



# BRICS - from economic alliance to geopolitical force to be reckoned with

42 delegations and 23 heads of state met in Kazan. UN Secretary-General Guterres gives his blessing to multipolarity.

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This brief overview, written for the Swiss magazine Weltwoche, concludes our coverage of the Kazan Summit. However, we will be covering this topic in greater depth on a regular basis.

When I met an 80-year-old American geopolitical analyst on the sidelines of the BRICS summit, who worked for Richard Perle in his younger days, I asked him if the world had ever been more dangerous: "Compared to the risks that are accumulating today, past wars in Vietnam or the Middle East were local events. The

US has been trying for several years to stop its decline as a hegemon by any means necessary, and BRICS is another nail in the US coffin. The world has never been more dangerous.

A thought-provoking answer that shows the adverse environment in which BRICS must develop.

When BRIC changed from a loose association to BRICS (Brazil, Russia, India, China, South Africa) in 2009, the world looked completely different. More peaceful and with less sanctions. It was the storm of sanctions against Russia and the freezing of Russian assets and central bank reserves that gave BRICS the initial impetus for its current importance. On January 1 of this year, Iran, the United Arab Emirates, Ethiopia and Egypt became full members.

The BRICS numbers are impressive.

Country	Population [1]		GDP PPP [2]		Oil Production [3]		Gas Production [3]		Gold Production [4]	
Brazil	211,999	2.60%	4,274	2.30%	3.40	4.16%	22.67	0.55%	86.30	2.37%
China	1,419,321	17.39%	35,291	19.01%	4.18	5.11%	225.34	5.49%	378.16	10.37%
Egypt	116,538	1.43%	1,899	1.02%	0.56	0.69%	64.82	1.58%	0.00	0.00%
Ethiopia	132,060	1.62%	432	0.23%	0.00	0.00%	0.00	0.00%	0.00	0.00%
India	1,450,936	17.78%	14,594	7.86%	0.60	0.74%	33.17	0.81%	0.00	0.00%
Iran	91,568	1.12%	1,855	1.00%	3.63	4.43%	263.28	6.41%	0.00	0.00%
Russia	144,820	1.77%	5,473	2.95%	10.12	12.38%	617.83	15.04%	321.75	8.82%
South Africa	64,007	0.78%	1,026	0.55%	0.00	0.00%	0.06	0.00%	104.29	2.86%
UAE	11,027	0.14%	948	0.51%	3.39	4.15%	56.68	1.38%	0.00	0.00%
BRICS 9	3,642,276	44.62%	65,791	35.43%	25.90	31.67%	1,283.85	31.25%	890.50	24.42%
G7	788,504	9.66%	55,025	29.63%	18.32	22.40%	1,265.03	30.80%	358.57	9.83%
World	8,161,973	100.00%	185,677	100.00%	81.78	100.00%	4,107.88	100.00%	3,646.07	100.00%

Source:  $^{[1]}$  worldpopulationreview.com;  $^{[2]}$  IMF;  $^{[3]}$  EIA;  $^{[4]}$  gold.org - <u>voicefromrussia.com</u>

Other figures are also striking. The BRICS account for 39 percent of the world's industrial production, while the G7 accounts for only 31 percent. BRICS produce 44 percent of the world's wheat, the G7 only 19 percent. BRICS produce 54 percent of the world's rice, the G7 2.4 percent. In addition to oil, gas and gold, BRICS produces 74 percent of aluminum, the G7 five percent. The figures for palladium are 77 to 7 in favor of the BRICS. The superiority is overwhelming.

### New members or partners

BRICS is open to new members and the list of interested countries includes about 50 countries. However, no new members were admitted in Kazan. Yuri Ushakov, President Putin's personal aide, announced that the BRICS leadership had given the green light for 13 states to be accepted as partners, without mentioning their names, as the extent of their readiness for full membership or another BRICS status needs to be discussed with them. Lists circulating on the Internet should therefore be treated with caution; they include Algeria, Belarus, Bolivia, Cuba, Indonesia, Kazakhstan, Malaysia, Nigeria, Thailand, Turkey, Uganda, Uzbekistan and Vietnam.

A requirement for partners or members is that they have and live a consensual attitude towards their members and partners. Countries that impose sanctions are therefore excluded, including - at present - Switzerland. For our country, joining BRICS would be a great opportunity to participate in an association that, unlike the EU or NATO, does not question the sovereignty of its members and partners. Switzerland's excessive closeness to the EU and, increasingly, to NATO is partly responsible for the fact that we have lost our neutrality - with the active support of our executive. This constellation has made it impossible for Switzerland to act as a diplomatic mediator and is already having negative consequences in the banking sector.

