European Economic Letters
ISSN 2323-5233
Vol 14, Issue 2 (2024)
http://eelet.org.uk

BRICS FDI Policies: An Empirical Analysis of Foreign Direct Investment of India with BRICS Economies in COVID-19

Ravindra Kumar[1]
[1]**Ph.D Scholar,** Department of Management Sciences, Mahatma Gandhi Central University, Bihar, India.
[1]**ORCID ID :** **https://orcid.org/0000-0002-5496-9007**, [1]**Email**: mgcu2020mgmt6009@mgcub.ac.in

Pavnesh Kumar[2]
[2]**Professor,** Department of Management Sciences, Mahatma Gandhi Central University. Bihar, India.
[2]**Email**: pavneshkumar@mgcub.ac.in

Abstract

The COVID-19 pandemic catastrophe and the current condition of global economic volatility make it imperative to investigate new strategies for ensuring countries' sustained financial and economic development. It is significant for emerging BRICS economies especially for sustainable Economic growth is mandatory to face the present global challenges in the 21st century. Examining the investment strategies of the BRICS Nations, the study seeks to identify new fields of collaboration where coordinated investment could be most beneficial. Alliance of BRICS cooperation can be strengthened as a means of addressing new global economic challenges in post COVID-19 period. This research article investigates the statistical, logical, comparative and structural analysis in addition to BRICS investment policies and explanation of the results has been discussed. The authors were the first to identify promising areas for future BRICS investment cooperation and to reveal the features of these sectors in a variety of areas, including as infrastructure development, taxation, trade policies, labor legislation and regulation. To accomplish sustainable development goals, the authors suggested that, how vital it is for the BRICS countries to work together on investments policies for exponential GDP growth. In this concerned issue the BRICS Nations should pay strategic investments more attention, as well as a list of the priority investment areas. The paper recommends that institutional investors of all ownership types and BRICS development banks engage more in partnership and cooperation processes. It also highlights how national currencies should be used more often in combination with infrastructure and green bonds that are issued to boost national economies of BRICS Nations.

Keywords: Foreign Direct Investment; Economic Growth; BRICS Economies; COVID-19, New Development Bank; World Trade Organization

I. Introduction

BRICS Nations Foreign direct investment (FDI) policies are important instrument for services regarding trade and development under the GATS. Sales made by American affiliates in China, for example, are documented as imports from the United States to China, while sales made by affiliates of a Chinese company in South Africa are exported from China to South Africa. In distribution sectors, particularly retail, value added services and technology are relevant and total sales by the BRICS Nations are engaged in the pertinent statistical data for increasing the Foreign Direct Investment in most other businesses. Transactions in many service-related businesses need proximity between the buyer and seller in bilateral trade in BRICS Economies.

This is still true even with the enforcement of digital economy has been adopted in banking sectors during COVID-19. A key strategy and trade policies has been implemented for foreign businesses looking to compete in local service markets in international trade. This paper investigates at the relationship between FDI and GATS trade policies using data from two sources. **(a)** The BRICS are major economies in the global investment schemes; according to UNCTAD data has been discussed. Results should be interpreted cautiously, though as they encompass the goods sectors and the data rarely breaks down by economic sectors, only tracking total investment. Using estimates from the WTO TiSMoS dataset. **(b)** The second method evaluates the extent to which the BRICS countries import and export services rather than being observed directly, these trade policies data are typically analyzed statistically.

Nevertheless, WTO represents the best trading data of BRICS economies are available at this time. Many researchers are aware that the FDI data has large gaps in the countries during COVID-19 pandemic. Many countries do not report partner country of sectoral breakdowns. Because of this, FDI is far less well-covered than trade data in the main international data sources such as WTO and IMF. Even though the BRICS Nations are appealing to global investors collectively, only China stands out as a major destination of itself due to the pandemic COVID-19. China has a substantial market for inward foreign direct investment (FDI) globally, even though the US and the EU receive the majority of FDI's total shares. As evidenced by the WTO data, FDI is monitored across all industries, not only services. China, the largest recipient of inward foreign direct investment (FDI) among the BRICS countries, revealed these data figures (see Figure 1 to Figure 6).

ITC's Investment Map tool shows that, in the year 2018, the FDI in services made up more over two thirds of total FDI investment in China. Studies show that even in an economy like China where manufacturing dominates, services account for a significant portion of total foreign direct investment (FDI). Other factors contributing to this include the lack of data for Brazil and South Africa. Therefore, China and India are the key points of the relevant information of FDI data. It is challenging to examine the breakdown of inward foreign direct investment by BRICS nations because many other nations do not maintain this kind of data. Even in the present scenario with mirroring used to try and fill in the trade gaps in the FDI data, it is still incomplete. The BRICS maintain the 21% of the world's GDP (gross domestic product less purchasing power parity), 17.3% of the world's trade in goods, 12.7% of the world's trade in services overall. Every one of the BRICS group's foundational texts expresses a desire to deepen and broaden investment partnerships. The Goa Declaration, which was approved by the attendees of the VIII BRICS summit in India on October 16, 2016, covered a wide variety of topics pertaining to multilateral investment cooperation within the BRICS framework (Gusarova, 2017). In order to guarantee the expansion of foreign investment in trade and industry, the leaders of the BRICS countries expressed hope for the continued progress of regional integration and economic development, founded on the values of equality and transparency.

II. Review of Literature

According to International Trade Center (2018), there appears to have been a notable rise in foreign direct investment in Brazil between 2009 and 2011, following which there was a decline in FDI data statistics in the current scenario. In the post COVID-19 pandemic, significant investments were made in the country. Brazil is one of the world's top recipients of foreign direct investment (FDI), even though it ranked 124th out of 190 countries in the World Bank's 2020 Doing Business Report ,much lower than its ranking of 109th the previous year (Martínez-Zarzoso, 2013). Due to its large domestic market (about 210 million people), easily extracted raw materials, diversified economy (less vulnerable to global crises), and advantageous geographic location (easy access to other South American countries), therefore Brazil is a desirable market for foreign investors. Brazil welcomes foreign trade, but because of its stringent labor laws, extensive government procedures, and complex and burden some tax laws, investing there might be risky (Mathur & Dasgupta, 2013).

