

7/1/2023.

Question No(1)

Why and when was the BRICS established? Which countries are part of BRICS?

Introduction.

BRICS is an acronym for the powerful grouping of the world's leading emerging market economies, namely Brazil, Russia, India, China and South Africa. Goldman Sachs economist Jim O'Neill coined the term BRIC (with S. Africa) in 2001, claiming that by 2050 the four BRIC economies would come to dominate the global economy. S. Africa was added to the list of the BRIC in 2010.

BRICS Summit.

First Summit:

The First BRIC Summit

took place in Yekaterinburg, Russia, where the elected leaders of four countries formally declared the membership of BRIC economic bloc. South Africa was invited to join the bloc. South Africa was then join BRIC in December 2010, resulting in BRICS.

Reason of Establishment.

On Russian initiative on 16 June 2009 Yekaterinburg hosted the First BRIC Summit. BRIC leaders issued a joint statement after the summit.

"Major Goals of BRIC".

The document set forth the goals of BRIC

- To promote dialogue and cooperation among our countries in an incremental, Proactive, open and th transparent way, Pragmatic etc.

- The Financial crisis in 2008 was one of the major reasons behind the formation of BRICS.

- The BRICS mechanism aims to promote Peace, Security, development and Cooperation.

Aims of BRICS.

Its aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.

Strategic Importance.

- First, the BRICS reinforced Brazil's identity as a rising power, not only in terms of economic growth, but also political influence beyond South America.

- Second, BRICS was a catalyst to stronger their relations with emerging economies.

notably with Russia and India.

- Third, the bloc gave Brazil a "safe place" where it could relate with China as diplomatic equals. That was particularly important as China quickly established itself as Brazil's - Latin America's main trade partner.

- Xi Jinping's rise to power in China, in 2013, transformed the intra-BRICS relationship in important ways. With all the BRICS countries facing political, economic and geopolitical setbacks. China took the lead and used the bloc to advance its own long-term goals, which include

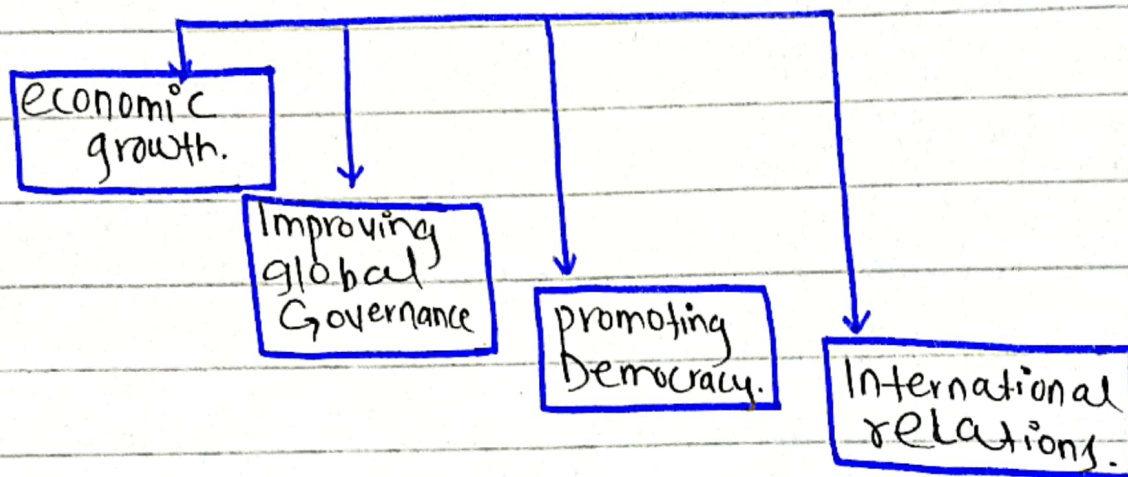
- The creation of new development Bank (NDB).

- Established foreign exchange reserve swap mechanism.

- Contingent reserve arrangement.

- Both initiatives were launched at the Fortaleza Summit in 2014, a year that marked the political rebirth of BRICS.

- The influence of BRICS cooperation has gone beyond five countries and become a constructive force for boosting the world.



Achievements in BRICS

- Over the past decade, the combined BRICS GDP has grown by 179 percent, and the total trade of member nations has expanded by 94%, with rapid development, and bloc has also been a powerful driver for the global economy.

- BRICS brings together five of the largest developing countries of the world, representing 16 percent of global trade.

- In 2013, BRICS accounted for about 27% of global GDP (in terms of the purchasing power parity of their national currencies).

- The total BRICS population is 2.88 billion (42 percent of entire global population).

- Five countries cover 26% of planet's Land.

Emerging Challenges

and Problems.

→ While China did not openly denounce Russia's invasion of Ukraine, relations between Moscow and Beijing have

become rockier. Russia's prolonged expedition in Ukraine is worrying Chinese authorities. President Xi could do without Russia's destabilizing expedition, which compounds his problems at home.

→ Meanwhile, South Africa and Brazil find themselves caught in China's increasingly hostile systemic rivalry with the west. While at the time of BRICS creation, it still appeared conceivable that China and the western bloc would overcome their differences and collaborate closely, several developments have deepened the rift between the two, especially Beijing's aggressive military posturing in Asia.

→ Another issue is China's strategy of funding infrastructure in countries with government unlikely to repay.

the loans. This "debt trap diplomacy" aimed at appropriating national assets in recipient countries and eventually expanding China's strategic and military presence around the globe is also causing concern.

→ India has come to view trade and economic relations with China as a security risk. India would also like to present itself as an alternative to China for western firms seeking safer places to expand their production. Meanwhile, African countries are also aware of the debt trap risk and talk of "economic colonisation" is increasingly becoming part of local policy dialogues.