

Brazil & Russia

Team Players:

Aniket Agarwal (16ucs037)

Garvit Bhatia (16ucs064)

Ishaan Rawat (16ucs079)

Neelansh Sethi (16ucs116)

Rahul Asnani (16ucs148)

Urvika Agrawal (16ucs203)

18 September, 2019

Highlights

developed countries (US, EU, JP)

In this innings (Key takeaways)

- BRIC(s)
 - Formation
 - Current Scenario
- Brazil & Russia
 - Economies
 - Resources (NR, HR, TR)
- Similarities and Dissimilarities



Brazil · Russia · India · China · South Africa



BRIC

- Formation
 - Who: **Jim O'Neill**: Chief economist of Goldman Sachs
 - When: 2001
 - “Dreaming with BRICs: Path to 2050” - Goldman Sachs
2003
 - First Meetup: 2006

BRIC

- Initial Theories
 - By 2050 - BRICs will be **major forces** in world economy
 - India & China - Leading suppliers of manufactured goods and services
 - Brazil and Russia - Leading raw material suppliers

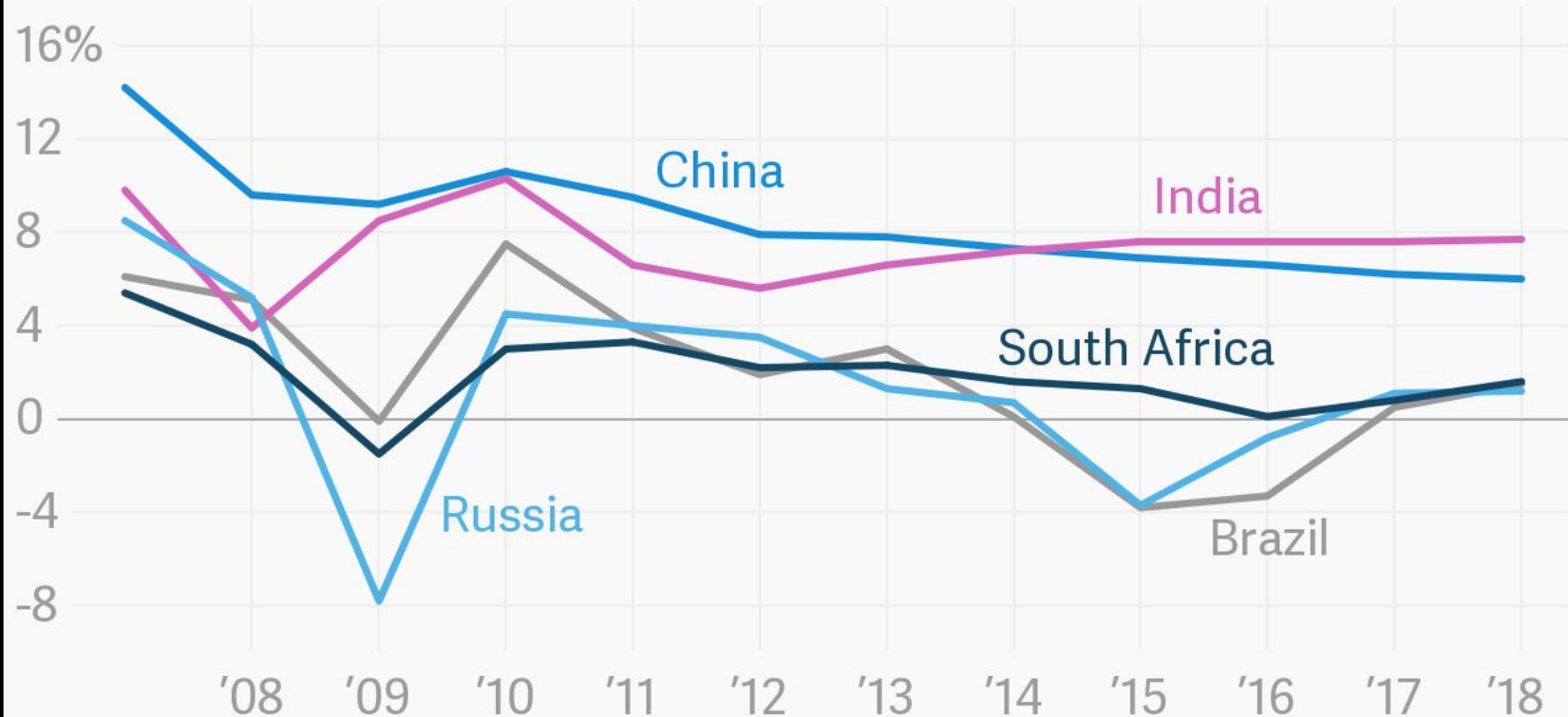
BRIC

- Goal of BRIC
 - Set in 2009, the first summit
 - “to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way. The dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common prosperity.”