In addition to labor and environmental rules, the office informs potential investors about loan support, prospects for foreign investors, industrial property protection, and the country's tax structure. As far as the Russian Federation is concerned, BRICS nations are more optimistic. Turning now, in an effort to expand the financial sectors, the Ministry of Finance of the Russian Federation is collaborating with companies from the BRICS countries. A flourishing stock market has beneficial for overall demand, as Gavin has shown (Sunde, 2017). The Action Plan stresses that investments in fixed assets are a top priority for the nation's economic growth and financial development. The improvement of the business environment, lowering of costs, funding of investment activity, building of extensive infrastructure, maintaining a competitive environment, and increasing corporate efficiency through public involvement are the main areas of activity in this concerned. To put these FDI policies into action, private businesses and governmental organizations are required to collaborate with BRICS Nations. Foreign direct investment is more likely to be attracted to the building, manufacturing, transportation, telecommunication, and other services industries. The dynamics of fixed asset investments have improved over the last five years, even if they actually only make up 19% of Russia's GDP. Property, equipment, and land enhancement investments make up the majority of the structure and regional rules has been set a limit on the proportion of foreign capital allowed in emerging industries.

Additional difficulties related to regulatory issues in order to get over them, rules need to be strengthened and greater public support given within the parameters of the agreement on investment protection and promotion in the BRICS Nations. Therefore BRICS has to be projects and able to enter into a trade agreement and receive funding from the federal budget, which has been deposited of 39 trillion roubles for these purposes (Tinbergen, 1962), provided they meet the requirements for the ratio of cumulative FDI investments in fixed assets until year 2024 of per rouble of state support. Federal Law No. 69 of April 1, 2020, "On Protection and Encouragement of Investment in the Russian Federation," came into effect, providing the country's economy with a legislative framework for promoting better investment conditions and streamlining public-private FDI cooperation (UNCTAD, 2018).

III. Research Methodology

This article examines and evaluates the FDI data from BRICS multilateral sources, including the BRICS pronouncements, the official websites of international organizations, the WTO, the International Chamber of Commerce (ICC), the Reserve Bank of India (RBI), and the National Committee on BRICS Research's analytical resources. BRICS Trade in Services Report 2022, International Trade Centre (2022), Geneva, ITC. Panel data analysis was utilized to examine the secondary data that served as the foundation for this research study. In this article author has used secondary data sources to find out the final results. After identifying the problems, the study examines how the financial ties between the BRICS countries are currently doing and makes recommendations for Potential remedies derived from a practical, logical, and comparative examination of the dynamics, organization, and visual representation of pertinent data regarding foreign direct investment (FDI) during the COVID-19 pandemic.

IV. Data Analysis and Discussion

After China, the Russian Federation currently has the second-highest investment rate among the BRICS countries. The impact of political variables on decisions taken in all areas of the country's activities has been reflected in the adjustment of Russia's current investment grade. Russian economic institutions sought the strategic objective of ensuring the country's sustainable growth. It is important to highlight that the sanctions placed on the Russian Federation act as a catalyst for growth and expansion of the national economy (see Table 1). Russia uses a variety of tactics to entice global investment through its partnerships. Strengthening the pertinent legal framework, encouraging infrastructure development, and improving the investment ecosystem are its three primary objectives.

Table 1. Based on the evaluations of the biggest Rating Agencies, the BRICS Nations' investment ratings

BRICS / RA	Moody's	Fitch	S&P
China	A1	A+	A+
Russia	Baa3	BBB	BBB-
India	Baa3	BBB-	BBB-
Brazil	Ba2	BB-	BB-
South Africa	Ba2	BB-	BB-

Source of Data: (Bloomberg Professional as on 2021).

The Russian government intervened to mitigate the effects of the sanctions. They consist of tax holidays and assistance for local governments, incentives for IT companies, business loans with preferential terms, investment loans to be provided through the Bank of Russia's initiative, and the removal of value-added tax (VAT) for companies operating in the travel and tourism sector (Irina Yarygina & Lubov Krylova, 2023).

In an effort to promote future cooperation, the government has launched an online platform called "Import Substitution Exchange," which serves as a communication channel between Russian producers and buyers. According to Government of the Russian Federation Decree No. 299 of March 6, 2022, organizations and individuals are not required to pay compensation for the utilization of patents without the owners' consent if the owners are not from BRICS Nations.

According to Pil'shhikov (2017), India is currently one of the nations that received the most foreign investment since 1995. A total of 64 billion US dollars in foreign investments were received by the nation in 2020, over 29 times the rise of the previous 25 years. From 2.6% of the total in 2009 to 3.3% in 2019, foreign direct investments were made in India. About the growth rates of foreign investments in India, there is yet hope (Yarygina, 2013). There are several peculiarities in the Indian strategy for attracting foreign direct investment. When it comes to creating new technology, cutting-edge businesses, and large-scale infrastructure projects for the industrial and social sectors, the Indian government first wants to guarantee that foreign capital takes precedence (See Table 2). The proportion of mergers and acquisitions has only just increased; prioritization was given to "from scratch" green field investment projects from the inception of the FDI attractiveness campaign (Gavin, 1989).

According to Griffin, Stulz, and Rene (2001), China has emerged as a global leader in the acceptance of foreign direct investment over the past ten years. A strong corona virus recovery coincided with high levels of foreign investment in China. According to government statistics of FDI data ,China received $44.2 billion USD in net foreign investments in the first half of 2021. Compared to the same period in 2020, this indicates a 168% rise. The results show that China's economy is growing favorably and that international investors find it appealing to make investments in the first half of 2021, direct and portfolio foreign investments in China constituted 40% and 27% of net inflows, respectively(Irina Yarygina and Lubov Krylova, 2023).

