



Explaining the extension of BRICS: the contributions of new members to the BRICS roles



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Background

- ❖ BRICS is an acronym for a group of five major emerging economies: Brazil, Russia, India, China, and South Africa.
- ❖ This group was initially called as "BRIC" but the inclusion of South Africa in 2010 changed the name to BRICS.
- ❖ Following the 14th BRICS summit in 2022 in Beijing, China, discussions about expanding the group were initiated, while the formal announcement for the inclusion of new members was made at the 15th BRICS summit in August 2023 in Johannesburg, South Africa.

Background

- ❖ On January 1, 2024, five new members joined the group (Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates), thus expanding BRICS from its original five members to a total of ten.
- ❖ These countries are motivated to join BRICS for a variety of compelling reasons, reflecting a desire for increased influence in global affairs and greater access to economic opportunities, among others
- ❖ This study aims to examine the performance of the BRICS at both the global and bloc levels in order to identify the benefits that may be derived from the extension and to determine whether old or new members have greater benefits from the extension.

SCENARIO 1: Analysis of the contributions at global level

Table 1: Analysis of Trade Flows for BRICS, its Extension and the World

Year	2010	2012	2014	2016	2017	2018	2019	2020	2021	2022	2023
Trade in Goods											
Initial BRICS exports (share of world exports)	17.43	18.22	18.96	18.72	18.79	18.94	19.30	20.34	21.25	19.59	21.51
Initial BRICS imports (share of world imports)	15.47	16.60	16.61	15.11	16.01	16.47	16.46	16.74	17.63	15.86	17.44
New members (share of world exports)	1.96	4.38	4.40	3.77	3.89	4.28	3.88	3.42	3.81	2.48	3.09
New members (share of world imports)	1.14	2.77	3.31	3.45	3.01	2.69	3.03	2.89	3.00	2.20	2.69
Total BRICS expansion/plus (share of world exports)	19.38	22.60	23.36	22.49	22.68	23.21	23.19	23.76	25.06	22.07	24.60
Total BRICS expansion/plus (share of world imports)	16.60	19.37	19.92	18.56	19.03	19.16	19.49	19.64	20.63	18.06	20.13
Trade in Services											
Initial BRICS exports (share of world exports)	5.32	9.63	9.92	9.03	9.48	9.19	9.20	10.84	11.49	15.43	-
Initial BRICS imports (share of world imports)	7.88	12.87	14.14	12.58	13.17	12.86	11.91	11.38	11.77	15.08	-
New members (share of world exports)	1.20	1.02	1.02	0.70	0.78	0.69	0.79	0.56	0.63	1.28	-
New members (share of world imports)	3.73	3.02	3.07	2.02	2.11	1.74	1.70	1.59	1.81	2.29	-
Total BRICS expansion/plus (share of world exports)	6.52	10.65	10.94	9.73	10.26	9.88	9.99	11.40	12.12	16.71	-
Total BRICS expansion/plus (share of world imports)	11.60	15.89	17.21	14.60	15.28	14.60	13.61	12.97	13.58	17.37	-

Source: Author's calculation based on UN comtrade database, 2023. Note: All 2-digit (AG2) and 3-digit (AG3) SITC commodities are reported. Also, SITC Revision 2 is reported from World Integrated Trade Solution (WITS) database, 2023.

Table 2: Trade in Minerals and Metals for BRICS, its Extension and the World (excluding OGC)

Year	2017	2018	2019	2020	2021	2022	2023
Initial BRICS exports (share of world exports)	21.02	21.78	21.58	21.22	21.73	23.81	23.74
Initial BRICS imports (share of world imports)	32.31	32.80	34.25	35.40	34.89	38.19	52.76
New members (share of world exports)	0.75	0.51	0.04	0.03	0.64	0.35	0.32
New members (share of world imports)	0.26	1.29	1.45	0.86	1.15	0.47	1.18
Total BRICS expansion/plus (share of world exports)	21.77	22.29	21.62	21.25	22.37	24.16	24.06
Total BRICS expansion/plus (share of world imports)	32.57	34.09	35.70	36.26	36.04	38.66	53.94
Trade in Mineral Oil, Gas, & Coal							
Initial BRICS exports (share of world exports)	16.34	16.93	16.98	16.57	14.60	22.92	19.45
Initial BRICS imports (share of world imports)	17.75	18.99	20.03	22.59	21.26	18.69	22.45
New members (share of world exports)	7.96	8.75	11.09	13.16	19.09	21.10	11.23
New members (share of world imports)	1.12	1.19	2.70	3.08	1.93	0.94	1.46
Total BRICS expansion/plus (share of world exports)	24.29	25.68	28.06	29.73	33.69	44.02	30.68
Total BRICS expansion/plus (share of world imports)	18.87	20.18	22.72	25.68	23.19	19.64	23.91

