



BRICS Summit: The View from South Africa

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Key Takeaways

- At the August 22-24 BRICS Summit in Johannesburg (comprising Brazil, Russia, India, China and South Africa), discussions revolved around increasing the bloc membership and the use of a single currency, culminating in BRICS leaders signing the Johannesburg II Declaration covering the following high-level themes:
 - Partnership for Inclusive Multilateralism
 - Fostering an Environment of Peace and Development
 - Partnership for Mutually Accelerated Growth
 - Partnership for Sustainable Development
 - Deepening People-to-People Exchanges
 - Institutional Development
- Additionally, issues around South Africa's electricity supply emerged, and cooperation agreements were signed between South Africa and China addressing energy security issues in the host country.

Summit overview

In attendance were heads of state of over 60 countries, including original BRICS members, represented by South African President Cyril Ramaphosa, Brazilian President Lula Da Silva; Indian Prime Minister Narendra Modi and Chinese President Xi Jinping. Russian President Vladimir Putin, who has an International Criminal Court warrant of arrest, participated in the sessions virtually and was represented in person by Russian Foreign Minister Sergei Lavrov. The five BRICS nations account for almost one quarter of global GDP (31.5%) and 42% of the world's population.

"BRICS and Africa: Partnership for Mutually Accelerated Growth, Development and Inclusive Multilateralism" took place in a challenging context: South Africa is reeling from an electricity crisis, growing unemployment and inequality; internationally, rapid technological advancements and a growing threat from climate change top the agenda.

A more integrated voice of the global South

A central theme was the role of emerging and developing countries in the global economy. Specifically, the Summit resulted in a reaffirmation of the commitment to inclusive multilateralism, although concern was raised over the use of unilateral coercive measures and their negative effects on developing nations, as well as being incompatible with the principles of the UN Charter. The leaders also discussed the need

for a comprehensive reform of the UN and the Security Council to be more “democratic, representative, effective and efficient.”

While the G20’s role as the premier multilateral forum was acknowledged, there is a clear sense and direction for more alignment and commitment to a better-integrated voice from the global South in the G20 agenda, particularly in light of member countries’ presidencies in coming years. India holds the 2023 G20 presidency, with Brazil taking the role in 2024 and South Africa in 2025 – the first time the meetings will be hosted in Africa.

Six new member states to join BRICS

The Summit saw the announcement of the expansion of the BRICS bloc – with Argentina, Egypt, Iran, Ethiopia, Saudi Arabia and the United Arab Emirates joining effective January 1, 2024, as South African President Ramaphosa confirmed that “we have consensus on the first phase of this expansion process and other phases will follow.” More than 23 countries including Nigeria, Indonesia, Algeria and Mexico have expressed interest in joining the bloc. Beyond a unanimous backing from all BRICS members, South African Minister of International Relations Naledi Pandor has confirmed the following as criteria to receive an invitation to join:

- A commitment to progressive ideas;
- Recognizing the UN as a “premier global institution;”
- Belief in peace and respect for international law;
- Believe in freedom and justice; and
- The pursuit of equity and development.

Trade and transactions under the use of a local currency

Although pre-Summit discussions were suggestive of a “de-dollarization” narrative, referencing a single BRICS currency and an alternative payments system to SWIFT, no consensus was reached.

From a trade standpoint, BRICS members expressed concern relating to trade-restrictive measures and inconsistencies stemming from World Trade Organization rules, referencing unilateral sanctions that affect agricultural trade. The member states also called for a reform of the Bretton Woods Institutions, advocating for a greater role for emerging markets and developing countries, including leadership positions for these countries in these institutions reflecting the role these countries play in the economy.

The BRICS leaders have tasked their respective finance ministers and central banks to consider the issue of local currencies, payment instruments and platforms, and report back at the next BRICS Summit. The Shanghai-based New Development Bank, which was founded by the BRICS countries, has committed to increasing local currency lending from 22% to 30% of its book by 2026. A South African Rand bond was issued in August, with a potential Rupee-based bond in October.

The BRICS Summit acknowledged that the African Continental Free Trade Area (ACFTA) remains on the margins of the global trading system and stands to gain more through the BRICS collaboration as it presents opportunities for the continent to transition away from its historic role as a commodity exporter towards higher productivity value addition.

BRICS’ role in sustainable development

There was a clear confirmation of support for the upcoming COP28 UAE with the leaders focused on implementation and cooperation. They welcomed Brazil’s candidacy to host COP30 and acknowledged the year 2025 as key to the future of the global response to climate change.

It was agreed that the challenges posed by climate change will need to be addressed simultaneously to ensure a just, affordable and sustainable transition to a low-carbon and low-emission economy in line with the principles of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC).

Developed countries were called on to lead by example and support developing countries towards such transitions. Noting trade barriers including 'those under the pretext of tackling climate change imposed by certain developed countries', the BRICS leaders underlined that these measures should be WTO-consistent and not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade and should not create unnecessary obstacles to international trade'.

The BRICS Business Council

As part of the BRICS Summit, The BRICS Business Council (BBC), which celebrated its 10th anniversary, was also hosted in South Africa under the theme of "Making Accelerated Growth and Sustainable Development a Reality." The BBC was established in 2013 at the 5th BRICS Summit in South Africa and plays a key role in driving economic cooperation, aiming to foster closer ties among the BRICS member countries as well as strengthen and promote economic trade, business and investment ties between the business communities amongst the BRICS nations and the African continent.

The BBC pledged to drive trade and investment across all sectors and to contribute to the fair-trade balance in the spirit of mutual respect and understanding, equality, solidarity, openness, inclusiveness and consensus through enhanced trade and investment promotion and monitoring the trade balance. With regard to energy and the green economy, the BBC parties agreed to a Memorandum of Understanding to drive extreme collaboration to help promote the successful and innovative implementation of the just energy transition over the next five years.

Conclusion

The key outcome of the 15th BRICS Summit has been the recognition of a changing dynamic in the world's geopolitical economy. President Ramaphosa, as the 2023 BRICS Chairperson, played a significant role as it relates to expansion, which member countries were divided on going into the Summit. The president was clear that South Africa would not be drawn into a contest between global powers. Ultimately, the outcomes of the Summit are demonstrable of an emerging and developing markets bloc that raises the importance of the global South versus the G7, with an underlying message that this marks a new chapter and effort to build a world that is "fair, that is just, inclusive and prosperous."

To continue the conversation

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