Table 2: Equity sector-specific FDI inflows from April 2000 to December 2020

FDI Specific Sectors of BRICS	FDI Inflows Amount (In US $ million)	Total Inflows Percentage
Services sector(Finance, Banking, Insurance, nonfin / Business, Outsourcing, R&D, Courier, Tech.Testing and Analysis, Other)	**85860,24**	**16,48**
Computer software & hardware	**69296,24**	**13,28**
Telecommunications	**37627,81**	**7,23**
Trading	**29736,01**	**5,8**
Construction development (townships, housing, built-up infrastructure And construction-development projects)	**25934,67**	**4,98**
Others	**273134,29**	**52,36**

***Source of Data: (FDI Statistics. Department for Promotion of Industry and Internal Trade**). URL:https://dpiit.gov.in/ publications/fdi-statistics .*

According to researchers Jochum, Kirchgassner, and Platek (1999), estimated that the entire amount was 442.8 billion USD in two primary reasons define China's leadership in international capital inflows. The first market is the substantial Chinese population and the Foreign corporations are investing in China to gain access to its domestic market; almost two thirds of the country's foreign investments are made by wealthy ethnic Chinese companies with strong domestic ties. Chinese ethnicity is represented by more than 6 million individuals in Hong Kong and more than 25 million in Taiwan. The estimated value of liquid assets held by ethnic Chinese people is $2 trillion USD. China is a key player in attracting foreign direct investment (FDI), and it is developing market institutions as new means of increasing inflows.

China is dependent on foreign direct investment (FDI) inflows, but its export growth has helped it accumulate the foreign exchange reserves required to modernize its production. Regarding South Africa specifically, investors are becoming more interested in the country and the continent of Africa as a whole. Various industries of investment are undertaken by regional economic entities, participants in international financial relations, with the Republic of South Africa to varied degrees (Kuzmin, 2015). Among those actively involved in South Africa, the most powerful actors are those from developed economies (the USA and former metropolises) or emerging economies (the BRICS) (Nieh & Lee, 2001).

South Africa joined the BRICS Nations in the year 2010, therefore international body known as BRICS has assisting South Africa and the other member countries in the formation of bilateral and multilateral agreements for the mutual financing of large-scale infrastructure projects. Both bilateral and group discussions have taken place in order to reach these agreements. Another important player in this process is the BRICS New Development Bank. In September 2021, for instance, the BRICS countries agreed to support 28 projects worth $2 billion USD in a variety of areas (trade, culture, IT, logistics, etc.), with 11 of those projects being funded by South Africa (Rockinger, 2000).

According to Yang, Hsiao, and Wan (2006), the country's external debt has been rising gradually since 2009. In terms of capitalization, the financial industry which includes companies like Zeder, Old Mutual, PSG, and others that provide financial services are the most developed sector of the South African economy. In line with the characteristics of the country's international investment position (IIP), South Africa began making investments in the final ten years of 2021, following a period of receiving investments. Earlier that year, in 2015, South Africa became a net lender with a strong net foreign investment position as its commitments to external creditors decreased. It is possible that changes to the laws pertaining to foreign investments led to this outcome. At the same time, investment assets kept rising and the country began actively looking out foreign investments rather than simply recognizing them.

According to the authors (Kumar Pavnesh & Kumar Ravindra, 2024), in the published research article entitled "Brics New Currency: An Investigation of Trade Dynamics to De-Dollarizing Intra-Brics Trade with the Reference of Indian Bilateral Trade Contracts", investigated about first quarter of 2021, there was q-o-q currency appreciation in the South African currencies Rand, Chinese Yuan, and Indian Rupee; there was also appreciation in the Russian ruble. Returned portfolio flows might have been a crucial factor in this recovery. It remains to be seen if concerns about the COVID-19 pandemic, uneven vaccination rates, and increasing bond yields in AEs will put further pressure on the BRICS currencies in the future. Brazil's inflation rate was contained within the 5.25 % upper tolerance zone in 2020; however, it surpassed this threshold in 2021 between March and July. The rates of core inflation were greater in Brazil, Russia, and India due to the fact that inflation was well under control in 2020 and 2021. China and South Africa conducted analyses and were required to implement the necessary government policies in the foreign Direct Investment (Kumar Ravindra. et al., 2024, p.1379).

The other BRICS countries account for only 0.3% of total foreign direct investment inflows into Brazil. (Figure 01) displays analogous data for the Russian Federation. The primary source of inward FDI is its own region, even though other regions contribute far less. Additionally, Latin America makes a substantial contribution. The FDI data for India (see Figure-02) are not totally apparent in some categories; this could be an indication of problems with the quality of the data. East Asia makes up a significant amount, which makes sense in light of the data that were previously mentioned. India's low share in South Asia is likely due to political concerns for the same reason. Africa makes up a big percentage of the world, nearly 30%, yet the significant chunks of North America and Europe are equal. This figure seems excessive given the state of the economy, which may be the consequence of financial transactions that route investments through an African center like Mauritius. But when looking at the overall picture of India's inward FDI, the other BRICS countries account for only approximately 2% of the total, which is still not much but higher than in Brazil or the Russian Federation.

International Trade Centre (2022) and BRICS Trade in Services Report 2022, ITC, Geneva;

Source; Data Taken from International Trade Centre (2022). BRICS Trade in Services Report 2022. ITC, Geneva)