Source: Author's calculation based on UN comtrade database, 2022. Note: All 2-digit (AG2) and 3-digit (AG3) SITC commodities are reported.

Table 3: Analysis of FDI for BRICS, its Extension, and the World

Year	2010	2012	2014	2016	2018	2020	2021	2022	2023	2010	2012	2014	2016	2018	2020	2021	2022	2023
Inward Flow										Outward Flow								
Initial BRICS FDI inflows (% of world total value)	18.64	17.97	18.74	13.44	18.82	25.93	21.91	22.58	20.36	10.63	9.28	14.76	14.83	17.62	20.04	14.92	14.20	14.02
New members FDI inflows (% of world total value)	1.81	1.82	1.51	2.34	2.65	3.16	3.37	4.97	4.32	0.53	0.66	1.26	1.66	3.44	3.18	2.53	3.32	2.51
Total BRICS expansion/plus (% of world total value)	20.45	19.78	20.26	15.77	21.47	29.09	25.28	27.55	24.68	11.16	9.94	16.02	16.49	21.06	23.22	17.45	17.52	16.53
Inward Stock										Outward Stock								
Initial BRICS FDI stock (% of world total value)	10.47	10.13	9.13	9.85	9.65	8.54	11.77	12.21	11.39	4.81	5.69	6.53	8.02	9.46	9.04	8.98	9.33	8.92
New members FDI stock (% of world total value)	1.75	1.75	1.76	1.84	1.71	1.46	1.41	1.60	1.43	0.44	0.46	0.52	0.73	0.91	0.82	0.88	1.09	1.08
Total BRICS expansion/plus (% of world total value)	12.21	11.88	10.89	11.70	11.36	10.00	13.18	13.81	12.82	5.25	6.15	7.05	8.75	10.37	9.86	9.86	10.42	10.0

Source: UNCTADstat.

SCENARIO 2: Analysis of the Contributions at the Bloc Level

Table 4: Trade in Goods

INTRA-BRICS TRADE IN GOODS (OLD-OLD BRICS TOTAL GOODS TRADE) trade value in Trillion US\$														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total BRICS export (initial brics)	421.34	549.84	562.77	592.80	590.71	487.06	476.01	595.62	704.56	711.17	680.53	947.48	1196.42	1369.17
Total BRICS import (initial brics)	502.66	684.01	715.16	719.43	717.71	599.18	571.83	706.97	802.35	799.30	770.04	1074.88	1272.10	1463.87
SUM	923.99	1233.85	1277.93	1312.23	1308.42	1086.24	1047.84	1302.59	1506.91	1510.48	1450.56	2022.36	2468.52	2833.04
intra-BRICS export_share in BRICS trade	45.60	44.56	44.04	45.18	45.15	44.84	45.43	45.73	46.76	47.08	46.91	46.85	48.47	48.33
intra-BRICS import_ share in BRICS trade	54.40	55.44	55.96	54.82	54.85	55.16	54.57	54.27	53.24	52.92	53.09	53.15	51.53	51.67
OLD - NEW BRICS TRADE IN GOODS (trade value in Trillion US\$)														
TOTAL OLD-NEW BRICS TRADE	469.38	628.30	667.44	680.78	703.24	535.21	481.77	539.48	613.82	606.22	497.59	692.99	906.81	806.18
TOTAL OLD-OLD BRICS TRADE	923.99	1233.85	1277.93	1312.23	1308.42	1086.24	1047.84	1302.59	1506.91	1510.48	1450.56	2022.36	2468.52	2833.04
SUM	1393.38	1862.15	1945.37	1993.01	2011.66	1621.45	1529.61	1842.07	2120.72	2116.70	1948.15	2715.35	3375.33	3639.22
OLD-NEW members trade share of total trade	33.69	33.74	34.31	34.16	34.96	33.01	31.50	29.29	28.94	28.64	25.54	25.52	26.87	22.15
OLD-OLD BRICS trade share of total trade	66.31	66.26	65.69	65.84	65.04	66.99	68.50	70.71	71.06	71.36	74.46	74.48	73.13	77.85

