

Other BRICS nations need to be more open to benefit from opportunities in China

By Hu Weijia Source: People's Daily and Global Times

Observers have focused their eyes on New Delhi and have one question in mind: How much courage will it take for the trade ministers from BRICS countries gathering there on Thursday for the summit meeting to promote greater cooperation?

It seems China is willing to open up its domestic markets to the other four member countries, but they haven't yet made quite the same commitment.

China recently mooted the idea of setting up a free trade area among BRICS countries, with the country's Ministry of Commerce saying a free trade area would be "a significant form of cooperation." Beijing has shown sincerity in removing tariff and non-tariff barriers to goods produced in other BRICS countries - the question remaining is whether those nations will match the goodwill of China.

Total retail sales of consumer goods in China rose by 10.6 percent year-on-year in August, underlining the rapid expansion of China's domestic consumer market. The country's rising consumer buying power has caught the eyes of many in the business elite. For instance, Bloomberg reported Monday that China's electric vehicle market is so hot that India's biggest SUV maker is angling for a piece of the action to exploit the world's biggest auto market.

Multinational firms are always more sensitive to commercial opportunities in offshore markets than policymakers. The governments of India, Russia, Brazil and South Africa may have undervalued China's consumer markets. With the "Make in India" campaign initiated by the Modi administration, India is in urgent need of exploring foreign markets to make itself a global manufacturing hub. Additionally, Russia, Brazil and South Africa, whose economies are suffering different degrees of hardship, also need to gain momentum from cooperating with China to push for greater market integration. BRICS countries account for 40 percent of the world's population. Closer market integration among the nations will definitely help tap the potential for all BRICS members to grow their economies.

Media reports said BRICS trade ministers will sign an agreement for better economic cooperation with an eye to promoting trade facilitation and reducing non-tariff barriers, but some BRICS members are not in a hurry to consider a free trade area.

These countries may be overly cautious about trade liberalization, and multinational firms will be the victims of such conservative ideas.

China is speeding up its effort to foster a high-standard global free trade network, and has signed 14 free trade agreements with countries and regions including Australia and South Korea.

Hopefully, the other BRICS countries will not fall too far behind in terms of sharing the fast-growing domestic market in the world's second-largest economy.