade, specifically value added trade, within BRICS.

Current state of play in the WTO

- 5. We reaffirm the centrality of the rules-based transparent, non-discriminatory, open and inclusive multilateral trading system (MTS), as embodied in the WTO. The MTS has contributed significantly to economic growth, development and employment over the past seventy years. We agree to make all efforts to strengthen the multilateral trading system and make the WTO more responsive to the needs of its members.
- 6. We recognise that the multilateral trading system is facing unprecedented challenges. We are deeply concerned with the systemic impact of unilateral measures that are incompatible with World Trade Organisation (WTO) rules and that put the multilateral trading system at risk. Of key concern is the disregard of the multilateral rules and principles that underpin international trade. We are further concerned about the increased trade tension which will without a doubt negatively impact countries, including BRICS.
- 7. We call on all WTO Members to oppose protectionism and honour their commitments, including those in previous Ministerial decisions, in the WTO.
- 8. We emphasise that global trade rules should facilitate effective participation of all countries in the multilateral trading system, that development must remain integral in the WTO's work and the need to continue to make positive efforts to ensure that developing country Members, and especially the least-developed country Members, secure a share in the growth of world trade commensurate with the needs of their economic development.
- 9. We emphasise the importance of a functional and effective dispute settlement mechanism. We express our concern on the impasse to the appointment of Appellate Body members and affirm our commitment to work together with other WTO Members to find a solution.
- 10. In this regard we endorse the *BRICS Statement of support for an inclusive multilateral trading system* and the *Statement on WTO matters*, **annexed as A and B**, respectively.

Strengthening intra-BRICS economic cooperation

- 11. We note that the Contact Group on Economic and Trade Issues (CGETI) has convened three meetings in 2018, and commend the officials for the outcomes achieved in various areas, as outlined below.
- 12. We direct the CGETI to continue its work in areas where it is possible to deepen intra-BRICS cooperation in a practical way to implement the consensus reached by the

previous Leaders summits, including the Strategy for the BRICS Economic Partnership and the BRICS Action Agenda on Economic and Trade Cooperation, while respecting the tradition of each presidency focusing on selected issues in order to pursue a manageable agenda.

Promoting value-added intra-BRICS trade

13. We commend the CGETI for reconvening the Trade Promotion Working Group. We further welcome the commissioning of the review of the BRICS Joint Trade Study on increased value-added trade, and we endorse the terms of reference for the study (Annex C).

Enhancing cooperation on technical regulations, standards, metrology and conformity assessment procedures

14. We endorse the *Working Mechanism on technical regulations, standards, metrology and conformity assessment procedures* aimed at enhancing co-operation in the fields of technical regulations, standards, metrology and conformity assessment procedures in order to facilitate and increase trade in goods. (Annexed as D)

Deepening intra-BRICS investment cooperation

- 15. We recognise the importance of investment cooperation especially in key sectors that support industrial and manufacturing output. We re-iterate the need for investment cooperation in new sectors that drive technological change particularly in the Fourth Industrial Revolution to ensure integration in the global knowledge and technology sectors.
- 16. We applaud South Africa's hosting of the BRICS Business Forum on 25 July 2018. The Business Forum aims to promote greater private sector participation in key sectors that will support inclusive growth and economic development, as well as stimulate intra-BRICS investments and encourage partnerships between BRICS companies to enhance foreign direct investments, promote building and integration of value chains and promote investments into key projects in Africa.

Cooperation in Intellectual Property Rights

17. We acknowledge that the *Implementation Framework for Intellectual Property Rights Cooperation Mechanism* (IPRCM) aims to strengthen and enhance IPR cooperation amongst the BRICS countries. **(Annex E)**

- 18. We endorse the *IPRCM Action Plan* (Annex F) which encapsulates specific practical activities. Notwithstanding the action plan, it is noted that each Chair will have the flexibility to pursue specific topics in line with its priorities and based on BRICS consensus.
- 19. We further endorse the development of the BRICS IPR Guidebook, which will serve as a practical guide for IP owners and users in BRICS countries and endorse the outline for the IPR Guidebook. (Annexed as G)
- 20. We also note cooperation under BRICS Heads of Intellectual Property Offices (HIPO) has been going on successfully for six years, which includes sustained progressive activities of cooperation at international fora and the endeavour to explore future cooperation in new technologies.

BRICS Cooperation on Inclusive E-Commerce Development

- 21. BRICS Ministers have recognised the importance of electronic commerce; beginning in 2015 with the endorsement of the Framework for BRICS E-commerce Cooperation; followed by the 2016 Trade Ministers' Communiqué, supporting cooperation on ecommerce; and subsequently resulting in the endorsement of the BRICS E-Commerce Cooperation Initiative and the establishment of the BRICS E-Commerce Working Group in 2017.
- 22. E-commerce is an increasingly important economic activity and is transforming the global economy. We undertake to enhance BRICS cooperation on inclusive e-commerce development.
- 23. We acknowledge the need to examine the development dimensions and the socioeconomic implications to ensure e-commerce better contributes to sustainable
 development and inclusive growth. We acknowledge in particular the need to address
 the digital divide. We take note of the e-commerce elements in the UNCTAD Information
 Economy Report 2017 on Digitalization, Trade and Development.
- 24. We acknowledge the commencement of the E-Commerce Working Group and agree to take forward our intensified efforts in promoting cooperation on e-commerce by endorsing the *BRICS Cooperation Framework on Inclusive E-Commerce Development* (Annex H) and continue work on initiatives agreed.
- 25. We recognise the usefulness of sharing experiences in promoting development through e-commerce as an ongoing activity and will explore the possibility of sharing best practices, including continuing discussions on developing case studies. We note the work done thus far and look forward to more efforts in this regard.