Source: Author's calculation based on UN comtrade database, 2023. Note: All 2-digit (AG2) and 3-digit (AG3) SITC commodities are reported.

Table 5: Trade in Minerals except Oil, Gas, & Coal

INTRA-BRICS TRADE IN MINERALS EXCEPT OIL, GAS & COAL (trade value in Billion US\$)							
	2017	2018	2019	2020	2021	2022	2023
Total BRICS mineral export (initial brics)	24.000	25.233	30.107	36.936	52.264	36.751	42.153
Total BRICS mineral import (initial brics)	11.152	13.003	13.749	12.957	15.130	16.950	55.835
SUM	35.152	38.236	43.857	49.893	67.395	53.701	97.988
intra-BRICS mineral export_share in BRICS trade	68.27	65.99	68.65	74.03	77.55	68.44	43.02
intra-BRICS mineral import_ share in BRICS trade	31.73	34.01	31.35	25.97	22.45	31.56	56.98
OLD-NEW TRADE IN MINERALS EXCEPT OIL, GAS & COAL (Trade value in Billion US\$)							
TOTAL OLD-NEW BRICS TRADE	3.573	4.515	3.252	2.453	4.010	5.126	4.950
TOTAL OLD-OLD BRICS TRADE	35.152	38.236	43.857	49.893	67.395	53.701	97.988
SUM	38.725	42.750	47.109	52.346	71.405	58.826	102.938
OLD-NEW members trade share of minerals trade	9.23	10.56	6.90	4.69	5.62	8.71	4.81
old-old BRICS trade share of minerals trade	90.77	89.44	93.10	95.31	94.38	91.29	95.19

Source: Author's calculation based on UN comtrade database, 2023. Note: All 2-digit (AG2) and 3-digit (AG3) SITC commodities are reported.

Implications:

- Economic competitiveness: BRICS countries are competitive in the global mineral market, as they have capacity to supply minerals to members nations.
- Resource Dependency: They may rely on each other for specific minerals, potentially indicating interdependence in minerals resource and trade

Table 6: Trade in Mineral Oil, Gas, & Coal

	INTRA-BRICS TRADE IN MINERAL OIL, GAS & COAL (OLD-OLD BRICS) Trade value in Billion US\$													
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total BRICS export	22.83	40.92	43.34	40.80	45.33	30.08	29.21	44.75	67.64	66.02	48.05	74.65	156.53	192.75
Total BRICS import	25.67	40.80	47.92	42.90	48.25	34.69	31.41	46.86	70.29	72.27	55.98	85.81	156.36	195.40
SUM	48.50	81.71	91.26	83.69	93.58	64.77	60.61	91.62	137.93	138.30	104.02	160.46	312.89	388.15
Intra-BRICS export share in BRICS trade (%)	47.07	50.08	47.49	48.74	48.44	46.44	48.18	48.85	49.04	47.74	46.19	46.52	50.03	49.66
Intra-BRICS import share in BRICS trade (%)	52.93	49.92	52.51	51.26	51.56	53.56	51.82	51.15	50.96	52.26	53.81	53.48	49.97	50.34
OLD-NEW TRADE IN MINERAL OIL, GAS & COAL (Trade value in Billion US\$)														
Total old-new BRICS trade	96.46	141.16	156.35	156.77	155.26	84.45	72.69	92.11	129.27	117.88	81.53	129.25	201.85	156.46
Total old-old BRICS trade	48.50	81.71	91.26	83.69	93.58	64.77	60.61	91.62	137.93	138.30	104.02	160.46	312.89	388.15
SUM	144.96	222.87	247.61	240.46	248.84	149.22	133.30	183.72	267.20	256.18	185.55	289.71	514.73	544.61
OLD-NEW members trade share of mineral oil, gas & coal	66.54	63.34	63.14	65.19	62.39	56.60	54.53	50.13	48.38	46.02	43.94	44.61	39.21	28.73
old-old BRICS trade share of mineral oil, gas & coal	33.46	36.66	36.86	34.81	37.61	43.40	45.47	49.87	51.62	53.98	56.06	55.39	60.79	71.27