BRIC

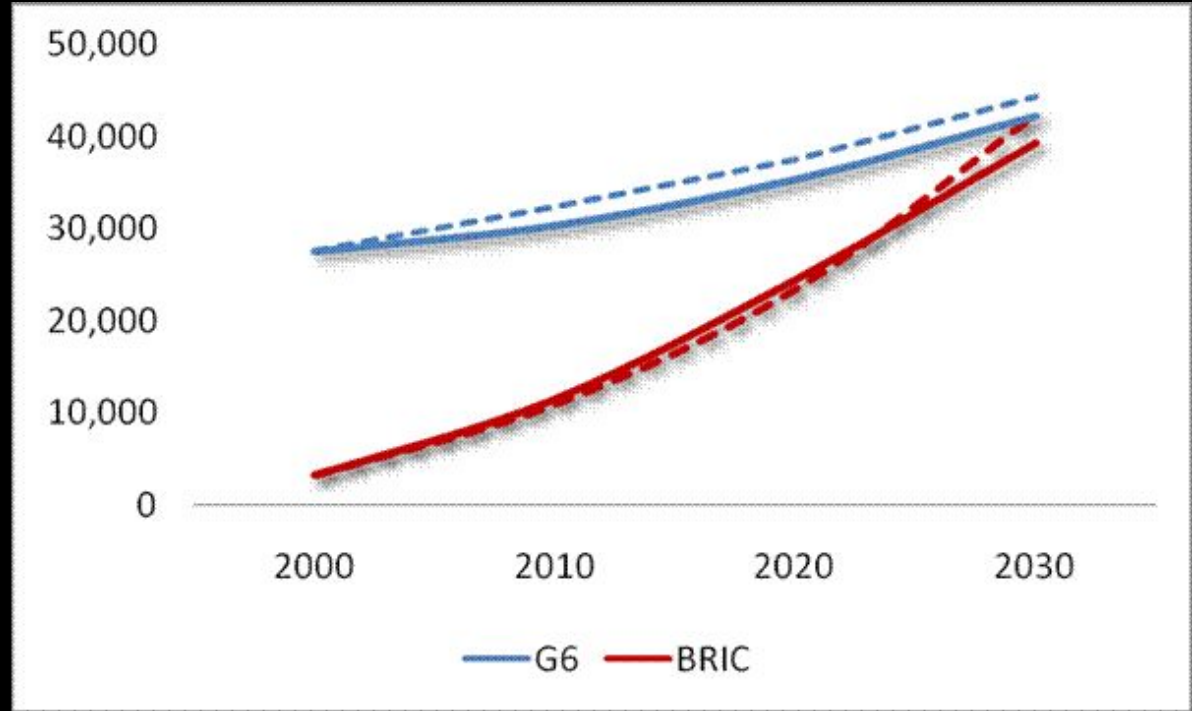
- Current Scenario
 - More than 42% of world population
 - Around 23% of world GDP
 - 30% of total land mass
 - 18% of the Global Trade

GDP growth in the BRICS bloc



△ T L △ S | Data: IMF

- Expectation
 - 60% share of the world GDP by 2030
 - Will surpass the GDP of G7



G6 and BRIC economies, 1980-2030 (\$ Billions)

Reference

Sources: Goldman Sachs; IMF; Difference Group.

