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Towards Building  
Global Prosperity

**BRIC**  
*by* **BRIC**



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Dear Reader,

Greetings. Brazil, Russia, India and China (BRIC) constitute a powerful bloc of vibrant economies. The second BRIC summit held in the Brazilian capital of Brasilia on 15 April 2010 was significant. The Summit adopted a global perspective, extending its focus beyond the mere common interests of the four countries concerned. A joint statement issued by the heads of the four states called for building a harmonious world of lasting peace and common prosperity. The cover story of the current issue of Indo-LAC Business details the BRIC Summit proceedings. Another equally powerful bloc is IBSA, constituting India, Brazil and South Africa, whose common economic interests have bound them into a single entity. The fourth IBSA Summit, also held in Brasilia on 15 April, 2010, called for removal of the existing technological gap between the developed and developing nations. We carry the IBSA summit report in our Focus section. Foreign Direct Investment (FDI) has played a significant role in boosting India's economic growth in recent years. Realizing the significance of FDI, the government has further simplified the norms governing its inflow into the country. We carry a report. In an analytical study, the Export-Import Bank of India (Exim Bank) says that the two-way trade between India and Latin America has been growing by leaps and bounds. In recent years, Latin American countries have started paying more attention to the healthcare of their citizens. We carry a detailed report of healthcare assessment done by the Business Monitor International (BMI) covering eight countries of the region. The Exim Bank annual Commencement Day lectures have become landmark events in its 25-year history and are known for their economic relevance and depth. This year's lecture was delivered by Dr. Supachai Panitchpakdi, noted economist and Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) on the theme - "Reconstructing Economic Governance: An Agenda for Sustainable Growth and Development." The issue carries excerpts of the highly enlightening address. The Exim Bank carries out in-depth studies of various sectors of the Indian economy from time to time. The current issue highlights a study of the Indian cement industry and how the country's high GDP and infrastructure growth have given this crucial sector a big boost in recent years. There is plenty of news from Andean Development Corporation (CAF). The issue carries the usual Spanish section besides other regular features.

Wish you happy reading

Satya Swaroop  
Managing Editor  
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## Towards Building Global Prosperity

# BRIC by BRIC

**Heads of State of BRIC (Brazil, Russia, India and China) countries have pledged to work towards not only broadening cooperation among themselves but also to building a harmonious world of lasting peace and common prosperity.**

In a joint statement, the four leaders - Indian Prime Minister Manmohan Singh, Chinese President Hu Jintao, Russian President Dmitry Medvedev and Brazilian President Lula da Silva declared: "We believe the deepened and broadened dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity."

The leaders of the four fastest growing economies of the world met for the second BRIC Summit held in Brasilia on 15 April 2010, also called upon the members of the G-20 states to undertake further efforts to implement jointly the decisions adopted at the three G-20 Summits aimed at combating the effects of the recent global financial crisis and to undertake further efforts to implement jointly the decisions adopted at the three global events.

### We Stand to Gain - Prime Minister Singh

Talking to media persons after the II BRIC Summit, Prime Minister Manmohan Singh, who described the event as very successful, said:

"This is the second stand-alone Summit of the BRIC countries in less than a year. Our countries have gathered here today because we stand to gain from cooperation with each other, and because we believe that greater cooperation among us is also good for the world."

He said that the BRIC grouping was not borne out of a crisis and it was "an act of long term faith in our people and in our economies." However, the global economic and financial crisis has created a new relevance for BRIC.

Prime Minister Singh said, "Sustaining global economic recovery and making it inclusive would be the major challenges before us in the near term. With their internal economic strengths, BRIC countries have the potential to play a constructive role in contributing to world economic growth and prosperity. We are all part of the G20 process."

He said the four leaders had also had useful discussions on other issues of common interest. These included climate change, sustainable development, food security, energy security and reform of international financial institutions and of the United Nations.

"We support a multipolar, equitable, democratic and just world order with the United Nations playing a central role in tackling global challenges," Prime Minister Singh added.





## Following is the text of Prime Minister Singh's address to the Plenary Session of the II BRIC Summit.

The holding of the second stand-alone BRIC Summit represents the growing multi-polarity in the world. In the short period of 10 months since our last Summit in Yekaterinburg we have made good progress. Our Foreign Ministers, Finance Ministers, Agriculture Ministers, National Security Advisers and Governors of Central Banks have met. The first BRIC Business Forum was held a few days ago, and several other side events have taken place.

### Inclusive Growth

We are four large countries with abundant resources, large populations and diverse societies. We together account for almost one-fifth of the world's GDP. We aspire for rapid growth for ourselves and for an external environment that is conducive to our development goals. The people of our countries expect us to work together so as to bring the benefits of inclusive social and economic development to them. Brazil has taken impressive strides in social inclusion under President Lula's leadership, from which we can all learn. We in India have put in place massive schemes for social intervention such as the enactment of the National Rural Employment Guarantee Act and the Right to Education Act. We can each benefit by sharing our experiences in the field of inclusive growth.



### Food & Energy Security

Energy and food security are two specific areas where we can work together. Our grouping includes two of the largest energy producers and two of the largest consumers in the world. We can cooperate in both upstream and downstream areas, and in the development of new fuels and clean energy technologies.

## Exim Bank Inks Co-operation Pact

The Export-Import Bank of India has entered into a Memorandum of Co-operation with three major development banks of Brazil, Russia and China during the recently concluded BRIC (Brazil, Russia, India, China) Summit in the Brazilian capital city of Brasilia. The agreement was signed on 15 April, 2010.

The three development banks are Brazilian Development Bank



(BNDES), Bank for Development and Foreign Economic Affairs of Russia and China Development Bank.

The objectives of the Memorandum are: (i) to develop comprehensive long-term cooperation among the four banks to facilitate and support cross-border transactions and projects of common interest; (ii) to strengthen and enhance trade and economic relations between BRIC countries and its enterprises; (iii) to finance the investment projects and to work towards economic development of BRIC countries.



Similarly, BRIC countries are both large producers and consumers of agricultural products. The meeting of our Agriculture Ministers is a welcome initiative. We should consider putting in place an architecture of food security that focuses on increasing agricultural productivity, better land use, sustainable farming practices and agro-processing.

Besides this, there is vast potential for cooperation in areas such as science and technology, trade and investment, pharmaceuticals and infrastructure. Investments in human capital will create new sources of growth.

BRIC countries have an important role to play in the shaping the pace, direction and sustainability of global economic growth. I am glad to note that our Finance Ministers and Central Bank Governors have been meeting regularly. At our last Summit we had decided to commission a BRIC Study on which way the world economy will move in the period ahead. India has circulated the draft terms of reference for the study and we would be happy to carry this idea forward.

While it appears that the immediate global economic and financial crisis is behind us, it is still early to say that we are on the path of long term recovery. A lot will depend on how the developed economies fare. Sustainable recovery will also depend on several factors such as enhanced investment for infrastructure development, stable capital flows to

the developing markets, appropriate macroeconomic adjustments, and avoiding complacency in the area of financial sector reforms. Financial inclusion will be a major determinant of success.

### Agenda for G-20 Summits

We should prepare for the forthcoming G 20 Summits in Toronto and Seoul. Their outcomes need to be supportive of the post crisis-phase of the recovery process. This requires the avoidance of protectionism in all its forms, commitment to a fair and rule-based trading system, reform of international financial institutions and better regulation and supervision. Capital adequacy of international institutions should be ensured to fund development needs. Our Finance Ministers should be in regular touch with each other.

### Climate Change

BRIC nations represent an important voice in the global climate discourse. Despite its shortcomings, the Copenhagen Conference did generate a broad understanding on several contentious issues. Our approach to the Cancun Conference should be anchored within the United Nations Framework Convention on Climate Change, the Kyoto Protocol and the Bali Roadmap.

Technology will be a key element in our strategy to meet the challenge of climate change. Each of us has our own strengths in climate-friendly technologies. If we pool our best scientific and technological resources, BRIC nations can set a fine example in promoting collaborative development, deployment and dissemination of clean energy and renewable technologies.

BRIC countries are uniquely placed to contribute to reforming the architecture of global governance. A genuine reform of the Security Council by expansion in its permanent membership as well as non-permanent membership and improvement in its working methods is essential to make the United Nations reflective of contemporary realities.

The Joint Statement we will be issuing today along with the Follow-up document BRIC contain many ideas for expanding our cooperation. I am particularly glad that the scope of our activities is expanding, with a focus on greater people-to-people contacts. We should simultaneously strive for greater convergence of views on key global challenges.

## Following is the II BRIC Summit Joint Statement.

We share the perception that the world is undergoing major and swift changes that highlight the need for corresponding transformations in global governance in all relevant areas.

We underline our support for a multipolar, equitable and democratic world order, based on international law, equality, mutual respect, cooperation, coordinated action and collective decision-making of all States.

We stress the central role played by the G-20 in combating the crisis through unprecedented levels of coordinated action. We welcome the fact that the G-20 was confirmed as the premier forum for international economic coordination and cooperation of all its member states. Compared to previous arrangements, the G-20 is broader, more inclusive, diverse, representative and effective. We call upon all its member states to undertake further efforts to implement jointly the decisions adopted at the three G-20 Summits.

We advocate the need for the G-20 to be proactive and formulate a coherent strategy for the post-crisis period. We stand ready to make a joint contribution to this effort.

We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more effectively. We reiterate the importance we attach to the status of India and Brazil in international affairs, and understand and support their aspirations to play a greater role in the United Nations.

We believe the deepened and broadened dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity. We have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way.

## International Economic & Financial Issues

The world economic situation has improved since our first meeting in June 2009, in Ekaterinburg. We welcome the resumption of economic growth, in which emerging market economies are playing a very important role. However, we recognize that the foundation of world economic recovery is not yet solid, with uncertainties remaining. We call upon all states to strengthen macroeconomic cooperation, jointly secure world economic recovery and achieve a strong, sustainable and balanced growth. We reiterate our determination to make positive efforts in maintaining domestic economic recovery and promoting development in our own countries and worldwide.

We underline the importance of maintaining relative stability of major reserve currencies and sustainability of fiscal policies in order to achieve a strong, long-term balanced economic growth.

We are convinced that emerging market economies and developing countries have the potential to play an even larger and active role as engines of economic growth and prosperity, while at the same time commit to work together with other countries towards reducing imbalances in global economic development and fostering social inclusion.

G-20 members, with a significant contribution from BRIC countries, have greatly increased resources available to the IMF. We support the increase of capital, under the principle of fair burden-sharing, of the International Bank for Reconstruction and Development and of the International Finance Corporation, in addition to more robust, flexible and agile client-driven support for developing economies from multilateral development banks.

Despite promising positive signs, much remains to be done. We believe that the world needs today a reformed and more stable financial architecture that will make the global economy less prone and more resilient to future crises, and that there is a greater need for a more stable, predictable and diversified international monetary system.

We will strive to achieve an ambitious conclusion to the ongoing and long overdue reforms of the Bretton Woods institutions. The IMF and the World Bank urgently need to address their legitimacy deficits. Reforming these institutions' governance structures requires first and foremost a substantial shift in voting power in favor of emerging market economies and developing countries to bring their participation in decision making in line



with their relative weight in the world economy. We call for the voting power reform of the World Bank to be fulfilled in the upcoming Spring Meetings, and expect the quota reform of the IMF to be concluded by the G-20 Summit in November this year. We do also agree on the need for an open and merit based selection method, irrespective of nationality, for the heading positions of the IMF and the World Bank. Moreover, staff of these institutions needs to better reflect the diversity of their membership. There is a special need to increase participation of developing countries. The international community must deliver a result worthy of the expectations we all share for these institutions within the agreed time frame or run the risk of seeing them fade into obsolescence.

### Need for Regional Monetary Pacts

In the interest of promoting international economic stability, we have asked our Finance Ministers and Central Bank Governors to look into regional monetary arrangements and discuss modalities of cooperation between our countries in this area. In order to facilitate trade and investment, we will study feasibilities of monetary cooperation, including local currency trade settlement arrangement between our countries.

Recent events have shattered the belief about the self-regulating nature of financial markets. Therefore, there is a pressing need to foster and strengthen cooperation regarding the regulation and supervision of all segments, institutions and instruments of financial markets. We remain committed to improve our own national regulations, to push for the reform of the international financial regulatory system and to work closely with international standard setting bodies, including the Financial Stability Board.

### International Trade

We stress the importance of the multilateral trading system, embodied in the World Trade Organization,

for providing an open, stable, equitable and non discriminatory environment for international trade. In this connection, we commit ourselves and urge all states to resist all forms of trade protectionism and fight disguised restrictions on trade. We concur in the need for a comprehensive and balanced outcome of the Doha Round of multilateral trade talks, in a manner that fulfills its mandate as a "development round", based on the progress already made, including with regard to modalities. We take note and strongly support Russia's bid for accession to the WTO.

### Development

We reiterate the importance of the UN Millennium Declaration and the need to achieve the Millennium Development Goals (MDGs). We underscore the importance of preventing a potential setback to the efforts of poor countries aimed at achieving MDGs due to the effects of the economic and financial crisis. We should also make sustained efforts to achieve the MDGs by 2015, including through technical cooperation and financial support to poor countries in implementation of development policies and social protection for their populations. We expect the UN MDG Summit, in September 2010, to promote the implementation of MDGs through policy recommendations. We stress that sustainable development models and paths of developing countries should be fully respected and necessary policy space of developing countries should be guaranteed.

The poorest countries have been the hardest hit by the economic and financial crisis. The commitments regarding the aid to the developing states, especially those related to the MDGs, should be fulfilled, and there should be no reduction in development assistance. An inclusive process of growth for the world economy is not only a matter of solidarity but also an issue of strategic importance for global political and economic stability.



## Agriculture

We express our satisfaction with the Meeting of Ministers of Agriculture and Agrarian Development in Moscow, where they discussed ways of promoting quadripartite cooperation, with particular attention to family farming. We are convinced that this will contribute towards global food production and food security. We welcome their decision to create an agricultural information base system of the BRIC countries, to develop a strategy for ensuring access to food for vulnerable population, to reduce the negative impact of climate change on food security, and to enhance agriculture technology cooperation and innovation.

## Fight against Poverty

We call upon the international community to make all the necessary efforts to fight poverty, social exclusion and inequality bearing in mind the special needs of developing countries, especially LDCs, small islands and African Countries. We support technical and financial cooperation as means to contribute to the achievement of sustainable social development, with social protection, full employment, and decent work policies and programmes, giving special attention to the most vulnerable groups, such as the poor, women, youth, migrants and persons with disabilities.

## Energy

We recognize that energy is an essential resource for improving the standard of living of our peoples and that access to energy is of paramount importance to economic growth with equity and social inclusion. We will aim to develop cleaner, more affordable and sustainable energy systems, to promote access to energy and energy efficient technologies and practices in all sectors. We will aim to diversify our energy mix by increasing, where appropriate, the contribution of renewable energy sources, and will encourage the cleaner, more efficient use of fossil fuels and other fuels. In this regard, we reiterate our

support to the international cooperation in the field of energy efficiency.

We recognize the potential of new, emerging, and environmentally friendly technologies for diversifying energy mix and the creation of jobs. In this regard we will encourage, as appropriate, the sustainable development, production and use of biofuels. In accordance with national priorities, we will work together to facilitate the use of renewable energy, through international cooperation and the sharing of experiences on renewable energy, including biofuels technologies and policies.

We believe that BRIC member countries can cooperate in training, R&D, Consultancy services and technology transfer, in the energy sector.

## Climate Change

We acknowledge that climate change is a serious threat which requires strengthened global action. We commit ourselves to promote the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change and the 6th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol, in Mexico, to achieve a comprehensive, balanced and binding result to strengthen the implementation of the Convention and the Protocol. We believe that the Convention and the Protocol provide the framework for international negotiations on climate change. The negotiations in Mexico should be more inclusive, transparent, and should result in outcomes that are fair and effective in addressing the challenge of climate change, while reflecting the principles of the Convention, especially the principle of equity and common but differentiated responsibilities.

## Alliance of Civilizations

We affirm the importance of encouraging the dialogue among civilizations, cultures, religions and peoples. In this respect, we support the "Alliance of Civilizations", a United Nations' initiative aimed at building bridges, mutual knowledge and understanding around the world. We praise the Brazilian decision to host, in Rio de Janeiro, in May 2010, the 3rd Global Forum and confirm our intention to be present at the event, in appropriate high level.

During the Summit, Brazil, Russia and India appreciated the offer of China to host the III BRIC Summit in 2011. ■





# Implement WIPO Development Agenda

-IBSA

The Heads of State of three vibrant economies, namely India, Brazil and South Africa, have called for the full implementation of the Development Agenda of the World Intellectual Property Organization (WIPO) in order to reduce the existing technological gap between the developed and developing nations.

India's Prime Minister Manmohan Singh, Brazilian President Lula da Silva and South African President Jacob Gedleyihlekisa Zuma, who met in Brasília, Brazil, on 15 April 2010 for the 4th Summit of the India-Brazil-South Africa (IBSA) Dialogue Forum, declared in a joint statement that innovation played a central role in addressing the key global challenges of our times such as food security, poverty eradication, health, access to knowledge and climate change.

They emphasized, in this context, the need for a balanced international intellectual property system capable of meeting those challenges on a truly global

scale and reducing the technological gap.

The joint statement touched global issues ranging from globalization to sustainable development intellectual property rights to internet governance, global economic crisis to the Doha round of the World Trade Organization (WTO) talks.

Talking to media persons after the IBSA Summit, Prime Minister Manmohan Singh said the IBSA framework had become the embodiment of South-South Cooperation. In a period of seven years, when the idea of establishing IBSA was first discussed, IBSA has moved from strength to strength, he added.

The Prime Minister said the fourth Summit marked the commencement of the second cycle of such major events. "We have developed an institutional structure for enhancing our trilateral cooperation in areas such as agriculture, science and technology, energy, economic cooperation, transportation, ocean





research and space science,” he said.

Following are excerpts from the statement the Prime Minister released at the press conference.

Promotion of people-to-people interaction and greater mutual awareness of each other is the hallmark of IBSA. The several forums and Working Groups that have met here for the past few days strengthen my belief that we are proceeding in the right direction of strengthening civil society interface among our countries. IBSA is largely a peoples project. The collaborative activities within the IBSA framework hold immense promise for our people.

IBSA countries have rich experience of consulting each other on global issues. We have worked together on trade, development and climate change issues. We share similar views with regard to the reform of global institutions of governance. We are united by the primacy we accord to development and issues such as food security, social inclusiveness and energy security.

IBSA has entered a phase of consolidation. In this Summit we have agreed to focus our efforts on the

implementation of the various initiatives we have launched under the IBSA framework. We have issued a Joint Declaration that spells out our common approach on global issues confronting our societies. I firmly believe that IBSA has developed into a vibrant organization, and will continue to play an important role in global affairs.

Following are excerpts from the joint statement the IBSA leaders issued after the fourth IBSA Summit.

The three leaders highlighted that the three countries' commitment to democratic values, inclusive social development and multilateralism constitutes the basis for their growing cooperation and close coordination on global issues. They noted that the first round of IBSA Summits of Heads of State/Government (Brasilia, 2006; Tshwane, 2007; New Delhi, 2008) strengthened the three countries' resolve to continue to work for enhancing the role of developing countries, increasing the interchanges amongst themselves with the participation of their peoples, and for implementing concrete projects in partnership with other developing countries.

Recalling the Declarations and Communiqués issued during the previous Summits, they took the opportunity to deliberate on the topics hereunder.

### Global Governance

The leaders reaffirmed their commitment to increase participation of developing countries in the decision-making bodies of multilateral institutions. They also reiterated the urgent need for the reform of the United Nations (UN) to render it more democratic and consistent with the priorities of developing countries. They particularly emphasized that no reform of the United Nations will be complete without a reform of the UN Security Council (UNSC), including an expansion in both permanent and nonpermanent categories of its membership, with increased participation of developing countries in both. Such reform is of the utmost importance for the UNSC to reflect geopolitical realities and to have the representativeness and legitimacy it needs to face contemporary challenges. They committed to keep close coordination amongst the three countries and the broader UN membership to achieve substantial progress in the intergovernmental negotiations on UNSC reform presently underway in New York. They recalled that an overwhelming majority of the UN member states agreed to proceed with a fifth round of intergovernmental negotiations based on a negotiating text.

