

Media note at the conclusion of the BRICS Leaders' meeting held on the margins of the G20 Leaders' Summit, St Petersburg, Russia, 5 September 2013

BRICS Leaders met on 5 September 2013, ahead of the formal opening of the G20 Summit in St Petersburg, in the Russian Federation.

The Leaders noted the continued slow pace of the recovery, high unemployment in some countries, and on-going challenges and vulnerabilities in the global economy, particularly in advanced economies. They believe that major economies, including G20, could do more to boost global demand and market confidence.

In light of the increase in financial market and capital flow volatility during recent months, the BRICS Leaders reiterated the concerns they had expressed in the Durban Summit in March, regarding the unintended negative spill-overs of unconventional monetary policies of certain developed economies. They emphasized that the eventual normalization of monetary policies needs to be effectively and carefully calibrated and clearly communicated.

BRICS Leaders also expressed their concern with the stalling of the International Monetary Fund reform process. They recalled the urgent need to implement the 2010 IMF Quota and Governance Reform, as well as to complete the next general quota review by January 2014 as agreed at the G20 Seoul Summit in order ensure the Fund's credibility, legitimacy and effectiveness.

The Leaders look forward to the 9th World Trade Organisation's Ministerial conference to be held in December 2013, and expect that it will be a stepping stone to the successful and balanced conclusion of the Doha Development Round.

The Leaders of Brazil, India, China and South Africa congratulated Russia for the successful Presidency of the G20 in 2013 and appreciated the emphasis by the Russian Presidency on the development agenda.

The Leaders also welcomed the good progress made towards the establishment of the BRICS-led New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA).

On the NDB, progress has been made in negotiating its capital structure, membership, shareholding and governance. The Bank will have an initial subscribed capital of US\$ 50 billion from the BRICS countries.

On the CRA, consensus has been achieved on many key aspects and operational details regarding its establishment. As agreed in Durban, the CRA will have an initial size of US\$100 billion. Country's individual commitments to the CRA will be as follows: China – US\$ 41 billion; Brazil, India, and Russia – US\$ 18 billion each; and South Africa – US\$ 5 billion.

In light of the progress achieved both in the negotiations of the NDB and CRA the BRICS leaders expect tangible results by the time of the next Summit.

The Leaders welcomed the first meeting of the BRICS Business Council held recently in Johannesburg, South Africa, and encouraged the business community to increase contacts and cooperation.

The Leaders noted that the recent developments in the world economy and emphasised the necessity for intra-BRICS economic cooperation.