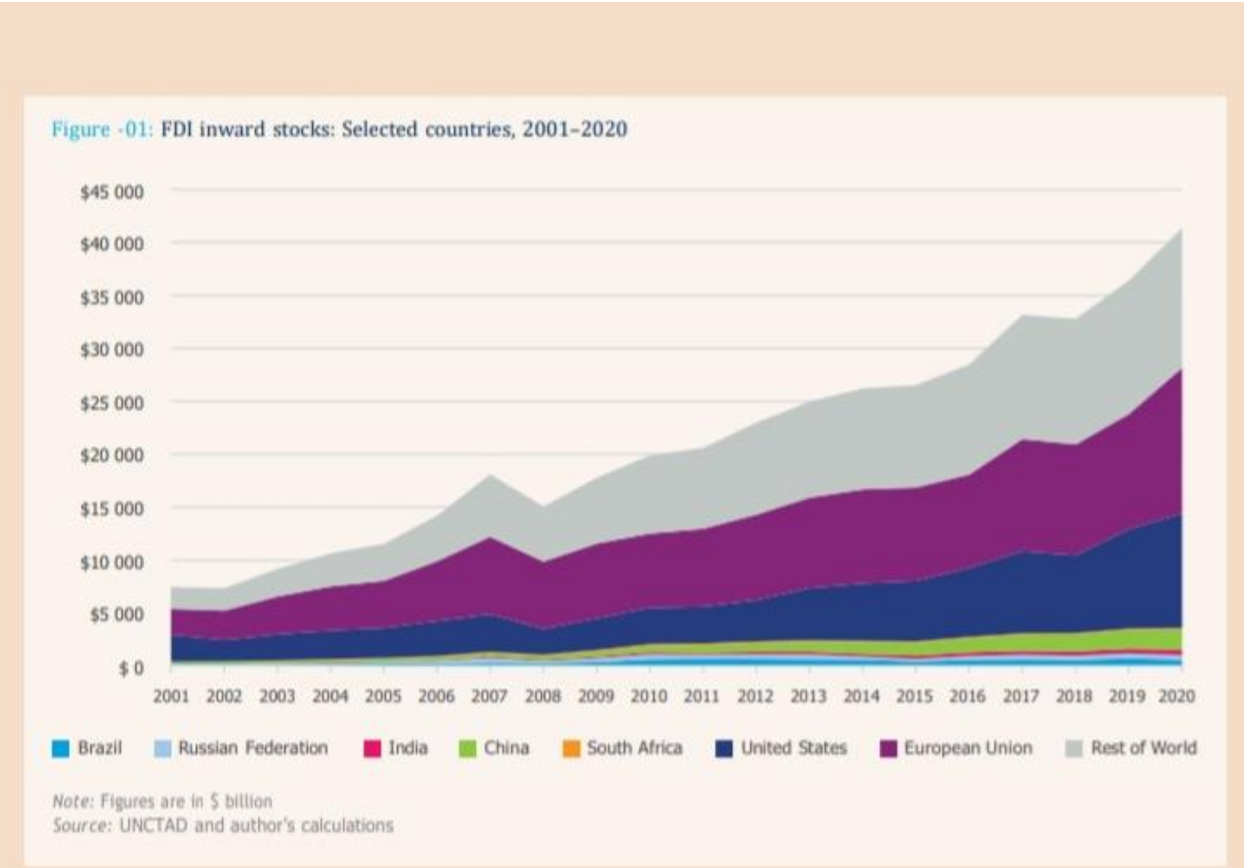
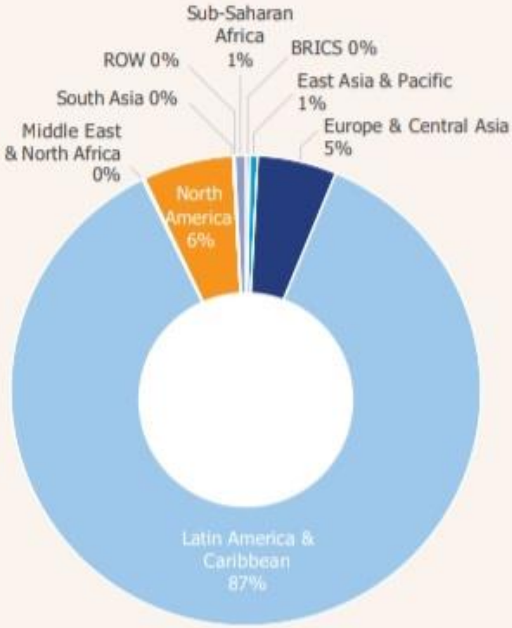


Figure -01: FDI inward stocks: Selected countries, 2001–2020

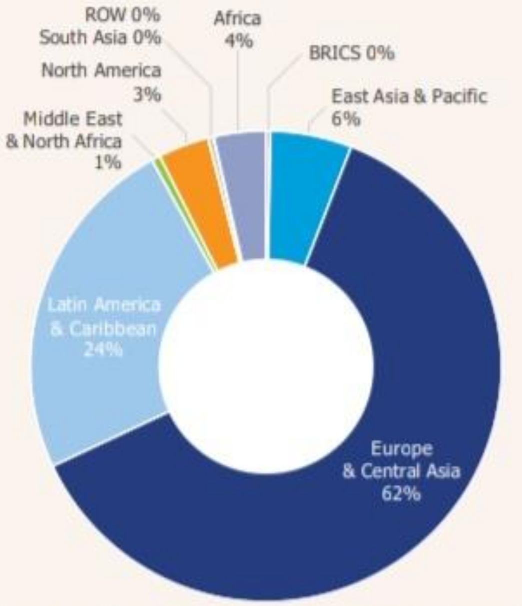
Note: Figures are in $ billion
Source: UNCTAD and author's calculations

Figure -02: Brazil and partners: FDI inward stock, 2017



Source: Experimental World Bank bilateral FDI database, based on various sources, and authors' calculations

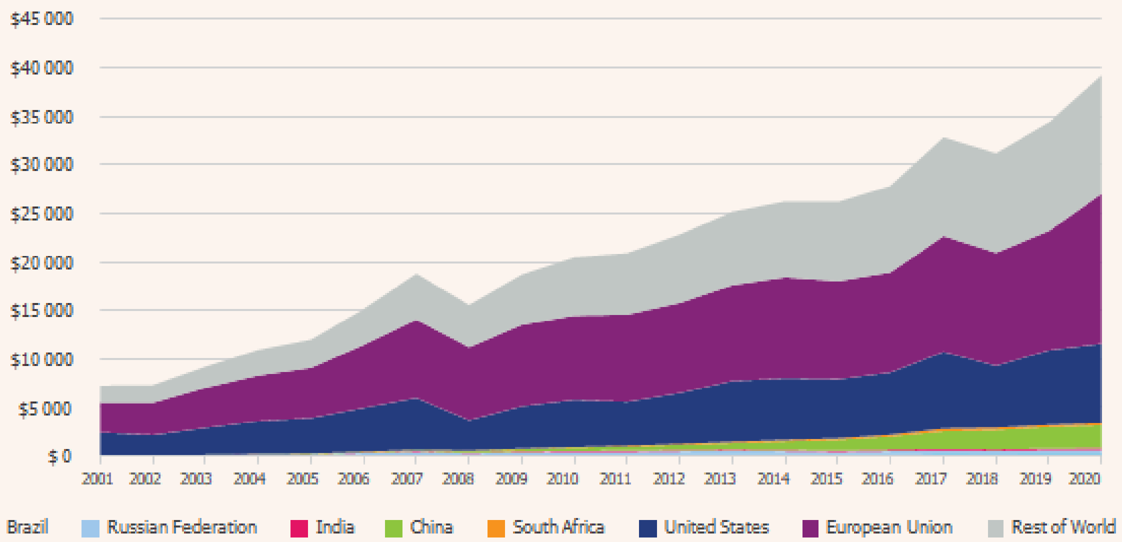
Figure-03; FDI inward stock, 2017, Russia and partners