Trade in Services

- 26. We acknowledge that trade in services is an increasingly important economic activity for BRICS countries, driving global economic and trade growth and creating job opportunities, with BRICS countries' contribution to total global Trade in Services amounting to 12.1% in 2016, up from 8% in 2006 (World Bank, 2017). We recognise that BRICS countries have significant potential to enhance collaboration in services trade to promote mutually beneficial outcomes. In this regard, the 6th Meeting of the BRICS Trade Ministers, in New Delhi, India, endorsed the BRICS Framework for Cooperation on Trade in Services. Subsequently, the 7th Meeting of BRICS Trade Ministers, in Shanghai, China, endorsed the BRICS Trade in Services Cooperation Roadmap to further promote cooperation among members in areas of mutual benefit. We applaud the establishment of the BRICS Focal Points on Trade in Services and the initial exchange of information on international trade in services between BRICS members.
- 27. We are committed to strengthen cooperation in the field of International Trade in Services Statistics. BRICS countries will initially seek to identify areas in which gains are most realistically achievable. We are committed to promote information sharing and capacity building in Trade in Services by enhancing collaboration amongst organizations responsible for international trade in services statistics and other relevant governmental organisations in BRICS Member countries. Furthermore, we agree to continue the discussion on developing a guidebook on Trade in Services.

Cooperation w.r.t. Small, Medium and Micro Enterprises

- 28. The BRICS Ministers recognises the critical role that MSMEs and cooperatives continue to play in their contribution to economic growth and employment generation.
- 29. Furthermore, continued collaboration amongst the BRICS countries is significant in particular by promoting and developing the potential of Micro, Small and Medium Enterprises (MSMEs) and cooperatives in the economy.
- 30. The 10th BRICS Summit therefore further encourages the strengthening of MSME and Cooperatives in line with the BRICS MSME Cooperation Framework to promote cooperation between MSMEs; exchange of information and best practices on MSMEs regulation and support, facilitation of MSME's access to public services, financing, exports and international projects.
- 31. The BRICS Ministers mandate the CGETI to establish the institutional arrangement of MSMEs (Annex I) through holding dedicated CGETI sessions and establishing Focal Points to give effect to the MSME Cooperation Framework. This will contribute to

fostering cooperation on MSME promotion and development amongst the BRICS member countries.

Monitoring mechanism for CGETI activities

32. We endorse the *BRICS CGETI Monitoring Mechanism* as a living document and commend the CGETI for developing a mechanism to track and monitor initiatives, which can be used by future presidencies when setting their own priorities and outcomes. Updating the mechanism would be the responsibility of each current Chair. (Annex J)

Other issues

- 33. We note various initiatives presented to the CGETI by Russia, namely: a BRICS Business Women Alliance for the purpose of supporting women's entrepreneurship; regulatory impact assessment; and economic development and integration of remote areas.
- 34. We note that Russia is a candidate for hosting the EXPO-2025 in Yekaterinburg.
- 35. We note commencement of the work on the BRICS Model E-Port Network initiated by China, including the capacity building initiative, and applaud the further discussions held in this regard. We note discussions guided by the ToR and the Annual Work Plan of the BRICS Model E-Port Network on a voluntary basis, and look forward to the Capacity Building Program to be organized in China in September 2018.
- 36. China will host China International Import Expo on 5-10 November 2018 in Shanghai and welcome BRICS members to display their products at the Expo. The BRICS members welcome the initiative, and encourage their business community to actively participate in it.

<u>Annexes</u>

- A. BRICS Statement of support for an inclusive multilateral trading system
- B. Statement on WTO matters
- C. Terms of Reference for the review of the BRICS Joint Trade Study
- D. Working mechanism on technical regulations, standards, metrology, conformity assessment, and accreditation
- E. BRICS IPRCM Implementation Framework
- F. BRICS IPR Action Plan
- G. Outline for the Guidebook on intellectual property rights in BRICS countries

- H. BRICS Cooperation Framework on inclusive e-commerce development
- I. Terms of Reference to strengthen institutional arrangements on MSME cooperation
- J. BRICS CGETI Monitoring Mechanism

BRICS STATEMENT OF SUPPORT FOR AN INCLUSIVE MULTILATERAL TRADING SYSTEM

The BRICS Trade Ministers emphasise the need for inclusive growth and global trade rules that facilitate the effective participation of all countries in the multilateral trading system. In particular the BRICS Trade Ministers:

Re-affirm their commitment to a rules based, transparent, non-discriminatory, open and inclusive multilateral trading system that promotes a predictable trade environment, the centrality of the WTO and reaffirm their opposition to protectionism.

Emphasise that global trade rules should facilitate effective participation of all countries in the multilateral trading system, that development must remain integral in the WTO's work and the need to continue to make positive efforts to ensure that developing country Members, and especially the least-developed country Members, secure a share in the growth of world trade that commensurates with the needs of their economic development.

Further emphasise that provisions for special and differential treatment, including amongst others in agriculture, remain integral. The BRICS Trade Ministers also stress the importance of preserving the necessary policy space for developing Members, especially least developed members; to pursue their development objectives, including industrialization, in order to promote their effective integration into the global economy.

Emphasise the importance of agriculture to our economies and the increasing need to ensure food security. Agricultural reform remains one of the priorities for the WTO. It is therefore critical to address trade distorting domestic support in agriculture with a view to correct the current systemic imbalances.

Stress that trade should support development and underline the need to strengthen the multilateral trading system so that it provides a strong impetus to inclusive prosperity and welfare for all Members.

Underline the importance of Aid for Trade initiatives and trade-related capacity-building that support projects identified by the recipient governments to overcome supply-side constraints,

support infrastructure development, and facilitate the integration of developing economies, in particular LDCs in regional and global trade.

Emphasise the importance of a functional and effective dispute settlement mechanism in supporting a rules-based multilateral trading system and in promoting transparent and predictable trade relations among WTO Members.

STATEMENT ON WTO MATTERS

We reaffirm the centrality of the rules-based multilateral trading system (MTS), as embodied in the WTO. The MTS has contributed significantly to economic growth, development and employment over the past seventy years. We agree to make all efforts to strengthen the multilateral trading system and make the WTO more responsive to the needs of its members.

The MTS is facing unprecedented challenges. We are deeply concerned with the systemic impact of unilateral measures that are incompatible with WTO rules and that put the MTS at risk. We call on all WTO Members to abide by WTO rules and to honor their commitments in the MTS.