The Leaders stressed the need to reform the Bretton Woods Institutions in order to increase their effectiveness and enhance their accountability, credibility and legitimacy. They stressed the importance of increasing the role of developing countries in these institutions.

### Social Dimensions of Globalization

The Leaders reaffirmed that people must come first in the formulation and implementation of public policies, allowing for fair, equitable and sustainable development. They considered this issue a relevant priority in the context of an increasingly globalized world, in which the economic and financial crisis, and the restructuring of the international financial architecture that ensued, directly affect the welfare of people, particularly of vulnerable groups. In this regard, they stressed the need to strengthen social policies and to fight hunger and poverty, especially in times of global economic crisis.

The Leaders also reiterated the need to promote a job-intensive recovery from the downturn and create a framework for sustainable growth. In this context, they underlined their support for the global jobs pact, adopted by the 98th session of the international labour conference, which, while demonstrating the linkages between social progress, economic development and recovery from the crisis, offers policy options adaptable to national needs and circumstances. The Leaders also reaffirmed that their actions in response to the crisis are guided by the International Labour Organization (ILO) decent work agenda and the 2008 declaration on social justice for a fair globalization.

### Gender - Empowering Women

The Leaders stressed the importance of empowering women, increasing their participation in economic activities and addressing the negative impact of the international financial crisis on their situation. They received with satisfaction a letter from the IBSA Women's Forum and instructed all areas of





government involved in IBSA cooperation to pay due attention to its recommendations. In addition, the Leaders reiterated their support for the full implementation of UN Resolution 1325 (2000). They also recalled the importance of formulating and implementing appropriate policies and programs in accordance with the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and the Beijing Platform of Action.

### Intellectual Property Rights

The leaders recognized that innovation plays a central role in addressing the key global challenges of our times such as food security, poverty eradication, health, access to knowledge and climate change. They emphasized, in this context, the need for a balanced international intellectual property system capable of meeting those challenges on a truly global scale and reducing the technological gap. To that effect, they called for the full implementation of the Development Agenda of the World Intellectual Property Organization (WIPO).

They warned against attempts at developing new international rules on enforcement of intellectual property rights outside the appropriate fora of WTO and WIPO, that may give free rein to abuses in the protection of rights, the building of barriers against free trade and undermining fundamental civil rights.

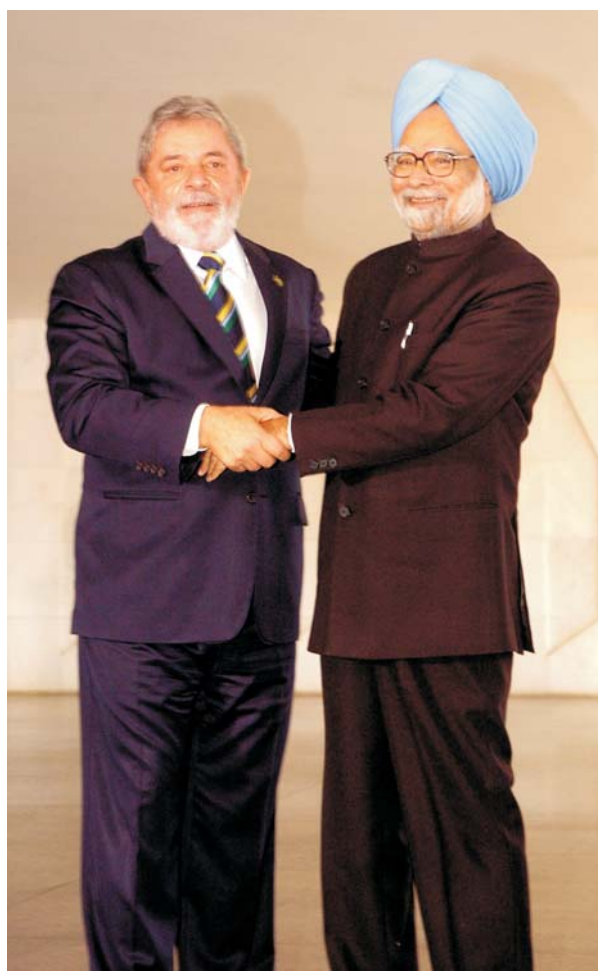
They further expressed renewed concern about the continuous application of enforcement measures that allow seizures of generic medicines in transit to developing countries, in violation of World Trade Organization (WTO) rules and posing a serious threat to developing countries access to medicines.

### Internet Governance

The leaders reaffirmed their commitment to working together towards a people-centered, inclusive and development-oriented Information Society and their agreement to continue to coordinate positions for the World Summit on Information Society (WSIS) follow-up mechanisms, as well as in the other fora and organizations related to the Information Society and Information and Communication Technologies (ICTs).

### Climate Change

The Leaders reiterated the importance of a positive result for the current climate change negotiations at the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change



(UNFCCC) and the 6th Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, in Mexico. They stressed that the result should be reached in an inclusive and transparent manner, and should effectively address the challenge of climate change, in accordance with the principles of the UNFCCC, especially the principles of equity and common but differentiated responsibilities and respective capabilities. They urged developed countries to take ambitious action to reduce their greenhouse gas emissions, and to provide adequate international financing and transfer of technology to support the efforts of developing countries to mitigate and adapt the impacts of climate change.

### Sustainable Development

The leaders stressed the importance of promoting sustainable development. They welcomed the resolution of the UN General Assembly to convene a Conference on Sustainable Development (Rio+20) in Rio de Janeiro, in 2012. They called for a comprehensive preparatory process, to ensure that the Rio+20 Conference can adequately address





existing implementation deficits and emerging issues in sustainable development, with a view to further strengthening international cooperation in this field.

### Trade

The leaders stated that a positive outcome of the Doha Round of trade talks within the World Trade Organization would be instrumental in economic recovery, particularly in job creation, as international trade experiences its sharpest decline in many decades. A development oriented, balanced and successful conclusion of the Round at an early date would bolster the credibility of the multilateral trading system in the face of increased protectionist pressures. In this respect, they expressed their concern over the excessive demands made on some developing countries without any indication of adequate additional concessions in favour of developing countries.

They recalled, with satisfaction, the First Trilateral MERCOSUR-SACU-India Ministerial Meeting held in Geneva on 30 November, 2009 and expressed their confidence that trade agreements and ongoing negotiations between MERCOSUR and India, MERCOSUR and SACU and SACU and India will lead to a future Trilateral Trade Arrangement which would form the largest trade agreement in the developing world.

### Global Financial & Economic Crisis

The leaders welcomed signs of recovery from the global financial and economic crisis. They, however, remained concerned over the consequences of the crisis for the achievement of the Millennium Development Goals. They recalled the vital contribution made by developing countries to the global recovery. The Leaders underlined that

developed and developing countries should continue to coordinate approaches and responses to the crisis in order to achieve sustainable and balanced recovery. They stressed that global economic efforts have to respond to the needs of developing and low income countries, particularly in Africa. The leaders recognized that the impact of the crisis has been severe in many developing and low income countries. They welcomed pledges to increase IMF resources and Multilateral Development Bank (MDB) lending, and called for the urgent implementation of all commitments in meeting the needs of low income countries, including the Gleneagles commitment to double aid to Africa to \$50 billion by 2010. They called for a substantial increase in the capital base of the World Bank, so that it could sustain enhanced levels of lending. They agreed to enhance cooperation between India, Brazil and South Africa in relevant international fora where recovery efforts are being considered.

### South-South Cooperation

Welcoming the outcome of the UN High-Level Conference on South-South Cooperation (Nairobi, December 2009), the leaders concurred that South-South cooperation is a particular and essential instrument for development. Developing countries tend to share common views on national development strategies and priorities when faced with similar development challenges. In the three decades since the adoption of the Buenos Aires Plan of Action, technical cooperation amongst developing countries has evolved to embrace all forms of development cooperation. In this context, developing countries have designed and implemented technical cooperation projects, based on their own capabilities, aimed at the promotion of effective actions and policies for social and economic progress. These include the sharing of knowledge and experiences, training, technology transfer, financial and monetary cooperation and in-kind contributions.

### IBSA Facility Fund

They noted with appreciation that people and authorities of Haiti, Palestine, Guinea-Bissau, Cape Verde, Burundi and Cambodia are benefiting from projects being undertaken under the IBSA Facility Fund. They reiterated the continued commitment of India, Brazil and South Africa to each contribute with at least US\$ 1 million per year to the Fund. They also concurred that cooperation through the IBSA Fund is a

concrete gesture reflecting their political determination to contribute to the development of other developing countries in the spirit of South-South Cooperation.

### NEPAD/AU Structure

The leaders welcomed the 2010 decision of the AU Assembly to further integrate the New Partnership for Africa's Development (NEPAD) into the AU structures and the re-naming of the NEPAD Secretariat to the NEPAD Planning and Coordinating Agency (NPCA). The leaders took note that the NPCA will focus on taking further the programmes of the AU by translating decisions of the AU Assembly and the AU Executive Council into tangible projects and programmes for the Regional Economic Communities (RECs) to implement. They further took note that the NPCA's mandate now includes the coordination and monitoring of such programmes and projects amongst the RECs and member states.

The leaders recognized that the further integration of NEPAD as well as the augmented mandate of the NPCA will promote a more holistic and coordinated approach to infrastructural development and in the growth and development of Africa, which will benefit the attainment of NEPAD's identified priorities in such sectors as ICT, energy, water and sanitation and transport.

### Sectoral Cooperation & People-to-People Fora

The Leaders noted that besides promoting increased consultation and coordination on global issues among the three countries, IBSA also provides for important sectoral cooperation and promotion of people-to-people contacts. The Leaders welcomed the effective interaction among specialists from the three countries, within the working groups on Agriculture, Environment & Climate Change, Culture, Defence, Education, Energy, Health, Human Settlements, Information Society, Public Administration, Revenue Administration, Science & Technology, Social Issues, Tourism, Trade & Investment, and Transport. Their activities have already resulted in the signing of a number of Memoranda of Understanding. Furthermore, seminars and workshops have been regularly undertaken and proven beneficial.

The Leaders noted with appreciation the organization and the outcome of the Women's Forum, the Parliamentary Forum, the Business Forum, the Editor's Forum, the Academic Forum and the Round Table on

Inter-governmental Relations and Local Government Dialogue, which lay roots in the three societies. The Leaders also noted the cooperation among the three countries in the format of the Tri-Nations Summit of Small, Micro and Medium Enterprises.

The Leaders welcomed the signing of the Memoranda of Understanding on Science and Technology and Solar Energy. They noted with appreciation the adoption of the "IBSA Social Development Strategies" [and of the "Future of Agriculture Cooperation in IBSA"].

### IBSA Satellites

The Leaders decided to the early development of satellites in the areas of space weather, climate and earth observation. These satellites will address common challenges in climate studies, agriculture and food security. The IBSA micro satellites aim to promote and strengthen space programs amongst the three countries.

### Alliance of Civilizations

They affirmed the importance of encouraging the dialogue among civilizations, cultures, religions and peoples. In this respect, they supported the "Alliance of Civilizations", a United Nations' initiative aimed at building bridges, mutual knowledge and understanding around the world. They commended the Brazilian decision to host, in Rio de Janeiro, on May 2010, the 3rd Global Forum and confirmed their intention to be represented at an appropriate high level.

The Leaders expressed confidence in the success of the FIFA 2010 World Cup in South Africa, of the 2010 Commonwealth Games in New Delhi, of the FIFA 2014 World Cup in Brazil and of the 2016 Olympic and Paralympic Games in Rio de Janeiro. They recognized that hosting these events reflects the positive momentum of developing countries, and of the three countries in particular, and that they are potentially a tool for their social and economic development.

They decided that the VII Trilateral Commission will be held in India by the end of 2010. They also decided that South Africa will host the VIII Trilateral Commission and the V IBSA Summit of Heads of State/Government towards the end of 2011. ■

# India Further Simplifies Norms to Enable Smoother FDI Inflows

India's Minister of Commerce & Industry Anand Sharma has released the final document of the FDI (foreign direct investment) Policy Framework, a consolidation of FDI Policy Press Note 2010, issued earlier.

Speaking on the occasion, Sharma said the current exercise had been initiated with the aim of integration of all prior regulations on FDI, contained in FEMA, RBI circulars, various Press Notes etc., into one consolidated document, so as to reflect the current regulatory framework.

He said the intention of this exercise was not to make changes in the extant guidelines, but to deal with them comprehensively, so as to make them more comprehensible to all investors and stakeholders, over one single platform.

“One of the most significant aspects is that all the Press Notes issued in the past will be rescinded with the issue of this Press Note, which would now comprise the single document on FDI policy. As such, this marks the inception of a whole new chapter on FDI policy”, the Minister said.

During the interaction with the media persons, Sharma said that such consolidation would ensure all information on FDI policy is available at one place, which is expected to lead to: simplification of the policy; greater clarity of understanding of foreign investment rules among foreign investors and sectoral regulators, as also predictability of policy. “Having a single policy platform would also ease the regulatory burden for Government. Updation of this document will be carried out after every six months. This consolidated Press Note will be superseded by a Press Note to be issued on September 30, 2010, ensure that the framework document on FDI policy is kept updated”, he added.

Earlier, the draft document was released on 24 December, 2009 and was open for comments until 31 January, 2010. The response to the draft document has been excellent. Comments from 60 stakeholder organizations (including various government departments, the Reserve Bank of India (RBI), law firms, consultancy firms, chambers of commerce and private companies) have been received. All comments, received until date, have been considered, before



preparation of the final document. Even after receiving the responses, we held another round of discussions on the document with a number of consultancy firms that had offered comments on the draft, as also with the RBI and the Department of Economic Affairs.

There are a number of issues related to FDI policy that are currently under discussion in the Government, such as foreign investment in Limited Liability Partnerships (LLPs), policy on issuance of partly paid shares/warrants, rescinding Schedule IV of FEMA, clarifications on issues related to Press Notes 2, 3 & 4 of 2009 and on Press Note 2 of 2005, as also certain definitional issues etc. When a decision on these is taken, the Government decision would be announced and thereafter incorporated into the Consolidated Press Note subsequently.

Foreign Direct Investment into India is a capital account transaction under the Foreign Exchange Management Act (FEMA), 1999. The Union Government and the RBI regulate such transactions. The Government comes up with new regulations or amends/changes the existing ones, keeping in view the requirements that may exist at a particular point in time. Various aspects of FDI policy are, accordingly, pronounced/notified through Press Notes issued by DIPP, RBI circulars, Acts and changes in regulations. DIPP itself has issued about 177 Press Notes since 1991, covering various aspects of FDI policy, including cross border investment, policy liberalization, policy rationalization and foreign technology collaborations, Industrial Policy etc.



As far as FDI policy is concerned, it had been felt, through interaction with various investors, counterpart government organizations and other stakeholders, that there is a need for further simplification and consolidation of the FDI policy framework, so as to make it more comprehensible to all investors and stakeholders. Prime Minister Manmohan Singh in his remarks at the World Economic Forum in December, 2008, had also announced that, "Our policy will be guided by the desire to make India even more attractive for FDI. We are particularly keen to rationalize and simplify procedures so as to create an investor friendly environment". The present exercise was a step in the above direction.

### FDI Inflows Until February 2010

- FDI equity inflows for February 2010 have been US\$1.72 billion, which represents an increase of 15 percent in dollar terms, over the inflows received in February 2009 (which were US\$1.49 billion). FDI equity inflows for current the financial year (i.e. April, 2009 to February, 2010) have been around US\$ 24.68 billion. These are comparable to the FDI equity inflows for the comparable period of the previous year, which were around US \$ 25.39 billion.
- FDI inflows for almost all months in the current financial year, from June onwards (excepting

September, 2009 and January, 2010) have shown an increasing trend over the FDI inflows of the same months in the previous financial year (2008-09). The pace of inflows, therefore, is stable.

- Accordingly, it is likely that the total inflows in the current financial year (2009-10) are comparable to the total inflows received during the last financial year (2008-09). This is despite the fact that the UNCTAD World Investment Report, 2009, had noted a fall of global FDI inflows, from a historic high of US\$1.979 billion in 2007 to US\$1.697 billion in 2008, a decline of 14 percent. UNCTAD had subsequently predicted a fall in global FDI investment flows by 30 percent from US\$1.7 trillion in 2008 to US\$1.2 trillion in 2009.
- It is relevant to note that the Organization for Economic Cooperation and Development (OECD), in its latest report on investment, released in March, 2010, has noted a significant stagnation in the global investment activity. It has noted that:
  - The average monthly Merger & Acquisition (M&A) activity in the past 12 months was just under US\$50 billion. The last time monthly M&A activity fell below US\$50 billion was in April 2006. Year-on-year, global M&A activity is now at its lowest level since the beginning of the global economic crisis, at around 35 percent of the levels reached two years ago (March, 2007 through February, 2008).

## \$16 mln for Santa Marta Airport Modernization Project

CAF approved a long-term loan for \$16.75 million for Santa Marta International Terminal Company (SMITCO) to co-finance its expansion and modernization program between 2010 and 2012.

CAF President & CEO Enrique García said the operation would contribute to meeting the Colombian state's objective of modernizing the country's port infrastructure. The loan granted was in line with the multilateral financial organization's interest in promoting and financing sustainable and integration infrastructure, he added.

The program, which requires a total investment of US\$50 million, comprises the expansion and total reconstruction of the container cargo terminal, located in Santa Marta port, and acquisition and installation of new cargo equipment.

The terminal's current capacity of 120,000 TEU (standard unit for measuring container handling

capacity) will rise to 300,000 TEU at the end of the expansion program. As a result, the port will be able to offer higher value added services, increasing the reliability of operations, cutting waiting time, and improving the efficiency of handling refrigerated containers.

SMITCO, company which receives the loan, was set up on March 30, 2009 as a result of the joint venture between Sociedad Portuaria Regional de Santa Marta, concession operator of Santa Marta port, and SSA Holdings International, Colombian subsidiary of Carrix Inc., the world's largest private operator of maritime terminals.

The company's objective is to significantly increase the level of container cargo which is imported and exported from Santa Marta port by increasing and modernizing storage spaces, installing equipment and systems, with the participation of specialized staff. ■

# LatAm's Two-Way Trade with India Rises Seven-Fold in Six Years

- Exim Bank Study

The Latin America and Caribbean (LAC) region plays a significant role in the global economy - collectively as a large market and a strong entity through the formation of regional trade blocs, says a study by the Export-Import Bank of India (Exim Bank). The opening up of the LAC economies from closed economies in the past decades has led to dramatic changes in the internal structures of these countries. Some of the changes that occurred include decentralization of operations, the reorganization of production, and the reinforcement of scientific management and strategic planning, the study adds. The combined effect of such changes has resulted in a significant increase in production and foreign investment and, consequently, a rise in the gross national product (GNP) of these countries, the Exim Bank study says.

According to the study, the total trade between India and the LAC region grew seven-fold from US\$ 2.3 billion in 2003-04 to US\$ 16.1 billion in 2008-09, representing an impressive CAGR of 47.2 percent.

## Economic Performance of LAC Region

In 2009, the LAC region experienced its worst recession since 1983. As a result of the global slowdown, a collapse of commodity prices, reduced exports, deterioration of confidence and labour market condition, coupled with a substantial decline in capital inflows, the real gross domestic product (GDP) of the LAC region contracted by 2.3 percent in 2009. The decline in GDP was most severe in Mexico (6.8 percent), reflecting the tight linkages between the US and Mexican manufacturing sectors and a moderate counter-cyclical stimulus that was overwhelmed by the sharp decline in domestic

demand. Peru was the only major Latin American country where the economy expanded in 2009, albeit by 1.5 percent, due to countercyclical macroeconomic policies and a rapid recovery in global demand for its key exports.

Significant export revenue losses were experienced by the energy-intensive economies of Bolivia, Ecuador, and Trinidad and Tobago. For many economies in the region, the intensity of these shocks has been mitigated by an enhanced ability to implement countercyclical monetary and fiscal policies, more resilient financial sectors, and a willingness to use the exchange rate as shock absorber. Declining domestic demand, a large negative output gap and softer international prices for food articles and energy helped to bring inflation down across the region from 7.9 percent in 2008 to 6.1 percent in 2009 (Table 1).

