

# A Study on India's Trade Agreements with Brics Nations

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## Abstract

*India has trade agreements with BRICS countries — Brazil, Russia, China, and South Africa. These agreements help India grow its economy and build good friendships with these countries. They also help all BRICS countries trade more and grow together. India is growing fast and has an important role in BRICS. BRICS was started so that developing countries could work together and not always depend on rich countries like the USA and those in Europe. Because of these agreements, India has improved its trade, become better in global business, and made strong economic connections with BRICS nations.*

**Keywords:** BRICS, India, Trade, Economy, Global Business, Developing Countries

## Introduction of the Study

BRICS is a group of five countries — Brazil, Russia, India, China, and South Africa. These countries are growing fast and have a strong influence in the world. BRICS works together to make the world economy and politics more fair for everyone. They want all countries, not just rich ones, to have a say in world decisions. BRICS also wants to change big world organizations like the IMF and World Bank so they are fair to developing countries too.

## Importance of BRICS

BRICS is a group of five countries — Brazil, Russia, India, China, and South Africa. This group is very powerful, with more than 40% of the world's people and a big part of the world's economy. BRICS was started to help fast-growing countries work together, grow their economies, and have a stronger voice in the world. It also wants to make big global groups like the IMF and World Bank more fair for developing countries. BRICS holds meetings like the BRICS Summit and supports projects through the New Development Bank (NDB) to help with money, building infrastructure, and making trade easier.

India is one of the most important members of BRICS. It is growing fast and plays a big role in world trade, especially in services like IT and industry. But India also faces some problems, like trade deficits and difficulty entering some markets. This study looks at how India's trade agreements with BRICS countries help its economy grow, make trade more diverse, and improve its global position.

## **Review of Literature**

Several scholars and institutions have analyzed the evolving role of BRICS in the global economy and India's participation in it. The literature highlights BRICS as a coalition of emerging economies working to reshape global governance, promote multilateralism, and support development financing through institutions like the New Development Bank (NDB).

**Jim O'Neill (2021)**, who coined the term BRIC, emphasized the bloc's potential to overtake Western economies in shaping global trade patterns. He argued that the economic rise of these nations could redefine global economic power structures if coordinated policies are pursued.

**Roberts (2019)** examined the geopolitical challenges within BRICS, noting that internal differences—especially between India and China—could affect its effectiveness as a unified trade platform.

**Modak (2021)** evaluated the success of the NDB and found it to be one of the most concrete achievements of BRICS cooperation, particularly in funding infrastructure projects across India and other member nations.

**Javeria Maryam (2023)** pointed out that India's engagement with BRICS has been strategic, focusing on economic cooperation rather than ideological alignment. She noted India's efforts to use BRICS as a tool to increase its influence in the Global South.

**Rajan Kumar (2017)** analyzed India's core interests in BRICS, stating that India views BRICS as a platform to engage with major powers while maintaining strategic autonomy. He emphasized India's role in agenda-setting and economic diplomacy within the bloc.

Reports from international organizations like the WTO, UNCTAD, and IMF provide empirical data showing increased trade volumes between India and other BRICS countries, while also highlighting challenges such as trade imbalances and tariff barriers.

## **Objectives of the Study**

1. To analyze India's trade relations with BRICS nations in terms of volume, direction, and composition.
2. To examine the role of BRICS in enhancing India's economic and strategic position in the global arena.

3. To identify the challenges India faces in trade agreements within the BRICS framework, such as trade deficits, policy barriers, and infrastructure gaps.
4. To explore opportunities for deeper collaboration in areas like energy, technology, investment, and sustainable development.
5. To assess the impact of institutions like the New Development Bank (NDB) on India's trade and infrastructure financing.

## Research Methodology

This study is based on secondary data analysis, focusing on India's trade agreements with BRICS nations. The methodology adopted involves the collection and evaluation of published data, reports, and scholarly articles to draw conclusions about trade trends, challenges, and opportunities.

## Data Sources

- **Government Reports**

- Ministry of Commerce and Industry
- Department of Commerce
- Reserve Bank of India (RBI)

- **International Organizations**

- World Trade Organization (WTO)
- International Monetary Fund (IMF)
- United Nations Conference on Trade and Development (UNCTAD)

- **Academic Journals and Research Publications**

- *Journal of International Trade and Economic Development*
- *India Quarterly: A Journal of International Affairs*
- *Journal of Economic Integration*

- **News and Media Sources**

- The Economic Times
- The Hindu Business Line
- Reuters

## Tools Used

- **Comparative Analysis** of trade volumes and balances between India and BRICS members.
- **Trend Analysis** based on past trade data and economic reports.
- **Policy Review** of trade agreements, tariffs, and bilateral negotiations.

