

BRICS Eleven forged in Johannesburg

The leaders of Brazil, Russia, India, China and South Africa welcomed six new members at the BRICS summit held 22-24 August in Johannesburg, South Africa. Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates (UAE) will formally become members of the group, whose name will remain unchanged, on 1 January 2024. The South African BRICS hosts made it known that the forum “will not be limited to just one expansion phase”. At least 20 other nations are on the list to become BRICS partners, and thereafter join the BRICS, including: Algeria, Bangladesh, Bahrain, Belarus, Bolivia, Venezuela, Vietnam, Guinea, Greece, Honduras, Indonesia, Cuba, Kuwait, Morocco, Nigeria, Tajikistan, Thailand, Tunisia, Turkiye and Syria; many more have expressed interest.

The expanded BRICS formation represents 47 per cent of the world’s population and a major counterweight to the G7—the world’s leading “advanced” economies. According to [figures compiled](#) from World Bank and CEIC data by geopolitical analyst Pepe Escobar at *The Cradle*, the BRICS 11

countries have a total GDP of \$29.2 trillion¹; the G7 nations have a total GDP of \$43.5 trillion. But when adjusted to account for differences in currency values using purchasing power parity (PPP), BRICS has a PPP-adjusted GDP of \$59.8 trillion; the equivalent G7 figure is \$48.5 trillion. Furthermore, total BRICS 11 debt is \$8.9 trillion; G7 debt is \$55.5 trillion. The BRICS 11 holds nearly half of the world’s proven oil reserves. Writes Escobar: “By signing up Tehran, Riyadh and Abu Dhabi, BRICS 11 instantly becomes an oil and gas powerhouse, controlling 39 percent of global oil exports, 45.9 percent of proven reserves and 47.6 percent of all oil produced globally, according to InfoTEK.” Escobar adds that “A direct BRICS 11-OPEC+ symbiosis is inevitable”. This means the West will lose control of oil prices and “the means to enforce its unilateral sanctions”, because it would sound the final death knell of the petrodollar—the privilege of trading all oil and petroleum products in US dollars in place since the early 1970s.



Leaders of 60 nations and organisations including the United Nations and New Development Bank pose for a photo at the BRICS meeting. Photo: AFP/Xinhua/Li Xueren

Surging interest in the BRICS tells you two things: How keen countries are to orient to a new conception for world development, and how thoroughly sick they are of Anglo-American hegemony and associated neo-colonialism. BRICS 11 will soon be BRICS 20 or even BRICS 40. Says Escobar, summarising the event: “It’s no wonder that the collective west, dazed and confused, now trembles as it feels the earth—85 per cent of it, at least—moving under its feet.” The proliferating claims of various Western media outlets, that the BRICS is fraught with internal disputes and that expansion won’t work owing to “too many differences”, are but a hysterical reaction to its clear success.

New Development Bank plans

One of the main preoccupations of the BRICS is forging a new, fair and just financial order. In their speeches to the BRICS plenary session all BRICS leaders sounded the same note.

South African President and host Cyril Ramaphosa restated the BRICS commitment to eliminating “poverty, inequality and underdevelopment”.

Brazilian President Luis Inacio Lula da Silva lamented the return of the world to “the obsolete mentality of the Cold War and geopolitical competition”, citing the unacceptable financial subjugation of developing nations by prevailing multilateral lenders, contrasting it with the NDB’s “own financing alternatives” and “creation of a currency for trade and investment transactions between BRICS members”.

Russian President Vladimir Putin, hooked in remotely, declared: “We oppose hegemonies of any kind and the exceptional status that some countries aspire to, as well as the new policy it entails, a policy of continued neo-colonialism.” Referring to diversification of supply chains and transition to national currencies, the Russian President called for enhancement of “our states’ role in the international monetary and financial system”.

Indian Prime Minister Narendra Modi called for a broadening of BRICS cooperation, noting India’s proposal, as G20 chair, to “to give permanent membership of G20 to the African Union”.

Chinese President Xi Jinping made a clarion call for a new financial order: “We need to fully leverage the role of the New Development Bank, push forward reform of the international financial and monetary systems, and increase the representation and voice of developing countries.”

BRICS 11 members Egypt and the UAE, and prospective member Bangladesh, all joined the BRICS New Development Bank in March of this year; many others, including Iran, are on the list to join. The NDB issued its first South African rand bond last week. It plans to issue its first Indian rupee bond next, possibly as soon as October. According to NDB Chief Operating Officer Vladimir Kazbekov, it is considering future national bonds denominated in the currencies of members Brazil and the UAE. Russia is out of the question—for the moment—due to sanctions. In a 21 August press briefing he explained the intention is “to use one member country’s currency to finance projects with that currency in another member. Let’s say, a project in South Africa to be financed in Chinese yuan, not with the US dollar.”

Dilma Rousseff, president of the NDB, confirmed the BRICS currency bond issues in a 22 August interview with London’s *Financial Times*: “We expect to lend between \$8 billion and \$10 billion this year. Our aim is to reach about 30 per cent of everything we lend... in local currency.” Until recently, most NDB lending was in dollars, and since its inception in 2015 it has lent only \$33 billion, but the addition of Saudi Arabia and UAE to BRICS opens the possibility of vastly expanded capital sources for the bank. “Local currencies are not alternatives to the dollar”, said Rousseff. “*They’re alternatives to a system.* So far the system has been unipolar... it’s going to be substituted by a more multipolar system.” (Emphasis added.) Rousseff reported that the NDB was considering applications for membership from about 15 countries. The NDB, she insisted, will “repudiate any kind of conditionality. ... Often a loan is given upon the condition that certain policies are carried out. We don’t do that. We respect the policies of each country.” The NDB is “a bank made by developing countries for themselves.”