Inflation targeting in countries such as Brazil, Chile, Colombia, Mexico and Peru has proven particularly effective in building institutional strength.

Substantial and broad-based policy support and a relatively closed economy allowed Brazil to rebound quickly from a recession brought on by the global downturn. Following a drop of 11.2 percent in the fourth quarter of 2008 and 3.5 percent in the first quarter of 2009, Brazil returned to positive economic growth at a brisk pace, due to substantial policy stimulus and a recovery in external demand. Domestic demand and net exports have been the major drivers of growth.

The International Monetary Fund (IMF) has projected an overall growth rate of 3.7 percent and 3.8 percent, respectively, in 2010 and 2011, helped by recovering commodities prices and growth in exports. Further, structural reforms have also contributed to the resilience of the region, resulting thereby in moderate inflation in many countries in the LAC region. According to IMF, inflation in the LAC region is projected to fall further from 6.1 percent in 2009 to 5.2 percent in 2010, before increasing moderately to 5.3 percent in 2011.

**Table 1: Real GDP Growth and Inflation in Select LAC Countries**

	Real GDP Growth ( percent)				Consumer Price Inflation ( percent)			
	2008	2009	2010P	2011P	2008	2009	2010P	2011P
Latin America & Caribbean Region	4.2	-2.3	3.7	3.8	7.9	6.1	5.2	5.3
Argentina	6.8	-2.5	1.5	2.5	8.6	5.6	5.0	5.0
Bolivia	6.1	2.8	3.4	3.7	14.0	4.3	4.5	3.7
Brazil	5.1	-0.4	4.7	3.7	5.7	4.8	4.1	4.5
Chile	3.2	-1.7	4.0	4.5	8.7	2.0	2.3	3.8
Colombia	2.5	-0.3	2.5	4.0	7.0	4.6	3.8	3.6
Costa Rica	2.6	-1.5	2.3	3.5	13.4	8.4	5.0	4.7
Dominican Republic	5.3	0.5	2.0	6.0	10.6	0.9	5.4	4.0
Ecuador	6.5	-1.0	1.5	1.8	8.4	5.0	3.0	2.7
El Salvador	2.5	-2.5	0.5	2.0	7.3	1.0	1.8	2.7
Guatemala	4.0	0.4	1.3	3.5	11.4	2.2	3.9	4.1
Guyana	3.0	2.0	4.0	5.0	8.1	2.9	3.5	4.5
Haiti	1.2	2.0	2.7	3.5	14.4	3.5	3.9	4.7
Honduras	4.0	-2.0	2.0	2.2	11.4	5.9	6.0	6.2
Mexico	1.3	-6.8	4.0	4.7	5.1	5.4	3.5	3.0
Nicaragua	3.2	-1.0	1.0	2.0	19.9	4.3	4.2	5.4
Panama	9.2	1.8	3.7	6.1	8.8	2.3	2.6	2.5
Paraguay	5.8	-4.5	3.9	4.7	10.2	2.8	3.6	3.8
Peru	9.8	1.5	5.8	5.5	5.8	3.2	2.0	2.0
Suriname	6.0	1.5	3.5	4.5	14.6	7.6	6.0	6.5
Trinidad and Tobago	2.3	-0.8	2.0	3.0	12.1	7.2	5.0	5.5
Uruguay	8.9	0.6	3.5	3.6	7.9	7.5	7.4	6.0
Venezuela	4.8	-2.0	-0.4	0.4	30.4	29.5	30.0	32.3

Source: IMF, World Economic Outlook Database 2009 and January 2010 updates, P-Projections

## Regional Trade Agreements in the LAC Region

Latin American Integration Association (LAIA), Southern Common Market (MERCOSUR), CACM and the Andean Community have shown decent growth in intra-bloc exports in recent period. As can be seen from the table 2, LAIA, MERCOSUR, Central American Common Market (CACM) and Andean Community have been the most successful in terms of enhancing trade within the member countries. In the case of LAIA, intra-bloc exports have risen from US\$ 15.8 billion in 1990 to as high as US\$ 109.1 billion in 2007, accounting for 15.1 percent of the total bloc's exports. In the case of MERCOSUR, intra-exports have risen from US\$ 6.2 billion in 1990 to US\$ 39.5 billion in 2007, accounting for

**Table 2: Regional Trade Blocs in LAC region**

### A. Merchandise Exports within Blocs (US\$ mn)

	Year of creation	1990	2000	2004	2005	2006	2007
Andean Community	1969	788	2,046	3,435	4,572	5,011	5,509
CACM	1961	779	2,586	3,574	4,324	4,697	5,562
CARICOM	1973	445	1,078	1,746	2,090	2,429	3,759
LAIA (ALADI)	1980	15,769	44,253	57,741	71,720	90,357	109,130
MERCOSUR	1991	6,166	20,082	19,675	24,211	31,197	39,486
OECS	1981	29	38	60	68	84	104

### B. Merchandise Exports within Blocs ( percent of total bloc exports)

	Year of creation	1990	2000	2004	2005	2006	2007
Andean Community	1969	5.6	7.7	8.7	9.0	7.8	7.4
CACM	1961	17.6	19.1	20.9	20.1	15.8	17.0
CARICOM	1973	8.2	14.4	12.2	11.6	11.3	15.7
LAIA (ALADI)	1980	12.2	13.2	13.2	13.6	14.3	15.1
MERCOSUR	1991	9.9	16.4	11.1	11.0	12.2	12.8
OECS	1981	9.0	10.0	11.7	11.4	8.2	8.1

Source: World Development Indicators 2009, World Bank



12.8 percent of the bloc's total exports in 2007. CACM's intra-bloc exports have also risen from US\$ 779 million in 1990 to as high as US\$ 5.6 billion in 2007, accounting for 17.0 percent of the bloc's total exports. In Andean Community, intra-bloc exports rose from US\$ 788 million in 1990 to US\$ 5.5 billion in 2007, accounting for 7.4 percent of the bloc's total exports. In the case the Caribbean Community (CARICOM), intra-regional exports have increased more than four-fold from US\$ 445 million in 1990 to US\$ 3.8 billion in 2007 accounting for 15.7 percent of the bloc's total exports during the same year.

### Trends in Indo-LAC Trade Relations

The total trade between India and the LAC region grew seven-fold from



US\$ 2.3 billion in 2003-04 to US\$ 16.1 billion in 2008-09, representing an impressive CAGR of 47.2 percent (Chart).

### Chart: India's Trade with LAC Region (US\$ billion)

Source: Ministry of Commerce and Industry, Government of India and Exim Bank analysis.

The total merchandise exports of India to the LAC region increased from US\$ 1.1 billion in 2003-04 to US\$ 6.2 billion in 2008-09. Accordingly, the share of the LAC region in India's total exports rose from 1.8 percent in 2003-04 to 3.3 percent in 2008-09. India's import from the LAC region also rose from US\$ 1.2 billion in 2003-04 to US\$ 10.0 billion in 2008-09, with 3.3 percent share in India's total imports, up from 1.7 percent in share in 2003-04. As regards major trading partners in LAC region, Brazil remains the leading destination for India's exports during 2008-09, accounting for 43.0 percent of total exports to the LAC region. Other major export destinations include Mexico (10.7 percent of India's total exports to the LAC region), Chile (6.4 percent), Colombia (6.0 percent) and Argentina (5.7 percent). In terms of India's imports from LAC region, Venezuela dominates with a share of 42.3 percent of India's total imports from the LAC region during 2008-09. Other major import sources include Mexico (17.3 percent of India's total imports from LAC region), Chile (15.1 percent), Brazil (11.8 percent) and Argentina (5.0 percent). ■

## Export-Import Bank of India in the LAC Region

Export-Import Bank of India (Exim India) operates a range of lending, advisory and support programmes to facilitate and promote India's trade and investment relations with the Latin America & Caribbean (LAC) region. Exim India has currently 16 operative LOCs amounting US\$ 173.65 mn covering 16 countries in the LAC region. Exim India has also signed MOCs with a number of institutions in LAC region, which include: Banco Nacional de Comercio Exterior, S.N.C. (Bancomext), Mexico, Banco de Inversion Y Comercio Exterior S.A. (BICE), Argentina, Caribbean Association of Industry & Commerce (CAIC), Trinidad & Tobago; Banco Mercantil, Venezuela; Central American Bank for Economic Integration (CABEI), Honduras; and Corporacion Andina De Fomento, Venezuela. Further, Exim India has supported several Indian project exporters to execute projects, in the LAC region, in countries such as Colombia, Brazil, Mexico, Guyana and Barbados, covering diverse sectors like energy, pharmaceuticals, power and constructions.



# Latin America: Most Promising Global Healthcare Market

Latin America is an extremely promising region for the international pharmaceutical industry. Latin America has seen ongoing investment by the international pharmaceutical industry, and most major companies are well represented in the region. They have managed to deal with the economic crises in the region, but other areas of concern remain. In particular, the pharmaceutical industry has frequently expressed strong concerns about the environment for intellectual property protection in Latin America and has indicated that it is a factor that is affecting its investment in the region.

A recent survey of eight Latin American medical markets says that they are expected to grow by a CAGR of 4.6 percent between 2008 and 2013, reaching US\$9.2 billion. Each country report, which provides a comprehensive analysis of the medical market, includes a five-year market forecast.

The eight Latin American medical markets covered by Espicom Business Intelligence represent a market of 474 million people with a GDP of US\$3.4 trillion in 2008. The region is better prepared to face global instability than in the past but economic growth is expected to slow down in 2009 and 2010, after the recent period of remarkable growth. The region is now seeing all markets re-evaluate their health provisions. Levels of service in the buoyant private health sector are among the best to be found, but the challenge is to provide better levels of basic healthcare to the mass of the population.

Opportunities for manufacturers of medical equipment and supplies do exist, but it is knowing where and how to develop them. Brazil is the largest medical market, followed by Mexico, Argentina and Colombia. Cuba, however, has the highest level of medical spending per capita in the region, but this is mostly for the purposes of 'health tourism', not the

benefit of the local population.

With the exception of Brazil and Mexico, the medical regulatory environment in the region is less stable than in developed markets. These young markets have not matured yet. Therefore, their regulatory systems are being consolidated. Brazil and Mexico, however, have more complex and mature regulatory systems. MERCOSUR members tend to follow the medical regulation established by Brazil, and there is some degree of regulatory harmonization among them. Andean members such as Colombia are also modelling Brazil's medical regulation. Mexico operates closer to its north American allies, and follows the US FDA regulations.

Trade in medical devices and equipment is key to the region's development with all markets dependent on imports, with the exception of Brazil, which has a strong local domestic industry. Brazil, Argentina and Chile import more high specification medical technology products, while Peru, Mexico and Venezuela import more consumables.

Regional medical exports are low, with the exception of Mexico, which represents nearly 90 percent of the region's export capabilities. Continuing strong export growth in the country is almost entirely due to US Manufacturers' 'maquiladora' activities. Almost all of Mexico's medical exports are shipped across the border to the US. Brazil's exports are low compared to the size of its medical market, but exports of dental devices and implantables have been on the rise in recent years. The deficit in the balance of trade is negligible for the region, due to the weight of Mexico's exports.

## Brazil

The outlook for multinational companies in Brazil has improved over the previous quarter, in line with

strong confirmed market growth and improved economic stability. In BMI's Pharmaceuticals & Healthcare Business Environment Ratings (BERs) for Q210 Brazil ranks fourth in the Americas region and moves up to joint 15th globally, among the leading emerging pharmaceutical markets. Pharmaceutical sales growth returned to double-digits during 2009, with the rate increasing for the third consecutive year. While BMI had previously projected double-digit increases, the resilience demonstrated by the sector in light of the worst economic performance realised since 1998 has boosted our optimism for the sector even further. We are now projecting a pharmaceutical sales compound annual growth rate (CAGR) of 14.5% through to 2014.

Price rises provided a major boost to patented pharmaceuticals during 2010. The 5.9% maximum price rise authorised in early 2009 was largely realised based on consumer price index (CPI) data for the year. The patented drug market still holds major potential for Big Pharma, with increasing consumer spending set to boost purchasing power for innovative products. A major threat to US firms over the coming months will be Brazil's reaction to trade disputes. In retaliation against massive subsidies paid to US cotton farmers, which Brazil among other countries says is undermining its attempts to trade in a competitive market, the World Trade Organization (WTO) allowed Brazil to make sanctions worth up to US\$830mn against the US, including up to US\$560mn on goods and US\$270mn on intellectual property rights and services.

While the patented drug sector holds healthy optimism for the time being, the generic drugs sub-sector is the fastest growing in Brazil. The market grew by 24% in real terms during 2009, marking yet another year of rapid market share gains for the industry. The result was within 1.4% of BMI

projections, which stood at 22.6%. In our view a similar market dynamic will prevail going forward. A study by the Foundation for Consumer Defence and Protection (Fundação Procon) show price variations as high as 1,415% between reference drugs and their generic equivalents, as well as wide differences within their respective groups. Such disparity should continue to drive greater use and competition in the sector. The Brazilian government's commitment to supporting its domestic pharmaceutical industry was one of the major factors to be put in the spotlight over the previous quarter. Cristália's opened a BRL30mn (US\$16mn) centre for research with the President's backing, while EMS established ties with biotech companies in China and Cuba with help from the state. The state development bank (BNDES) was involved in the deal which saw Hypermarcas trump Pfizer's bid for domestic firm Neo Química.

## Argentina

BMI forecasts that the value of the Argentinean pharmaceutical market will decline in 2009, with the market shrinking almost 10% in US dollar terms to reach ARS12.47bn (US\$3.37bn) for the year. Through to 2014, we forecast a compound annual growth rate (CAGR) of 15.4% in local currency terms, with the market value topping ARS25.52bn (US\$5.55bn). A slower growth in US dollars is precluded by the weak peso, which is expected to continue depreciating in the coming years from its high of below three to a dollar prior to 2006.

Meanwhile, in BMI's Business Environment Ratings (BER) table for Q210, Argentina improved its position by one place and is now ranked sixth in the Americas region as it emerges from economic downturn. Although the long-term fundamentals of the market remain strong, Argentina's pharmaceutical business environment still suffers from a number of intellectual property (IP) environment deficiencies, including a massive patent application backlog and the lack of protection of undisclosed test data and other information. The problems are compounded by the involvement of high-profile individuals and state officials in the so-called 'drug mafia'.

According to ambito.com, in January 2010, a federal judge ordered that the former manager of the medicine regulatory body within the Ministry of Health be retained in prison, while the case against him is being heard. The manager as well as a number of other officials







(including the owners of the drugstore chains BioDrugs SA and San Javier) stands accused of mismanagement of government tenders and of the knowingly trafficking adulterated medicines for the treatment of HIV and cancer.

Nevertheless, foreign companies seem to be increasing their interest in Argentina, eyeing longer-term growth opportunities. Indian pharmaceutical manufacturers, for example, are disadvantaged by the fact that they cannot import finished formulations into the country and are instead planning to expand in Argentina through a combination of acquisitions (such as Lupin Pharma) and direct manufacturing presence (such as Glenmark). On the other hand, companies from developed markets, such as Japan's largest drugmaker Takeda, are also targeting the purchase of a generic drugmaker in the region. The above trend will be encouraged further by news that the Argentinean government recently launched a plan to develop the country's medical tourism industry. While we believe that the country faces serious underlying issues with respect to the management of its public healthcare system, and that the expansion of the private sector through tourism will divert attention away from improving healthcare provisions for the country's citizens, the fact remains that Argentina is already a popular destination for elective surgery. Therefore, it seems plausible that the government is looking for ways to generate revenues through alliances between tourism, health authorities and the private sector, although for this to succeed much will have to be improved in relation to state management of finances and resources.

## Chile

Chile is one of the region's better economic performers. The country has generally avoided regional trading blocs, preferring bilateral agreements such as the Free Trade Agreement with the US. Chile produces very little medical equipment, so the market is largely supplied by imports. The US is the dominant supplier. The European Union supplies a further 30 percent, of which Germany accounts for half. The current

government is creating a more efficient public system; The Auge Health Reform Plan should boost demand for medical products in the long term. Chile has also a relatively well-developed system of private health insurance.

The Chilean pharmaceutical market is the second smallest in the Latin American region of BMI's coverage universe, trailed only by Peru. Nevertheless, Chile offers considerable longer-term benefits to foreign companies, as the absolute size of its drug market is expected to grow as public health coverage expands. Although the market is relatively well-developed compared with others in the region, many poorer people are yet to receive comprehensive healthcare coverage. In the meantime, the country's economic development is forecast to experience modest growth, with real GDP growth and fiscal expenditure expected to increase and provide a solid foundation for the further growth of healthcare and pharmaceutical expenditure.

BMI calculates that pharmaceutical sales in Chile reached US\$1.21bn in 2008. This represents impressive market growth of 9.51% in local currency terms and 9.81% in US dollar terms since 2007. However, BMI's forecast for 2009 is more conservative. We calculate that the drug market will experience growth of 5.59% in 2009. BMI notes that as a result of the weakening Chilean peso, 2009 drug market expenditure in US dollar terms will experience a -5.61% decline to US\$1.15bn, before rising to US\$1.37bn in 2010. BMI also attributes the decline in Chile's pharmaceutical expenditure growth in 2009 to the economic downturn and the resultant drop in the country's GDP growth. Our Country Risk team forecasts GDP growth declining from 3.2% in 2008 to -1.2% in 2009.

Chile's pharmaceutical market will expand more quickly in US dollar terms over the 5- and extended 10-year forecast periods, a fact that should be of interest to foreign multinationals. By 2014, we forecast the Chilean pharmaceutical market will be worth CLP899.88bn (US\$1.96bn), increasing at a compound annual growth rate (CAGR) of 6.07% in local currency terms and 11.31% in US dollar terms. By 2019, the sale of prescription and over-the-counter (OTC) drugs will have reached a value of CLP1,165.35bn (US\$2.50bn), increasing at a CAGR of 5.69% in local currency terms and 8.14% in US dollar terms. In August 2009, continuing with its global expansion, Indian drugmaker Bal Pharma revealed plans to increase its presence in the Chilean drug market via the sale of its range of active pharmaceutical ingredients (APIs) in

the Latin American country. BMI believes this approach is ideal for the market and expects the Karnataka-based company to gain market share rapidly due to the active demand for APIs and the presence of formulation units in the country. Furthermore, BMI believes Bal Pharma can utilise the knowledge and experience of the Chilean drug market (gained via the sale of finished dosage formulations in Chile) to create a successful API business in the country. BMI notes that Bal Pharma is also present in other Latin American markets, including Brazil, Venezuela, Argentina, Honduras, Costa Rica, Panama, Peru, Venezuela and Guatemala.

## Cuba

Cuba has a well-developed healthcare system, but lacks medical manufacturing capacity beyond hospital supplies and basic electrodiagnostic products. The medical market is largely reliant on imported products. These have risen massively in the past few years, particularly of ophthalmic apparatus for the treatment of Venezuelans flown to Cuba under the Operation Miracle Programme. US companies have little chance of directly supplying the market due to the US embargo. Germany, Japan, Italy and China are



the main suppliers. The Government wishes to create a vibrant regional 'health tourism' sector, aided by funding from Venezuela, its strong regional ally.

## Mexico

Mexico is the second largest medical equipment market in the Latin American region. The market is dominated by imports, principally from the US. US manufacturers benefit from geographic proximity and preferential terms under NAFTA. The domestic industry is geared towards the export market, with the US as the dominant export destination. Due to the 'maquiladora' Activity, many US Companies use Mexico as a cheaper platform from where to export back to the US. Medical consumables are the major export area, but exports of orthopaedic & implantable products are rapidly increasing. The country runs a healthy balance of medical trade.

According to the Business Monitor International, the pharmaceutical market in Mexico will reach a value of US\$8.6bn by the end of 2009, up from US\$9.8bn in 2008. Growth will continue to 2014, reaching US\$14.9bn. Per-capita drug spending will rise from US\$79 in 2009 to US\$133 by 2014. While the rising population should drive demand, we note that the patterns of drug spending in Mexico are changing.