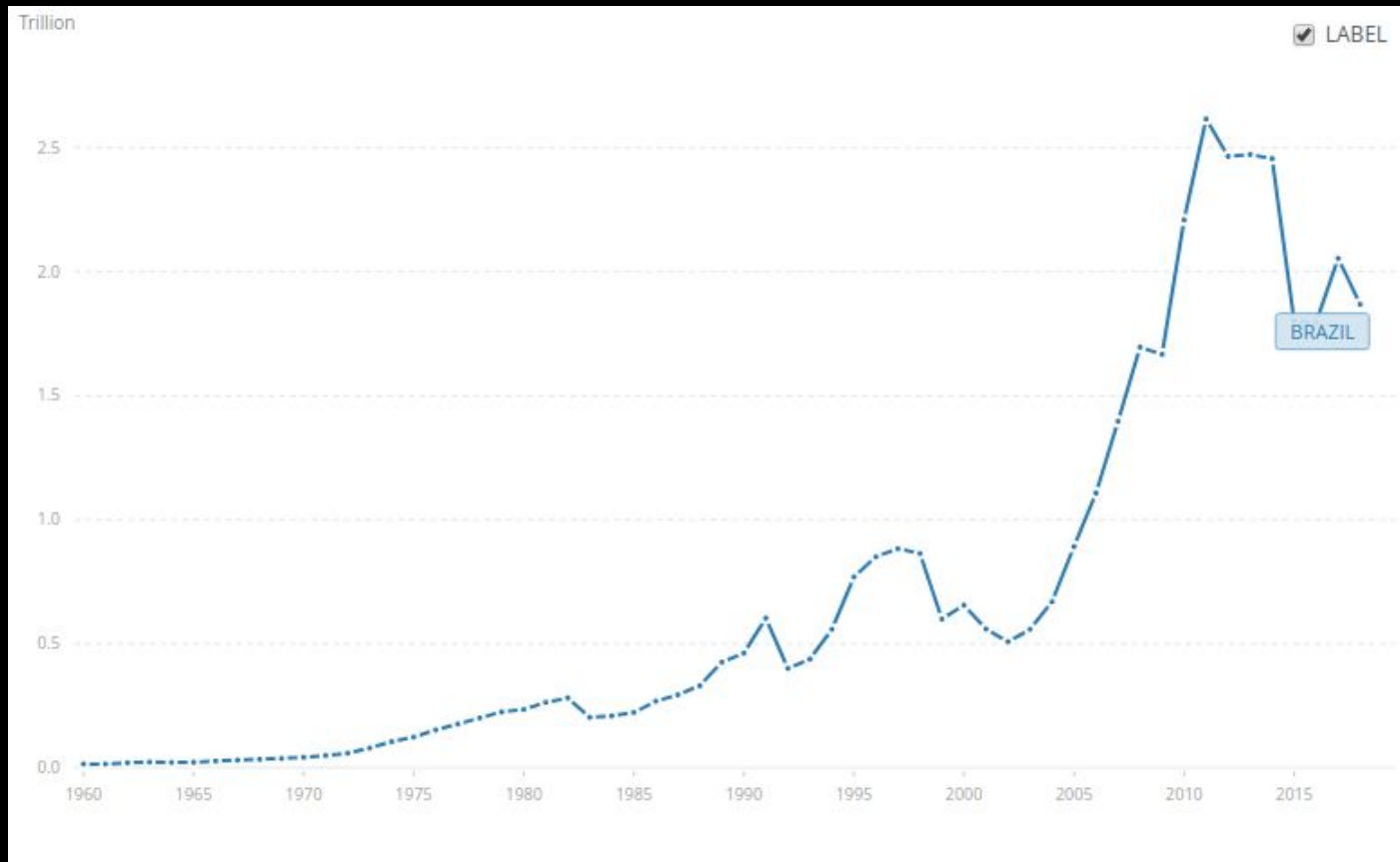
New Development Bank

- Formerly referred BRICS Development Bank(4th BRICS Summit,2012)
- Purpose
 - Promote infrastructure
 - Sustainable development
 - global partnerships