## Scope and Limitations

- The study covers the period between 2015 and 2024.
- It relies exclusively on secondary data, and thus does not include primary data collection like surveys or interviews.
- Geopolitical events, such as conflicts or sanctions, may affect trade figures and are acknowledged as influencing factors.

### 4.Secondary data sources:

## Government Reports

- **Ministry of Commerce and Industry** – India's export-import statistics, trade policies, FTAs.
- **Department of Commerce** – Annual reports and trade agreement data with BRICS nations.
- **Reserve Bank of India (RBI)** – Data on foreign exchange, FDI, and macroeconomic indicators.

## International Organizations

- **World Trade Organization (WTO)** – Trade policy reviews, tariff data, and multilateral agreement analysis.
- **International Monetary Fund (IMF)** – Reports on economic outlook, GDP trends, and monetary cooperation.
- **United Nations Conference on Trade and Development (UNCTAD)** – Reports on trade development, FDI trends, and emerging economy analysis.

## Academic Journals

- *Journal of International Trade and Economic Development* – Research on global trade and development.
- *India Quarterly* – Focus on India's foreign policy and international relations.
- *Journal of Economic Integration* – Studies on regional and global economic partnerships.

## **Media & News Publications**

- **The Economic Times** – Articles on current trade trends, policy changes, BRICS updates.
- **The Hindu Business Line** – Coverage of India's global trade activities and agreements.
- **Reuters / Bloomberg** – Global economic data and country-specific trade developments.

## **Think Tanks and Research Institutions**

- **NITI Aayog** – Policy research on trade, infrastructure, and economic growth.
- **ICRIER (Indian Council for Research on International Economic Relations)** – Studies on trade policy and international cooperation.

## **India and BRICS: Trade Overview:**

India's trade relationship with BRICS nations—Brazil, Russia, China, and South Africa—has grown significantly over the past two decades, making BRICS a vital component of India's foreign trade strategy. Together, BRICS accounts for a large share of India's total imports and exports, particularly in sectors such as energy, agriculture, pharmaceuticals, and technology.

## **Trade Growth and Volume**

India recorded over USD 100 billion in intra-BRICS trade in 2022. China remains India's largest trading partner within BRICS, followed by Russia and South Africa. The growth is driven by rising demand for raw materials, manufactured goods, and bilateral investment.

## **Key Trade Partners and Commodities**

- With Brazil: India exports pharmaceuticals, textiles, and chemicals while importing crude oil and agricultural products.
- With Russia: Major imports include crude oil, defence equipment, and fertilizers; exports include pharmaceuticals and machinery.
- With China: India imports electronics, machinery, and chemicals; exports include minerals, textiles, and organic chemicals. A significant trade deficit exists with China.
- With South Africa: India imports gold and minerals, and exports automobiles, pharmaceuticals, and machinery.

## **Trade Challenges**

- Trade imbalance, especially with China.
- Non-tariff barriers and regulatory complexities.

- Geopolitical tensions, particularly in India-China relations, occasionally disrupt trade flows.

### **Opportunities for India**

- Expansion in sectors like renewable energy, IT, pharmaceuticals, and agriculture.
- New Development Bank (NDB) funding for Indian infrastructure and sustainable development.
- Diversification of trade partners to reduce dependency on Western economies.

### **Strategic Importance**

India's participation in BRICS strengthens its position in the global south and provides a platform for multilateral trade negotiations, regional cooperation, and development financing.

### **India's Economic Ties with Each BRICS Nation**

India has developed strong and strategic economic relationships with each BRICS member, enhancing trade, investment, and cooperation in critical sectors. BRICS has emerged as a key platform for India to strengthen its global trade position through regional integration and collaborative development efforts.

#### **Brazil**

- **Trade Focus:** Agriculture, energy, and pharmaceuticals.
- **India's Exports:** Chemicals, textiles, and auto parts.
- **India's Imports:** Soybeans, sugar, and crude oil.
- **Bilateral Initiatives:** Cooperation in bio-fuels, agricultural technology, and clean energy.

#### **Russia**

- **Trade Focus:** Defence, energy, and technology.
- **India's Imports:** Crude oil, natural gas, defence equipment, fertilizers.
- **India's Exports:** Pharmaceuticals, tea, electronics.
- **Strategic Moves:** Use of local currencies for trade settlement; collaboration on Arctic energy and nuclear projects.

#### **China**

- **Trade Focus:** Electronics, machinery, and raw materials.
- **India's Imports:** Mobile phones, components, industrial machinery.
- **India's Exports:** Iron ore, organic chemicals, cotton yarn.

- **Trade Concern:** India has a high trade deficit with China, exceeding USD 80 billion (as of 2023).