BMI expects total drug market expenditure in Mexico to increase from US\$14.95bn in 2014 to US\$25.9bn by 2019. This outlook accounts for the expected increase in participation in the Seguro Popular health insurance scheme, which is being promoted by the government. In line with increased medical coverage, BMI also believes people will be more likely to purchase medicines from licensed legal premises instead of resorting to the black market. This should also remove some of the demand for counterfeits, and will marginally reduce the proportion of over-the-counter drugs (OTC) in the total drug market.

Several regulatory issues will continue to dampen generic drug sales. As mentioned, the lack of clarity in definitions between patented, generic and similares is problem. At BMI, we do not include similares in our forecasts. Various regulatory bodies, including the Ministry of Health and the State Employees' Social security and social services Institute (ISSSTE), the Federal Commission for Protection Against Health Risks (COFEPRIS) disagree on the differences. The lack of communication between these authorities is unsurprising and reflects the approach of national sector regulation in the country. Moreover, any agreements on what constitutes a generic is not then openly and clearly conveyed to public relations

groups, leaving the public relatively ill-informed, despite the reach and scale of the Mexican media. Since purchasing a majority stake in Ranbaxy, Japanese drugmaker Daiichi Sankyo has been keen to expand its geographical reach. In October 2009, Ranbaxy announced that it is leveraging its marketing subsidiary in Mexico to launch new innovator products from Daiichi Sankyo. In our view, the events are unsurprising Mexico is the largest market in Central America and the second only to Brazil in Latin America. Maximizing Ranbaxy's established presence there is a key strategic move in expanding Daiichi Sankyo's target markets. Ranbaxy's marketing experience in developing markets was an attractive feature for Daiichi Sankyo, particularly as it has been selling over 50 types of medicine in Mexico since 2004. The Indian firm states that its effective sales force and competitive pricing are drivers for growth in Mexico. Furthermore, the patient uptake of new products coupled with the expanding portfolio Ranbaxy can offer through Daiichi Sankyo will mean that patented drugs can also be introduced to the market.

## Peru

Health services are predominantly provided by the public sector, although most facilities are severely under-funded. The private sector is advanced but small, and very much based in Lima. Peru has very little domestic manufacturing. The market is heavily dependent on imports, which have performed well again since 2003. Around 30 percent of imports are supplied direct from the US, although the US share has slipped in recent years as manufacturers in Europe and

Asia are able to compete well in a number of sectors. On many occasions, purchases of medical equipment often rely on donations and international aid. Peru has the lowest level of medical spending per capita in the region.

Peru Pharmaceuticals and Healthcare Report provides independent forecasts and competitive intelligence on Peru's pharmaceuticals and healthcare industry.

In BMI's updated Business Environment Rankings (BER) for Q209, Peru remained second-bottom in the matrix assessing ten major markets in the Americas. A small market size and a deficient intellectual property (IP) environment including the tolerance for non-bioequivalent similares and widespread counterfeiting - represent some of the major drawbacks to the involvement of foreign companies. Nevertheless, Peru offers considerable longer-term benefits to foreign companies, not least due to its rising population numbers and solid GDP growth in recent years. A recently ratified trade agreement with the US is expected to be enforced in the course of 2009, thus leading to improvements in the intellectual property (IP) regime, but also to more intense competition to local players. In order to address such changes, local pharmaceutical manufacturers' association announced that it plans to invest US\$15mn in manufacturing and research processes in the course of 2009.

However, downward pressure on prices largely a factor of the strong competition in the chain-dominated pharmacy retail sector and the government's continuing support for copy and generic medicines - is likely to lead to Peru's pharmaceutical market posting a modest compound annual growth rate (CAGR) of 6.04% in local currency terms through to 2013, though this envisages the strengthening of local currency. In 2013, the market value should reach PEN3.64bn (US\$1.35bn) at consumer prices, rising from PEN2.72bn (US\$0.885bn) in 2008.

In the meantime, Peru has been recording improvements in child and maternal health indicators, local press reported in February 2009 that the most recent edition of the UNICEF's The State of the World's Children noted that Peru has made considerable progress in reducing child and maternal deaths. According to UNICEF, childhood under-five mortality fell by 74% in the period between 1990 and 2007, although maternal mortality is still among the highest in the region. Consequently, the Ministry of Health and UNICEF-Peru have teamed up to create a maternal health project, creating new maternal





waiting houses 'Mamawasi' in order to address problems posed by geographic distance from health services. Peru currently has some 400 Mamawasi, mostly in the highland regions, all of which are operated by local health centres or hospitals.

Other positive developments include the January 2009 introduction of stricter phytotherapeutics regulations. As South America is rich in diverse flora, the successful harnessing of biological compounds can boost the local pharmaceutical industry. The new rules are expected to create a biodiversity list or framework, which will include all of the traditional medicines used by the native population, as well as provide legal protocols for pharmaceutical firms that may be interested in finding new drugs from biomatter. Moreover, illustrating Peru's increasing attractiveness for foreign research companies, clinical research organisation (CRO) Parexel recently opened a base in Peru's capital, Lima.

## Venezuela

The Venezuelan medical market is small; per capita expenditure is comparable to that in Colombia and below that found in Mexico, Chile and Brazil. Expenditure is concentrated in Caracas and other major urban areas. The market is almost entirely supplied by imported products, principally from the US. The best prospects for growth lie with the small but well-appointed private sector. In the public sector, The Barrio Adentro Programme continues to open new diagnostics and rehabilitation facilities; is modernizing the 300 existing hospitals by 2010, with 130 being modernized in 2008; and will be creating 15 new hospitals, with six in construction in 2008.

In updated, Q210 Business Environment Ratings (BER) table for the 10 major countries of the Americas, Venezuela is once again ranked the lowest, reaffirming the view that the country remains one of the most challenging pharmaceutical markets in the region. Globally, Venezuela ranks only 68th of the 71 countries surveyed by BMI, as negative factors such as weak intellectual property (IP) laws (including the most recent patent-annulment of Bayer's Avelox (moxifloxacin) patent) and a political regime that regularly speaks out against private enterprise continue to outweigh possible draws to the market, which include its fast-growing urban population and the support for the Barrio Adentro healthcare system (including the preferential exchange rate introduced in January 2010 to ensure the continued supply of medicines).

BMI calculates that, under pressure from economic



and pricing factors, pharmaceutical sales in Venezuela reached VEB7.47bn (US\$3.49bn) in 2009, a decline on the previous year. By 2014, we forecast the Venezuelan pharmaceutical market will be worth just under VEB28.94bn, increasing at a CAGR of 31% in local currency terms. However, BMI notes that as a result of the weakening Venezuelan bolivar drug market expenditure in US dollars will experience a decline over the five-year forecast period, to fall by a CAGR of 3.67% to a value of US\$2.89bn. Part of the problem is that Venezuela has very high inflation levels, which are eroding any nominal growth in the drug market. In 2009 and 2010, the consumer price index is expected to average around 30-35%.

Nevertheless, Venezuelan pharmaceutical players remain of interest to companies looking to expand in the Latin America region. To this end, over the past few months, Brazilian pharmaceutical company Eurofarma confirmed that it is in negotiations to acquire companies in Uruguay, Paraguay and Colombia and its longer-term strategy includes five additional laboratories, with targeted acquisitions in Chile, Mexico and Venezuela. Similarly, Japan's largest drugmaker, Takeda, announced that it plans to enter the South American drug market via the acquisition of a generic drugmaker in the region, though the company is yet to elaborate on any potential targets. In the meantime, established multinationals are rolling out new strategies in a bid to ensure revenue streams in emerging markets, including Venezuela. For example, announcing that it will launch its eCard system in Russia, Pfizer also revealed Mexico, Brazil and Venezuela are to be targeted by the programme. The scheme will allow patients to access discounts of

between 15 and 50% for the company's medicines, while the drugmaker will be able to capture more accurate prescribing and consumption data and at the same time have closer contact with the patient. However, while the scheme has significant patient/prescriber loyalty potential, Pfizer may face numerous regulatory hurdles (especially in socially-minded Venezuela).

## Colombia

Colombia is the second most populated country in South America, but remains one of the poorer countries. The Free Trade Agreement with the US has been put on hold, which is a setback for the current government. The healthcare system is complex, and coverage is far from universal. The healthcare infrastructure is adequate in the larger urban areas, but in need of modernization. The medical market is heavily reliant on imports, especially in the orthopaedic and consumables sectors. Imports have grown steadily over the past decade, with the sole interruption occurring in 1999. Funding, however, tends to be intermittent, especially for larger, more expensive purchases.

In this updated report, BMI forecasts that Colombia will account for 4.9% of Latin American regional power generation by 2013, with a modest theoretical generation surplus that may still require imports on occasion, particularly if drought conditions impact the vital hydro-power segment. BMI's Latin America power generation estimate for 2008 is 1,125 terawatt hours (TWh), representing an increase of 3.4% over the previous year. We are forecasting growth in regional generation to 1,367TWh by 2013, representing a rise of 21.5%. Latin American thermal power generation in 2008 is estimated by BMI at 438TWh, accounting for 38.9% of the total electricity supplied in the region. Our forecast for 2013 is 561TWh, implying 28.1% growth, increasing the market share of thermal generation to 41.0% - in spite of environmental concerns that should be promoting renewables, hydro-electricity and nuclear power. Colombia's thermal generation in 2008 was an estimated 11.6TWh, or 2.64% of the regional total. By 2013, the country is expected to account for 2.68% of thermal generation. For Colombia, oil is the dominant fuel, accounting for 34.4% of 2007 primary energy demand (PED), followed by hydro at 33.6%, gas at 23.1% and coal with an 8.8% share of PED. Regional energy demand is forecast to reach 744mn tonnes of oil equivalent (toe) by 2013, representing 18.9% growth. Colombia's estimated 2008 market share of 4.94% is set to ease to 4.92% by 2013. Colombia's estimated

44.5TWh of hydro demand in 2008 is forecast to reach 51.0TWh by 2013, with its share of the Latin America hydro market falling from 7.01% to 6.87%. Colombia is now ranked second in BMI's updated Power Business Environment rating, thanks to its use of renewable (mostly hydro-power) energy and relatively low energy import dependency. Regulatory issues and privatisation progress beat the regional average and, although certain country risk factors offset some of the industry strength, the country is quite capable of keeping Argentina at bay. BMI is now forecasting Colombian real GDP growth averaging 3.0% per annum between 2008 and 2013, with the 2009 forecast being a decline of 1.5%. Population is expected to expand from 47.9mn to 51.8mn over the period, with GDP per capita and electricity consumption per capita forecast to increase by 44% and 6%, respectively. The country's power consumption is expected to increase from an estimated 46.3TWh in 2008 to 53.2TWh by the end of the forecast period. This results in a theoretical generation surplus, but occasional power imports will be required if electricity generation grows at our forecast rate of 3.4% per annum. Between 2007 and 2018, we are forecasting an increase in Colombian electricity generation of 51.2%, which is mid-range for the Latin America region. This equates to 24.0% in the 2013-2018 period, up from 17.8% in 2008-2013. PED growth is set to rise from 18.3% in 2008-2013 to 24.0% in 2013-2018, representing 51.1% for the entire forecast period. An increase of 39.3% in hydro-power use during 2007-2018 is one key element of generation growth. Thermal power generation is forecast to rise by 106.4% between 2007 and 2018. More details of the longer-term BMI power forecasts can be found at the end of this report.

Business Monitor International Online's Pharmaceuticals & Healthcare Service provides unparalleled pharmaceuticals and healthcare market research for country markets and analysis on pharmaceuticals and healthcare companies worldwide from Asia and Africa to the Americas, Europe and the Middle East. The online service features pharmaceuticals and healthcare industry trends; intra-daily news analysis; systematic country market assessments with 5-year forecasts; monthly regional briefings, company profiles and industry intelligence for generics, prescription and OTC drugs, healthcare and medical equipment imports and exports; analysis of industry trends and prospects; competitive intelligence on leading multinational and national drug companies; and monitoring of the regulatory environment. ■

# An Agenda for Sustainable Growth & Development

Dr. Supachai Panitchpakdi

Dr. Supachai Panitchpakdi, noted economist and Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), turns the critical issue of “Reconstructing Economic Governance: An Agenda for Sustainable Growth and Development” as his theme for the 25th Exim Bank Commencement Day Annual Lecture 2010, delivered on 18 March 2010 in Mumbai. Excerpts.



*Dr. Supachai Panitchpakdi, Secretary-General, United Nations Conference on Trade and Development (UNCTAD), delivering the 25th Exim Bank Commencement Day Annual Lecture in Mumbai on March 18, 2010*

The economic crisis of 2008-2009, which is still persisting in many parts of the world, signalled a radical change in government policy and international economic governance. Here are a few examples: First, the so-called "market fundamentalism" that had given rise to innovative but often unregulated and opaque financial instruments has been savagely criticized for not in fact serving the interests of the real economy. Second, the small

exclusive group of seven advanced industrialized economies has found itself needing to become more inclusive - and should become more inclusive still. Third, the neo-liberal preoccupation with inflation and tight fiscal policy was turned on its head when global demand fell off a cliff and governments had to pump various stimulus measures into their economies to keep them alive. And fourth, the dogma that governments should not underwrite their



industries let alone nationalize them was brushed aside to salvage leading financial institutions whose imminent collapse threatened the foundations of the entire global economic system.

I don't think there is anyone in this room who would consider this hyperbole, or who doesn't recognize the quite radical change in government policy that has occurred in the midst of the crisis. However, this is not the end of the story: the signs of recovery that we see today, albeit weak and not yet sustainable, should not tempt us to return to "business as usual". We should not go back to the boom-and-bust cycles that characterized the last 30-to-40 years of economic growth, in which the world experienced roughly one major international crisis every decade, and numerous regional crises in between. UNCTAD had been warning about the coming crisis for several years', and moreover about the dangers of focusing economic policy and governance on a restricted set of macroeconomic targets in the hope that rising productivity, increased employment and technological upgrading would automatically follow.

My purpose here today, therefore, is to argue that not only have we needed to change economic policy and governance to halt the economic crisis, but we should continue to refocus the goal of economic activity on building productive capacities and hence sustainable employment and growth opportunities. That process requires reforms to economic governance structures as well as changes in policies that have governed economic activity for many years at both the national and international levels.

By way of a working definition, we can say that economic governance relates to the institutions, rules and policies that guide, regulate and coordinate economic activity in support of socially desirable outcomes. Economic governance could be seen as the relationship between governments and the national-level institutions created by governments, on the one hand, and between member States and supranational level institutions, on the other.

In the current context of the global economy, there are two principal views of economic governance, which are not incompatible but whose differences are more a matter of emphasis and scope. The first essentially sees global governance in terms of delivering global public goods. Not only has the economy become more internationalized, but we

have become more aware of interdependent threats and opportunities, such as climate change, trade and finance, whose governance structures are still strongly grounded at the national level. This view holds that governance structures at the international level therefore need to be strengthened to meet these new realities.

The second view argues that instead of trying to expand global governance structures, we should instead reclaim some of the areas enveloped by globalization so that the State has more control over the actions and prospects of its businesses and citizens. This view does not, however, simply promote national interests, but rather provides a stronger political basis for the revival of multilateralism itself. We may also add yet a third view, which recognizes the increasing influence of regional initiatives in creating institutions and policy frameworks to govern regional economic relationships. Here, countries may benefit from regional public goods and at the same time pursue a governance agenda with regional partners that share a closer vision.

Using this framework, I would like first to show how the retreat of the State, and a fervent belief in the allocative efficiency of markets to price everything from exchange rates and risk to investment and comparative advantages has created uneven global economic growth. Second, I will argue that last year's economic crisis, and for that matter, previous and potential future crises, stem from poor governance and a structural inability in the world economy to correct various systemic imbalances. In doing so, I will highlight what UNCTAD has proposed, not just in the aftermath of what could be called an economic 'mega event' - last year's crisis -but as a forward-looking agenda for "sustainable growth and inclusive development". Allocative efficiency vs. productive capacities: the State's role in supporting growth and employment.

Investment plays a key role because it simultaneously generates income, expands productive capacity and carries strong complementarities with other factors in the growth process, such as technological progress, skills acquisition and institutional deepening. However, the occurrence of innovative investment is not automatic; it can encounter structural and institutional impediments. Moreover, the macroeconomic environment can be

inappropriate for encouraging and supporting investors seeking to create or expand productive capacity and increase productivity.

Thus, the key to the development process is creating the necessary conditions for innovative investment. The most important condition is that firms have access to reliable, adequate and cost-effective sources for financing their investments. Obviously, this is least costly when corporate profits are the main source of investment financing. Indeed, if an investment-profit nexus can be ignited, profits from innovative investments simultaneously increase the incentive for firms to invest and their capacity to finance new investments. Another way of boosting this is for government to maintain high levels of public investment in productive capacities and infrastructure.

On the other hand, when enterprises are heavily dependent on borrowing to meet their needs for fixed investment and working capital, as is the case for new enterprises, the stance of domestic monetary policy is of crucial importance, because high real interest rates tend to increase financing costs and may eventually become prohibitive to new productive investment. An overly restrictive monetary policy may bias investment decisions in favour of financial assets.

The governance of economic policy, and those institutions that guide national governments, should therefore opt for a more pragmatic approach, which promotes innovative investment and prioritizes the creation of productive capacities over allocative efficiency.

### Global Imbalances & Exchange Rate Movements

In an interdependent world, however, it is wrong to regard a strong profit-investment nexus as a sufficient condition for sustained economic growth. There must also be markets available to absorb the potential expansion in output that this implies. Building robust domestic markets is of course key to long-term growth and development, but exporting is also an essential feature of any balanced economy - although just how significant it is can vary from country to country. Certainly, successful exporting is contingent on favourable investment dynamics, a supportive macroeconomic environment, large

domestic firms, etc., and hence, a wide range of conditions must come together for firms that are competitive domestically to become successful exporters in the global markets". It is also the case that the international environment must be supportive of efforts to forge a dynamic profit-investment-export nexus in developing countries.

UNCTAD has long advocated a multilateral approach to international finance. The principle that well-defined multilateral rules, with a transparent and fair arbitration process to adjudicate on the infringement of those rules by all players, underpins an open and stable economic system and is orthodoxy in the WTO. Yet the same thinking is somehow regarded as anathema when applied to the financial system. Beggar-thy-neighbour policies on currency depreciation are tantamount to protectionism, and indeed can have a far more distorting effect than tariffs. At worst, they could also incite a cycle of retaliation either through competitive exchange-rate adjustments or through other protective measures.

Since experience has shown that under a regime of open capital accounts neither completely fixed nor fully flexible exchange rates can ensure financial stability, the solution must lie with intermediate regimes of managed floating. Exchange-rate changes are necessary to compensate for the price and cost developments between a high-inflation and a low-inflation country. However, exchange-rate changes, and in particular, real exchange-rate changes that determine the competitiveness of the whole economy, cannot be left to the market. Stabilizing rates within certain limits will require significant foreign exchange market interventions. On the other hand, it has to be acknowledged that attempts by many countries to keep their currencies at an undervalued rate may result in a race to the bottom or in competitive devaluations that would be as harmful for the world economy as in the 1930s. Indeed, avoiding competitive devaluations was a central idea behind the foundation of the IMF. But the existing global economic governance system lacks institutional arrangements that could exercise multilateral discipline on exchange rates.

Most of the financial crises in the post-Bretton Woods era of floating exchange rates have been characterized by nominal interest rate differentials that have triggered large short-term capital flows. As a rule, the quantity of inflows is big enough to

increase the short-term attractiveness of the high-inflation country's currency, resulting in appreciation, which further raises the return on investment.

In what is a clear systemic failure, an appreciation of the currency of the higher-inflation country fundamentally undermines the normal functioning of the "exchange-rate mechanism" in the short term. The high-inflation country's higher prices on the world market are not offset by a nominal depreciation, and the appreciation adds to the loss of competitiveness of that country and worsens the current account situation rapidly.

If exchange rates do not follow the purchasing power rule in the short term and destabilize the external accounts, the introduction of this rule as a political target is the only way out. The presence of the carry trade brings into question the widespread acceptance of floating as the only feasible solution to the problem of the external balance. Brazil's competitiveness, for example, is not helped by inflows of hot money that seek to exploit the high interest differential between Brazil and other countries. Such inflows contribute to appreciating the exchange rate and to any inflationary pressures that exist in the economy. Conversely, the pressure on China to float its currency could actually end up encouraging carry trade and, with a depreciation of the renminbi, a further increase China's competitiveness. Such an outcome would accentuate global imbalances.