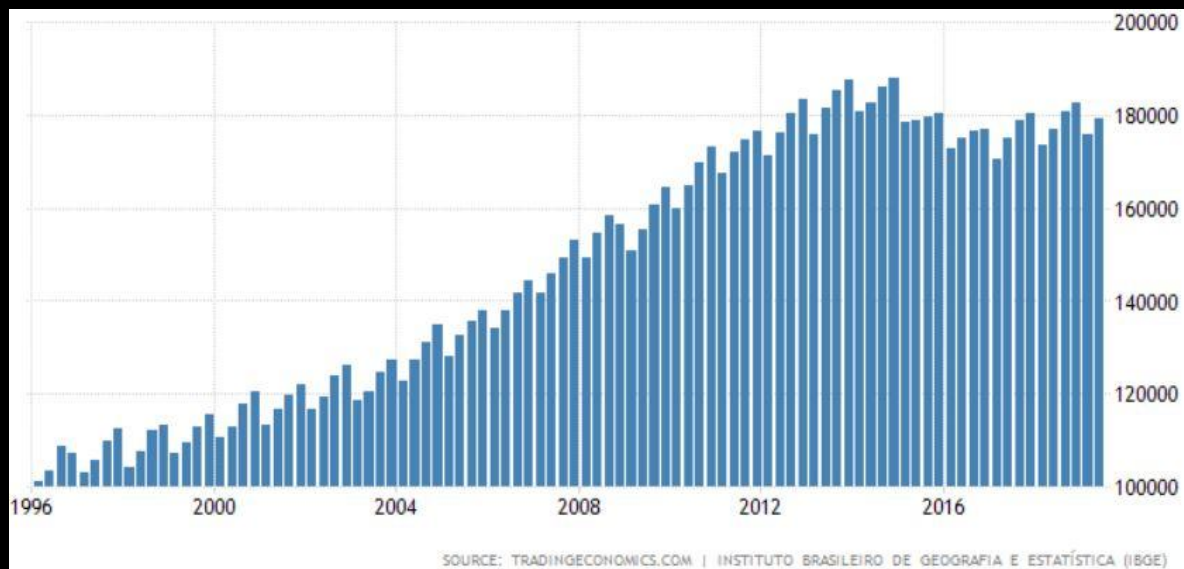
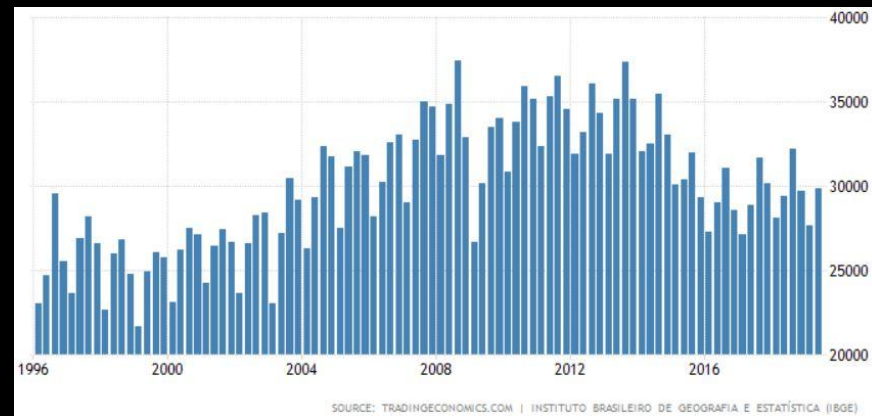
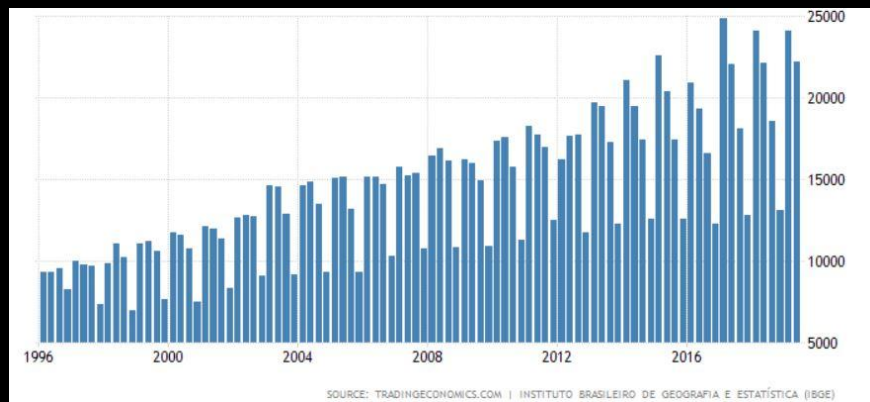
Countries by Shareholding at the N		
Country	Number of Shares	Shareholding (% of Total)
 Brazil	100,000	20
 Russia	100,000	20
 India	100,000	20
 China	100,000	20
 South Africa	100,000	20
<i>Unallocated Shares</i>	500,000	-
<i>Grand Total</i>	1,000,000	100