We recall that the WTO dispute settlement system is a cornerstone of the MTS and is designed to enhance security and predictability in international trade. This system has proved to be more effective and reliable as compared to its predecessor in the GATT era. We note with concern the impasse in the selection process for new Appellate Body Members that can paralyze the dispute settlement system and undermine the rights and obligations of all Members. We, therefore, urge all Members to engage constructively to address this challenge as a matter of priority.

We, BRICS Ministers responsible for Trade, call upon WTO Members to work together to strengthen the WTO and to address the serious challenges confronting the Organization.

TERMS OF REFERENCE FOR THE REVIEW OF THE BRICS JOINT TRADE STUDY OF 2014

BACKGROUND

- 1. The first report of the BRICS Joint Trade Study was presented to the BRICS Trade Ministers during the 4th meeting held in Fortaleza, Brazil in July 2014.
- 2. The 17th meeting of the BRICS Contact Group on Economic and Trade Issues (CGETI) held on 1-2 March 2018 in Johannesburg, South Africa, agreed to update the 2013/14 study. This draft the terms of reference is intended to guide the work. The reviewed Joint Trade Study will identify opportunities to promote greater intra-BRICS trade in value-added products to be advanced as per each BRICS member country's Revealed Comparative Advantage on its top 20 value-added exports.
- 3. The Joint Trade Study review process was further undertaken through the presentation of the draft terms of reference which was agreed during the 1st Meeting of the BRICS Trade Promotion Working Group held on the margins of the 18th CGETI meeting on the 10 May 2018.
- 4. The final terms of reference for the review of the BRICS Trade Study will be presented to the BRICS Trade Minister's meeting scheduled to be held on the 5th July 2018 for their endorsement. The trade study will comprise of each BRICS member country's chapters on value-added products with potential for intra-BRICS trade.
- 5. The BRICS Trade Promotion Working Group agreed that each BRICS Member country will undertake to appoint a research institution to prepare a revised draft country chapter and submits it to South Africa for consolidation into a study.

METHODOLOGY

- 6. **For trade data,** we propose the use of a mutually agreeable source of data to be determined by experts by 31 July 2018
- 7. For defining value-added products, we propose categories (c) to (f) of the UNCTAD classification that distinguishes between products by their technological and skills intensity, or the dominant factor input. Member states may on a voluntary basis explore other products in categories (a) and (b) in particular agriculture and agro-processing products for future analysis.

This nomenclature regroups all HS products into 6 groups at the HS6 or HS4 levels, namely:

		Classification	Example of products
Primary	a.	Mineral fuels	Coal, petroleum and other energy
Products	b.	Non-fuel primary	Agricultural products, including fish,
		commodities	
	C.	Resource-intensive	Aluminum, paper, leather, silk and
		manufactures	furniture,
Value-	d.	Low-skill and	Textiles, clothing, iron and steel
Added		technology	
Products		intensive	
	e.	Medium-skill and	Organic and inorganic chemicals,
		technology	rubber, machinery, electrical equipment
		intensive	and vehicles
	f.	High-skill and	Pharmaceuticals and high-tech products
		technology	
		intensive	

8. The draft Study will be shared amongst the BRICS member countries by end November 2018.

REPORT OUTLINE

- Executive summary of the study review with recommendations to the BRICS Trade Ministers
- 2. Introduction and background to the study review
- 3. Brazil
- 4. Russia
- 5. India
- 6. China
- 7. South Africa
- 8. Recommendations based on the updated chapters to the BRICS Trade Ministers

Proposed methodology for BRICS country chapters (15 pages per country case study)

- Trade between Member States and BRICS current and future potential (4 pages)
 - Bilateral trade flows between Member States and BRICS from 2013-2017 (aggregate historical picture of exports, imports, trade balance)

- Top 20 imports from each BRICS member at HS4 level in 2017
- Top 20 value-added exports to each BRICS member at HS4 level in 2017
- Top 20 value-added products for BRICS intra-industry trade in 2017 at HS6 level

2. Tariff and non-tariff barriers affecting value-added exports (3 pages)

- Tariffs applied to Top 20 value-added exports from each BRICS Member (HS4 level)
- Non-tariff barriers affecting value-added exports of each BRICS Member

3. Potential trade analysis for value-added products (6 pages)

- Top 20 high potential value-added products(aggregate and value-added sub-category wise) in BRICS for 2017 using Revealed Comparative Advantage (RCA) methodology at HS4 level
- High potential value-added exports not fully exploited
- High potential in the BRICS, realised by exports
- High potential in the BRICS, export supply constraints

WORKING MECHANISM ON TECHNICAL REGULATIONS, STANDARDS, METROLOGY
AND CONFORMITY ASSESSMENT PROCEDURES 1 FOR COOPERATION TO
FACILITATE TRADE AMONG THE GOVERNMENTS OF THE FEDERATIVE REPUBLIC
OF BRAZIL, THE RUSSIAN FEDERATION, THE REPUBLIC OF INDIA, THE PEOPLE'S
REPUBLIC OF CHINA AND THE REPUBLIC OF SOUTH AFRICA

Preamble

The Governments of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, (hereinafter jointly referred to as the "Parties" and in the singular as a "Party");

NOTING the endorsement by the sixth Meeting of the BRICS Trade Ministers of the "Framework for Cooperation on Standardisation and Conformity Assessment" agreed to by the Contact Group on Economic and Trade Issues (CGETI) to ensure that the cooperation leads to a better understanding of each other's quality infrastructure,

NOTING the BRICS Leaders Xiamen Declaration, of 4 September 2017, paragraph 22, appreciating "the efforts and contribution of the BRICS Business Council and Business Forum to strengthening our economic cooperation in infrastructure, manufacturing, energy, agriculture, financial services, ecommerce, alignment of technical standards and skills development, the BRICS Action Plan on Economic and Trade Cooperation and the Joint Declaration of BRICS Business Council on Regulatory Cooperation on Standards";

RESPECTING the rights and obligations provided for in the World Trade Organisation's Agreement on Technical Barriers to Trade (hereinafter referred to as "WTO TBT Agreement");