In the same way as intended by multilateral trade rules, a well-designed global financial system has to create equal conditions for all parties involved and help to avoid unfair competition. Avoiding competitive depreciations and other monetary distortions that have negative effects on the functioning of the international trading system is more important in today's highly interdependent world than at any other time in history.

Instability in international currency and financial markets is the result of unregulated international financial activities and clearly cannot be remedied by national policies alone. Therefore, apart from strengthening national and international frameworks of financial regulation, it is also imperative to provide for an institutional framework for better international coordination of financial regulation and supervision. Equally important is to reshape

international monetary arrangements that help avoid the build-up of large current-account imbalances and their counterpart, large unbalanced asset positions across countries. Such an agreement would hopefully address the current potential for regulatory arbitrage, which under a system of loosely coordinated national policies, makes a mockery of efforts at financial system reform.

## Reform of the global reserve currency and voting rights

One problem that has received renewed attention is dependence on the United States dollar as the main international reserve asset. An international reserve system that uses one or even a small number of national currencies as a reserve asset and as a means of international payments also has the disadvantage of being dependent on monetary policy decisions by the central banks issuing those currencies. However, their decisions are not taken in response to the needs of the international payments system and the world economy, but to national policy needs and preferences. Moreover, an economy whose currency is used as a reserve currency is not under the same obligation as others to make the necessary macroeconomic or exchange-rate adjustments for avoiding continuing current-account deficits. In the current international reserve system, the burden of adjusting imbalances is greater for deficit countries (whose currencies do not serve as reserve currencies) than for surplus countries. Central banks can easily counter pressure for currency appreciation by buying foreign currency against their own currency, but they are less able to withstand pressure for currency depreciation, because their foreign exchange reserves are often limited. Since adjustment would imply a reduction of imports by the deficit country, there is a deflationary bias in the system, which makes it more difficult to achieve and maintain high employment.

## Financial Speculation & Oversight

It is regrettable that enthusiasm for a reform of the international monetary and financial system appears to be diminishing now that many observers and policymakers believe the worst of the financial crisis is over. I would argue that rethinking the international reserve system and regulation of speculative capital flows are as urgent as ever, especially as speculation affects many areas of the



global economy. For example, from 2006 to 2008, commodities increasingly became a target for speculative activity. Whilst market fundamentals (growing demand from emerging markets, the rundown of stocks, drought, decline in refining capacity, and so on) initiated price increases in many agricultural and non-agricultural commodities, clearly the link between supply and demand was distorted beyond all recognition by the impact of speculation.

The simultaneous movement of commodities markets with other assets appears to demonstrate the influence of speculation. Major commodity exchanges around the world witnessed record trading volumes: in 2007, agricultural futures and options trading grew by 32%, energy by 28.6% and industrial metals by 29.7%. In addition, according to statistics of the Bank for International Settlements, outstanding amounts of over-the-counter commodity derivatives increased by close to 160% between June 2005 and June 2007. The number of futures and options contracts outstanding on commodity exchanges worldwide rose more than threefold between 2002 and mid-2008. During the same period, the notional value of commodity-related contracts traded over-the-counter increased more than 14-fold, to \$13 trillion. Commodity derivatives exerted a significant influence on spot prices and arguably distorted prices, which had punishing effects for consumers but could also have a negative impact on the future production plans of producers.

In general, the financial sector's lack of transparency and disclosure created a "shadow banking system", with off-balance-sheet assets worth 30% more than those on balance sheets (\$16 trillion: \$12 trillion). Furthermore, and as I do not need to tell an audience of bankers, opaque innovation in financial products such as collateralized debt obligations and special purpose vehicles for off-balance-sheet assets, increased the systemic risk - just the opposite of what they purported to achieve. Taken together with the huge leveraged debt binge in areas from swaps to real estate, the financial markets became completely detached from the real economy and ultimately created a systemic crisis in the banking sector, which spread to the global economy. Needless to say, stronger monitoring, regulation and disclosure are required for limiting excessive speculation, especially

in staple food commodities in the light of the 2008 food crisis. We at UNCTAD support the ongoing discussions in Europe and elsewhere on the restriction of certain instruments, such as credit default swaps after last year's financial crisis, and the role of CDSs in exacerbating the recent sovereign debt crisis in Greece.

Additionally, the time has come to seriously rethink governance reform at the IMF, so that it can focus most properly on what it does best: macroeconomic surveillance and management. If it is to have a strengthened role in reserve currency management, it should remove itself from other areas, such as development finance and poverty reduction, which serve only to clutter and confuse its mandate. The IMF should also strengthen its oversight and surveillance functions so that it is in a better position to warn of crises such as the one we are currently experiencing. In any reform of the international financial institutions, or any institutions governing economic activity for that matter, it is imperative that the composition of committees and supervisory boards reflects a diversity of economic views. One of the criticisms levelled at both the IMF and the Financial Stability Forum (now Board) was that the similarity of intellectual backgrounds of members led to a convergence and even reinforcement of opinion, which failed to foresee the coming crisis. Instead of voices pulling in different directions to test views and policy recommendations, a kind of flocking emerged which proved nearly fatal for the global economy. It should, however, be said that there were several voices that did raise concern about the crisis and how it could be avoided, not least in UNCTAD, which has been analysing global imbalances since as early as 2004.

## Conclusion

In the past year, mainstream economic thinking has been turned on its head by events in the real world. As the economist J.K. Galbraith once wrote, "[ideas] yield not to the attack of other ideas, but [...] to the massive onslaught of circumstance[s] with which they cannot contend". Ultimately, reconstructing economic governance may be the outcome of a more pragmatic policy stance against what was the biggest onslaught of economic events since the 1930s.

Economic governance should work primarily to achieve the goals of prosperity, security and stability,

which are the prerequisites for sustainable poverty alleviation. This was the original intention of Keynes and the other architects of the Bretton Woods institutions, who looked to the 1930s and saw unemployment as essentially a waste of resources, and undervalued exchange-rate movements as a weapon for exporting unemployment. For those pioneers, a regulated financial system was essential for an open and stable trading system. As developing countries, from the early 1960s, forced their own concerns on to the international economic agenda, international cooperation was extended to address the problem of weak or insufficient productive capacity through concessional development finance and support for sectoral and industrial policies; macroeconomic targets, such as maintaining low inflation or a balanced budget, were seen as policy tools, a means to serve the goal of rapid economic growth and industrial development - not the goal itself. In recent years, it could be thought that selected macroeconomic targeting has become governments' primary objective, and trust in the efficient factor allocation of the market has replaced government policy: growth and employment will result if the 'prices are right'.

From the perspective of 2010, as growth rates have tumbled and growing unemployment has hit both the North and the South, it should be obvious that these policies have not worked. The crisis was largely the result of a giant market failure: a mega-event in the cyclical pattern of contemporary economic growth. As I mentioned before, even the IMF now acknowledges that some of the policies it prescribed to governments were based on false assumptions.

UNCTAD has been warning for many years about the dangers of uncontrolled global imbalances and their implications for the world economy. These conditions have produced uneven and unstable growth and mixed results for development. To ensure the long-term sustainability and stability of countries' economic development, we need to adopt new measures at the national and international levels: we need a new agenda, which, incidentally, may draw on some old ideas.

For one thing, the new agenda should be based on improved regulation of financial markets, which should be based on a careful evaluation of the social costs and benefits of financial innovation. Financial sophistication with no social returns must be weeded

out, and regulatory arbitrage avoided. Incentive structures in the financial industry must be overhauled to put an end to excessive risk-taking. For another, developing countries must increase their resilience to external shocks by maintaining a competitive exchange rate and limiting currency and maturity mismatches in private and public balance sheets. As I have already explained above, the world also badly needs international coordination.

Regulators based in different countries should share information, aim at setting similar standards, and avoid races to the bottom in financial regulation. Special attention must also be paid to the plight of the poor economies, which means increasing development aid is yet another imperative. UNCTAD research has found that past financial crises were followed by a substantial decline in foreign aid, ranging from 10% to 60%. And if Overseas Development Assistance (ODA) takes as long to recover from today's turmoil as it did previously - say, in three to four years' time, just when world markets are starting to pick up again - the poor countries could be caught short, lacking the resources needed to get back into exporting. Not only should current ODA pledges be kept, but they should be increased, substantially.

As to the international financial system, I believe that we need to rely more on a multilateral approach and the same rules and regulatory discipline that apply to international trade should also apply to international finance. In this respect, a set of multilaterally agreed rules on exchange rates, and a mechanism to correct long-term misalignment in exchange rates are long overdue. For rising economic welfare to be sustainable, it has to be shared without altering the relative competitive positions of countries.

In the 1920s, when the "market juggernaut" was rolling at full steam, John Maynard Keynes called for a "new wisdom for a new age" with "new policies and new instruments to adapt and control the workings of economic forces, so that they do not intolerably interfere with contemporary ideas as to what is fit and proper in the interests of social stability and social justice". Open-minded, tolerant and pragmatic approaches to the development challenge, consistent with today's increasingly interdependent world, are urgently needed to place economic policy and governance once again at the service of financial stability and economic prosperity for all. ■

High GDP & Infrastructure Growth Give Boost...

# Indian Cement Industry Prospects Bright

- Exim Bank study



The growth of the cement industry is a barometer of a country's economic development. With recession receding slowly and India's annual economic growth projected at an average 9.0 percent the outlook for the cement industry in the coming years is bright, says a study by the Export Import Bank of India (Exim Bank). The ongoing stress on infrastructure development is expected to give an added impetus to the Indian cement industry, which is today the world's second largest after its Chinese counterpart, says the study.

## Production and Consumption

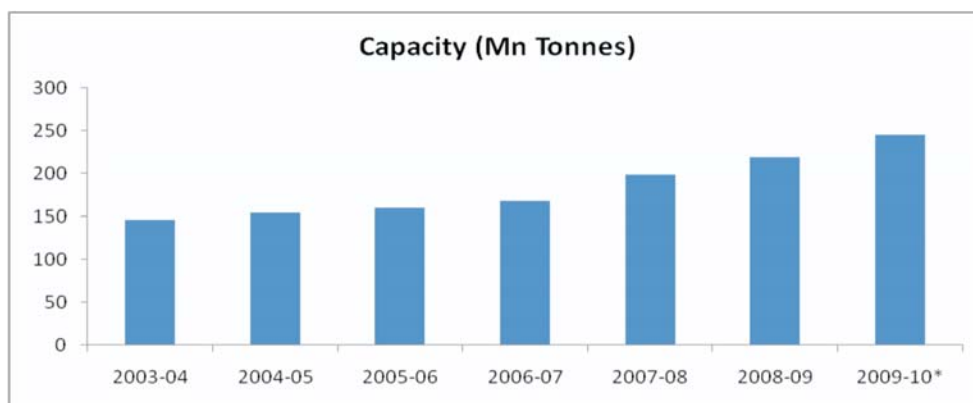
Cement production in India expected to touch 205 MT by the end of the financial year 2009-10. The 11th Five-Year Plan projects cement production in India to touch 269 MT by 2012.

Cement production has grown at a CAGR of over 8.0 percent during the period 2003-2009. According to the Cement Manufacturers' Association (CMA), cement dispatches were 14.13 MT in December 2009,

and showed a growth of 13 percent as compared to 12.48 MT in December 2008. During December 2009, cement production was 13.91 MT, registering a growth of 13 percent as compared to 12.31 MT in December 2008. Between April to December 2009, cement production totaled 116.01 MT while cement dispatches totaled 115.31 MT.

## Production Trends in Indian Cement Industry

In India, about 25 percent of the cement production is



Source: CMA \* estimated



Ordinary Portland Cement (OPC), 66 percent is Portland Pozzolana Cement (PPC), 8.0 percent is Portland Blast Furnace Slag Cement (PBFC) and the remaining 1.0 percent is special cement. Aditya Birla Group, Holcim and India Cements are the leading players in the cement production accounting for around half of the total installed capacity and production.

According to CMA, cement consumption, which increased from 149 MT in 2006-07 to 164 MT in 2007-08 is expected to touch 205 MT by 2009-10.

### All India Demand-Supply Scenario

Category	Units	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Capacity	Mn tones	153.97	160.37	167.96	198.30	219.20	245
Production	Mn tones	127.57	141.81	155.66	168.32	181.42	205
Capacity Utilization	Percent	82.9	88.4	92.7	84.9	82.8	83.7

Source: CMA

### Exports

Export of cement from India has declined from 6.86 million tonnes in 2004-05 and is expected to decline to touch 4 million tonnes in 2009-10, a decrease of nearly 9.0 percent CAGR. The fall in exports is mainly attributed to capacity additions in Middle East countries (which is a large export market for India) and healthy demand pattern in the domestic market. Further, Government of India has also been moderating the policies related to export of cement to meet the growing domestic demand and restraining the price increase in the domestic market. India's cement exports are primarily in the form of Portland cement, cement clinkers, white cement, limestone flux and refractory cements, mainly exported to Middle East countries like Qatar, Iraq, UAE and Yemen. Some of the other export markets are Nepal and Bangladesh.

### Evolving Trends in the Cement Industry

- The cement industry has witnessed substantial reorganization of capacities during the last couple of years. There have been instances of several mergers and take-overs in the industry, including the interest evinced by the foreign cement majors.
- There has been a mismatch of growth in production and consumption in various regions. Cement, a bulky commodity, involves significant transportation cost, and thus led to demand-supply mismatch and price differentials at regional level.

- With the spurt in domestic demand, the cement industry is witnessing increased investment activities. The cement industry is planning to increase capacity by 118 million tonnes during the 11th Plan period.

### Outlook

- Cement companies continue to face high cost pressure due to increasing prices of coal leading to escalation in power and fuel costs. Further, the hike in petroleum prices is adding to the woes of the cement manufacturers with the rising transportation costs as well.
- The Middle East region, which accounted for a

significant share in India's cement exports, is expected to have decline in import demand due to new capacity additions in the region. Apart from this, cement firms like Lafarge are vying with an option of setting up plants in countries like Sri Lanka and Bangladesh to take advantage of the growing market demands in these countries.

- A sharp slowdown in cement off-take following the completion of the projects related to the Commonwealth Games and withdrawal of stimulus by the Government may tilt the odds against the sector.
- On the positive side, the robust growth in GDP and industrial production coupled with renewed impetus on the need for infrastructure and real estate development in India may boost the demand for cement in the days to come.
- Growing momentum in consolidation amongst the players is also expected to bring rationality in capacity addition.

To conclude, with the recession getting over, the future outlook for the cement industry looks promising and optimistic. According to Government estimates, India would require 600 MT of capacities by 2020. On an average, 1 MT of greenfield project needs Rs 400 crore. The cement industry will therefore require over Rs 100,000 crore of investment to build enough capacity to cater to the rising demand in the years to come. ■

# Dominican Habitat Scheme for Urban Poor Gets \$80mln

"CAF gives priority to financing social infrastructure projects which directly benefit low-income communities in Latin America," CAF President & CEO Enrique García said, after signing a US\$80 million loan agreement with Dominican Republic Finance Minister Vicente Bengoa.

The signing took place in the National Palace in the presence of President Leonel Fernández, as witness of honor. The funds from the agreement will partially finance the Urban Development and Habitat Program, which the Dominican government is implementing. Under this program, integrated urban development projects will be executed in 61 communities with the objective of improving the living conditions of approximately 18,500 people in marginal localities.

The beneficiaries of the programme are concentrated in risk areas which have suffered damage from the tropical storms of recent years. The executing agency is the National Housing Institute (INVI). During his visit, García held meetings with Central Bank Governor Héctor Valdez Albizu; Minister of Economy, Planning and Development Temístocles Montas.

On the signing, García said, "CAF has been financing integrated urban development initiatives in support of the homebuilding programs of the governments of our shareholder countries, along with projects to bring drinking water, basic sanitation, energy, access and roads to the population, complemented by community and sports development."

The amount of the programme totals US\$124.2 million, of which US\$80 million will come from the CAF loan (64 percent), and US\$44.2 million (36 percent) from the local contribution. The funds will be used to cover the direct costs of homebuilding and social infrastructure, and execution of the Environmental and Social Management Plan, among others.

Since becoming a CAF member in June 2006, the Dominican Republic has received loans totaling US\$200 million through various operations in addition to the latest signing, especially financing for the Atlantic Tourism Boulevard (BTA) for US\$41.5 million, for construction of a highway which will significantly cut travel time between Santo Domingo and the Samaná peninsula, area with a high tourism potential which has priority in the country's development plan. ■

# Brazilian Civic Infrastructure Project Gets \$28 mln Loan

Caxias do Sul, Brazilian municipality in the state of Rio Grande do Sul, will execute its Municipal Infrastructure and Basic Services Development Program with a CAF loan of US\$28.8 million. CAF director representative Moira Paz-Estenssoro, and the prefect, José Ivo Sartori, signed the loan agreement recently.

"With this Program - Moira Paz-Estenssoro said - CAF is promoting the development of the municipality through the paving and upgrading of the secondary roads which connect the heavily populated urban

areas of the municipality with the paved trunk roads."

The works to be executed will improve the connections of Caxias do Sul Prefecture, which has over 400,000 inhabitants, to the other localities of Rio Grande do Sul and the region. The Program will facilitate transport in the rural area of the municipality, benefiting various communities which will be able to increase their production because of better access to markets, the CAF executive added. ■

# Pact Signed for \$300 mln Loan for Lima Urban Train Project

CAF and the Peruvian government have signed a loan agreement for US\$300 million to partially finance the civil works component of the Villa El Salvador-Avenida Grau section of Line 1 of the Lima Urban Train, better known as the Electric Train in order to improve the quality of life of the people of the city of Lima and solve serious problems of urban mobility. The loan agreement was signed by CAF President & CEO Enrique García, and Peruvian Minister of Economy and Finance Mercedes Araóz during the 51st IDB Governors Annual Meeting recently.

The project is part of the integrated plan to modernize the urban transport system with the participation of the national government and Lima Metropolitan Municipality. This section marks the first stage of a long-term initiative whose objective is to provide the cities of Lima and Callao with an urban mass transport system.

The objective is to improve the quality of life of the population located in its area of influence through savings in travel time and higher quality and safer transport. "It is a very important project for Peru and

CAF. The electric train is an urgent necessity for Lima because it offers passengers a high capacity solution to the problem of urban transport, with a faster, safer, cheaper and non-polluting service," García said.

The Lima Electric Train will move people around the city, connecting downtown with districts such as Villa El Salvador, Villa María del Triunfo, San Juan de Miraflores, Surco, San Borja, and La Victoria.

The components of the project, whose total cost is over US\$550 million, include construction of the remaining infrastructure, installation of electromechanical equipment, acquisition of rolling stock, and start of the first phase of Line 1 from Villa El Salvador station to Grau.

The works also include rehabilitation of the existing railway, construction of 11.7 km of new viaduct between the Atocongo and Grau stations, and reconditioning and modernization of 32 wagons, rehabilitation and modernization of seven stations, and building of nine new stations. ■

## Fund for Infrastructure Study for Laying Gas Inter-Connection

An international call for expressions of interest was opened for consulting firms which wish to participate in the preparation of a prefeasibility study for construction of the gas interconnection between Bolivia, Paraguay and Uruguay. The project is supported by CAF under the Infrastructure Promotion Fund (Proinfra).

The study will specifically analyze the various gas interconnection alternatives, and make recommendations for the energy integration of the three countries, permitting them to take technical, economic, social and environmental decisions on a multidisciplinary basis.

The study, to be commissioned by CAF, is an initiative of the governments of the countries involved, based on the energy integration which Bolivia, Paraguay and Uruguay are promoting under the URUPABOL project. The funds have been approved and the planned maximum implementation time is eight months.