Source: Experimental World Bank bilateral FDI database, based on various sources, and authors' calculations

BRICS | East Asia & Pacific | Europe & Central Asia | Latin America & Caribbean
Middle East & North Africa | North America | ROW | South Asia | Sub-Saharan Africa

Figure 04; Selected countries: FDI outward stocks: 2001–2020



Note: Figures are in $ billion
Source: UNCTAD and author's calculations

ISSN 2323-5233
Vol 14, Issue 2 (2024)
http://eelet.org.uk

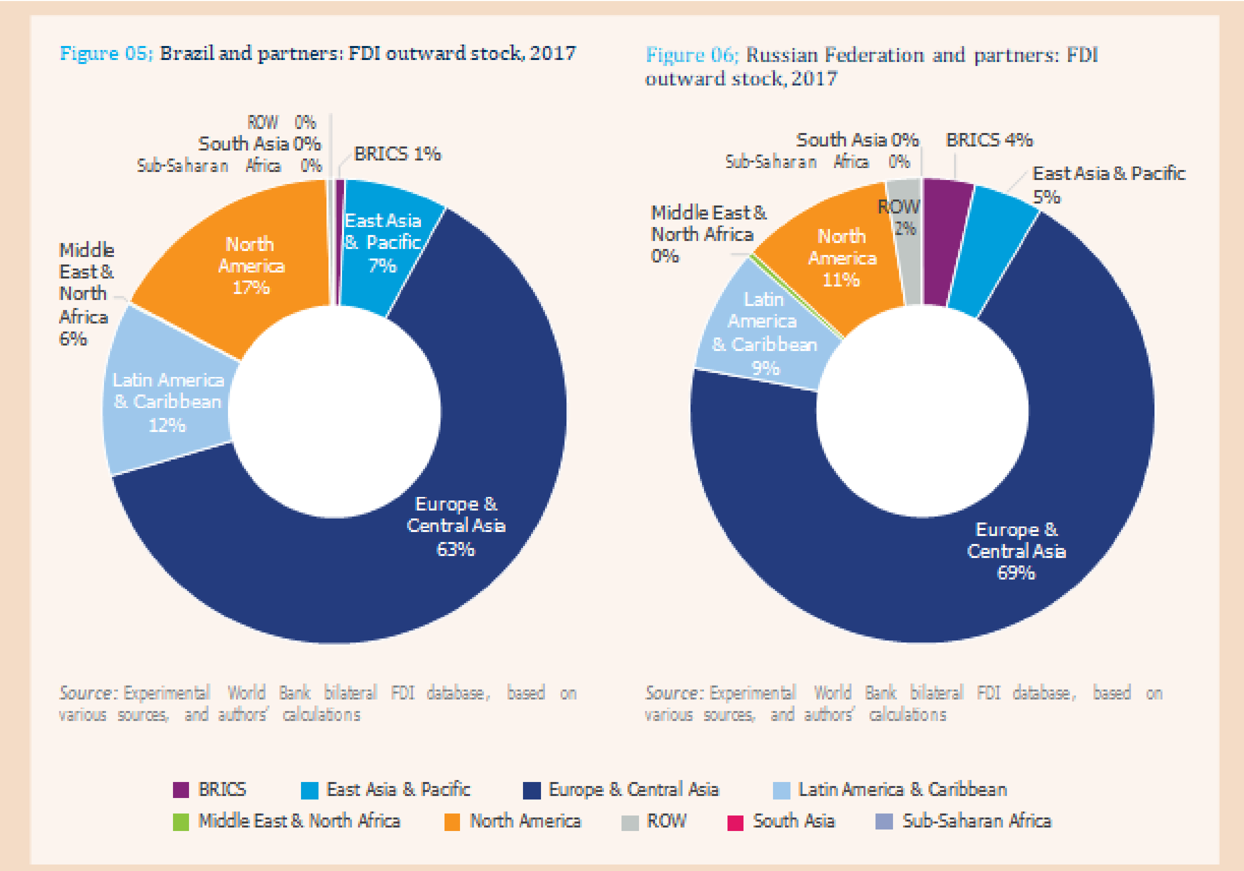


Figure 05; Brazil and partners: FDI outward stock, 2017

Source: Experimental World Bank bilateral FDI database, based on various sources, and authors' calculations

Figure 06; Russian Federation and partners: FDI outward stock, 2017

Source: Experimental World Bank bilateral FDI database, based on various sources, and authors' calculations

Source of Data; International Trade Centre (2022). BRICS Trade in Services Report 2022. ITC, Geneva (www.intracen.org/publications)

Most of China's foreign direct investment (FDI) goes to Asia (see Figure 06). In contrast to the other countries we have examined so far, the BRICS represent less than 0.1 % of China's outbound foreign direct investment. There are important roles for Europe, South America, and North America. Thus, intra-BRICS investment is less in comparison to China's overall outside foreign direct investment. The group as a whole will be significantly impacted quantitatively by this reason, since China is the only member of the BRICS alliance with a global ranking in external FDI. This suggests that foreign direct investment is necessary for the exponential growth of the nation's economy to continue growing sustainably. The data indicates an improvement in South Africa's net IIP in the first half of 2021. The most stable businesses included in the S&P 500 index and other prominent stock indices are the main targets of foreign portfolio investments. The majority of South Africa's outflows are made up of direct investments in industrialized nations (Treanor, 2015).