RECOGNISING the importance of cooperation in the field of technical regulations, standards, metrology and conformity assessment procedures for identifying, preventing and eliminating technical barriers to trade with a view to increasing mutual trade flows;

RECALLING the objective set forth by the Heads of Government of the BRICS countries to increase intra-BRICS trade;

DESIROUS to conclude a voluntary and non-binding Working Mechanism on technical regulations, standards, metrology and conformity assessment procedures for cooperation to facilitate trade;

HEREBY AGREE as follows:

ARTICLE 1

Objectives

This Working Mechanism is hereby established for the Parties to co-operate in the fields of technical regulations, standards, metrology and conformity assessment procedures in order to facilitate and

¹ Conformity assessment procedures include: certification, testing, inspection and accreditation

increase trade in goods, within the terms of the WTO TBT Agreement and the recommendations of the BRICS Contact Group on Economic and Trade Issues. This working mechanism is a non-binding living document taking into account the domestic regulatory regime of BRICS Parties.

ARTICLE 2

Cooperation in Exchange of Information, Experiences and Programmes

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries, exchange information and experiences by means of:

- (a) making available information on the existing technical regulations, standards, metrology and conformity assessment procedures on request from the National TBT Enquiry Point of each Party;
- (b) sharing experiences on the strengthening of National WTO TBT Enquiry Points² and National WTO Notification Points³;
- (c) establishing arrangements for the sharing of expertise intended to enhance technical competence of the relevant technical regulations, standards, metrology and conformity assessment procedures;
- (d) compliance with the WTO TBT Principles and provisions concerning:
 - (i) the use of international standards and parts thereof as a basis for technical regulations and conformity assessment procedures;
- (ii) sharing of ideas in Good Regulatory Practices; and
- (iii) the implementation of the WTO TBT Agreement Annex 3 Code of Good Practice for the Preparation, Adoption and Application of Standards.
- (e) identifying Central Focal Points to share information amongst BRICS within the ambit of this working mechanism as provided for in Annex 1;

ARTICLE 3

Co-operation in Standardisation

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries, build confidence for mutually acceptable solutions, by means of –

- (a) Promoting the use of relevant international standards and/or the use of relevant parts thereof in areas of mutual interest;
- (b) encouraging standardisation bodies to explore the possibility of formulating a common position and assisting each other in [the (international) standardisation setting] organisations, such as International Organization for Standardization (ISO), International Electro-technical Commission (IEC), Codex Alimentarius Commission (CAC) and International Telecommunication Union(ITU) and other organisations that abide by the recognized 6 principles on standards development as adopted by the WTO TBT Committee on 13 November 2000; and

² Article 10.1 of the WTO TBT Agreement.

³ Article 10.10 of the WTO TBT Agreement.

(c) fostering standardization bodies to work on other areas identified in the "Framework for Cooperation on Standardisation and Conformity Assessment" adopted by BRICS Trade Ministers in 2016.

ARTICLE 5

Co-operation in Conformity Assessment Procedures

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries, build confidence for mutually acceptable solutions, by means of –

- (a) Intensifying collaboration, with a view to facilitating access to their respective markets, by increasing the mutual knowledge and understanding of their respective systems in the field of conformity assessment procedures; and
- (b) promoting collaboration between organizations responsible for testing, certification and inspection in the appropriate international fora.

ARTICLE 4

Co-operation in Metrology

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries, build confidence for mutually acceptable solutions, by means of –

- (a) Promoting collaboration between metrology organisations in experiences with metrological legislation and regulation;
- (b) supporting and explore resources for scientific and technical collaborations conducted between national metrology institutes by means of personnel exchange, joint research, technical trainings, and bilateral comparisons, etc; and
- (c) Promoting cooperation and mutual support in international organization viz International Bureau of Weights and Measures (BIPM) and International Organisation of Legal Metrology (OIML).

ARTICLE 5.1

Co-operation in Accreditation

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries, build confidence for mutually acceptable solutions, by means of –

- (a) Intensifying collaboration, with a view to facilitating access to their respective markets, by increasing the mutual knowledge and understanding of their respective systems in the field of accreditation; and
- (b) coordinating and consolidating positions, to the extent possible, within international accreditation cooperation structures, such as the International Laboratory Accreditation

Cooperation (ILAC) and the International Accreditation Forum (IAF) and consider the possibility of agreeing to collaboratively improve involvement in the international accreditation activities and promoting the use of accredited conformity assessment bodies to both industry and regulators.

ARTICLE 6

Implementation

The Parties will, in accordance with and subject to the domestic law applicable in their respective countries –

- (a) Negotiate mutually agreed to work plans for the fulfilment of this Working Mechanism;
- (b) involve the representatives of the organisations as provided for in Annex 2 and supported by the Central Focal Point; and
- (c) inform the Contact Group on Economic and Trade Issues of cooperation initiatives.

ARTICLE 7

Consultation on Specific Concerns relating to the Implementation of this Working Mechanism

Parties shall strive to resolve any specific concerns arising out of the interpretation and implementation of this Working Mechanism through consultations. These consultations shall be held in good faith and Parties shall, based on mutual consensus have full flexibility in conducting these.

ARTICLE 8

Communication

All communication related to this working mechanism shall be done through the Central Focal Point as provided for in Annex 1.

ANNEX 1

(referred to in Articles 2 and 6)

Illustrative list of entities

Central Focal Points

BRICS IPRCM IMPLEMENTATION FRAMEWORK

1. BACKGROUND

In 2016 the BRICS Intellectual Property Rights Cooperation Mechanism (IPRCM) was established by the Contact Group on Economic and Trade Issues (CGETI) and subsequently adopted by the BRICS Trade Ministers. BRICS IP Co-operation guidelines were successfully concluded during the meetings of the BRICS CGETI and BRICS Trade Ministers, which took place from 30 July-2 August 2017. The principal aim of the IPRCM is to strengthen and enhance IPR cooperation among the BRICS countries.