The Proinfra Fund was set up by CAF to contribute to improving the quality of Latin American infrastructure projects, giving priority to those related to regional integration or which introduce innovative financing schemes. ■



# \$500mln Rehabilitation Package for Quake-Hit Haiti & Chile

CAF has announced in Caracas approval of two important financing facilities to contribute to the emergency and reconstruction efforts in Haiti and Chile, both countries massively affected by the recent earthquakes. The first facility for US\$200 million is in solidarity with the Republic of Haiti, and the second for US\$300 million is for integrated response to the emergency caused by the earthquake in Chile.

The operation in favor of the reconstruction of Haiti was constituted to facilitate access by CAF shareholder countries, interested in helping this nation out of solidarity, to individual loans for financing projects in the country.

CAF President & CEO Enrique García said, "this operation is CAF's response to the expressions of solidarity and commitment by the governments of the region to this country, whose recent natural catastrophe has brought devastating consequences."

In this respect, the Heads of State of the countries of the region, meeting in the UNASUR summit in Quito and more recently in the Unity Summit of Latin America and the Caribbean in Mexico, expressed their concern about the situation in Haiti and gave CAF a mandate to explore financial mechanisms which would permit shareholder countries to channel funds to meet the basic reconstruction needs of the country, in line with the priorities determined by the government of Haiti jointly with other international organizations.

The fundamental objective of these funds is to finance projects which contribute to the sustainable recovery of the economic and social infrastructure, basic services, food production and environment in Haiti.

García added, "As part of a Solidarity Strategy in favor of the Republic of Haiti, CAF initially approved a US\$250,000 grant

from the Human Development Fund (FONDESU) and today approves an additional grant of US\$1 million for humanitarian assistance activities."

For Chile CAF approved a US\$300 million financing facility to respond to the emergency caused by the earthquake in Chile last February 27. García said, "the operation is a CAF initiative to support the Republic of Chile's efforts to identify sources of multilateral and bilateral finance which can help deal with the emergency caused by the earthquake."

"This type of operation is based on the experience acquired by CAF in responding to emergencies caused by natural phenomena in the region," the CAF president said. The institution has approved similar financing in recent years in favor of the Pluri-National State of Bolivia, the Republic of Ecuador, and the Republic of Peru.

With these funds, the Republic of Chile will be able to execute immediate response activities for victims and provisional restitution of critical services, such as emergency repairs in hospitals and schools, road infrastructure, telecommunication systems, drinking water and sanitation and energy, along with definitive reconstruction of the infrastructure in the areas affected.

The funds will also be used to finance pre-investment studies, as well as institutional strengthening of disaster administration and management. "In other words, they will be used for short, medium and long-term objectives," García said.

The loan is in addition to an initial grant of US\$250,000 from the Corporation to meet the immediate needs of affected populations following the earthquake in this CAF partner country. ■



# \$250mln Funding for Extending Argentine N-Plant's Life

CAF has announced approval of US\$250 million in favor of the Argentine Republic to partially finance the Project to Extend the Useful Life of the Embalse Nuclear Plant (CNE).

The executing body is the Ministry of Federal Planning, Public Investment and Services through Nucleoeléctrica Argentina S.A. (NASA). The total cost of the project is US\$1.03 billion, of which the CAF loan equivalent to 23 percent.

CAF President & CEO Enrique García said, "the loan will lengthen the life of the Embalse Plant. We are supporting the plans of the Argentine government in energy generation, as well as contributing to improving the quality of life of approximately 3.5 million people who will use the service generated by this plant, at the same time as favoring development of the science and technology system in Argentina."

Embalse, the second largest nuclear plant in Argentina, has a capacity of 648 MW and supplies the northeast region of the country which covers Cuyo, Centro and Greater Buenos Aires. Since the plant will complete its useful life at the end of 2011, the Argentine government decided to rehabilitate the facility to provide service for a further 25 years by conditioning and replacing components of the reactor and other basic systems.

The plant generates thermoelectricity of nuclear origin based on Canadian CANDU technology, which uses natural non-enriched uranium as energy source. The Canadian state company, Atomic Energy of Canada Limited (AECL), owner of the CANDU patent, will be the main adviser of NASA in executing the project to extend the plant's useful life.

The valuable experience provided by the various electro-nuclear reactors of CANDU technology which are in process or have been rehabilitated will facilitate and speed up the project in Argentina.

The CAF chief added, "generation of electricity from nuclear energy is receiving a new stimulus around the world because of its contribution to mitigating global warming caused by emissions of carbon and other greenhouse gases. China and India, several

European countries and the United States have announced plans to increase the use of this source in their energy mixes. Latin America has following this trend and Argentina has been in the vanguard of electro-nuclear development in our region."

The Agenda for Integrated Development proposed by CAF aims to achieve high, sustained, sustainable and quality growth for which it is necessary to have a base of productive infrastructure and adequate services, including - naturally - energy. In this respect, CAF gives priority to national, regional and local projects and programs which promote investment in sustainable infrastructure and which, in this particular case, also strengthen the science and technology systems of Argentina and Latin America.

Since the 2000-02 crisis, Argentina has enjoyed sustained economic growth, which has led to a considerable increase in energy consumption. To meet this demand various projects have been executed to increase supply, especially from hydroelectric sources, at the same time as increasing the transport capacity of electricity transmission lines and gas pipelines. In this respect, CAF has given permanent backing to the Argentine effort in this sector.

Argentina was a pioneer in the region in nuclear energy. In 1964 studies began for the Atucha I nuclear plant, which began operations in 1970. The second Embalse plant began operations in 1984. Now a third nuclear plant is under construction (Atucha II) and operations are planned to begin late next year.

The Argentine experience in the operation, maintenance and integrated management of the electro-nuclear industry is impeccable and fully backed and endorsed by national, regional and international organizations, such as the International Atomic Energy Agency. This experience has contributed to the development of important scientific and technological activity in the country. ■

# 4th India-LAC Conclave to Consider Projects worth \$10bn

India-Latin America and Caribbean (LAC) trade and investment flows are expected to increase several fold in the coming years in the wake of the global economic recovery. The vibrancy in the bilateral trade ties is amplified by the robust trends in India-LAC trade relations, wherein bilateral trade rose nearly four-fold in the last five years, from US\$ 4.2 billion in 2004-05 to US\$16.1 billion in 2008-09, due to rise in both exports to and imports from the LAC region. The 4th CII India-Latin America and Caribbean

Conclave, to be held in New Delhi on 29 and 30 April will provide a platform for businesses from both regions to discuss and cement long-term sustainable partnerships and joint ventures.

Project proposals with an aggregate value of US\$10.39 billion will be discussed during the course of the Conclave, and the discussions will touch upon a wide cross-section of business sectors that include agriculture and food processing, machinery, sugar production, ethanol, frozen foods, contract farming, floriculture, textiles, textile machinery and apparel, manufacturing; auto components and auto parts, chemicals, real estate, construction, housing, transportation, hospital infrastructure, ICT, ITeS, logistics, mining and mining equipment, oil and gas, biotech, pharmaceuticals, medical equipment, tourism, and energy, among others.

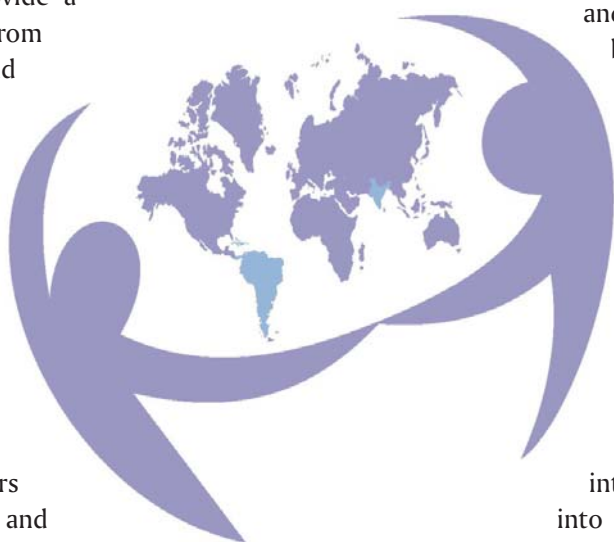
The Conclave will see the participation of delegations from 13 LAC countries including Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Mexico, Peru, Trinidad & Tobago, and Uruguay.

The Conclave will also provide a unique opportunity to the participants to present case studies and real projects ready and available for JVs and exports. Besides, it will bring businesses from LAC seeking access to funds and lines of credit from Exim Bank of India.

The LAC region occupies a significant position in the new world economic order, being collectively a large market. Indian businesses are also looking at larger footprints in specific regional blocs such as MERCOSUR, CARICOM, SICA and Andean Community on the basis of the success that have been achieved by these trade blocs in promoting trade among the member countries. Pertinent to note that most of the LAC countries transformed from closed to open economies more than a decade ago. In doing so, they underwent dramatic changes in their respective internal structures and entered into a world of great competence and diversity.

The 4th CII India-Latin America and Caribbean Conclave will focus upon themes such as the regional market groupings and the potential they hold for India, the financial means available to enhance trade, issues with logistics and connectivity, apart from deliberations on promising sectors like agriculture & food processing, engineering, automotive, IT & ITeS, pharma, biotech, healthcare and medical equipment.

A number of industry leaders and dignitaries from the LAC countries, including the Ambassadors, as well as senior representatives from leading Indian companies will address the Conclave. ■





# Indo-Mexican Real Estate JV to Build Homes in Chennai

Puravankara, a Bangalore-based real estate company has announced a joint venture with Homex, a subsidiary of Desarrolladora Homex of Mexico.

In a filing to Bombay Stock Exchange (BSE) recently, the real estate developer said that the two companies have established the rules for a non-exclusive joint venture company to undertake projects in the affordable entry-level housing segment.

The first project of the joint venture company is expected to be in the metro area of Chennai.

"We look forward to this exciting opportunity that the JV represents. There is a huge requirement in India for affordable entry-level housing to be built across the Country, and with the expertise and

proven business model of Homex and Puravankara's track record and experience in Indian housing, we feel confident that through the combination of skills and market understanding -which is unparalleled in India-, we can become industry leaders in this segment," said Ravi Puravankara, Chairman and Managing Director of Puravankara Projects Limited.

"Our plan has been to cautiously assess opportunities to replicate our proven business model in other populous countries where the housing market is underserved. We will be adding our expertise and business model to what we both feel is a strong business opportunity in India's affordable, entry-level market," said Gerardo de Nicolas Homex's Chief Executive Officer. ■

## Patni Opens New IT Delivery Center in Queretaro, Mexico

Patni Computer Systems is opening a new IT Delivery Center in Queretaro, Mexico to serve North and Latin American Markets. Jose E. Calzada Roviroso, Governor of the Queretaro State cut the ribbon on 12 March, 2010.

Patni is moving from its temporary facility into a permanent location in a high-rise building at ITESM Technological Park of Tech de Monterrey. The new center occupies

11,000 square feet on two floors in ITESM Technological. Patni currently employs 40 in Queretaro. The company has plans to increase employment in the local facility to 200 by the end of

2010, with the bulk of the new recruits coming from the local area.

Queretaro is Patni's 22nd development center, expanding a global presence which already features

near-shore centers in the United States and Europe. Patni has an employee strength of around 14,000; multiple global delivery centers spread across 13 cities worldwide; 28

international offices across the Americas, Europe and Asia-Pacific; Patni has registered revenues of US \$656 million for the year 2009. ■



patni

Hacia la edificación de una prosperidad global

# La cumbre BRIC

Los jefes de estado de los países BRIC (Brasil, Rusia, la India y China) se han comprometido a dirigir sus esfuerzos no sólo para ampliar la cooperación entre sí mismos sino también para construir un mundo armonioso de paz duradera y prosperidad común.

En una declaración común, los cuatro líderes – el primer ministro indio Manmohan Singh, el presidente chino Hu Jintao, el presidente ruso Dimitry Medvedev y el presidente brasileño Lula da Silva declararon: “Creemos que la profundización y la ampliación del diálogo y la cooperación entre los países BRIC es propicio no sólo para los intereses comunes de las economías emergentes y de los países en vías de desarrollo, sino también para construir un mundo armonioso de paz duradera y prosperidad común.”

Los líderes de las cuatro economías de crecimiento más rápido del mundo que se encontraron para la segunda cumbre de BRIC sostenida en Brasilia el 15 de Abril de 2010, también hicieron un llamamiento a los miembros de los estados G-20 para emprender otros esfuerzos a fin de ejecutar en común las decisiones adoptadas en las tres cumbres G-20 dirigidas a combatir los efectos de la crisis financiera global reciente y para emprender otros esfuerzos para ejecutar conjuntamente las decisiones adoptadas en los tres acontecimientos globales.

**Nos beneficiamos con esto - el primer ministro Singh**

Hablando con los representantes de la

prensa después de la II cumbre de BRIC, el primer ministro Manmohan Singh, quien describió el acontecimiento como muy exitoso, dijo: “Ésta es la segunda cumbre independiente de los países de BRIC en menos de un año. Nuestros países se han reunido aquí hoy porque nos beneficiaremos con la cooperación mutua, y porque creemos que una mayor cooperación entre nosotros es también buena para el mundo.”

Él dijo que la agrupación BRIC no nació como respuesta a una crisis sino que era “un acto de fe de largo plazo en nuestra gente y en nuestras economías.” Sin embargo, la crisis económica y financiera global ha creado una nueva relevancia para BRIC.

El primer ministro Singh dijo que “sostener la recuperación económica global y hacerla inclusiva serían los desafíos principales ante nosotros en el futuro cercano. Con sus fuerzas económicas internas, los países de BRIC tienen el potencial para desempeñar un papel constructivo en contribuir al desarrollo económico y a la prosperidad del mundo. Somos todos una parte del proceso G20.”

Él dijo que los cuatro líderes también habían sostenido diálogos útiles sobre otros temas de interés común. Éstos incluyeron el cambio de clima, el desarrollo sostenible, la seguridad alimentaria, la seguridad energética y la reforma de las instituciones financieras internacionales y de las Naciones Unidas.



“Apoyamos un orden mundial multipolar, equitativo, democrático y justo con las Naciones Unidas desempeñando un papel fundamental en abordar los desafíos globales,” agregó el primer ministro Singh.

### **A continuación es el texto del discurso del primer ministro Singh a la sesión plenaria de la II cumbre de BRIC.**

La convocación de la segunda cumbre independiente de BRIC representa la creciente multipolaridad en el mundo. En un período corto de 10 meses, desde nuestra cumbre pasada en Ekaterinburg nosotros hemos hecho buen progreso. Nuestros Ministros de Asuntos Exteriores, Ministros de Hacienda, Ministros de Agricultura, consejeros de seguridad nacionales y gobernadores de los Bancos Centrales se han encontrado. El primer foro de negocio de BRIC se celebró hace algunos días, y han tenido lugar varios otros acontecimientos importantes también.

### **Crecimiento inclusivo**

Somos cuatro países grandes con recursos abundantes, poblaciones grandes y sociedades diversas. Juntos representamos casi un quinto del PNB del mundo. Aspiramos a un crecimiento rápido para nosotros mismos y un ambiente externo que sea propicio a nuestras metas del desarrollo. El pueblo de nuestros países espera que trabajemos juntos para brindarles las ventajas del desarrollo social y económico inclusivo. Brasil ha tomado pasos impresionantes en la inclusión social bajo la dirección del presidente Lula, de la cual podemos todos aprender. En la India hemos puesto en marcha programas masivos para la intervención social como la promulgación del Acto Nacional de Garantía de Empleo Rural y el Acto del Derecho a la Educación. Podemos aprovechar compartiendo nuestras experiencias en el campo de crecimiento inclusivo.

### **Seguridad alimentaria y energética**

La seguridad energética y la seguridad alimentaria son dos áreas específicas donde podemos trabajar juntos. Nuestra agrupación incluye dos de los productores más grandes así como dos de los consumidores más grandes de la energía en el mundo. Podemos cooperar tanto en áreas de exploración y producción como las de distribución y comercialización en el sector petrolífero así como en el desarrollo de nuevos combustibles y tecnologías de energía limpia.

Semejantemente, los países de BRIC son tanto productores como consumidores grandes de



productos agrícolas. La reunión de nuestros Ministros de Agricultura es una iniciativa agradable. Debemos considerar poner en marcha una arquitectura de seguridad alimentaria que se centra en el aumento de la productividad agrícola, una mejor utilización de tierras, en prácticas agrícolas sostenibles y agro-procesamiento.

Además de esto, hay potencial extenso para cooperación en áreas como ciencia y tecnología, comercio e inversión, los productos farmacéuticos e infraestructura. Las inversiones en capital humano crearán nuevas fuentes de crecimiento.

Los países de BRIC tienen un papel importante a jugar en formar el paso, la dirección y la continuidad del desarrollo económico global. Me agrada el hecho de que nuestros Ministros de Hacienda y gobernadores del banco central se hayan estado encontrando regularmente. En nuestra cumbre pasada habíamos decidido comisionar un estudio de BRIC sobre la dirección en que moverá la economía mundial en el período a continuación. La India ha circulado el borrador del cometido para el estudio y quisiéramos llevar hacia adelante esta idea.

Mientras parece que la crisis económica y financiera global inmediata está detrás de nosotros, es todavía temprano decir que estamos en la trayectoria de la recuperación de largo plazo. Mucho dependerá del rumbo que lleven las economías desarrolladas. La recuperación sostenible también dependerá de





varios factores como el aumento en la inversión para el desarrollo de la infraestructura, los flujos de capital estables a los mercados en desarrollo, los ajustes macroeconómicos apropiados, y evitar la complacencia en el área de las reformas del sector financiero. La inclusión financiera será un determinante importante del éxito.

### Agenda para las cumbres G-20

Debemos prepararnos para las cumbres próximas de G 20 en Toronto y Seúl. Sus resultados deben de actuar como respaldo en la fase post-crisis del proceso de recuperación. Esto requiere evitar el proteccionismo en todas sus formas, adherirse a un sistema de comercio justo y basado en reglas, y reforma de instituciones financieras internacionales así como una mejor regulación y supervisión de las mismas. Se debe asegurar la suficiencia de capital de instituciones internacionales para financiar las necesidades del desarrollo. Nuestros Ministros de Hacienda deben estar en contacto regular.

### Cambio de clima

Las naciones de BRIC representan una voz importante en el discurso global sobre el clima. A pesar de sus defectos, la conferencia de Copenhague generó una comprensión amplia sobre varios temas polémicos. Nuestro enfoque a la conferencia de Cancún se debe anclar en el Convenio Marco de Naciones Unidas sobre Cambio de Clima, el protocolo de Kyoto y la conferencia de Bali.

La tecnología será un elemento clave en nuestra estrategia para hacer frente al desafío del cambio de clima. Cada uno de nosotros tiene nuestras propias fuerzas en tecnologías favorables al clima. Si reunimos nuestros mejores recursos científicos y tecnológicos, las naciones de BRIC pueden adelantar un ejemplo ilustre en promover el desarrollo colaborativo, el uso y la difusión de la energía limpia y las tecnologías reanudables.

Los países de BRIC se encuentran colocados de manera única para contribuir a reformar la arquitectura de la gobernación global. Una reforma genuina del Consejo de Seguridad a través de una expansión en su membresía permanente así como la no- permanente junto con una mejora en sus métodos de trabajo es esencial para hacer de las Naciones Unidas una entidad reflexiva de las realidades contemporáneas.

La declaración común que publicaremos hoy junto con el documento BRIC de seguimiento contiene muchas ideas para ampliar nuestra cooperación. Estoy particularmente alegre que el alcance de nuestras actividades esté ampliando, con un foco en mayores contactos pueblo a pueblo. Debemos esforzarnos simultáneamente para lograr una mayor convergencia de opiniones sobre los desafíos globales dominantes.

### A continuación es la declaración común de la II cumbre de BRIC.

Compartimos la percepción de que el mundo está experimentando cambios importantes y rápidos que destacan la necesidad de transformaciones correspondientes en la gobernación global en todas las áreas relevantes.

Hacemos hincapié en nuestro respaldo para un orden mundial multipolar, equitativo y democrático, basado en derecho internacional, igualdad, respeto mutuo, la cooperación, la acción coordinada y la toma de decisión colectiva de todos los estados.