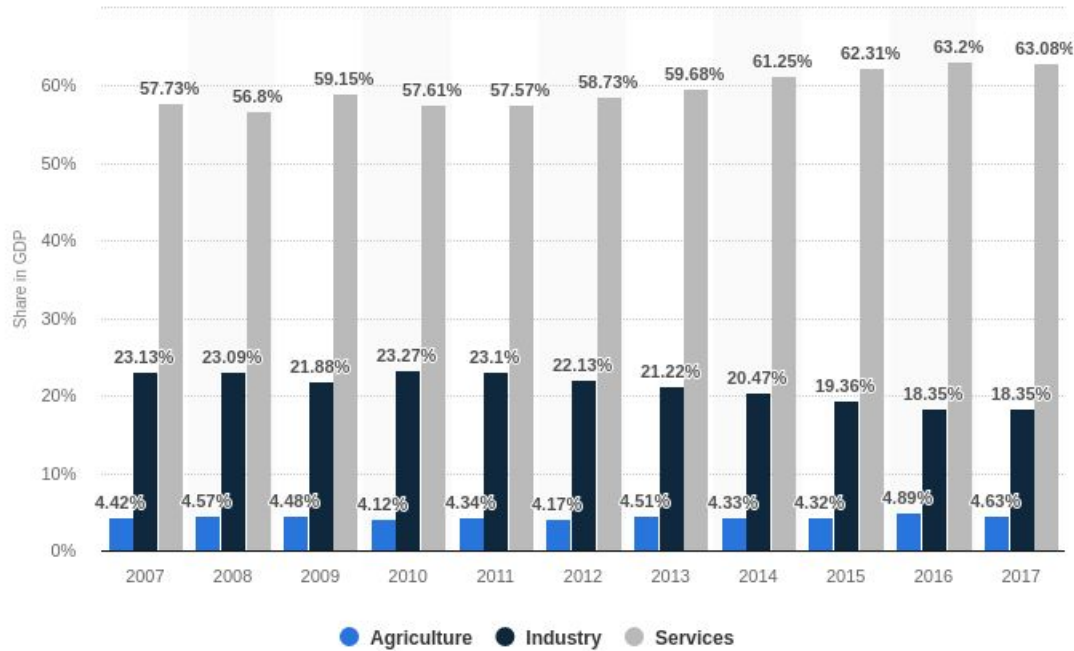
B for Brazil

- Fifth-largest country
- Fifth most populous country - more than 211 million
- 3.495 tn USD GDP (3.15% of world - 8th position)
- World's 8th largest in purchasing power parity (PPP)
- Mixed economy (Democracy)
- 2x India - but 0.5x Arable land



