

20– 10 – 2024

News: BRICS Summit to take place in Russia next week

BRICS

- BRICS is the **economic grouping** of major emerging national economies. Its founding members were **Brazil, Russia, India and China**. South Africa joined the grouping in 2010 to become BRICS.
- Presently, **Iran, Egypt, Ethiopia and the United Arab Emirates (UAE)** are also the members. **Saudi Arabia** is yet to officially join, but participates in the organisation's activities as an invited nation. **Argentina**, who had applied for the **membership has withdrawn**, with new government forming alienating from the grouping.
- While there is **currently no formal application process to join BRICS**, any hopeful government **must receive the unanimous backing of all member states** to receive an invitation.
- Combined, the **BRICS members encompass about 30% of the world's land surface and 45% of the global population**.

- South Africa has the largest economy in Africa whereas Brazil, Russia, India, and China are among the world's ten largest countries by population, area, and gross domestic product (GDP) nominal and by purchasing power parity.
- All five initial member states are members of the G20, with a combined nominal GDP of US\$28 trillion (about 27% of the gross world product), a total GDP (PPP) of around US\$57 trillion (33% of global GDP PPP), and an estimated US\$4.5 trillion in combined foreign reserves (as of 2018).
- The BRICS countries are considered the foremost geopolitical rival to the G7 bloc of leading advanced economies, implementing competing initiatives such as the New Development Bank, the BRICS Contingent Reserve Arrangement, the BRICS pay, the BRICS Joint Statistical Publication and the BRICS basket reserve currency.
- BRICS PAY or BRICS Pay is a distributed payment messaging mechanism system by BRICS member states. It is similar to Europe's SWIFT and India's Unified Payments Interface (UPI). The project is a joint venture between states to receive and make payments in own local currency.
- Recently, BRICS Counter Terrorism Action Plan that will strengthen counter terror cooperation among the members of the grouping has been finalised.
- The discussion in this regard was held at the sixth meeting of the BRICS Counter Terrorism Working Group held on July 2021.

- The plan is one of the key deliverables during India's Chairmanship of BRICS.
- BRICS plus is a concept put forward by China with the objective of widening the "Circle of Friends" of BRICS that can bring unity among developing countries.

Structure

- BRICS does not exist in form of organization, but it is an annual summit between the supreme leaders of five nations.
- The Chairmanship of the forum is rotated annually among the members, in accordance with the acronym B-R-I-C-S.
- BRICS cooperation in the past decade has expanded to include an annual programme of over 100 sectoral meetings.

Objectives

- The BRICS seeks to deepen, broaden and intensify cooperation within the grouping and among the individual countries for more sustainable, equitable and mutually beneficial development.
- BRICS takes into consideration each member's growth, development and poverty objectives to ensure relations are built on the respective country's economic strengths and to avoid competition where possible.

- BRICS is **emerging as a new and promising political-diplomatic entity with diverse objectives**, far beyond the original objective of reforming global financial institutions.

Areas of Cooperation

Economic Cooperation

- There are **rapidly growing trade and investment** flows between BRICS countries as well as economic cooperation activities across a range of sectors.
- Agreements have been concluded in the areas of Economic and Trade Cooperation; Innovation Cooperation, Customs Cooperation; strategic cooperation between the BRICS Business Council , **Contingent Reserve Agreement** and the **New Development Bank**.
- These agreements contribute to **realization of the shared objectives** of deepening economic cooperation and fostering integrated trade and investment markets.

People-to-People exchange

- BRICS members have recognized the need for **strengthening People-to-People exchanges** and to foster closer cooperation in the areas of culture, sport, education, film and youth.

- People-to-People exchanges seek to forge new friendships; deepen relations and mutual understanding between BRICS peoples in the spirit of openness, inclusiveness, diversity and mutual learning.
- Such People to people exchanges include the Young Diplomats Forum, Parliamentarian Forum, Trade Union Forum, Civil BRICS as well as the Media Forum.

Political and Security Cooperation

- BRICS member political and security cooperation is aimed **at achieving peace, security, development and cooperation for a more equitable and fair world.**
- BRICS provides opportunities for **sharing policy advice and exchanges of best practices in terms of domestic and regional challenges** as well as advancing the **restructuring of the global political architecture** so that it is more balanced, resting on the pillar of multilateralism.
- BRICS is utilized as a driver for South Africa's foreign policy priorities including the pursuit of the African Agenda and South-South Cooperation.

Cooperation Mechanism

Cooperation among members is achieved through:

- Track I: Formal diplomatic engagement between the national governments.

- Track II: Engagement through government-affiliated institutions, e.g. state-owned enterprises and business councils.
- Track III: Civil society and People-to-People engagement.

Importance for India

- India can benefit from collective strength of BRICS by way of consultation and cooperation on economic issues of mutual interests, as well as topical global issues, such as, international terrorism, climate change, food and energy security, reforms of global governance institutions, etc.
- India remains engaged with the other BRICS countries (except China) on its NSG membership.
- The NDB will help India to raise and avail resources for their infrastructure and sustainable development projects. The NDB has approved its first set of loans, which included a loan of US\$ 250 million in respect of India for Multi tranche Financing Facility for Renewable Energy Financing Scheme’.