Earlier, the BRICS Intellectual Property Offices Cooperation Roadmap was agreed by BRICS intellectual property offices in Magaliesburg, South Africa (SA) on 16 May 2013, and subsequently signed during the same year at the Assemblies of the World Intellectual Property Organisation (WIPO). Since the conclusion of the roadmap, BRICS Heads of Intellectual Property Offices (HIPO) have made significant progress in pursuing IP cooperation.

2. GOALS

During its Chairpersonship, SA prioritised the enhancement of BRICS initiatives and undertook to strengthen cooperation on issues pertaining to IP and public health. This includes, among others, exploring approaches relevant to patent expiry and generics.

In particular, the IPRCM Action Plan incorporates SA's proposals on practical activities on IP and public health.

The IPRCM Action Plan and proposed outline of physical BRICS IPR Guidebook have been finalised.

At the same time, CGETI ensures that IPRCM work is in coordination with HIPO and avoids duplication.

3. COORDINATION BETWEEN IPRCM AND HIPO

3.1 CGETI and HIPO interface

The work of CGETI and HIPO must be mutually supportive. To facilitate an approach that allows CGETI deliberations to be cognisant of HIPO developments, the Chairperson of HIPO may be invited to participate in CGETI meetings *ex officio*. Further, IPRCM and HIPO will coordinate and explore cooperation in all fields of IP.

3.2 Endorsement

3.2.1 <u>Undertaking capacity building initiatives on IP:</u>

Substantive patent examination is a key feature of an IP system. Effective examination of patents can ensure that IP offices are placed in a position to grant patents to inventions that genuinely comply with national law requirements. This is particularly relevant in the context of IP and public health where various patenting practices can result in sub-patentable subject matter being awarded monopoly protection or stifling of further innovation to the detriment of access.

HIPO has operationalised an examiner exchange program. Since 2016, the respective Chair Offices of HIPO have been organising a BRICS Examiners' Training Program for patent examiners of BRICS IP offices on a yearly basis. IPRCM endorses this exercise.

3.2.2 Exploring cooperation mechanisms to exchange sharing of information:

In the context of public health, numerous studies have shown that the availability of patent information is crucial, particularly in the sphere of health products. This reality has led to the establishment of major international medicines patent databases.

At BRICS level, HIPO established the project entitled "Information Services on IP" in 2016. The project aims to exchange patent information and make IP documentation available to the public.

IPRCM endorses and supports such activities, particularly in the context of IP related to health products.

3.2.3 BRICS IP Internet portal:

An IP BRICS website has been launched under the auspices of HIPO. The IPRCM can take advantage of the content on the IP BRICS website. IPRCM endorses and supports such activities.

3.2.4 New technologies and IP:

HIPO is exploring the possibility of capacity building initiatives incorporating new technologies into the IP sector. IPRCM welcomes cooperation on this matter, in particular, by way of exchange of best practices and information on current projects, as well as by encouraging common approaches to the use of new technologies by the authorities specialised in the IP field.

4. **IPRCM ACTIVITIES**

In furtherance of the work done in 2017, the following activities have been addressed:

4.1 Action Plan

The joint communique of the 7th BRICS Trade Ministers meeting noted the significant progress made in the draft 'Action Plan'. BRICS countries hereby conclude and

endorse the same as a living and non-binding document. Notwithstanding, conclusion of the Action Plan, the Chair country of CGETI has the flexibility to pursue specific topics in line with its priorities based on established BRICS IPR Cooperation principles and mutual consensus.

4.2 Guidebook

With the view to promote trade between BRICS countries, the IPRCM has agreed to cooperate to refine the outline of the proposed BRICS IPR guidebook to make it user friendly and serve as a guide for IP owners and users in BRICS countries.

4.3 Further areas of cooperation

IPRCM undertakes to explore other areas of cooperation in the field of IP subject to further internal discussion and coordination with appropriate authorities within the BRICS countries by consensus. Among other initiatives, the IPRCM is exploring the following:

4.3.1 <u>Enhancement of mutual cooperation at international fora:</u>

There are many common interests and viewpoints among BRICS countries that could lead to joint initiatives and enhanced coordination at international fora such as, among others, the World Health Organisation and the World Trade Organisation. The BRICS forum may canvass its joint view in international policy matters related to IP and thereby increase the degree of influence accorded to the BRICS.

4.3.2 <u>Exchange of views and experiences on competition policy as a tool to prevent the</u> abuse of intellectual property rights:

Poor Substantive Search & Examination systems and the presence of patent thickets can lead to barriers to entry for new competitors. As a result, innovation is stifled rather than encouraged. A well thought-out competition policy goes hand in hand with effective enforcement guidelines to ensure that the IP system fulfils its role in the promotion of innovation, economic growth, and legal certainty. The IPRCM will explore cooperation and information exchange on IP and competition related matters.

4.3.3 <u>Organisation of events of mutual interest such as conferences, seminars, and exchange of experts:</u>

BRICS countries agree to exchange information on events that are relevant to IP and, where possible, to co-organise such gatherings. If required, appropriate coordination with HIPO will be pursued.

BRICS IPR ACTION PLAN

Proponent	Topic			
	Experts Dialogue under BRICS IPR Cooperation			
	Mechanism			
China	Objective: Exchange of information on the latest developments in IPR legislations of BRICS countries.			
	IP and Public Health			
South Africa	Objective: Cooperation and information exchange among BRICS countries to use TRIPS consistent means of ensuring that IPRs promote rather than hinder access to health products.			
	Innovation and IP Policies			
Brazil	Objective: Cooperation between BRICS countries to identify and share knowledge about public IP policies and their relationship to innovation in partner countries. Context: The BRICS countries share the common challenge of stimulating and facilitating innovation as a mechanism for promoting economic development. Intellectual property protection is a determining factor in a country's innovation environment. Recognizing the uniqueness of challenges and solutions relevant to each BRICS member, it would be of mutual interest to exchange experiences in practical IP policy solutions that contribute to the development of innovative technologies.			
	 Topics for discussion: Debate on the relationship between innovation and IP in promoting development. The balance between IP protection measures and the diffusion dissemination of innovative technology. Exchange of experiences among the BRICS countries in the design, implementation and coordination of public innovation and IP policies. The role of competition policy in ensuring IP continues to foster and reward innovation. 			