GDP





© Statista 2019

Contribution of different sectors in GDP

Brazil: Natural Resources

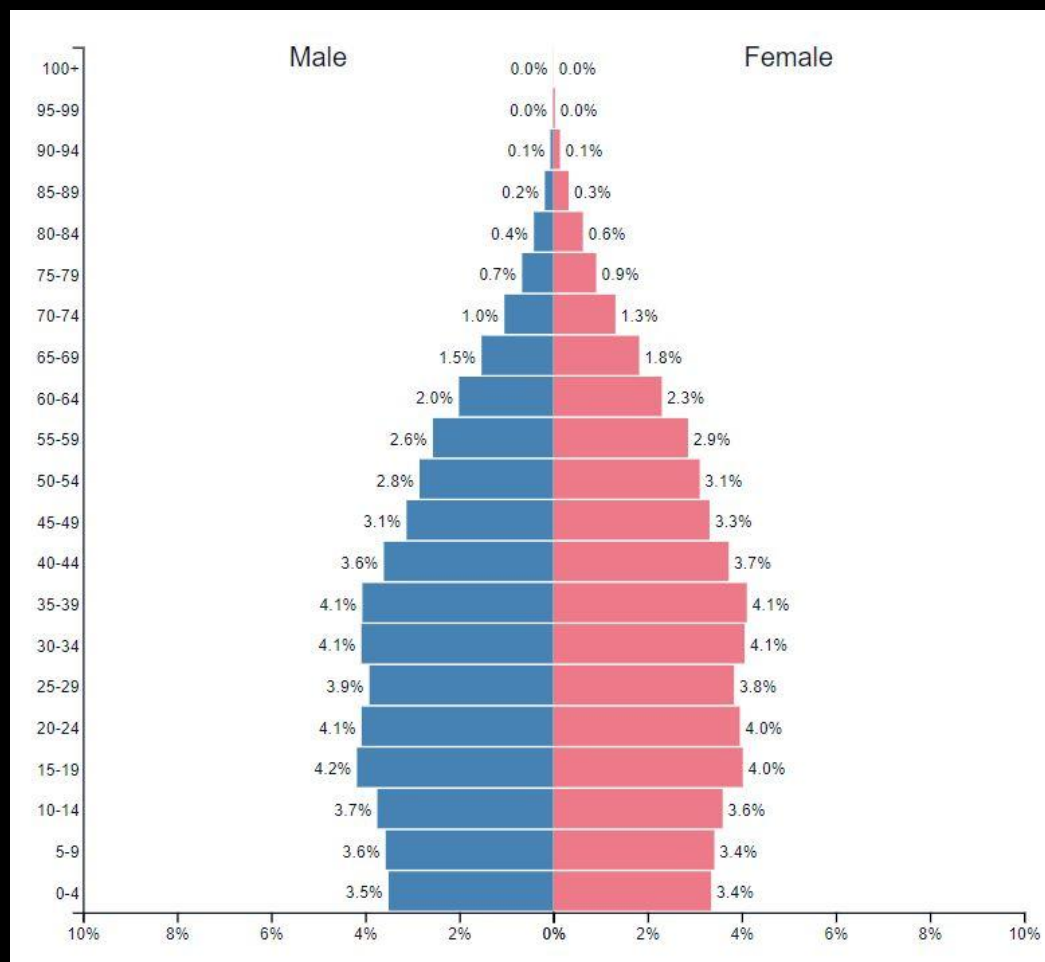
- 3.2 mn sq miles of land
- Mining- Major contributor to GDP
- Diamond rush- 1729
- Gold rush- 1960s
- Largest installed capacity- hydroelectric power production(100,273 MW)
- Petroleum is a major natural resource
- 12th largest producer of oil in the world



Arable Land % of total land available over the years

Brazil: Human Resources

- Labor Force > 120 mn
- Agricultural- 9.4%, Industrial- 32.1%, Service: 58.5%
- Unemployment Rate: 12.3% -> 11.8% in the last quarter