Additional assets and liabilities include the loans given by the South African banking sectors to non-residents and their deposits. Investments policies from portfolios account for the majority of inflows have been discussed here (see figure 01 to figure 06). Foreign investors, especially those from emerging nations, prefer less risky assets with better liquidity and higher return potential, even though direct investment accounts for nearly one-third of total inflows as concerned in this regard. Still, foreign direct investment (FDI) dynamics in South Africa are steadily improving, suggesting that foreign investors are becoming more interested. The (Table 3) shows, the country-by-nation trends of foreign direct investment inflows and outflows from South Africa.

Table-3; FDI the inflow and outflow directions in South Africa, USD billion (2019–2020)

FDI Data Inflows		FDI Data outflows	
UK	45.5	Netherlands	93.6
Netherlands	25.7	UK	26.3
Belgium	15.8	USA	15.8
Japan	8.9	Mauritius	11.4
USA	8.6	Australia	7.8
Total	104.5	Total	154.9

Source of Data : Statistical Data and Reports. South African Reserve Bank.
URL: https://www.resbank.co.za/en/home/publications/international-investment-position .
IMF database. URL: https://data.imf.org/

Almost 90% of foreign direct investment (FDI) into the BRICS countries originates in China, which accounts for 4% of total FDI inflows. These countries do not rank among the top five routes of FDI inflows and outflows from South Africa. For a variety of reasons, including considerably higher levels of accessible capital and a stronger inclination to finance large-scale, riskier infrastructure projects in the region, advanced nations invest in South Africa at a larger percentage than in the BRICS economies. In addition to signing collaboration agreements and making minor portfolio investments, Brazil, Russia, and India also have concurrent deals with South Africa (Irina Yarygina & Lubov Krylova, 2023).

Accordingly, while Brazil invests in South African mechanical engineering companies (Marco Polo, WEG) and Indian investors seem mainly interested in pharmaceutical companies (Rainbaxy, CIPLA) and mechanical engineering (Tatas, Mahindras). Russia is keen to collaborate with Brazil for develop new deposits and mines (Renova Group of Companies, Evraz). Without a doubt, international experience can provide useful insights into successful policymaking strategies (Shuvalov, 2021). Nevertheless, there is little likelihood that the "laissez-faire" strategy, or market fundamentalism, will significantly resolve the bulk of social and economic problems. An author George Soros (1998), supported the ideas of market fundamentalism and the free market in his published book entitled "The Crisis of Global Capitalism". But as we have seen, J.E. Stieglid's approach which criticized the IMF for advocating what are commonly referred to as market fundamentalist policies and for being based on incorrect analyses of historical data and economic theory was not a successful one.

According to Stieglid, correct comprehension required cooperative problem-solving and reasonable regulation in order to handle new economic challenges. It takes constant work to restructure international cooperation in the setting of a worldwide economy. Secure banking, efficient debt management, prosperous production, socioeconomic advancements, and financial stability are the main features of the post-COVID-19 pandemic in international economy. They're all connected to the objectives of any government. To accomplish these aims, it is imperative that we support the right financial institutions and promote international collaboration in the current global environment.

V. Results and Findings

The BRICS countries have successful investment cooperation depends on having enough trade policies and economic regulations. Overcoming the obstacles and managing the risks requires time; the current discrepancies in investment policy and legal regulation do not improve the administration of development programs. The projects thorough understanding of regulatory obstacles is required in order to carry out the FDI policies more successfully.

Due to the necessity for specific permits in various industries, such as telephony, broadcasting, healthcare, mining, and exploration near borders, Brazil has limited options for foreign investment. However, Brazil's economic climate is accommodating enough to allow foreign investors to hold a controlling stake in companies. The Foreign Investment Promotion Agency has specifics about permit requirements. Additionally, in accordance with the Central Bank of Brazil's administrations, each foreign investor must name a representative to record the transactions in the Foreign Direct Investment module (RDE-IED). Foreign investor registration and declaration are handled by the Brazilian Central Bank. Investors are offered assistance by the Brazilian government. Tax breaks, grants, subsidies, and agreements to avoid double taxation are some of the ways it encourages foreign investment. The government of Brazil has launched an initiative to finance infrastructure. An integral aspect of the Manaus Free Trade Zone (ZFM) is important for economic growth in the states.

Some of the more recent frameworks and agreements for investment in Brazil include bilateral investment agreements with nations like India, Morocco, Angola, Cuba, Ethiopia, Chile, Colombia, Suriname, Mexico, the United Arab Emirates and the United States; these also include with FDI agreements of BRICS Nations. The government Regulations governing Russian FDI Investment policies are principally found in Federal Law No. 39-FZ of February 25, 1999, which deals with capital investments as investment operations within the Russian Federation. For international investors, the Government of India's investment policy is based on the "Consolidated Policy on Foreign Direct Investment" paper in this concerned. The Ministry of Commerce and Industry in India updates it once a year. This paper outlines the two ways that foreign investors can invest in India: (I.) automatically, and (II.) through government channels. There is a difference between the first one and the second one: the first one doesn't need prior approval from the government or RBI. The majority of economic sectors are currently accepting foreign investment, but certain industries such as banking, mining, and energy sectors have government restrictions.

The digital media sector is now open to foreign ownership of up to 26% in India. There is currently a 74% ceiling on foreign direct investment (FDI) for insurance companies, as opposed to 49% previously. In India, there is another important way the government attracts foreign investment is by maintaining the predictability of the country's economic policies in the post COVID-19 period.

One of the ways the Chinese government promotes and facilitates foreign direct investment (FDI) inflows is through tax breaks and other incentives. In addition, the Chinese government has removed a number of FDI restrictions. The strategy of gradually opening up the Chinese economy is what attracts foreign direct investment. The Chinese government began to gradually liberalised trade and the economic policies, granting foreigners majority ownership in previously closed businesses. Metallurgy, food processing, the car industry, and the production of other consumer goods are some of these businesses. South Africa started a broad trend toward liberalization in the domain of foreign investment after the apartheid government was overthrown in the 1990s.

