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INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO-BRICS COOPERATION QUARTERLY REPORT

Partnership for prosperity



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I. FOREWORD

The 4th UNIDO-BRICS Report provides an overview of activities that took place from July to September 2017, including meetings of industry and trade ministers held ahead of the 9th BRICS Summit, which took place on 29 July 2017 in Hangzhou, China. and on 1-2 August 2017 in Shanghai, respectively. Additional highlights include the release of seven national reports on e-commerce development in BRICS countries; the e-commerce Development Report of SMEs in BRICS Countries, which was prepared by the Shanghai Academy of Social Sciences (SASS); and the report “Status, Opportunities and Challenges of BRICS e-commerce” that was jointly prepared by UNIDO and the International Trade Centre (ITC).

II. HIGHLIGHTS OF UNIDO-BRICS COOPERATION

❖ BRICS Industry Ministers’ Meeting

Titled “New Industrial Revolution: Opportunities and Challenges for Manufacturing Industry”, the 2nd meeting of industry ministers from BRICS took place on 29 July 2017 in Hangzhou, China. The meeting adopted the Action Plan for Deepening Industrial Cooperation among BRICS Countries.



The plan emphasizes the necessity to strengthen industrial capacity cooperation; strengthen cooperation on industrial policies and development strategies; and deepen cooperation on SMEs as well as on standardization. The plan further calls for strengthened cooperation with UNIDO, including on technical cooperation and policy consultation; promotion of technology-driven development

through the UNIDO-BRICS Technology Platform; assistance to SMEs including on finance in cooperation with the New Development Bank.

UNIDO Director General LI Yong stated that, with its mandate of promoting inclusive and sustainable industrial development, UNIDO is well-placed to further strengthen BRICS cooperation, and advance the effective integration of the economic, social and environmental dimensions of sustainable development in the era of the New Industrial Revolution.

❖ BRICS Trade Ministers’ Meeting

Under the chairmanship of H.E. Mr. ZHONG Shan, Minister of Commerce of the People’s Republic of China, the 7th meeting of trade ministers from BRICS took place from 1 to 2 August 2017 in Shanghai, China. The progress in economic, trade and investment cooperation was reviewed; views were exchanged on key cooperation areas; and a broad consensus to further enhance BRICS cooperation was achieved.



Trade ministers discussed the promotion of trade growth, including through e-commerce, for which UNIDO and the International Trade Centre (ITC) produced an initial report that will form the basis of further research. UNIDO Director General LI Yong expressed the Organization’s determination to further enhance cooperation with each BRICS country, and to intensify engagement with the BRICS as a group.

An outcome statement reiterating the importance of intra-BRICS trade and investment was published; it also contributed to the BRICS Summit declaration. The statement, which thanked UNIDO and other international organizations for their support, further welcomed contributions in trade, investment facilitation, e-commerce, intellectual property rights, and trade in services.

❖ BRICS Business Council Annual Meeting 2017

The Annual Meeting of the BRICS Business Council was held in Shanghai from 31 August to 1 September 2017, with the first day focusing on energy and green economy, manufacturing, infrastructure and agribusiness. Alongside representatives of the private and public sector as well as experts from academia and international organizations, UNIDO participated in Deregulation Working Group Meeting, which discussed trade facilitation efforts, including concrete examples. The Working Group welcomed UNIDO's e-commerce research and acknowledged the potential of e-commerce. During the second day, the leaders of each Working Group presented the outcomes of their deliberations.

❖ BRICS Business Forum

UNIDO Director General LI Yong participated in the BRICS Business Forum titled “BRICS: Stronger Partnership for a Brighter Future”, which was organized by the China Council for Promotion of Investment and Trade (CCPIT) from 3 to 4 September 2017 in Xiamen, China. The Director General reaffirmed his commitment to enable the BRICS manufacturing sectors to benefit from the New Industrial Revolution. “The New Industrial Revolution will transform traditional manufacturing as a result of the growth of smart technologies”, said Li. “UNIDO will therefore support BRICS collectively as well as individually, thereby enabling their manufacturing sectors to benefit from the New Industrial Revolution.”



Taking place on the sidelines of the 9th BRICS Summit, the Forum, which was addressed by the Presidents of China, Brazil and South Africa, sought to facilitate dialogue and consultation among BRICS business communities, and to deepen trade

and economic cooperation. Discussions focused on a wide range of issues, including trade and investment, connectivity, and preparations for the New Industrial Revolution.

The Director General had the opportunity to exchanged views with K.V. Kamath, President of the New Development Bank or BRICS Bank; HU Xiaolian, Chairperson of the Export-Import Bank of China, and other senior officials. The Director General also spoke to journalists from China's largest media outlets, including CCTV, Xinhua and the People's Daily.