Source: Author's calculation based on World Integrated Trade Solution (WITS) database, 2023. Notes: SITC Revision 2 is reported

Table 7: Trade in Agricultural Products

	INTRA-BRICS TRADE IN AGRICULTURAL GOODS (OLD-OLD BRICS); Trade value in Billion US\$													
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total BRICS export (initial brics)	55.350	72.727	64.954	70.903	62.735	50.364	51.986	65.602	75.400	76.743	86.080	108.999	109.611	128.097
Total BRICS Import (Initial brics)	69.881	91.200	82.145	82.420	76.256	63.293	62.744	81.012	93.636	95.742	106.889	138.795	131.707	147.864
SUM	125.231	163.927	147.099	153.323	138.992	113.657	114.730	146.614	169.036	172.485	192.969	247.794	241.317	275.961
Intra-BRICS export_share in BRICS trade	44.20	44.37	44.16	46.24	45.14	44.31	45.31	44.74	44.61	44.49	44.61	43.99	45.42	46.42
Intra-BRICS import_share in BRICS trade	55.80	55.63	55.84	53.76	54.86	55.69	54.69	55.26	55.39	55.51	55.39	56.01	54.58	53.58
OLD-NEW TRADE IN AGRICULTURAL GOODS (OLD-NEW BRICS); Trade value in Billion US\$														
Total old-new BRICS trade	21.717	26.920	28.197	29.379	28.576	25.294	24.002	28.030	28.517	28.140	22.842	28.535	35.459	32.596
Total old-old BRICS trade	125.231	163.927	147.099	153.323	138.992	113.657	114.730	146.614	169.036	172.485	192.969	247.794	241.317	275.961
SUM	146.948	190.847	175.295	182.702	167.568	138.951	138.732	174.644	197.554	200.625	215.811	276.328	276.776	308.557
OLD-NEW members trade share of total trade	14.78	14.11	16.09	16.08	17.05	18.20	17.30	16.05	14.44	14.03	10.58	10.33	12.81	10.56
Old-old BRICS trade share of total trade	85.22	85.89	83.91	83.92	82.95	81.80	82.70	83.95	85.56	85.97	89.42	89.67	87.19	89.44

Source: Author's calculation based on World Integrated Trade Solution (WITS) database, 2023. Notes: SITC Revision 2 is reported

Benefits from BRICS extension

The benefits of joining BRICS for new member countries

1. Economic growth and development:

- access to a large market and
- foreign investment opportunities.

2. Trade cooperation:

- reduced trade barriers and
- diversification of trade partners.

3. Development financing:

- Access to BRICS Development Banks, as new members can tap into financial resources available through institutions like the New Development Bank (NDB).
- Support for Infrastructure Development: Through collaborative financing mechanisms, new members can secure funding for critical infrastructure projects that further their economic development goals.

4. **Political influence:** New members can enhance their political leverage in international forums, gaining a voice in global governance issues through collective action with established BRICS countries

The Benefits of the Expansion to the Entire BRICS

1. Enhanced economic power:

- Greater market size; The inclusion of new member countries expands the market size of BRICS, enhancing its overall economic clout and negotiating power on the global stage.
- Diverse resources: New members bring additional natural and human resources to the bloc, diversifying the economic profiles of BRICS countries and creating opportunities for resource-sharing and trade among members.

2. Increased focus on energy resources:

- Energy security: With new member countries that are significant energy producers, BRICS enhances its collective energy security. This could lead to better negotiation positions concerning energy prices and supplies globally.

3. Strengthened development finance:

- Broader Funding Base: More member countries increase the financial resources available to BRICS development banks, allowing for more extensive funding of infrastructure and development projects.

4. **Enhanced Collaboration and Cooperation** through increased Intra-BRICS Trade and joint initiatives.

Thank you for listening