The focus on helping "historically disadvantaged persons" lessen the impacts of apartheid ("Broad-based Black Economic Empowerment Policy") is one unique feature of South African legal regulation, particularly in the business and economic realms. After South Africa was joined to the BRIC Nations group, differences arose between its political parties, especially over how to control foreign investments. Supporters of this strategy, including the ruling political parties, believed that foreign investors may violate South Africa's sovereign rights and undermine the country's economy by interfering in internal affairs through completing bilateral agreements with other countries. Accordingly, the Protection of Investment Act was enacted in the year 2015, comprising the renunciation of South Africa's bilateral investment treaties with other countries and significant restrictions on the rights of international investors. South Africa's favorable investment environment is impacted by the Act's execution, which makes it harder to protect private investors' interests in arbitration disputes. Moreover, initiatives exist to enhance laws concerning foreign capital in particular economic domains. The proposed amendments aim to establish a maximum proportion of ownership for foreign investors in the security business and natural resource sectors. There are also plans to include more grounds in the public interest and state's favor for the forced confiscation of property. This Empirical studies have demonstrated notable disparities between foreign direct investment (FDI) and the legal foundation of the BRICS investment strategy. It is imperative that the legal framework for foreign direct investment have to be harmonized as quickly as possible to promote the trade policies of the national economies of the BRICS Nations in post COVID-19 period.

Conclusion

We have concluded with this study that it makes sense to pursue the path of liberalization and convergence of foreign direct investment and intergovernmental investment policy in order to attain the goal of sustainable development. To promote foreign direct investment (FDI), a variety of tactics and instruments can be used, including finance support, tax incentives, and agreements to avoid double taxation. Increased cooperation among the BRICS countries in the investment area is hampered by differences in taxation, labor laws, foreign investment regulatory frameworks, and insufficient infrastructure development. Promoting investment cooperation in the domains of science, technology, the generation of green and blue energy, industrial and social infrastructure, and medicine is therefore imperative.The long-term strategy of BRICS Nations trade policies has administered to give significant weight to each nation's capacity for success in exponential growth of the foreign trade policies as well as its position in the world economy. Furthermore, it would enhance the involvement of New Development Banks in partnership, cooperation, and stimulation procedures by institutional investors of various ownership types of the BRICS Nations.

In this regards, it may be advantageous to implement economic policies that promote economic growth such as expanded loan availability, government support for specific industries, and tax cuts for exported manufactured goods. The BRICS Nations primary goal is to use their national currencies for strengthen the trade and investment policies in the post COVID-19 pandemic. Accelerated harmonization of financial management will enhance the economic and financial relations amongst the BRICS countries and increase the involvement of Foreign Direct Investment in the stable expansion of their respective national economies in the post COVID-19 pandemic.

References

1. *Arapova, E.Ya., Chkoniya, A.E.(2016).BRICS trade potential: problems and prospects. National Interests: Priorities and Security, 7,152–164.*
2. *International Trade Centre (2022). BRICS Trade in Services Report 2022. ITC, Geneva www.intracen.org/publications*
3. *Bird,R.,&Vaillancourt,F.(2008). Fiscal decentralization in developing countries.Cambridge University Press.*
4. *Yarygina, I., & Krylova L. (2023). BRICS investment policy in contemporary environment. BRICS Journal of Economics, 4(2), 193–208. https://doi.org/10.3897/brics-econ.4.e99251*
5. *Gavin M. (1989). The Stock Market and Exchange Rate Dynamics. Journal ofInternational Money and Finance,8(2),181-200. https://doi.org/10.1016/0261-5606(89)90022-3*
6. *Griffin, J. M.,& Stulz, R. M.(2001). International competition and exchange rateshocks: a cross- country industry analysis of stock returns. The review of Financial studies, 14(1), 215-241. https://doi.org/10.1093/rfs/14.1.215*
7. *Gusarova, S. A. (2017).The development of electronic commerce in the BRICS countries. Economicsciences, 11(156), 34–42.*
8. *Jochum, C., Kirchgassner, G., & Platek, M. (1999).A long-run relationshipbetween Eastern European stock markets? Cointegration and the 1997/98 crisis in emerging markets. Weltwirtschaftliches Archiv, 135(3), 454-479.*
9. *Kuzmin, A. (2015). 2015). Exchange rate modeling: the case of ruble. Review of Business and Economics Studies,(3),39-48.*
10. *Martínez- Zarzoso, I. (2013).The Log of Gravity Revisited. Applied Economics,45(3),311-327. https://doi.org/10.1080/00036846.2011.599786*
11. *Mathur, S., Dasgupta, M.(2013). BRICS: Trade policies, institutions, and areas of deepening cooperation. New Delhi:Centre for WTO studies.*
12. *Mogilat, A. N., Sal'nikov, V. A.(2015). Trade EffectsEstimation for the Case of Eurasian Economic Space Countries: Application of Regional Gravity Model. Journal of the New Economic Association, 3(27), 80–108.*
13. *Nieh, C. C., &Lee, C. F.(2001). Dynamic relationship between stock prices and exchange rates for G-7 countries. The Quarterly Review of Economics and Finance,41(4),477-490.https://doi.org/10.1016/S1062-9769(01)00085-0*
14. *Pil'shhikov J.S.(2017)., Relations of BRICS countries: present state and prospects . Regional economyand management: electronic scientific journal, 2(50), 5021*
15. *Rockinger, M., & Urga, G. (2001)., A time varying parameter model to testfor predictability and integration in the stock markets of transition economies. Journal of Business & Economic Statistics,19(1),73-84.https://doi.org/10.1198/07350010152472634*
16. *Soros, G. (1998). The Crisis of Global Capitalism: Open Society Endangered. New York: Public Affairs.*
17. *Tinbergen, J. (1962) Shaping the World Economy: Suggestions for an InternationalEconomic Policy. New York: Twentieth Century Fund.*
18. *Kumar, R., Kumar, P., & Verma, O. P. (2024)., "Brics New Currency: An Investigation of Trade Dynamics to De-Dollarizing Intra-Brics Trade with the Reference of Indian Bilateral Trade Contracts.", Journal of Informatics Education and Research., ISSN:1526-4726,Vol- 4,Issue- 2, pp (1376-1383).*
19. *Treanor, J.(2015)., The 2010'flash crash':how it unfolded. The Guardian. URL:https://www.the guardi n.com/business/2015/apr/22/2010-flash-crash-new-york-stock-exchange-unfolded.*
20. *UNCTAD(2018).Power,Platforms and Illusion of Free Trade. URL:https://unct ad.org/en/Publications Library/tdr2018overview ru.pdf*
21. *Yang, J., Hsiao, C., &Wan, Z.(2006)., The Emerging Market Crisis and Stock Market Linkages: FurtherEvidence. Journal of Applied Econometrics,727-744. https://doi.org/10.1002/jae.889.*
22. *Yarygina, I. Z. (2013)., Public- private partnership of the BRICS member countries as a risk reduction Factor for the global economy. Economy. Taxes. Law, 4, 56–59.*
23. *Chanda, R. (2013). Deepening Cooperation in Services among BRICS Members. In S. Mathur & M. Dasgupta (Eds.), BRICS: Trade Policies, Institutions, and Areas for Deepening Cooperation. Delhi: IIFT.*
24. *Dee, P., 2011. 'Modelling the Benefits of Structural Reforms in APECEconomies', Chapter 2 in Asia-Pacific Economic*