Subrayamos el papel fundamental desempeñado por el G-20 en combatir la crisis a través de acción coordinada a un nivel sin precedentes. Es grato el hecho de que el G-20 fuera confirmado como el foro principal para la coordinación económica internacional y la cooperación de todos sus Estados miembros. Comparado a los arreglos anteriores, el G-20 es más amplio, más inclusivo, diverso, representativo y eficaz. Invitamos a todos sus Estados miembros a que emprendan otros esfuerzos para ejecutar en común las decisiones adoptadas en

las tres cumbres G-20.

Abogamos la necesidad del G-20 de ser dinámicos y de formular una estrategia coherente para el período de la postcrisis. Estamos dispuestos a hacer una contribución común a este esfuerzo.

Expresamos nuestro compromiso fuerte a la diplomacia multilateral con las Naciones Unidas desempeñando el papel fundamental haciendo frente a desafíos y a amenazas globales. A este respecto, reafirmamos la necesidad de una reforma comprensiva de la O.N.U. con objeto de hacerla más eficaz, eficiente y representativa, de modo que pueda ocuparse de desafíos globales de hoy más eficazmente. Reiteramos la importancia que damos al estado de la India y de Brasil en asuntos internacionales, y entendemos y apoyamos sus aspiraciones para desempeñar un mayor papel en las Naciones Unidas.

Creemos que el diálogo y la cooperación profundizados y ensanchados de los países de BRIC es propicio no sólo a los intereses comunes de las economías del mercado emergentes y de los países en vías de desarrollo, sino también a construir un mundo armonioso de paz duradera y prosperidad común. Hemos convenido en medidas para promover el diálogo y la cooperación entre nuestros países de una manera incremental, dinámica, pragmática, abierta y transparente.

### **Temas internacionales económicos y financieros**

La situación económica del mundo ha mejorado desde nuestra primera reunión en junio de 2009, en Ekaterinburg. Notamos con satisfacción la reactivación del crecimiento económico, en el cual las economías del mercado emergentes están desempeñando un papel muy importante. Sin embargo, reconocemos que la fundación de la recuperación económica del mundo no es todavía sólida, y quedan todavía las incertidumbres. Apelamos a todos los estados a que consoliden la cooperación macroeconómica, y que aseguren conjuntamente la recuperación económica del mundo a fin de alcanzar un crecimiento fuerte, sostenible y equilibrado. Reiteramos nuestra determinación para hacer esfuerzos positivos en mantener la recuperación económica doméstica y promover el desarrollo en nuestros propios países y por todo el mundo.

Subrayamos la importancia de mantener la

estabilidad relativa de las divisas de reserva importantes y la continuidad de políticas fiscales para alcanzar un desarrollo económico equilibrado fuerte, de largo plazo.

Estamos convencidos de que las economías emergentes y los países en vías de desarrollo tienen el potencial para desempeñar un papel aún más grande y activo como motores del desarrollo económico y de la prosperidad, y a la vez comprometerse a trabajar junto con otros países hacia la reducción de desequilibrios en el desarrollo económico global y la promoción de la inclusión social.

Los miembros de G-20, con una contribución significativa de países de BRIC, han aumentado enormemente los recursos disponibles al FMI. Apoyamos el aumento del capital, bajo el principio de reparto justo de la carga, del Banco Internacional para la Reconstrucción y el Desarrollo y de la Corporación Internacional de Finanzas, además de un respaldo más robusto, más flexible y ágil para las economías en vías de desarrollo de parte de los bancos de desarrollo multilaterales.

A pesar de signos positivos prometedores, queda mucho por hacer. Creemos que el mundo necesita hoy una arquitectura financiera reformada y más estable que pueda propiciar una economía global menos propensa y más resistente a las crisis futuras, y que hay una mayor necesidad de un sistema monetario internacional más estable, más fiable y diversificado.

Nos esforzaremos a alcanzar una conclusión ambiciosa de las reformas en curso, ya largamente atrasadas, de las instituciones de Bretton Woods. El FMI y el Banco Mundial necesitan urgentemente tratar sus déficits de legitimidad. La reforma de las estructuras administrativas de estas instituciones requiere sobre todo un cambio substancial en el poder de votación a favor de economías emergentes y de países en vías de desarrollo a fin de incluir su participación en la toma de decisiones conforme a su peso relativo en la economía mundial. Pedimos que se realice la reforma del poder de votación del Banco Mundial en las reuniones próximas de primavera, y esperamos que la reforma del cuota del FMI sea concluida por la cumbre G-20 en noviembre de este año.

También estamos de acuerdo con la necesidad de un método abierto y una selección basada en el mérito, sin prejuicio a la nacionalidad, para las posiciones directivas del FMI y del Banco Mundial. Por otra parte, el personal de estas instituciones necesita reflejar mejor la diversidad de su membrecía. Hay una necesidad especial de aumentar la participación de los países en vías de desarrollo. La comunidad internacional debe entregar

un resultado que sea digno de las expectativas que todos nosotros tenemos de estas instituciones dentro del marco de tiempo convenido o correrán el riesgo de verse desvaneciendo en obsolescencia.

### La necesidad de pactos monetarios regionales

En el interés de promover la estabilidad económica internacional, hemos pedido que nuestros Ministros de Hacienda y gobernadores del Banco Central examinen los arreglos monetarios regionales y discutan modalidades de cooperación entre nuestros países en esta área. Para facilitar el comercio y la inversión, estudiaremos la viabilidad de la cooperación monetaria, incluyendo el arreglo del comercio en moneda local entre nuestros países.

Los acontecimientos recientes han roto la creencia sobre la naturaleza autorreguladora de los mercados financieros. Por lo tanto, hay una necesidad acuciante de fomentar y de consolidar la cooperación con respecto a la regulación y la supervisión de todos los segmentos, instituciones e instrumentos de mercados financieros. Seguimos comprometidos a la mejora de nuestras propias regulaciones nacionales, para empujar la reforma del sistema regulador financiero internacional y para trabajar de cerca con los cuerpos de fijación de normas internacionales, incluyendo la Junta de Estabilidad Financiera.

### El comercio internacional

Hacemos hincapié en la importancia del sistema multilateral del comercio, encarnada en la Organización Mundial del Comercio, para proporcionar un ambiente abierto, estable, equitativo y no discriminatorio para el comercio internacional. A este respecto, nos comprometemos y rogamos a todos los estados a que se opongan toda forma de proteccionismo del comercio y luchen contra todo tipo de restricciones disfrazadas sobre el comercio. Concurrimos en la necesidad de un resultado exhaustivo y equilibrado de las negociaciones comerciales multilaterales de la Ronda de Doha, de una forma que satisfaga su mandato

como la "ronda del desarrollo", basado en el progreso hecho ya, incluyendo en lo tocante a las modalidades. Tomamos nota y apoyamos fuertemente la tentativa de Rusia para acceso a la OMC.

### Desarrollo

Reiteramos la importancia de la Declaración del Milenio de la O.N.U y de la necesidad de alcanzar los Objetivos de Desarrollo del Milenio (ODMs). Subrayamos la importancia de prevenir un revés potencial a los esfuerzos de los países pobres dirigidos a alcanzar los ODMs debido a los efectos de la crisis económica y financiera. Debemos también hacer esfuerzos continuos para alcanzar los ODMs antes de 2015, incluyendo a través de la cooperación técnica y la ayuda financiera a los países pobres en la puesta en práctica de las políticas de desarrollo y protección social para sus poblaciones. Esperamos que la cumbre ODM de la O.N.U, en septiembre de 2010, promueva la puesta en práctica de ODMs mediante recomendaciones de política. Subrayamos que los modelos del desarrollo sostenible y las trayectorias de países en vías de desarrollo deben ser respetados completamente y debe ser garantizado el espacio necesario de la política a los países en vías de desarrollo.

Los países más pobres han sufrido el golpe más duro por la crisis económica y financiera. Las compromisos con respecto a la ayuda a los estados en desarrollo, especialmente los relacionados con los ODMs, deben ser respetados, y no debe haber reducción en la ayuda destinada al desarrollo. Un proceso inclusivo de crecimiento para la economía mundial es no sólo una cuestión de solidaridad sino también un asunto de importancia estratégica para la estabilidad política y económica global.

### La agricultura

Expresamos nuestra satisfacción con la reunión de ministros de la agricultura y del desarrollo agrario en Moscú, en donde discutieron maneras de promover la cooperación cuádrupartita, con particular atención





a los cultivos familiares. Estamos convencidos de que esto contribuirá a la seguridad alimentaria y la producción global. Nos agrada su decisión para crear un sistema de base de información agrícola de los países de BRIC, para desarrollar una estrategia a fin de asegurar el acceso al alimento para la población vulnerable, para reducir el impacto negativo del cambio de clima en seguridad alimentaria, y para fortalecer la cooperación y la innovación de tecnología agrícola.

### La lucha contra la pobreza

Invitamos a la comunidad internacional para hacer todos los esfuerzos necesarios para luchar contra la pobreza, la exclusión social y la desigualdad considerando las necesidades especiales de países en vías de desarrollo, especialmente los países menos desarrollados, pequeñas islas y países africanos. Apoyamos la cooperación técnica y financiera como medios de contribuir al logro de un desarrollo social sostenible, con protección social, empleo completo, y políticas y programas de trabajo decentes, prestando especial atención a los grupos más vulnerables, como los pobres, las mujeres, la juventud, los nómadas y las personas con inhabilidades.

### La energía

Reconocemos que la energía es un recurso esencial para mejorar el nivel de vida de nuestra gente y que el acceso a la energía es de importancia suprema al desarrollo económico con equidad e inclusión social. Intentaremos desarrollar sistemas de energía más asequibles y más sostenibles, promover el acceso a la energía así como a las tecnologías y prácticas eficaces de energía en todos los sectores. Intentaremos diversificar nuestra gama de energía aumentando, en su caso, la contribución de fuentes de energía renovable, y animaremos, el uso más eficiente y limpio de combustibles fósiles y otros combustibles. A este respecto, reiteramos nuestro apoyo a la cooperación internacional en el campo del rendimiento energético.



Reconocemos el potencial de tecnologías nuevas y emergentes, respetuosas del medio ambiente, para diversificar la mezcla de energía y la creación de trabajos. A este respecto animaremos, como es apropiado, el desarrollo sostenible, la producción y el uso de combustibles biológicos. De acuerdo con prioridades nacionales, trabajaremos juntos para facilitar el uso de la energía renovable, mediante la cooperación internacional y el intercambio de experiencias en energía renovable, incluyendo tecnologías y políticas de combustibles biológicos.

Creemos que los países miembros de BRIC pueden cooperar en el entrenamiento, Servicios de IyD, la consulta y transferencia de tecnologías, en el sector de energía.

### Cambio de Clima

Reconocemos que el cambio de clima es una amenaza grave que requiere acción global consolidada. Nos comprometemos a promover la décimo sexta Conferencia de las Partes del Convenio de Base de Naciones Unidas sobre el Cambio de Clima y la 6ta Conferencia de las Partes que constituyen la Reunión de las Partes al Protocolo de Kyoto, en México, a fin de conseguir un resultado exhaustivo, equilibrado y obligatorio para fortalecer la puesta en práctica de la Convención y del Protocolo. Creemos que la Convención y el Protocolo proporcionan el marco para las negociaciones internacionales sobre Cambio de Clima. Las negociaciones en México deben ser más inclusivas y transparentes, y deben dar lugar a resultados justos y eficaces para hacer frente al desafío del cambio climático, a la vez que reflejan los principios de la Convención, especialmente el principio de equidad y responsabilidades comunes pero diferenciadas.

Afirmamos la importancia de animar el diálogo entre civilizaciones, culturas, religiones y pueblos. A este respecto, apoyamos la “Alianza de Civilizaciones”, una iniciativa de Naciones Unidas dirigida a construir puentes, conocimiento mutuo y la comprensión en todo el mundo. Elogiamos la decisión brasileña para recibir, en Rio de Janeiro, en mayo de 2010, el 3r Foro Global y confirmamos nuestra intención de estar presentes en el acontecimiento, con el nivel elevado apropiado.

Durante la Cumbre, Brasil, Rusia y la India apreciaron la oferta de China para hospedar la Cumbre de III BRIC en 2011. ■



## Implemente la agenda del desarrollo de la Organización Mundial de la Propiedad Intelectual (OMPI)

-IBSA

Los jefes de estado de tres economías vibrantes, a saber, la India, Brasil y Sudáfrica, han pedido la puesta en práctica completa de la agenda del desarrollo de la Organización Mundial de la Propiedad Intelectual (OMPI) para reducir la brecha tecnológica existente entre los países desarrollados y los en vías de desarrollo.

El primer ministro indio Manmohan Singh, el presidente brasileño Lula da Silva y el presidente sudafricano Jacob Gedleyihlekisa Zuma, que se encontraron en Brasilia, Brasil, el 15 de abril de 2010 para la 4ta Cumbre del Foro del Diálogo de India-Brasil-África del Sur (IBSA), dijeron en una declaración común que la innovación desempeñó un papel fundamental en hacer frente a los desafíos globales dominantes de nuestras épocas tales como la seguridad alimentaria, erradicación de la pobreza, salud, acceso al conocimiento y el cambio climático.

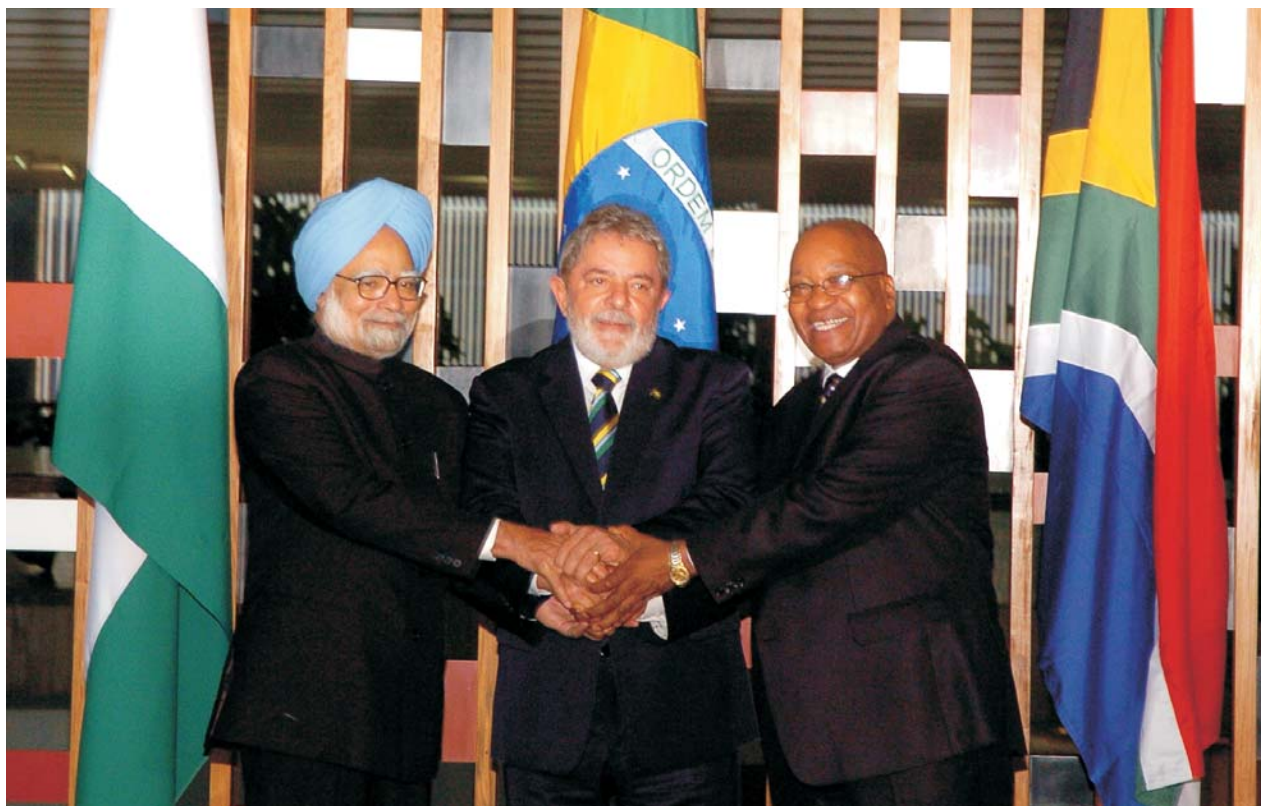
Enfatizaron, en este contexto, en la necesidad de un sistema internacional equilibrado de la propiedad intelectual capaz de hacer frente a esos desafíos a una escala verdaderamente global y de reducir la brecha

tecnológica.

La declaración común tocó temas globales que abarcaban la globalización, los derechos de la propiedad intelectual, el desarrollo sostenible, gobernanza de Internet, crisis económica global, la Ronda de Doha y las negociaciones de la Organización Mundial de Comercio (OMC).

Hablando con la prensa después de la cumbre de IBSA, el primer ministro Manmohan Singh dijo que el marco de IBSA se había convertido en la encarnación de la cooperación sur-sur. En un período de siete años, cuando la idea de establecer IBSA primero fue discutida, IBSA se ha fortalecido cada vez más, él agregó.

El primer ministro dijo que la cuarta cumbre marcaba el comienzo del segundo ciclo de grandes eventos. "Hemos desarrollado una estructura institucional para reforzar nuestra cooperación trilateral en áreas como agricultura, ciencia y tecnología, energía, cooperación económica, transporte, investigación del océano y ciencia de espacio," él dijo.



Los siguientes son los extractos de la declaración que el primer ministro lanzó en la rueda de prensa.

La promoción de la interacción pueblo a pueblo y un mayor conocimiento mutuo es el sello de IBSA. Los varios foros y grupos de trabajo que se han encontrado aquí durante los últimos pocos días consolidan mi creencia que estamos procediendo en la dirección correcta de consolidar el interfaz de la sociedad civil entre nuestros países. IBSA es en gran parte un proyecto de la gente. Las actividades de colaboración dentro del marco de IBSA contienen una promesa inmensa para nuestra gente.

Los países de IBSA tienen una experiencia rica de consulta mutua en lo tocante a temas globales. Hemos trabajado juntos en asuntos de comercio, desarrollo y cambio climático. Compartimos visiones similares con respecto a la reforma de instituciones globales de gobernación. Nos une la primacía que acordamos al desarrollo y a temas de la seguridad alimentaria, la inclusión social y la seguridad energética.

IBSA ha entrado en una fase de consolidación. En esta Cumbre nos hemos acordado a centrar nuestros esfuerzos en la puesta en práctica de las varias iniciativas que hemos puesto en marcha bajo el marco de IBSA. Hemos publicado una declaración conjunta que explica nuestro enfoque común en asuntos globales que enfrentan nuestras sociedades. Creo firmemente que IBSA se ha convertido en una

organización vibrante, y continuará desempeñando un papel importante en asuntos globales.

Los siguientes son extractos de la declaración común que los líderes de IBSA publicaron después de la cuarta cumbre de IBSA.

Los tres líderes destacaron que el compromiso de los tres países con los valores democráticos, el desarrollo social inclusivo y el multilateralismo constituye la base para su cooperación cada vez mayor y la coordinación cercana en asuntos globales. Observaron que la primera ronda de las cumbres de IBSA de jefes de estado/gobierno (Brasilia, 2006; Tshwane, 2007; Nueva Delhi, 2008) fortaleció la resolución de los tres países a seguir trabajando para realzar el papel de los países en vías de desarrollo, aumentando los intercambios entre sí mismos con la participación de su gente, y para ejecutar proyectos concretos en asociación con otros países en vías de desarrollo.

Recordando las declaraciones y los comunicados publicados durante las cumbres anteriores, tomaron la oportunidad de deliberar los asuntos abajo mencionados.

### Gobernanza global

Los líderes reafirmaron su compromiso para aumentar la participación de países en vías de desarrollo en los



órganos decisorios de las instituciones multilaterales. También reiteraron la necesidad urgente de la reforma de las Naciones Unidas (la O.N.U) de hacerla más democrática y consistente con las prioridades de los países en vías de desarrollo. Hicieron hincapié particularmente en que ninguna reforma de las Naciones Unidas será completa sin una reforma del Consejo de Seguridad de la ONU, incluyendo una extensión en las categorías permanentes y no permanentes de su membresía, con la participación creciente de países en vías de desarrollo en ambos. Tal reforma es primordial para que el Consejo de Seguridad de la ONU refleje realidades geopolíticas y tenga la representatividad y la legitimidad que necesita para hacer frente a los desafíos contemporáneos. Se comprometieron a guardar una coordinación cercana entre los tres países y entre la membresía más amplia de la O.N.U para alcanzar un progreso substancial en las negociaciones intergubernamentales en la reforma del Consejo de Seguridad de la ONU actualmente en curso en Nueva York. Recordaron que una mayoría enorme de los Estados miembros de la O.N.U acordó proceder con una quinta ronda de negociaciones intergubernamentales basadas en un texto de negociación.