### South Africa

- **Trade Focus:** Mining, gold, and machinery.
- **India's Imports:** Gold, coal, minerals.
- **India's Exports:** Automobiles, pharmaceuticals, textiles.
- **Partnership Scope:** Cooperation in mining, skill development, and health tech.

### Intra-BRICS Trade Data

- Intra-BRICS trade has surpassed USD 400 billion in recent years.
- India's share in intra-BRICS trade is growing but remains behind China.
- India's trade with BRICS partners reached USD 117 billion in 2022, with China accounting for over **70%** of it.
- BRICS initiatives such as the BRICS Business Council and New Development Bank (NDB) support trade finance and infrastructure.

### BRICS' Impact on Indian Trade Strategy

- **Trade Diversification:** Reduced dependence on Western economies by increasing ties with fellow BRICS nations.
- **Strategic Influence:** BRICS enhances India's negotiating power in global trade forums like WTO and G20.
- **Infrastructure Boost:** Access to funding through the NDB for roads, ports, and energy projects strengthens export capabilities.
- **Technology & Energy Partnerships:** BRICS facilitates India's engagement in advanced technologies, clean energy, and innovation-driven trade.

### Trade Challenges and Opportunities

India's trade relationships with BRICS nations have evolved significantly, yet they present a mixed scenario of both promising opportunities and persistent challenges. While the bloc offers strategic avenues for trade growth, India continues to face key issues related to trade deficits, infrastructure limitations, and policy constraints.

## Trade Challenges

### Trade Deficits

- **China:** India's largest trade partner in BRICS, but with a massive trade deficit due to high imports of electronics, machinery, and chemicals.
- **Russia:** Increasing oil and defence imports contribute to a widening gap.
- Lack of competitiveness in high-tech exports intensifies the imbalance.

### Infrastructure Issues

- Poor port connectivity, outdated logistics systems, and insufficient cold chain infrastructure hinder India's export capabilities.
- Inadequate rail and road links for interregional trade with BRICS countries, especially with Russia and South Africa.

### Policy and Regulatory Barriers

- Non-Tariff Barriers (NTBs) such as product standards, lengthy approvals, and licensing issues affect Indian exports.
- Limited market access for services (like IT and pharma) in some BRICS nations.
- Protectionist policies (especially in agriculture and manufacturing) in Brazil and South Africa restrict India's export potential.

## Trade Opportunities

### Strategic Trade Advantages

- Strong export potential in pharmaceuticals, IT services, engineering goods, and renewable energy.
- India can leverage bilateral trade agreements and the New Development Bank (NDB) for trade-related infrastructure development.
- Diversifying exports beyond China to Brazil, Russia, and South Africa to reduce dependency and risk.

### BRICS Cooperation Platforms

- Platforms like the BRICS Business Council and BRICS Summit provide India with policy support, funding, and trade negotiation leverage.
- Promotion of local currency settlements could reduce forex dependency and transaction costs.



### New Market Access

- BRICS expansion (BRICS+) opens doors to emerging markets in Africa, Latin America, and the Middle East.
- Digital economy and fintech collaborations offer scope for Indian IT firms.

### India's Role in BRICS Institutions

India plays a proactive and influential role in shaping the agenda and functioning of BRICS institutions. As a founding member, India contributes to the bloc's economic vision, development initiatives, and institutional framework.

### Participation in Key BRICS Institutions

#### New Development Bank (NDB)

- India is a founding member and holds a significant voting share in the NDB.
- The bank has funded various infrastructure and renewable energy projects in India, including metro rail, highways, and solar parks.
- India hosted the NDB's regional office in Gujarat International Finance Tec-City (GIFT City) to facilitate faster project approvals.

#### Contingent Reserve Arrangement (CRA)

- India contributes to the USD 100 billion CRA, which provides financial support to members in times of balance-of-payment crises.
- Through CRA, India strengthens its financial safety net and enhances currency stability within BRICS.

#### BRICS Summits

- India regularly hosts and participates in BRICS Summits to shape collective agendas on trade, security, digital governance, and sustainable development.
- India has proposed initiatives like the BRICS Digital Health Platform, BRICS Vaccine Research Consortium, and BRICS Startup Forum.

### Policy Contribution

- Trade and Investment: India advocates for reduction in non-tariff barriers, enhanced intra-BRICS trade, and economic diversification within the bloc.

- **Multilateral Reform:** India actively promotes the reform of institutions like the IMF, World Bank, and UN Security Council to reflect the interests of emerging economies.
- **Sustainable Development:** India has pushed for climate finance, technology transfer, and support for developing countries in climate mitigation under BRICS cooperation.
- **Digital Innovation:** India has proposed the BRICS Innovation Index, promotion of digital public infrastructure, and cybersecurity collaboration.

