

CONSTANZA NEGRI BIASUTTI

Brazil B20 Sherpa and former Trade & International Integration Head at CNI (National Confederation of Industry) in Brazil

Nikolaus Lang, Managing Director and Senior Partner in BCG's Munich office

Constanza, Brazil is in a very interesting position. You have just had the G20 in Rio in November and you will have the presidency of BRICS next year. You represent Brazilian companies and the corporate world: How do these companies actually get the best of these two worlds? You are one of the few countries that is actually part of both groups, so what can the private sector take from this?

Constanza Negri Biasutti, Brazil B20 Sherpa and former Trade & International Integration Head at CNI (National Confederation of Industry) in Brazil

Thank you very much. It is a pleasure to join the extremely interesting World Policy Conference for the first time and to have the opportunity to bring both the private sector and Southern perspectives.

As you said, Brazil has had the presidencies of these two forums, and if we add COP 30, it puts the country in a key position to share global discussions and foster the cooperation that is badly needed these days. Before going into the context and the synergies you mentioned, I will make some general comments from the Brazilian perspective. Despite the differences we see in terms of the composition and geopolitical views, the G20 and BRICS should be seen as complementary, as Trudi was saying. This is particularly true for Brazil, a country that pursues a balanced approach in terms of foreign policy and that creates more strategic opportunities for the private sector and diversifies economic opportunities by balancing relationships with different powers. I think that economic integration across these forums, specifically in terms of the BRICS, may take some time and we will have to see what happens because an expanded BRICS is still in the very early stages. As my colleague from the US Chamber of Commerce said yesterday, I think it reflects the fact that they already represent important markets for businesses in the short-term, so active participation in discussions in these forums is strategic and badly needed in terms of the private sector agenda for the economic agenda to move.

As a quick reminder, let us look at the main priorities for governance that Brazil has established for these two presidencies. For the G20 500 Hunger and Inequality addresses sustainable development across economic, social and environmental dimensions and advances global governance reform to reflect contemporary reality. Turning to the BRICS' priorities, the Brazilian government has already given a quick overview of these, and we see five priorities in terms of the governance that will deepen throughout next year from the start in January 2025:

- Reform of international monetary and financial systems.
- Artificial Intelligence governance.
- Climate change, which is about coordinating efforts for COP 30 and other issues that are not addressed in the UNFCCC framework.
- Health will be a priority for Brazil in BRICS.
- Distribution of development inside the governance of BRICS in terms of how new members can be integrated and coordination mechanisms streamlined.

As the private sector in terms of the National Confederation of Industry, we have a big responsibility in sharing what inputs groups in the private sector can channel to the B20 and the BRICS. We have finished our work for the B20, and we have already handed over to our South African colleagues, but we have already started working on the priorities for the Brazilian private sector to contribute to the BRICS. I want to share five priorities we are still looking into, which are by no means an exhaustive list, in terms of the synergies between these two groups.

The first relates to what Étienne mentioned, financing sustainable infrastructure and the energy transition. As we know, climate actions require both private and public collaboration to close the finance gap and scale material solutions and offer energy transition. The priority we see here is how to accelerate and complement public funds with private capital, how we can unlock private sector investment and refine regulatory policies that can leverage private finance for the energy transition. I mentioned the New Development Bank and it also has a key role to play in this area. I also think there is an important element to infrastructure on how we can improve the pipeline of approved, fundable projects on infrastructure and sustainable infrastructure.

Our second priority, which is very closely linked to what Nikolaus mentioned, is fostering trade and global value chains. You put it very well, international trade and investment are critical drivers for the economic development and technological progress of companies. However, we know that trade growth has slowed over the last five years, so the priorities we see for trade governance and advance the digitalization process of trade to reduce time and costs as a priority for the BRICS. Another innovative element we see for that agenda is how to promote regulatory practices and interoperable taxonomies from environmental sustainability, such as working on internationally accepted methodologies for carbon footprints, which is very relevant for companies.

The third priority is linked to global governance of Artificial Intelligence. As you know, Artificial Intelligence has emerged as one of the most transformative technologies in this century, with global investment projected to pass 630 billion by 2028, but it also poses a lot of challenges. The priority we are establishing here is how we unlock the potential of Artificial Intelligence responsibly, fostering innovation and ensuring that its benefits are shared and equitable across society. There are three main axes related to this priority. First, global convergence: we need to foster collaboration with harmonized terminologies and risk-based governance frameworks. This is currently one of the areas in which Brazil is moving ahead in

terms of the regulatory aspect. Second, growing innovation regulation: how we scale-up frameworks for responsible AI. Third, ethical implementation of AI: how we promote unbiased AI through public/private coalitions.

Another priority that we see as very connected with Artificial Intelligence is around building a resilient and productive workforce, which is the other side of the coin. As we know, the future of work is being reshaped by the environmental, technological and even economic trends, so we need to think about priorities to expand digital education; how we address these skill gaps connected with reskilling and upskilling; and how we modernize the curriculum to align with Artificial Intelligence and the technological advancement of the workforce.

Last but not least, another priority we are putting on the agenda in terms of the BRICS and that we have also worked on for the B20 is sustainable food safety and agriculture, especially for Brazil. Agriculture faces challenges related to climate change, food insecurity, and greenhouse gas emissions. So the idea is how we put policy priorities in the groups and agendas that foster sustainable productivity growth through biotechnologies and digital agriculture. At the same time, we strengthen a priority connected with trade, the multilateral system and how to eliminate trade barriers, which are extremely important to address for food security agenda.

Those are the five main areas that we are going to work on in the BRICS business council next year. Of course, this will be discussed with private sector representatives from all the expanded countries, and we hope to reach a consensus along those lines.

Nikolaus Lang

Great, Constanza. I think it is fascinating to see that what some people sometimes see as antagonistic organizations or groupings are actually quite complementary, seen from a Brazilian or private sector perspective. It was really interesting, and all the best for next year. I think having the G20 and the BRICS within 12 months is quite an achievement.