



IBSA Business Forum - Report to the IBSA Heads of State 18 October 2011

Your Excellency: Jacob Gedhleyihlekisa Zuma, President of the Republic of South Africa

Your Excellency: Manmohan Singh, Prime Minister of the Republic of India

Your Excellency: Dilma Rousseff, President of the Federative Republic of Brazil

Honourable Ministers

Members of the Diplomatic Corps

Fellow Business Leaders

Distinguished Guests

Ladies and Gentlemen

It is my singular honour and privilege to present to you the recommendations emanating from the IBSA Business Forum held on 17 October 2011. We had a full day of deliberations with the aim of advancing mutually beneficial trade and investment between the three IBSA States. Cognizant of the gloomy economic climate of the West and that we do not necessarily exist in a vacuum, we however believe the business case for strengthened South-South economic relations has never been more solid!!

For in-depth quality trade and investment discussions, the Forum focused on the following real economy sectors, namely healthcare & pharmaceuticals, agriculture & agro-processing, mining & infrastructure, energy and climate change, financial and business services. The key observations and recommendations per sector are as follows:

Healthcare and Pharmaceuticals

Key observations made include:

1. All three countries are compliant with the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)

2. They all have large pharmaceuticals markets
3. They share a need to produce and promote generic pharmaceutical products

Recommendations

1. Faster regulatory approvals, leading to quicker access to cost-effective medicines, thereby facilitating faster import processes. This was noted particularly with respect to Brazil
2. Easier registration process for personal care products – Brazil
3. Key areas of mutual recognition identified are:
 - a. Mutual Recognition Process for Registrations
 - b. Mutual Recognition of professional qualifications – this will expand talent pool
4. Acceptance of uniform text package insert
5. Leverage Indian expertise to promote collaboration in training and development. This will help to expand the skilled workforce
6. Establishing a CEO's Forum representing all three IBSA countries
7. Level playing field in terms of import tariffs and non-tariff barriers

Agriculture and Agro-Processing

Recommendations

1. Improve trade related infrastructure and logistics to facilitate trade in agricultural goods – particularly ports, rail, roads
2. Need to improve collaboration on research and education on agricultural issues, relative to our strengths (Cotton – India to share knowledge; Viticulture – South Africa to share knowledge, Animal Health – Brazil to share knowledge)
3. Permanent standing committee on agricultural issues needs to be established between IBSA countries. This committee will monitor progress on IBSA agricultural matters and should have both government and private sector officials. This can be extended to other sectors

4. Clear and accurate trade-related information must be made readily available. Particularly tariff books for all three countries.
5. Clarity on land tenure issues – who owns land in respective IBSA countries and what are the rules regarding foreign ownership, leasing and use?
6. IBSA agricultural sector CEOs should be given an opportunity to present at COP 17 on climate change issues. The Agricultural sector is one of the worst affected by climate change and, thus, should play a greater role at COP 17.

Financial and Business Services

Recommendations

1. Continued shared learning on rural financial inclusion in areas such as new products, IT connectivity, bank and insurer local presence, self-help models (known as stokvels in South Africa)
2. Better identification of rural communities and catalytic infrastructure zones
3. Strategic development of a trade and development risk pool for insurance and re-insurance
4. Industrial development finance, export funding (EXIM Bank model)

Mining and Infrastructure

Recommendations

1. Information gathering and dissemination between the IBSA countries needs to be improved, particularly for rural and remote areas. Applications for permits, mining rights and the processes required for that needs to be clearer.
2. IBSA countries should establish financial instruments to enhance access to mining, particularly for exploration.
3. Infrastructure such as ports needs to be improved. Furthermore, access to the these ports by smaller companies also needs to be improved.
4. Encourage intra-IBSA partnerships and investments to allow for beneficiation of minerals at source.

5. Create a council under IBSA umbrella to focus on sector and related issues.

Energy and Climate Change

Recommendations

1. Form a task team to address a range of cross-cutting issues
 2. Ensure IBSA business participation at the upcoming COP 17 Conference
 3. Create a platform to discuss and improve on renewable energy technologies
 4. Exchange information on standards and regulations governing energy and climate change.
 5. Explore ways of using IBSA investment Funds to unlock viable projects within IBSA.
 6. IBSA should align trade and climate change policies
 7. Explore partnerships on smart grids and machine efficiencies.
5. Encourage strategic partnerships in the oil and gas industry

Your Excellencies, it is on this note that I conclude the IBSA Business Forum's deliberations and recommendations. It is also worth noting that the IBSA Business Forum committed to developing a more long term coordinated strategy which will guide ongoing work and engagement in-between the Summit meetings. In this way, we are certain all our three nations will optimize the benefits of IBSA as a strategic cooperation platform. Let all our three governments and private sectors work together to further increase trade and investment between our countries.

I thank you