

DEBATE

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

Great, thank you very much. We will open it to questions from the audience. Please introduce yourself, and we would like short questions and short answers.

Hiroyuki Akita, Commentator of *Nikkei*, Japan

What is the glue that unites the BRICS together? It sometimes seems that it is to get richer together, so economic prosperity but do you think that the BRICS will eventually unite politically to support its own lawmaking? My second question is a journalistic one. If Mr. Trump changes his mind and thinks that he also wants to join the BRICS because we can do business and prosper together, what do you think would be the best reaction from BRICS?

Nikolaus Lang

Very good questions. We need to be on time, so a quick answer, please.

Qiao Yide, Vice Chairman and Secretary General of Shanghai Development Research Foundation

As I said, the purpose of BRICS is focused on their need for quick growth, as well as in some way to express their unhappiness with the existing international institutions because they do not feel they are treated equally. On the other hand, that may be the weakness of BRICS because they do not have a very solid base, just like the G7 and the ideology.

On your second question, I do not think it will happen.

Jean-Michel Severino, President of Investisseurs & Partenaires, former Vice President of the World Bank for Asia, former CEO of France's International Development Agency (AFD)

I actually have a follow-up question. At the beginning of the BRICS movement there was a clarity, even with all the problems and the hiccups that Mrs. Makhaya mentioned on the nature of the project, which was both political and economic. What is striking and very much around middle-income countries, emerging economies, is the recent extension of the BRICS to Saudi Arabia on the one hand, but also Ethiopia on the other. Therefore, the project has blurred, where is it going? The previous questioner asked if the US would join, but my question is if South Sudan will be next to join? What is the project?

Nikolaus Lang

A very good question. Would you like to give a quick answer, Trudi?

Trudi Makhaya, Board Member, Spar Group & Former Economic Advisor to the President of South Africa

I do not know if it is public, but the BRICS do have a framework in terms of thinking about how to include new countries and deal with expansion. I think the first lot of expansion was a bit less methodical but going forward, we should expect to see more structure to it. Having said that, I think the glue, somebody gave the example of the G7 and G20, and both were pretty much problem-solving exercises in terms of challenges of the moment so I do not think we should criticize the BRICS for also being a problem solver for what those countries see as challenges of the moment. In terms of glue, to the extent that constructive and new institutions that can be built that, to put it crudely, are not about grievances but really about advancing certain ideas, I think that will be the ultimate test. As I mentioned earlier, I think an institution like the New Development Bank gives a hint of what is possible in terms of actually just building something new that is not necessarily about complaints with the established order.

Nikolaus Lang

Very good. Last question.

Marie-Roger Biloa, Chief Executive Director of the Africa International Media Group

My question is linked to the first one that was raised and is about the ambition of the BRICS. When we see the numbers, the figures you introduced to us with trade, what they represent of the global economy, etc., it all sounds very powerful. However, you do not feel the ambition to challenge the world order, which some people believe is what the BRICS is all about. I wonder, if I am right in that assessment, why the question of a common currency has not really appeared, there is a bank, but the currency was not discussed. Do the BRICS really want to be an alternative organization to what we call the old world order?

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

I think it is a very good question, and it would come while the private sector is not talking up this in the BRICS would come up. I think the way to look at it is that they probably do not have the leverage so far in terms of the bloc and I think this needs to be recognized. At the same time, as Trudi was saying, we need to give countries the possibility of having a purpose as an alternative and to cooperate. We do not need to ask for more in terms of glue, I think the glue has changed for this group over the past year and we will have to see whether the glue still works in the coming years with more members. I think that are two things to say here in terms of the membership. There are some countries within the bloc that have different perspectives and cultures, for instance, Brazil and one of the priorities will be how to establish the new membership of the group.

In terms of the currency, this is a topic for the long-term topic. It is legitimate to look at ways to reduce the cost of transactions but from the private sector perspective, the currency is not something that would happen from one day to the next, it is relevant to discuss it but there are many other priorities before that.



Nikolaus Lang

I think we are out of time, but if you are very quick.

Qiao Yide

To answer your question, the challenge is how you define the NDB, which is the first international organization initiated by developing countries. In that sense, you can challenge it, but it does not mean that the NDB wants to tear down existing international institutions. As I said yesterday, they made some contributions and played an important role in keeping the world peaceful in previous difficult years. That is something positive and we do not want to tear down the whole existing economic order.

Nikolaus Lang

We started the discussion by asking if it was a geoeconomic experiment, and I think it is much more than this: It is a reality for the business world, and I think it is great that we have the possibility to bring that together here.

Also a big thank you to the World Policy Conference for putting the business and political worlds together.

Many thanks for your attention and to this panel.