	Facilitating the transfer of innovative technology		
	between BRICS partners.		
	Facilitating access to the IP system for small and		
	medium-sized enterprises. TRIPS-CBD		
	TRIPS-CBD		
	Objectives:		
	Dialogue on possible ways to energize		
India	multilateral negotiations		
	examine the role regional trading agreements		
	and plurilateral treatises could play in protection		
	of genetic resources, traditional knowledge and		
	folklore.		
	(1) Develop mechanism(s) to ensure		
	communication between IPRCM and HIPO on the basis of reciprocity		
	basis of reciprocity		
	Objective:		
	Development of communication mechanism between		
	IPRCM and HIPO on the basis of reciprocity with a		
	view to facilitate mutual support and coordination of		
	activities between IPRCM and HIPO as two main		
	BRICS platforms for IP cooperation, as well as		
	exclusion of duplication of works carried out by BRICS		
	IPR CM and BRICS HIPO.		
	The participation of HIPO Chair in the IPRCM can be		
	encouraged as was the case during the 17 th CGETI.		
	Context:		
Russia	During both 6th and 7th Meetings of the BRICS Trade		
	Ministers at New Delhi and Shanghai the Trade		
	Ministers took note of the positive development of both IPRCM and HIPO mechanisms of BRICS		
	cooperation in the IP field. Consequently, Trade		
	Ministers urged both the HIPO and IPRCM to co-		
	ordinate and avoid duplication of their work.		
	Modalities of implementation:		
	- monitoring of activities by IPRCM and HIPO on		
	the basis of reciprocity (e.g. through mutual		
	reporting or authorities involved in both		
	mechanisms);		
	- holding consultations (through e-mail exchange		
	or authorities involved in both mechanisms); - allowing representatives of the HIPO Chair Office		
	to be invited to participate in CGETI meetings ex		
	officio;		
	 developing general principles of interaction with 		
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any other possible IPR-related cooperation mechanisms among BRICS countries.
(2) Exchange of information and best practices regarding possible way of IPR protection, keeping in mind practical situation.

OUTLINE FOR THE GUIDEBOOK ON INTELLECTUAL PROPERTY RIGHTS IN BRICS COUNTRIES

Protect your Intellectual Property Rights in BRICS

Volume I: Introduction to Legal System and IPR Regulatory Agencies

- Introduction to the Legislation, Executive and Judicial System
- Introduction to the IPR Regulatory Agencies

Volume II: Copyright

- Introduction to the legal framework of Copyright
- Protect your Copyright in []
- Who can apply for Copyright?
- What is the Copyright administrative authority?
- What is the subject matter to be protected by Copyright?
- What are the conditions of conferring Copyright?
- What are the rights to be conferred on owners of Copyright?
- What are the limitations and permissible exceptions?
- Terms of protection
- What are the remedies available in case of infringement of Copyright?

Volume III: Trademarks

- Introduction to the legal framework of Trademarks
- Protect your Trademarks in ()
- Who can apply for Trademark?
- What is the Trademark administrative authority?
- What is the subject matter to be protected?
- What are the conditions for registration?
- What are the rights to be conferred on Trademark owners?
- What are the permissible exceptions?
- Terms of protection
- What are the remedies available in case of infringement or unauthorized use of Trademark?

Volume IV: Geographical Indications (GI) / Appellations of Origin (AO)

- Introduction to the legal framework of GI/AO
- Protect your GI/AO in []
- Who can apply for GI/AOs?
- What is the GI/AO administrative authority?
- What is the subject matter to be protected?
- What are the conditions for getting protection?
- Concept of authorized users and rights granted to them?
- What are the benefits of registration?
- How to register GI/AOs of foreign origin/convention countries?

- What is the difference and interplay between GI/AO and Trademarks?
- Terms of protection
- What are the exemptions and limitations?
- What are the remedies available in case of infringement of GI/AO?

Volume V: Industrial Designs

- Introduction to the legal framework of Industrial Designs
- Protect your Industrial Designs in []
- Who can apply for Industrial Design?
- What is the Industrial Designs administrative authority?
- What is an Industrial Design?
- What is eligible for protection as an Industrial design?
- What are the rights on conferred on Industrial Design owners?
- What are the procedures of applying for Industrial Designs?
- What are the permissible exceptions?
- Terms of protection.
- What are the remedies available in case of infringement of Industrial Designs?

Volume VI: Patents

- Introduction to the legal framework of Patent
- Protect your Patents in ()
- Who can apply for Patents?
- What is the Patent administrative authority?
- What is the subject matter to be protected by Patents?
- What are the conditions of grant of Patents?
- What are the rights conferred on patentees?
- What are the procedures of applying for Patents?
- What are the permissible limitations and exceptions?
- Terms of protection.
- Provisions regarding revocation and working of Patents?
- What are the remedies available in case of infringement of Patents?

Volume VII: Layout-Designs of Integrated Circuits

- Introduction to the legal framework of Layout-Designs of Integrated Circuits
- Protect your Layout-Designs of Integrated Circuits in []
- Who can apply for Layout-Designs of Integrated Circuits?
- What is the Layout-Designs of Integrated Circuits administrative authority?
- What is a Layout-Design of Integrated Circuits?
- What is eligible for protection as a Layout-Design of Integrated Circuits?
- What are the rights conferred on the owner of a protected Layout-Design of Integrated Circuits?
- What are the procedures of applying for Layout-Designs of Integrated Circuits?
- What are the permissible exceptions?
- Terms of protection
- What are the remedies available in case of infringement?