#### BRICS becomes a geopolitical power - trade routes

BRICS as an association is heterogeneous and the geopolitical risks hinder its free development; the fact that the new partners have not yet been officially announced testifies to this. The security considerations of the members, two of which are already at war (Russia and Iran), are transforming this economic giant into a geopolitical force against its will.

Apart from the sheer numbers, which speak for themselves, I would like to draw attention to the world map. It is striking that BRICS members and candidates for membership control many important trade routes. Malaysia, which I believe will be a partner and eventual member, controls the Strait of Malacca. This strait connects the Indian Ocean to the Pacific Ocean. 30% of the world's trade passes through this waterway. Egypt controls the Suez Canal, through which 12% of the world's trade passes. The Strait of Hormuz carries 21% of the world's oil and 20% of the world's natural gas, and the Horn of Africa, controlled by South Africa, carries 20% of the world's trade. And we haven't even talked about the shortest, fastest and cheapest sea route from Asia to Europe: The Northern Sea Route from Europe to the Far East, which is entirely under Russian control. There has never been such a concentration of control over trade routes in the history of the world.

#### BRICS successfully seeks diplomatic solutions

Prior to the involvement of Iran and Saudi Arabia, it was evident that the concept of peace was not merely a rhetorical device within the BRICS framework. This was demonstrated when China and Russia stipulated the necessity of peace as a prerequisite for the two disputing nations to become members. It is worth noting that the Saudis and Iran recently announced their inaugural joint military exercises. Saudi Arabia has yet to sign the accession agreement, as it is facing significant pressure from the United States and is understandably concerned about the fate of its substantial investments in the United Kingdom and the United States in the

event of formal accession. Despite their status as prominent members of BRICS, India and China have historically demonstrated a proclivity for engaging in contentious diplomatic interactions. However, at the recent summit, they made a notable commitment to pursue a diplomatic resolution to their differences. In light of these diplomatic achievements, it is evident that BRICS is playing a pivotal role in fostering peace. The ongoing conflict in Ukraine has not yet reached a point of no return due to the actions of Russia. The Istanbul 2022 summit serves as a testament to this. Brazil and China have expressed their commitment to a new plan for peace in Ukraine, and Switzerland has expressed interest in participating in this initiative. This represents a notable shift in direction from the Bürgenstock summit, which lacked any tangible progress on peace and saw Switzerland adopt a confrontational stance towards Ukraine.

#### Trade settlement system

The most significant single economic project of the BRICS, and the basis for truly independent development, is to move away from the US dollar. The U.S. has only itself to blame for moving away from the U.S. dollar, as the superpower decided at its own discretion who would be allowed to trade in its currency and whose money would be blocked or confiscated.

This move away from the US dollar is already well advanced within the BRICS. Partners trade with each other in their national currencies whenever possible. China and Russia already conduct 95% of their bilateral trade in rubles and yuan. This payment system will soon be simplified and integrated. The final problem is the settlement of trade surpluses and deficits. The intensive purchases of gold and silver by BRICS members and related countries in recent years point to a settlement system based on these precious metals. Beijing and Moscow, which have much higher gold reserves than officially reported - 25,000 and 12,000 tons respectively have been buying gold and silver for years through numerous sovereign wealth funds and organizations. They keep a low profile.

#### Western media - UN Secretary-General Guterres

The pathological disinterest of the Western media contrasts with the visit of UN Secretary-General Guterres. The atmosphere at the media center in Kazan was charged with positive energy. Africans, Asians and Europeans from over 50 countries exchanged views in a friendly and interested manner. The only stony faces could easily be attributed to colleagues from Germany, England and the USA. At the press conferences, they only asked questions about the Ukraine conflict and showed no interest whatsoever in BRICS, which caused some amusement among

their international colleagues. The NZZ, which has a correspondent in Moscow, decided not to attend and had its correspondent in Bern write a short, laconic report.

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## "BRICS is building a multipolar world for all - the West is building a wall."

The visit by UN Secretary-General Guterres is a sign that he not only takes BRICS seriously, but also supports the multipolar path. A courageous decision after he was declared *persona non grata* by Netanyahu for his criticism of Israel and portrayed as a traitor by Western media for his visit to Kazan.

BRICS will continue to develop. The West would do well to seek dialogue and cooperation instead of disparagingly judging a giant that already far outshines the G7.

BRICS is building a multipolar world for all - the West is building a wall.

#### ARTICLE TAGS:

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