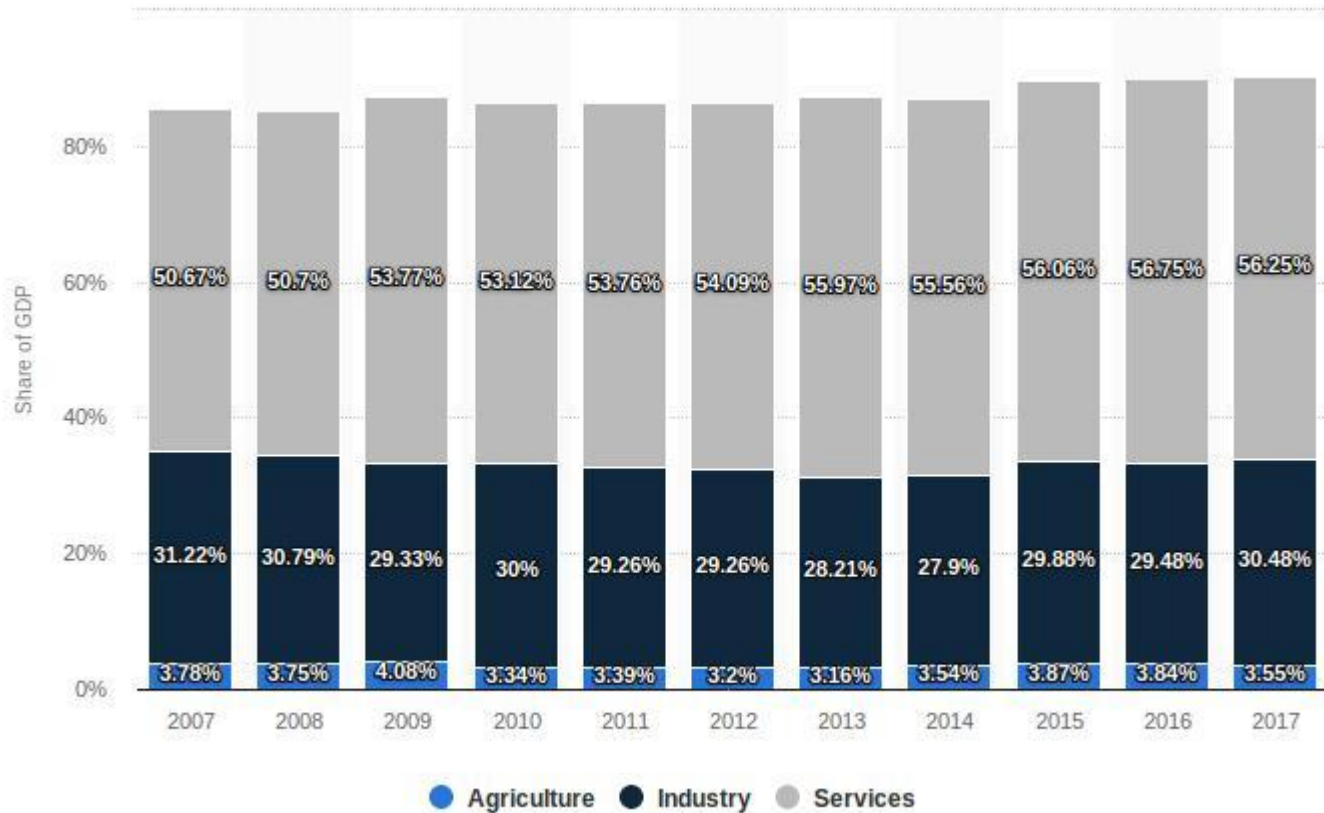
Population Pyramid

Brazil: Technological Resource

- **Action Plan** on Science, Technology and Innovation (PACTI)
- **PACTI Goals**
 - Increase in national spending on RD&I
 - Increase in scholarships for researchers
 - Creation of new technological centers- National Institute of Science and Technology opened across 16 different states of Brazil

R for Russia

- 12.5% of the world's land surface
- 60% larger than Canada- world's second largest country
- 3.495 tn USD GDP - 6th in the world
- >30% of world's natural resources
- Fuel and energy sector provides > 25% of GDP
- 2nd largest arms exporter, employs 2.5-3 mn people
- IT sector contribution ~ 1.5% of GDP



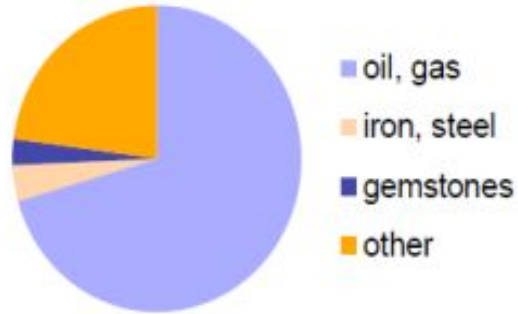
Contribution of different sectors in GDP

Russia: Natural Resources

- Valued at 60% of GDP
- 20% of the world's reserves
- Account for 95.7% of national wealth.
- Large deposits of fuel and energy resources.
- Ranked first in the world by gas reserves , second in oil production and third in coal reserves.
- Metal ores are mined on the country's territory ores.
- Richest country in gold reserves in 2005.