Volume VIII: Undisclosed Information

- Introduction to the legal framework of Undisclosed Information
- How to protect your Undisclosed Information in

Volume IX: Genetic Resources (GR), Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs)

- Introduction to the legal framework on GR, TK, and TCEs
- How to protect your GR, TK, and TCEs in ()

Volume X: IP and Competition Policy

- Introduction to the legal framework on IP and Competition Policy
- What is the relationship between IP and competition policies?
- How is the relationship addressed in ()

Volume XI: Enforcement of IPR

- Introduction to the legal framework of enforcement of IPR
- Overview of IPR enforcement in []
- Civil procedures and remedies
- Judicial, Administrative procedures and remedies
- Criminal procedures
- Voluntary measures to combat piracy and trademarks counterfeiting

Volume XII: Commercialization of IPR

- Overview
- Steps for commercialization of IPs?
- Trends in BRICS countries

APPENDIX I: Contact Information and Websites APPENDIX II: Key International Agreements

BRICS COOPERATION FRAMEWORK ON INCLUSIVE E-COMMERCE DEVELOPMENT⁴

BRICS members have recognised the importance of electronic commerce (ecommerce) in international trade. In 2015, the BRICS leaders endorsed the Framework for BRICS E-commerce Cooperation under the Russian Presidency, which aims to better integrate BRICS e-commerce markets. In 2016, the BRICS Trade Ministers' Communiqué emphasized the importance of cooperation on e-commerce and BRICS leaders further committed in the Goa Declaration to strengthen such cooperation. In 2017, under the Chinese BRICS presidency, discussions on e-commerce continued with a view to taking concrete actions to enhance e-commerce cooperation. The BRICS leaders and Ministers endorsed BRICS E-Commerce Cooperation Initiative, and agreed to establish a BRICS E-Commerce Working Group, which would meet when necessary, back to back with the CGETI.

In 2018 BRICS members agreed, within the mandate of the CGETI, to further enhance cooperation through the following:

- Promote cooperation on various aspects of inclusive E-commerce development.
- Exchange views and share experiences on best practices, including case studies, on the development aspects of E-Commerce and efforts to bridge the digital divides in order to maximize benefits and promote equitable and inclusive economic growth and sustainable development.
- Promote information sharing on the legal frameworks that ensure leveraging of e-commerce to promote inclusive growth and sustainable development.
- Share perspectives on policy tools to manage the potentially disruptive effects of e-commerce.
- Work with relevant international organizations to enhance understanding of e-commerce and its implications for economic development, including industrial development, based on agreed terms of reference, in relation to formal studies to be adopted by Members.
- Promote to the extent possible investment and development of ICT infrastructure

 in recognition of the importance of adequate, cost-effective and reliable connectivity, which is a basic requirement for people and enterprises to engage successfully in e-commerce.
- Explore ways to ensure mutually beneficial economic development through ecommerce to facilitate a win-win outcome.
- Exchange views and share experiences, where possible, on the interface between data and trade related issues, for example: consumer protection, privacy, competition, trade and industry, etc.

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⁴ This Framework is a living, non-binding document

- Build a deeper understanding on the relationship between e-commerce related data flows and economic development, and the implications thereof.
- Share information and explore methodologies, where possible, for the collection of e-commerce statistics.

TERMS OF REFERENCE

TO STRENGTHEN INSTITUTIONAL ARRANGEMENTS ON MSME COOPERATION

MANDATE

In October 2016, BRICS Trade Ministers recognised the importance of the Micro, Small and Medium Enterprises (MSME) to the balanced economic development of the BRICS countries. The Ministers acknowledged the role of MSMEs as the engines of export led growth and employment generation given the highest rate of employment per unit of investment in MSMEs; and their crucial role in addressing regional disparity and poverty alleviation.

The MSME sector in many of the BRICS economies contribute directly or indirectly to nearly half of their exports, manufacturing output and GDP. With a view to ensuring greater business engagement amongst MSMEs in the BRICS region, the Ministers emphasised the importance of developing cooperation among MSMEs in the crucial areas of trade and investment.

The Ministers welcomed the *BRICS Micro Small and Medium Enterprises (MSME)* Cooperation Framework which encourages MSMEs in BRICS to strengthen mutually beneficial commercial relationships. The Framework sets the agenda of cooperation on MSMEs by the BRICS countries.

Based on the above background, it is therefore proposed that the institutional arrangement of MSMEs will be strengthened through holding dedicated CGETI sessions and establishing Focal Points to give effect to the MSME Cooperation Framework.

OBJECTIVES

The objective is to establish the institutional arrangement of MSMEs through holding dedicated CGETI sessions and establishing Focal Points to give effect to the MSME Cooperation Framework. This will contribute to fostering cooperation on MSME promotion and development amongst the BRICS member countries.

SCOPE OF ACTIVITY

The dedicated CGETI sessions will focus activities on the following specific topics:

- i. Exchange information on regulatory framework and institutional structure of MSMEs in the region with a view to eventually creating a compendium.
- ii. Consider establishing an association of MSME apex chambers and industry bodies in the BRICS region.

- iii. Chalk out an agenda specific to MSMEs and explore participation of MSME stakeholders in any BRICS economic event such as trade fairs, exhibitions, buyer-seller meets, conferences etc.
- iv. Build upon existing portals or create a separate BRICS MSME specific portal so as to provide a one point access to relevant information and data for mutual interest of all MSME stakeholders.
- v. Exchange views on good regulatory practices (GRPs) by MSMEs in the BRICS region.
- vi. Undertake joint studies and research on specific areas of mutual interest related to trade and investment for MSMEs in the BRICS region.
- vii. Explore and exchange ideas on critical areas for MSMEs like technology transfer, innovations, access to finance and markets, etc.
- viii. Any other MSME specific activity mutually agreed by the BRICS countries.

STRUCTURE AND COORDINATION

The BRICS MSME Focal Points shall consist of representatives from the governments of the BRICS members. Respective member countries will appoint relevant representatives based on the above scope of activities.

The coordination of the BRICS MSME Focal Points will be established by the network of contacts, which will communicate by virtual means, without the need of formal meetings.

The BRICS MSME Focal Points can build work connections with the BRICS MSME Business Council, the New Development Bank and other organizations whenever the Focal Points deem necessary.

MEETINGS

The meetings will be synchronized with those of CGETI. Additional meetings where necessary, could be conducted through electronic means when the CGETI is not in session. The members of the dedicated CGETI sessions may agree to invite international organizations or any other expert to attend the meetings and provide technical support based on their respective mandates, knowledge, expertise and global best practices.