❖ BRICS Plus Business Cooperation Forum

On the sidelines of the 2017 China International Fair for Investment and Trade (CIFIT), and in cooperation with the China Council for Promotion of International Trade (CCPIT) and other counterparts in China, UNIDO organized the BRICS Plus Business Cooperation Forum on 19 September 2017 in Xiamen, China.

The Forum included two sub-forums, namely the Public-Private Partnerships (PPP) Forum on BRICS e-commerce, and the Chinese Enterprises Green Investment and Financing from a Global Perspective Forum. The aim was to share the experience of Chinese green enterprises, and to promote the development of e-commerce among SMEs through public-private partnerships.

In his video address, UNIDO Director General LI Yong stated that “e-commerce is one of the world's most dynamic areas of economic activity, offering innovative new business models and employment opportunities in all countries, including for women and youth. For SMEs, e-commerce through increased connectivity and increasing trade as envisaged by the Belt and Road Initiative offers huge potential for inclusive growth”.



The UNIDO PPP Forum brought together decision-makers from 14 countries as well as representatives from the private sector, business associations and academia. The Forum launched the “E-commerce Development Report of SMEs in BRICS Countries”, which was co-drafted by UNIDO and the Shanghai Academy of Social Sciences, and adopted a joint statement on the “Establishment of E-commerce Industry Alliance of SMEs from BRICS Countries and other Emerging Economies”.



The second UNIDO Forum introduced China’s experience in green industry, also covering issues of corporate, social and environmental responsibility. The Forum was followed by a matchmaking event involving 15 international and 46 Chinese companies, thus giving participants opportunities for both group and one-on-one networking and knowledge sharing. In total, 65 matchmaking exercises were conducted.



❖ 2017 Global Electronic Commerce Conference

Also on the sidelines of the 2017 CIFIT, UNIDO and the China Electronic Commerce Association (CECA) co-organized on 18 September 2017 the 2017 Global Electronic Commerce Conference in Xiamen, China, to promote mutual creation,

ownership and benefit, as well as to strengthen cooperation with the Belt and Road Initiative. UNIDO Representative in Beijing Mr. Ralf Bredel delivered opening remarks.

❖ Project Steering Committee Meeting

On 21 September 2017, members of the project steering committee meet in Beijing to discuss achievements to date as well as to endorse a work plan for the remaining project period. Furthermore, UNIDO was requested to expand its cooperation with new stakeholders; continue its e-commerce research with a focus on cross-border trade; ensure the sustainability of the project through a funds mobilization strategy; and monitor related national and international activities for poverty reduction and capacity building.

❖ Field visit to EPEC



Also on 21 September 2017, a UNIDO delegation visited EPEC, an e-commerce platform endorsed by the BRICS Business Council that has more than 120,000 users, mostly SMEs. It was agreed that UNIDO would cooperate with EPEC and other e-commerce companies in China to strengthen cooperation with other BRICS countries, in particular South Africa. A pilot e-commerce demonstration will be explored and established in a selected Chinese city in 2018. EPEC Deputy Director WANG Ling and EPEC Chief Expert WANG Zhigang expressed their interest in further strengthening cooperation with UNIDO to formulate good governance guidelines for e-commerce platforms; to organize training and promotion activities; and to team up with platforms in other developing countries.

❖ **Bilateral Meeting with CCPIT**

On 30 September 2017, a UNIDO delegation paid a visit to the China Council for the Promotion of International Trade (CCPIT), where they were received by Deputy Director LI Wenguo who further agreed that UNIDO and CCPIT would cooperate in the establishment of the E-commerce Industry Alliance. Mr. Li also showed great interest in co-organizing other activities related to the BRICS e-commerce project, such as organizing training courses in South Africa.

III. Achievements of the project in 2017

❖ **Publications:**

1. Seven national reports on e-commerce development in BRICS countries, available on UNIDO website: <http://www.unido.org/resources/publications/publications-by-type/working-papers.html>
2. E-commerce Development Report of the Small and Medium Sized Enterprises of BRICS Countries, prepared by a research group from Shanghai Academy of Social Sciences (SASS)
3. Status, Opportunities and Challenges of BRICS E-commerce, report jointly prepared by UNIDO and ITC
4. Joint Statement on the establishment of E-commerce Industry Alliance of SMEs from BRICS Countries and other Emerging Economies, adopted at the BRICS Plus Business Cooperation Forum

IV. UPCOMING EVENTS IN 2017 and 2018

- *Pilot training course in South Africa (date to be confirmed)*
- *Expert Group Meeting (EGM) on BRICS plus E-commerce Cooperation (mid-March 2018)*
- *B2B Matchmaking and Training Workshop on E-commerce of BRICS plus (mid-July 2018)*
- *Formulation of Phase II of the project (Q1/2018)*

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