Los líderes subrayaron la necesidad de reformar a las instituciones de Bretton Woods para aumentar su eficacia y realzar su responsabilidad, credibilidad y legitimidad. Subrayaron la importancia de aumentar el papel de los países en vías de desarrollo en estas instituciones.

### Dimensiones sociales de la globalización

Los líderes reafirmaron que el pueblo debe ocupar el primer lugar en la formulación y la puesta en práctica de políticas públicas, teniendo en cuenta el desarrollo justo, equitativo y sostenible. Consideraron este tema

una prioridad relevante en el contexto de un mundo cada vez más globalizado, en el cual la crisis económica y financiera, y la reestructuración de la arquitectura financiera internacional que sobrevino, afecta directamente al bienestar de la gente, particularmente de grupos vulnerables. A este respecto, subrayaron la necesidad de consolidar políticas sociales y de luchar contra el hambre y la pobreza, especialmente en tiempos de crisis económica global.

Los líderes también reiteraron la necesidad de promover una recuperación con alta concentración laboral y de crear un marco para el crecimiento sostenible. En este contexto, subrayaron su ayuda para el Pacto Mundial para el Empleo, adoptado por la 98a sesión de la Conferencia Internacional del Trabajo, que, mientras demuestra los vínculos entre el progreso social, el desarrollo económico y la recuperación de la crisis, ofrece opciones de política adaptables a las necesidades y circunstancias nacionales. Los líderes también reafirmaron que sus acciones en respuesta a la crisis son guiadas por la agenda del trabajo decente de la Organización Internacional del Trabajo (la OIT) y la declaración de 2008 sobre la justicia social para una globalización justa.

### Género - Empoderamiento de las mujeres

Los líderes subrayaron la importancia de empoderar a las mujeres, aumentando su participación en actividades económicas y mitigar el impacto negativo de la crisis financiera internacional en su situación. Recibieron con satisfacción una carta del Foro de las Mujeres de IBSA y dieron instrucciones a todas las áreas del gobierno implicadas en la cooperación IBSA a que presten la atención debida a sus recomendaciones. Además, los líderes reiteraron su respaldo a la aplicación completa de la Resolución



1325 (2000) de la O.N.U. También recordaron la importancia de formular y de ejecutar políticas y programas apropiados de acuerdo con la Convención sobre la Eliminación de Todas las Formas de Discriminación Contra las Mujeres (CEDAW) y la Plataforma de acción de Beijing.

### Los derechos de la propiedad intelectual

Los líderes reconocieron que la innovación desempeña un papel fundamental en hacer frente a los desafíos globales dominantes de nuestras épocas tales como la seguridad alimentaria, erradicación de la pobreza, salud, acceso al conocimiento y cambio de clima. Subrayaron, en este contexto, la necesidad de un sistema internacional equilibrado de la propiedad intelectual capaz de hacer frente a esos desafíos a una escala verdaderamente global y de reducir la brecha tecnológica. A ese efecto, pidieron la puesta en práctica completa de la Agenda del Desarrollo de la Organización Mundial de la Propiedad Intelectual (OMPI).

Advirtieron contra tentativas de desarrollar nuevas reglas internacionales en la aplicación de derechos de la propiedad intelectual fuera de los foros apropiados de la OMC y de la OMPI, que podían dar la rienda libre a abusos en la protección de derechos, la edificación de barreras contra libre comercio y el debilitamiento de derechos civiles fundamentales.

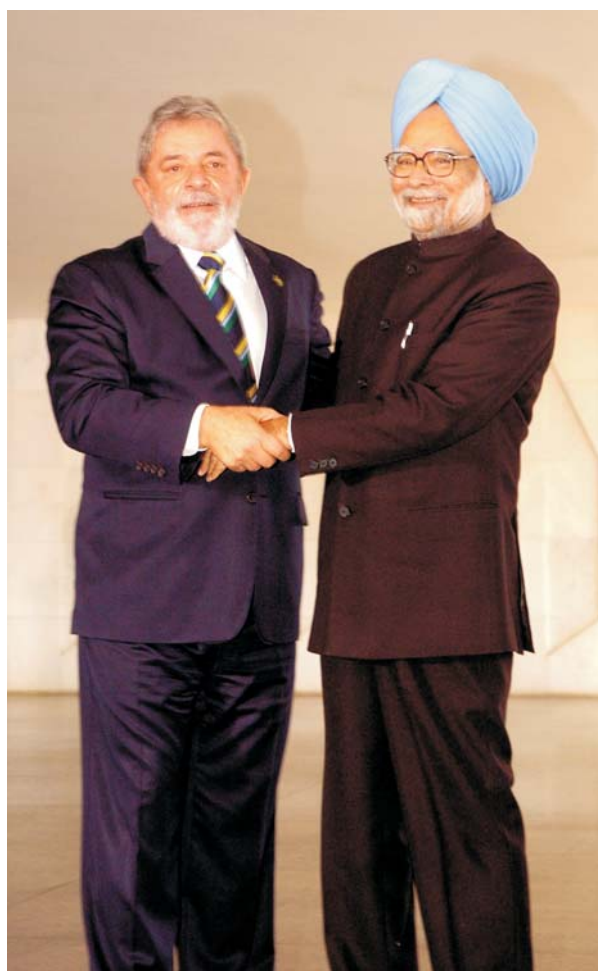
Expresaron además, su preocupación renovada por el uso continuo de las medidas de aplicación que permiten confiscación de medicinas genéricas en tránsito a los países en vías de desarrollo, en violación de reglas de la Organización Mundial de Comercio (OMC) y plantean una amenaza grave al acceso de los países en vías de desarrollo a las medicinas.

### Gobernanza del Internet

Los líderes reafirmaron su compromiso de trabajar juntos hacia una sociedad de información centrada en el pueblo, inclusiva y orientada hacia el desarrollo así como su acuerdo de continuar coordinando sus posiciones para los mecanismos de seguimiento de la Cumbre Mundial de la Sociedad de la Información (WSIS), así como en otros foros y organizaciones relacionados con la Sociedad de la Información y las tecnologías de información y comunicación (ICTs).

### Cambio climático

Los líderes reiteraron la importancia de un resultado positivo para las negociaciones actuales sobre el cambio climático en la décimo sexta conferencia de las Partes del Convenio de Base de Naciones Unidas



sobre el Cambio Climático (UNFCCC) y la 6ta Conferencia de las Partes que servían como la reunión de las Partes del Protocolo de Kyoto, en México. Subrayaron que el resultado se debe alcanzar de una manera inclusiva y transparente, y debe tratar eficazmente el desafío del cambio de clima, de acuerdo con los principios del UNFCCC, especialmente los principios de equidad y de responsabilidades comunes pero diferenciadas así como las capacidades respectivas. Exhortaron a los países desarrollados a que tomaran medidas ambiciosas para reducir sus emisiones de gases de efecto invernadero, y para proporcionar el financiamiento internacional adecuado y la transferencia de tecnología como apoyo a los esfuerzos de los países en vías de desarrollo para atenuar y adaptar los impactos del cambio climático.

### Desarrollo sostenible

Los líderes hicieron hincapié en la importancia de promover el desarrollo sostenible. Respaldaron la resolución de la Asamblea General de la O.N.U de convocar una conferencia sobre el desarrollo sostenible (Rio+20) en Rio de Janeiro, en 2012.



Pidieron un proceso preparatorio exhaustivo para asegurarse de que la conferencia Rio+20 pueda abordar adecuadamente los déficits existentes en la puesta en práctica así como temas emergentes en el desarrollo sostenible, con objeto de consolidar aún más la cooperación internacional en este campo.

## Comercio

Los líderes indicaron que un resultado positivo de la Ronda de Doha de negociaciones comerciales dentro de la Organización Mundial del Comercio sería instrumental en la recuperación económica, particularmente en la creación de empleo, dado que el comercio internacional experimenta su declinación más aguda en muchas décadas. Una conclusión pronta de la Ronda, balanceada y acertada, orientada hacia el desarrollo alentaría la credibilidad del sistema de comercio multilateral frente a presiones proteccionistas crecientes. A este respecto, expresaron su preocupación por las demandas excesivas hechas sobre algunos países en vías de desarrollo sin ninguna indicación de concesiones adicionales adecuadas a favor de países en vías de desarrollo.

Recordaron, con satisfacción, la primera reunión ministerial trilateral de MERCOSUR-SACU-India celebrada en Ginebra el 30 de noviembre de 2009 y expresaron su confianza que los acuerdos comerciales y las negociaciones en curso entre MERCOSUR y la India, MERCOSUR y el SACU y el SACU y la India llevarán a un arreglo comercial trilateral futuro que formaría el acuerdo comercial más grande del mundo en vías del desarrollo.

## La crisis financiera y económica global

Los líderes apreciaron los signos de recuperación de la crisis financiera y económica global. Sin embargo, seguían preocupados por las consecuencias de la crisis en cuanto al logro de los Objetivos de Desarrollo

del Milenio. Recordaron la contribución vital hecha por los países en vías de desarrollo a la recuperación global. Los líderes subrayaron que los países desarrollados y los países en vías de desarrollo deben continuar coordinando enfoques y respuestas a la crisis para alcanzar la recuperación sostenible y equilibrada. Enfatizaron que los esfuerzos económicos globales tienen que responder a las necesidades de los países en vías de desarrollo y los de ingreso bajo, particularmente en África. Los líderes reconocieron que el impacto de la crisis ha sido severo en muchos de los países en vías de desarrollo y los de ingreso bajo. Dieron la bienvenida a compromisos para aumentar recursos del FMI y préstamos del Banco de Desarrollo Multilateral (MDB), y pidieron la puesta en práctica urgente de todas las comisiones en cubrir las necesidades de los países de sueldo bajo, incluyendo el compromiso Gleneagles de doblar la ayuda a África a \$50 mil millones antes de 2010. Pidieron un aumento substancial en la base de capital del Banco Mundial, de modo que pudiera sostener niveles realzados de préstamos. Acordaron reforzar la cooperación entre la India, Brasil y Sudáfrica en los foros internacionales relevantes donde se están considerando esfuerzos de la recuperación.

## Cooperación Sur-Sur

Acogiendo con satisfacción el resultado de la Conferencia de alto nivel de la O.N.U sobre la Cooperación Sur-Sur (Nairobi, diciembre de 2009), los líderes concurren que la cooperación Sur-Sur es un instrumento particular y esencial para el desarrollo. Los países en vías de desarrollo tienden a compartir opiniones comunes sobre estrategias de desarrollo y prioridades nacionales cuando se enfrentan desafíos similares del desarrollo. En las tres décadas desde la adopción del Plan de Acción de Buenos Aires, la cooperación técnica entre países en vías de desarrollo se ha evolucionado para abarcar todas las formas de cooperación de desarrollo. En este contexto, los países en vías de desarrollo han diseñado y ejecutado proyectos de cooperación técnica, basados en sus propias capacidades, dirigidos hacia la promoción de acciones y políticas eficaces para el progreso social y económico. Éstos incluyen la distribución del conocimiento y experiencias, entrenamiento, transferencia de tecnologías, cooperación financiera y monetaria y las contribuciones en especie.

## Fondo de Facilidad de IBSA

Notaron con aprecio que la población y las autoridades de Haití, Palestina, Guinea-Bissau, Cabo Verde, Burundi y Camboya se están beneficiando de



los proyectos emprendidos en el marco del Fondo de Facilidad de IBSA. Reiteraron el compromiso continuo de la India, Brasil y Sudáfrica de que cada uno contribuyera con por lo menos EE UU\$ 1 millón por año al fondo. También concurrieron que la cooperación a través del Fondo de IBSA es un gesto concreto que refleja su determinación política para contribuir al desarrollo de otros países en vías de desarrollo en el espíritu de la Cooperación Sur-Sur.

### Estructura de NEPAD/AU

Los líderes apreciaron con satisfacción la decisión de 2010 de la Asamblea de AU para integrar aun más la Nueva Alianza para el Desarrollo Africano (NEPAD) en las estructuras del AU y la re titulación de la secretaría de NEPAD a la Agencia de Planificación y Coordinación de NEPAD (NPCA). Los líderes notaron que la NPCA se centrará en consolidar los programas de AU traduciendo las decisiones de la Asamblea de AU y del Consejo Ejecutivo de AU en proyectos y programas tangibles que las comunidades económicas regionales (RECs) puedan ejecutar. Notaron además que el mandato de la NPCA ahora incluye la coordinación y la supervisión de tales programas y proyectos entre las RECs y los estados miembros.

Los líderes reconocieron que la integración posterior de NEPAD así como el mandato aumentado de NPCA promoverá un enfoque más holístico y coordinado hacia el desarrollo infraestructural y en el crecimiento y el desarrollo de África, lo cual beneficiará el logro de prioridades identificadas de NEPAD en tales sectores como las TIC, energía, agua y saneamiento y transporte.

### La cooperación sectorial y foros de pueblo a pueblo

Los líderes observaron que además de promover la consulta y la coordinación crecientes en asuntos globales entre los tres países, IBSA también prevé una cooperación sectorial importante junto con la promoción de contactos a nivel de la sociedad civil. Los líderes aplaudieron la interacción eficaz entre especialistas de los tres países, dentro de los grupos de trabajo en agricultura, cambio climático y medioambiente, cultura, defensa, educación, energía, salud, establecimientos humanos, sociedad de la información, la administración pública, la administración del rédito, tecnología y ciencia; asuntos sociales, turismo, inversión y comercio, y transporte. Sus actividades han dado lugar ya a la firma de un número de Memorandos de Entendimiento. Además, los seminarios y los talleres

que se han emprendido regularmente han resultado ser beneficiosos.

Los líderes notaron con aprecio la organización y el resultado del Foro de las Mujeres, el Foro Parlamentario, el Foro de Negocio, el Foro de Redactores, el Foro Académico y de la Mesa Redonda sobre Relaciones Intergubernamentales y el Diálogo del Gobierno Local, que se arraigan en las tres sociedades. Los líderes también observaron la cooperación entre los tres países en el formato de la Cumbre de las Tres Naciones de Empresas Pequeñas, Micro y Medianas.

Los líderes aplaudieron la firma de los Memorandos de Entendimiento en Ciencia y Tecnología y en Energía solar. Notaron con aprecio la adopción de las “Estrategias de Desarrollo Social de IBSA” [y del “Futuro de la Cooperación Agrícola en IBSA”].

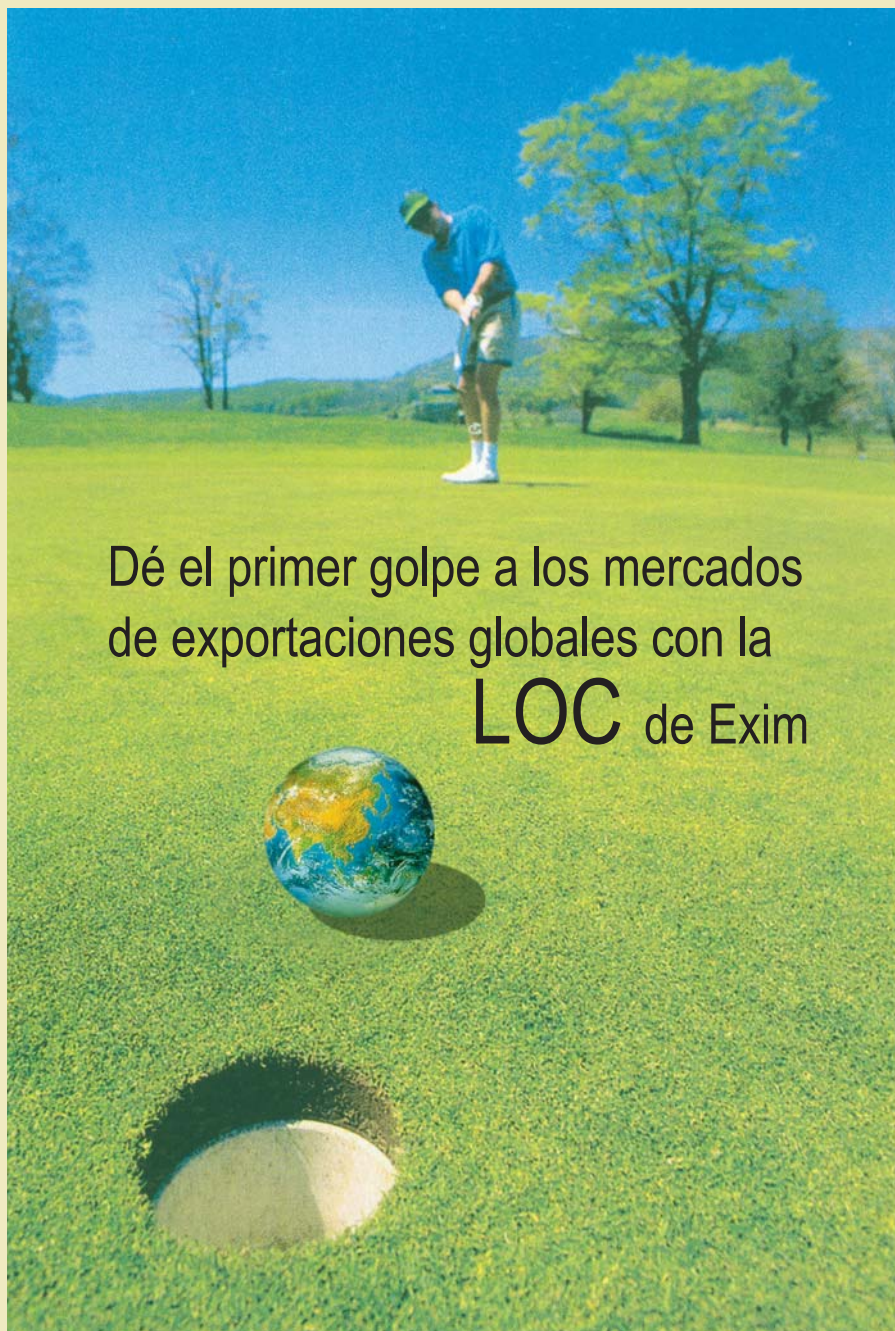
### Satélites de IBSA

Los líderes decidieron el desarrollo temprano de satélites en las áreas del espacio, del clima y de la observación de tierra. Estos satélites tratarán los desafíos comunes en estudios del clima, agricultura y seguridad alimentaria. Los satélites micro de IBSA están dirigidos a promover y consolidar programas espaciales entre los tres países.

### Alianza de civilizaciones

Afirmaron la importancia de animar el diálogo entre civilizaciones, culturas, religiones y gente. A este respecto, apoyaron la “Alianza de Civilizaciones”, una iniciativa de Naciones Unidas dirigida a construir puentes, conocimiento mutuo y la comprensión de todo el mundo. Elogiaron la decisión brasileña para hospedar, en Rio de Janeiro, en mayo de 2010, el 3º Foro Global y confirmaron su intención de estar representados en un alto nivel apropiado.

Los líderes expresaron confianza en el éxito de la Copa Mundial de 2010 de la FIFA en Sudáfrica, de los juegos 2010 de la Commonwealth en Nueva Delhi, de la Copa Mundial de 2014 de la FIFA en Brasil y de los Juegos Olímpicos de 2016 y de los juegos Paralímpicos en Rio de Janeiro. Reconocieron que hospedar estos acontecimientos refleja el ímpetu positivo de los países en vías de desarrollo, y en particular de los tres países de IBSA, y que estos acontecimientos son potencialmente una herramienta para su desarrollo social y económico. Decidieron que la VII Comisión Trilátera se llevará a cabo en la India antes de fin de 2010. También decidieron que Sudáfrica recibirá la VIII Comisión Trilátera y la V Cumbre de IBSA de Jefes de Estado/Gobierno hacia finales de 2011. ■



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