WORKING LANGUAGE

For convenience and efficiency of communication, the working language shall be English.

Terms of Reference will be reviewed on the request of one or more members, particularly if there is a change in situation, with a view to modification or amendment.

CGETI MONITORING MECHANISM

===:			NG MECHANISM
FOCUS AREA	SPECIFIC TOPIC	INITIATED	SUMMARY: LATEST STATUS
Trade Promotion	Promoting value-added trade		July 2014: The Joint Trade Study was presented to BRICS Trade Ministers. The Study identifies many opportunities to promote greater intra-BRICS trade in value-added products, as well as intra-BRICS investment into these sectors.
Trade Promotion	Virtual Trade Promotion working group	Brazil	October 2016: BRICS Trade Ministers adopted the the <i>Terms of Reference of theTrade Promotion Working Group</i> . The 2nd BRICS Trade Fair took place from 18 to 21 September 2017 in Xiamen, China.
MSMEs	BRICS MSME dialogue	Russia and India CGETI-9; July 2015	October 2016: BRICS Trade Ministers adopted the BRICS MSME Cooperation Framework.
E-commerce	BRICS E-commerce cooperation	Russia and China CGETI-10, December 2015	August 2017: BRICS Trade Ministers endorsed the <i>BRICS E-commerce Cooperation Initiative</i> and the <i>Terms of Reference of the BRICS E-commerce Working Group</i> . Joint BRICS E-commerce study completed but report not yet processed. May 2018: The E-commerce WG convened the 2nd meeting in East London, South Africa.
Non-tariff measures	BRICS Mechanism on non-tariff measures (NTMs)	India CGETI-11, April 2016	October 2016: The BRICS Mechanism on non-tariff measures is still a working document and needs further discussion.
Trade in Services	Cooperation in trade in services	India CGETI-11, April 2016	October 2016: BRICS Trade Ministers adopted the <i>Framework for Cooperation on Trade in Services</i> . August 2017: BRICS Trade Ministers endorsed the <i>BRICS Trade in Services Cooperation Roadmap</i> .
Intellectual Property Rights	IPR Cooperation Mechanism of BRICS countries	China CGETI-11, April 2016	October 2016: BRICS Trade Ministers adopted the terms of reference of the BRICS IPR Cooperation Mechanism (IPRCM). May 2018: The IPRCM convened the 2nd meeting in East London, South Africa.
Trade facilitation	BRICS Single Window Cooperation	Brazil and Russia CGETI-7, December 2017	October 2016: BRICS Trade Ministers adopted the <i>Framework for BRICS Single Window Cooperation</i> .
Non-tariff measures	Framework for Cooperation on Standardization, Metrology and Accreditation of conformity assessment bodies among BRICS countries	India CGETI-12, July 2016	October 2016: The Framework for Cooperation on Standardization, Metrology and Accreditation of conformity assessment bodies among BRICS countries was adopted b BRICS Trade Ministers.
Trade facilitation	BRICS Model E-port Network	China CGETI-14, March 2017	August 2017: BRICS Trade Ministers endorsed the <i>Terms of Reference of the BRICS Mode E-Port Network</i> . March 2018: The E-port Network commenced its work with a first meeting in Johannesburg, South Africa.
Economic and Technical cooperation	Economic and Technical cooperation	China CGETI-14, March 2017	August 2017: BRICS Trade Ministers endorsed the Framework on Strengthening the Economic and Technical Cooperation for BRICS Countries
Investment	Investment facilitation	China CGETI-15, May 2017	August 2017: BRICS Trade Ministers endorsed the <i>Outlines for BRICS Investment Facilitation</i> .
Women empowerment	BRICS Public-Private Dialogue "Women and Economy"	Russia CGETI-14, March 2017	July 2017: The first <i>BRICS Public-Private Dialogue "Women and Economy"</i> was held in Novosibirsk (Russia). The event resulted in a decision to establish <i>BRICS Women's Busines Club</i> September 2017: Russia circulated a concept note regarding BRICS Women's Business Club
BRICS Economic Partnership	Strategy for BRICS Economic Partnership	Russia 5th Summit, March 2013	July 2015: Strategy for BRICS Economic Partnership was adopted by BRICS Leaders at the Ufa Summit September 2017: China and Russia prepared a report on the implementation of the Strategy for 2 years, which was presented at the Xiamen Summit
BRICS Economic Partnership	BRICS Roadmap for Trade, Economic and Investment Cooperation until 2020	Russia 5th Summit, March 2013	July 2015: BRICS Roadmap for Trade, Economic and Investment Cooperation until 2020 was introduced to BRICS partners by Russia July 2016: By decision of CGETI and BRICS Sherpas and Sous-Sherpas, the issue of Roadmap implementation was transferred to the BRICS Business Council,
Regulatorary Impact Assessment	BRICS Expert Discussion on Regulatory Impact Assessment	Russia CGETI-15, May 2017	May 2017: Russia presented an initiative on Regulatorary Impact Assessment, which is aimed at carrying out expert public-private events on this topic.
Remote Areas Development	Economic Development and Integration of Remote Areas in BRICS Countries	Russia December 2017	March 2018: Russia presented the concept to CGETI-17. Members agreed that Russia will present the initiative to Sherpas and Sous Sherpas so that internal discussions can take place and consensus obtained. Russia was requested to identify specific trade related issues to be taken to the CGETI.
Supporting the multilateral trading system	Inclusive multilateralism	South Africa CGETI-17, March 2018	March 2018: South Africa presented the concept, and will circulate a draft Narrative. Members will submit their inputs by 29 March 2018. Thereafter South Africa will consult Members toward a revised draft to be considered in the 18th CGETI.
E-commerce	Integration of electronic trading platforms	CGETI-17, March 2018	March 2018: Russia presented the concept to CGETI-17. Consultations are conducted within the framework of the BRICS Business Council.
Action Agenda	BRICS Action Agenda on Economic and Trade Cooperation	China 9th Summit, September 2017	September 2017: BRICS Action Agenda on Economic and Trade Cooperation was signed by Trade Ministers in the witness of BRICS Leaders at the Xiamen Summit