## **Findings and Analysis**

This section presents the key findings derived from the study of India's trade relationships within the BRICS framework, highlighting trade trends and the perception of BRICS partners towards India's economic role and cooperation.

## **Summary of Trade Trends**

### **1. Overall Growth in Intra-BRICS Trade**

- India's trade with BRICS countries has seen consistent growth over the past decade.
- As of 2022, intra-BRICS trade surpassed USD 400 billion, with India contributing over USD 117 billion, largely driven by trade with China and Russia.

### **2. High Trade Deficit with China**

- Despite strong trade volumes, India faces a significant trade deficit with China due to high imports of electronics and industrial goods.
- Efforts to reduce this gap through domestic manufacturing and alternative sourcing are underway.

### **3. Diversified Trade with Other BRICS Nations**

- Trade with Brazil focuses on agriculture and pharmaceuticals.
- With Russia, India imports oil and exports pharmaceuticals.
- South Africa provides minerals, while India exports machinery and vehicles.
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### **4. Emerging Sectors**

- Increasing cooperation in renewable energy, digital technologies, and financial services is reshaping trade patterns.
- BRICS is also encouraging trade in local currencies to reduce dollar dependency.

## **Perception from BRICS Partners**

### **1. Positive View of India's Economic Growth**

- BRICS partners recognize India as a fast-growing economy with a stable macroeconomic environment.
- India's role as an IT and pharmaceutical hub is well regarded, especially by South Africa and Brazil.

### **2. Support for India's Global Aspirations**

- Countries like Russia and Brazil support India's bid for a permanent seat in the UN Security Council and reforms in global institutions.
- India is seen as a balancing force within BRICS, especially amidst tensions between other members.

### **3. Challenges in Policy Alignment**

- While economically cooperative, political and policy differences—especially with China—sometimes limit deeper integration.
- Partners perceive India as cautious in its approach, often prioritizing bilateral ties within the BRICS umbrella.

### **4. Trust in India's Leadership Initiatives**

- India's proposals like the BRICS Startup Forum, BRICS Vaccine Centre, and Digital Public Infrastructure cooperation are welcomed as steps toward inclusive growth.

## **Suggestions and Policy Recommendations**

To enhance its trade performance and economic integration within the BRICS bloc, India must adopt targeted strategies that address trade imbalances and promote sustainable growth.

### **Diversify Export Portfolio**

- Encourage high-value exports such as pharmaceuticals, IT services, electronics, and renewable energy products.
- Promote agro-based and processed food exports to countries like Brazil and South Africa where demand is rising.

### **Strengthen Domestic Manufacturing (Make in India)**

- Scale up manufacturing capabilities under the Make in India initiative to reduce dependence on imports, especially from China.
- Focus on import substitution in electronics, machinery, and chemicals.

### **Bilateral Trade Agreements and Local Currency Settlements**

- Negotiate bilateral trade agreements within the BRICS framework to secure better market access and reduce tariffs.
- Promote trade settlements in local currencies (e.g., INR-Ruble or INR-Yuan) to minimize foreign exchange losses and improve trade affordability.

### **Enhance Trade Infrastructure**

- Invest in port modernization, logistics parks, and cross-border transport corridors to streamline exports.
- Use funds from the New Development Bank (NDB) for building export-supportive infrastructure.

### **Reduce Non-Tariff Barriers**

- Work with BRICS partners to eliminate or ease non-tariff barriers (NTBs) such as licensing, product standards, and customs delays that affect Indian exports.
- Establish fast-track certification and regulatory agreements in pharmaceuticals and IT services.

### **Promote SME Participation in BRICS Trade**

- Support Small and Medium Enterprises (SMEs) in accessing BRICS markets through subsidies, training, and easier export compliance.
- Create a BRICS SME export promotion council under the Ministry of Commerce.

### **Deepen Policy Coordination**

- Strengthen India's role in BRICS summits and working groups by proactively proposing trade and investment facilitation measures.
- Support regional value chains in BRICS that involve Indian manufacturers and service providers.

- India's trade deals with BRICS countries have helped improve its economy and increase its importance in the world. By working together on projects like building roads, using clean energy, digital business, and financial support, India has found new markets, encouraged new ideas, and reduced its dependence on old trade partners.
- BRICS gives India a good chance to work with other countries fairly and equally. Even though there are problems like trade gaps, political issues, and global changes, India's active role shows its goal to grow together and support all-round development.
- This partnership has made India stronger both in its region and globally. It has brought more investment, and helped areas like farming, technology, and clean energy to grow. In the future, India's strong ties with BRICS will help build a more fair, green, and connected world economy—and make India a key leader among developing countries.

## Conclusion

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