On 21 August the NDB signed a loan agreement with the Trans-Caledon Tunnel Authority (TCTA) for the implementation of Phase II of the Lesotho Highlands Water Project. The project includes dams to provide water to the Gauteng region of South Africa and to generate hydro-electricity for Lesotho.

On the eve of the BRICS summit, Ramaphosa noted that South Africa has benefitted from credit from the New Development Bank: “Our country has been funded by the bank in several infrastructure projects to the value of R100 billion in sectors such as roads, water, transport and energy. We want to build a partnership between BRICS and Africa so that our continent can unlock opportunities for increased trade, investment and infrastructure development.”

Moving past colonial methods

On 24 August the China-Africa Leaders’ Dialogue was held. Infrastructure was the focus, with President Xi presenting a program for modernisation of African industrialisation and agriculture production, and a “talent” mobilisation. The Dialogue built upon the highly successful 27-28 July Russia-Africa Summit in St. Petersburg, where many development projects were signed, including several agreements for Russia to build nuclear power programs and power plants in Africa. Calling Africa a “priority partner”, Putin told the BRICS forum that “Russia is currently involved in more than 30 promising energy projects in Africa, which are at various stages of development.”

Invoking the spirit of China’s Belt and Road Initiative (BRI), during the summit Putin defined “the creation of new sustainable and safe transport routes” as a key priority of BRICS cooperation, calling for establishment of a “permanent BRICS transport commission”. He envisioned building upon the progress made on the International NorthSouth Transportation Corridor (which connects Russian ports in the northern seas and the Baltic Sea with sea terminals in the Persian Gulf and the Indian Ocean), proposing a broader “development of logistics and transport corridors, interregional and global”. This could include the INSTC, the Arctic Sea Route, and East West Corridors of the BRI. Putin proposed to make this a focus of Russia’s BRICS chairmanship in 2024.

At the BRICS business forum, Putin stressed the impact on poor countries of the “illegitimate sanctions practice and illegal freezing of assets of sovereign states”. (This was echoed by Rousseff in an interview with China’s CGTN TV network on 19 August, where she denounced a world order in which sanctions can be used as a form of economic warfare.) The sanctions overreach has fed the de-dollarisation drive, Putin added: “We are working to fine-tune effective mechanisms for mutual settlements and monetary and financial control. As a result, the share of US dollar in export and import operations within BRICS is declining: last year it stood at only 28.7 per cent.”

Ramaphosa highlighted the push to develop Africa in contrast to colonial-style resource extraction. “African countries have made it clear that the investors of choice are those who will *process the resources here, close to source*”, Ramaphosa specified. (Emphasis added.) Lula added: “If we are not to remain mere exporters of primary products, we must take the opportunity to forge the integration of our production chains and add value to the goods and services we produce in a sustainable way.” Both leaders emphasised that this requires financial reform.

In an article on the eve of the summit, Russian Foreign Minister Sergei Lavrov, who attended the summit in person, wrote in South Africa’s *Ubuntu* magazine: “Tectonic shifts are taking place in the world today. ... We are witnessing the emergence of a more just multipolar world order.” The BRICS, he said, is “one of the pillars of a new, more just polycentric world order.”

Indonesian President and current chairman of the Association of Southeast Asian Nations (ASEAN),

Joko Widodo, attended the BRICS summit and spoke about BRICS-ASEAN collaboration. President Kassym-Jomart Tokayev of Kazakhstan, currently chair of Eurasian cooperation bloc the Shanghai Cooperation Organisation (SCO), spoke by video about collaboration between the SCO and BRICS-11.

Referring to the famous Non-Aligned Movement² of African and Asian states commencing in 1955, Joko called for a revival of the “Bandung Spirit”, to strengthen “solidarity, solidity and cooperation between developing countries”. South African President Ramaphosa, opening the final BRICS-Africa Outreach and BRICS Plus Dialogue, also recalled the Bandung, Indonesia gathering: “When reflecting on the purpose and role of BRICS in the world today, we recall the Bandung Conference of 1955, where Asian and African nations demanded a greater voice for developing countries in world affairs. The Conference called for the recognition of the equality of all nations, large and small. We still share that common vision of a fair and just world.”

The Chinese and South African presidents held a bilateral meeting on 22 August, signing 11 cooperation documents, covering areas such as energy, direct investment, economic zones and industrial parks, blue economy, technological innovation, higher education and training, emergency power assistance, and the joint construction of Belt and Road infrastructure.

Xi submitted an article to South African press ahead of his visit, focused on China-South Africa cooperation. He hailed the BRICS expansion, saying: “Now more and more countries are knocking on the door of BRICS, aspiring to join our cooperation. This is a testament to the vitality and influence of the BRICS cooperation mechanism. ... We will urge the international community to refocus on development issues.”

Meanwhile, somewhere on another planet, on 22 August US National Security Advisor Jake Sullivan boasted that when President Joe Biden attends the 7-10 September G-20 meeting in New Delhi, the USA will reaffirm its “commitment to the G20 as the premier forum of economic cooperation globally” and propose efforts to scale up “highly effective and transparent international financial institutions” the World Bank and IMF, for “poverty reduction and inclusive economic growth”. In contrast to what he claimed was the “coercive and unsustainable” Belt and Road Initiative, he said this is the way to “get the most bang for our buck”. A “buck”, however, which may not be long for this world!

Footnotes:

[1.](#) All figures in US dollars unless specified.

[2.](#) A group of 120 developing nations which have refused to align with or against any major power or bloc since the Cold War.

By Elisa Barwick, *Australian Alert Service*, 30 August 2023