Figure 2: Russian natural resources

Exports



Data: [International Trade Centre](#)

Value of sub-soil wealth:

US\$75 trillion

Largest in world

GDP from energy sector:

19%

Federal budget revenues from energy sector:

50%

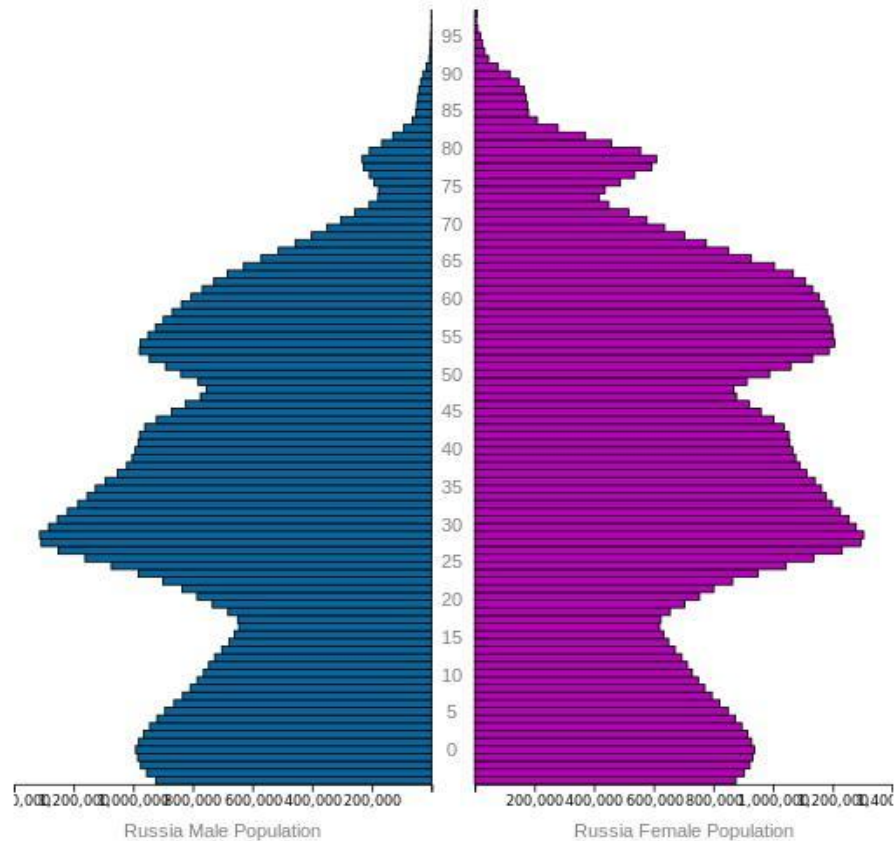
Reference -

<https://epthinktank.eu/2015/03/16/the-russian-economy-will-russia-ever-catch-up/eprs-ida-551320-russian-natural-resources/>

Russia: Human Resources

- Labor Force > 75 mn
- Agricultural- 5.84%, Industrial- 26.95%, Service: 67.22%
- Unemployment Rate: 4.5%

Russia Population Pyramid 2019



Russia Population by Age

There are 115,135,865 adults in Russia.

Census Years

Year	Date
2020	2020
2010	25 October 2010
2002	9 October 2002
1989	12 January 1989

Russia : Technological Resource

- IT market reached \$22.6 billion in 2018
- 1.2 million people employed in IT sector in 2017(1.7% of employed population,2.7% of GDP)
- 124 million Internet users in Russia By 2025
- Robotic Assistance: Virtual assistants becoming an essential component for companies.
- Infrastructure Development through interconnection of Russian utilities,energy and transportation with the use of IOT.

Similarities

- Population concentrated in small areas
- History of dictatorship
- Almost similar area of arable land
- Equal unemployment rate
- Similar GDP per capita
- Service based economy(~ 65%)

Dissimilarities

- Exports(Russia>Brazil)
- Population below poverty line(Brazil > Russia)
- Source of income
 - Minerals for Brazil
 - Oil for Russia

Asians on the way:

- Holds 40% of world's population
- 14% of total world's landmass
- Young skill force in India
- By 2027 - China expected to surpass the United State.

Dedicated to Vladimir Putin



Sites to visit:

- <https://www.goldmansachs.com/insights/archive/archive-pdfs/brics-dream.pdf>
- <http://infobrics.org>
- <https://www.nap.edu/read/12920/chapter/5#14>
- <https://data.worldbank.org/>
- <https://www.worldatlas.com/articles/what-are-the-major-natural-resources-of-brazil.html>
- <https://tradingeconomics.com/brazil>
- <https://www.statista.com>
- <https://www.nap.edu/>