Cooperation Policy Support Unit, The Impacts and Benefits of Structural Reforms in the Transport, Energy and Telecommunications Sectors in APEC Economies,2011,
25. *https://www.apec.org/docs/default-source/Publications/2011/1/The-Impacts-and-Benefits-of-Structural-Reforms-in-Transport-Energy-and- Telecommunications-Sectors/TOC/Contents-and-Executive-Summary.pdf*
26. *Dihel, N., F. Eschenbach and B. Shepherd, 2006. 'South-South Services Trade'. Trade Policy Paper No. 39, OECD. Eurostat, http://ec.europa.eu/eurostat/en https://doi.org/10.1787/18166873*
27. *Ghani, E. and S. O'Connell, 2014. 'Can Service be a Growth Escalator in Low-Income Countries?'. Policy Research Working Paper No. 6971, World Bank, https://doi.org/10.1596/1813-9450-6971*
28. *Helble, M., & Shepherd, B. (Eds.). (2019). Leveraging Services for Development: Policies and Prospects. Manila: Asian Development Bank.*
29. *Hoekman, B., 2016. 'Services and Sustainable Development: A Conceptual Approach'. Paper prepared for the ICTSD.*
30. *Hoekman, B., & Shepherd, B. (2017). 'Services Productivity, Trade Policy, andManufacturing Exports'. [International Telecommunication Union data, www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx]. World Economy, 40(3), 499–516. https://doi.org/10.1111/twec.12333*
31. *International Trade Centre, ITC Trade Map, www.trademap.org/Index.aspx Internet and Mobile Association of India, 2016. IMAI. Internet in India.*
32. *Philippa Dee, 2011. 'Modelling the Benefits of Structural Reforms in APECEconomies', Chapter 2 in Asia-Pacific Economic Cooperation Policy SupportUnit, The Impacts and Benefits of Structural Reforms in the Transport, Energy and Telecommunications Sectors in APEC Economies, 2011,*
33. *https://www.apec.org/docs/default-source/Publications/2011/1/The-Impacts-and- Benefits-of-Structural-Reforms-in-Transport-Energy-and- Telecommunications-Sectors/TOC/Contents-and-Executive-Summary.pdf*
34. *Low, P., & Pasadilla, G. (2016). Services in Global Value Chains:Manufacturing Related Services. Singapore: World Scientific; https://doi.org/10.1142/10073*
35. *McAfee and the Center for Strategic and International Studies, 2014. NetLosses: Estimating the Global Cost of Cybercrime, www.mcafee.com/de/resources/reports/rp-economic-impact-cybercrime2.pdf*
36. *Miroudot, S., Sauvage, J., & Shepherd, B. (2012). Trade Costs and Productivity in Services Sectors. Economics Letters, 114(1), 36–38. https://doi.org/10.1016/j.econlet.2011.09.005*
37. *Miroudot, S., Sauvage, J., & Shepherd, B. (2013). Measuring the Costs of International Trade in Services. World Trade Review, 12(4), 719–735. https://doi.org/10.1017/S1474745613000049*
38. *Miroudot, S., & Shepherd, B. (2014). The Paradox of 'Preferences': Regional Trade Agreements and Trade Costs in Services. World Economy, 37(12), 1751–1772. https://doi.org/10.1111/twec.12178*
39. *Nayyar, G., Hallward-Driemeir, M., & Davies, E. (2021). At Your Service? The Promise of Services-Led Development. Washington, D.C.: World Bank. https://doi.org/10.1596/978-1-4648-1671-0*
40. *OECD, Foreign Direct Investment Statistics: Data, Analysis and Forecasts, www.oecd.org/corporate/mne/statistics.htm*
41. *OECD Services Trade Restrictiveness Index, www.oecd.org/tad/services-trade/services-trade-restrictiveness-index.htm*
42. *OECD-WTO Trade in Value Added Database, www.oecd.org/industry/ind/measuringtradeinvalue-addedanoecd- wtojointinitiative.htm Statista, http://de.statista.com/*
43. *Shepherd, B. (2016). 'Did APEC's Trade Facilitation Action Plans Deliver the Goods?'. Journal of Asian Economics, 43(C), 1–11. https://doi.org/10.1016/j.asieco.2016.01.003*
44. *Time (2014). The world's top 5 cybercrime hotspots, http://time.com/3087768/the-worlds-5-cybercrime-hotspots/ UN ComtradeDatabase, https://comtrade.un.org/*
45. *UNCTAD FDI/TNC Database,http://unctad.org/en/Pages/DIAE/FDI%20Statistics/FDI-Statistics.aspx*
46. *World Bank, Global Findex, www.worldbank.org/en/programs/globalfindex World Bank, World Development Indicators, http://data.worldbank.org/data-catalog/world-development-indicators*
47. *World Tourism Organization.(2016). Yearbook of Tourism Statistics dataset [Electronic]. Madrid: UNWTO.*
48. *World Tourism Organization. (2016). Compendium of Tourism Statisticsdataset [Electronic]. Madrid: UNWTO.*
49. *World Trade Organization, Measuring GATS Mode 4 Trade Flows, 2008, www.wto.org/English/res_e/reser_e/ersd200805_e.pdf*
50. *World Trade Organization, World Trade Statistical Review 2016, 2016, www.wto.org/english/res_e/statis_e/wts2016_e/wts16_toc_e.htm*