



BRICS BENEFITS

South Africa's membership of BRICS has tangible benefits for South Africans

- Being a member of BRICS has enhanced South Africa's position and influence as an important emerging economy.
- BRICS membership gives us access to policy and technical expertise of larger and established economies.
- BRICS membership gives us access to the funding support of the National Development Bank.
- BRICS membership has strengthened our activism on the global stage, particularly around reform of multilateral institutions.
- South Africa benefits from being part of a collective voice striving to advance a world order based on mutual respect and the equal sovereignty of nations.
- BRICS membership is of strategic importance to our country.
- BRICS cooperation provides tangible benefits for South Africa in the fields of research and innovation, energy, health, and education cooperation.
- More than 100 multilateral BRICS research projects have been funded under the BRICS Framework Programme.
- Our research partnership is based on joint ownership and shared responsibility, the real and open sharing of experience, expertise and resources; and a determination for BRICS research to advance the global good.
- Some of the global narratives about BRICS highlight our different histories, cultures, religions, development paths and forms of governance as something negative. BRICS sees this as a rich resource of diverse knowledge and practice that inspire innovative and creative solutions to current challenges.
- BRICS has deepened cooperation to fight COVID-19 and mobilise the political support and financial resources needed to respond to future pandemic preparedness.
- This includes the establishment of a virtual BRICS Vaccine Research and Development Centre in 2022 to strengthen global capacities to prepare for and respond to pandemics and work towards a BRICS Integrated Early Warning System to forecast future outbreaks of infectious diseases.
- The BRICS Remote Sensing Satellite Constellation is a virtual constellation of existing BRICS remote sensing satellites with the data shared to all BRICS space agencies to help them respond to challenges such as global climate change, major disasters and environmental protection.
- The BRICS Intelligent Telescope and Data Network (BITDN) will build a network of telescopes to explore and survey the cosmos.
- BRICS platforms are being created to share best practice, knowledge and expertise, including the use of open-source technology platforms and innovation research to accelerate South Africa's industrialisation to meet our Fourth Industrial Revolution aspirations.
- BRICS is also a platform for sharing and learning and is open to new ideas and directions.
- A unique aspect of BRICS is the establishment of the BRICS Think Tank Council, BRICS Academic Forum and the CIVIL BRICS forum. These academic and civil society engagements conduct independent research and generate discussion that feeds into the work of BRICS, with the BRICS Academic Forum making recommendations to the BRICS Leaders.
- The BRICS Energy Research Cooperation Platform supports a data-driven policy response as South Africa moves towards a low-carbon development path that is inclusive, sustainable and that takes into account our status as a developing country.
- People-to-people cooperation manifests through art, film and cultural exchanges, BRICS Games, increased access to capital for infrastructure and sustainable development, enhanced research and innovation, recovery of the tourism sector, investment and trade, more opportunities for

businesspeople, researchers and students, the empowerment of women, girls and the youth, and increased living standards of our people.

Economic

- South Africa leverages its BRICS membership to address the triple challenges of inequality, poverty and unemployment through increased intra-BRICS trade, investment, tourism, capacity building, skills, and technology transfers.
- Together BRICS has around 42% of the world's population, almost 30% of the world's territory, around 27% of global GDP and around 20% of global trade.
- South Africa has reaped the benefits of membership of this important bloc, most notably in the area of economic cooperation.
- Bilateral trade has grown, particularly with China and India, with commodity exports and manufactured goods imports featuring strongly.
- South Africa's overall trade with its BRICS partners has increased by an average growth of 10% over the period 2017-2021.
- Total South African trade with BRICS reached R830 billion in 2022 from R487 billion in 2017. BRICS now accounts for 21% of South Africa's global trade in 2022.
- Over 14% of South Africa's exports are to BRICS countries. Around 30% of imports came from BRICS countries in 2022.
- Trade with China remains the dominant force accounting for 63% of exports to BRICS in 2022, although down from 73% in 2021.
- Russia was the only BRICS country showing a decrease in total trade with South Africa last year, of about 10%.
- South Africa continues to face a trade deficit with its bilateral trade and overall trade with BRICS countries.
- There is a need for trade diversification as value-added products make up between 4 and 9% of our exports to BRICS while primary products such as coal, iron ores and manganese dominate.
- BRICS is strengthening collaboration in catalytic sectors such as energy, information technology, science, technology and innovation, agriculture and the green economy. These are all important sectors identified in South Africa's Economic Reconstruction and Recovery Plan.
- BRICS is an important source of foreign direct investment in key areas such as mining, automotive, transportation, clean energy, financial services and IT. These investments and projects lead to significant job creation.
- The Strategy for BRICS Economic Partnership aims to develop opportunities for market access and facilitate market inter-linkages, promote mutual trade and investment, and create a business-friendly environment, and diversify trade and investment cooperation that supports value addition.
- The BRICS Business Council and the BRICS Women's Business Alliance bring together important commercial networks vital to broader socio-economic growth and recovery with a view to making recommendations on issues of trade and investment that are related to the business environment.
- The BRICS Business Forum meeting on the eve of the Summits, aim at expanding and diversifying trade and mutual investments, including through the identification of new business opportunities.

BRICS aims to also improve lives in Africa and the global South

- BRICS works together in cooperation not only for our own benefit but for the global community.
- South Africa's theme and priorities reflect our principled position that we advance in partnership with others. We cannot leave the African continent and the global South behind.
- BRICS partners have demonstrated their commitment to Africa's own policy priorities, particularly voicing their support for Africa's Agenda 2063.
- South Africa continues to use its BRICS membership to advance the aspirations enshrined in the Agenda 2063 of the African Union.
- As BRICS Chair for 2023, we are exploring opportunities to strengthen the partnership between BRICS and Africa, including in the operationalisation of the African Free Trade Continental Area and the establishment of a BRICS-Africa Platform by the BRICS Women's Business Alliance.
- Operationalising the African Continental Free Trade Area will unlock an integrated African market of over 1 billion people with a combined GDP of approximately US\$3.3 trillion.
- BRICS countries continue to show a commitment to addressing the issues that face Africa and the developing world.
- The developing world is faced not only with food and energy insecurity, the impact of unilateral

sanctions on Russia, but also the sustained impact of America's trade war with China.

- The majority of the world would prefer that global payment systems, banking, supply chains, trade, tourism and financial flows operate smoothly and not constantly be the victim of the contestations of so-called great powers.
- In 2022, BRICS adopted the BRICS Initiative on Enhancing Cooperation on Supply Chains and the BRICS Strategy on Food Security Cooperation as important initiatives to address contemporary challenges facing the global South.
- South Africa intends to keep the partnership focused on opportunities for BRICS to show leadership towards global growth, sustainable development and inclusion of the global South in the world system.
- The combined economic strength of BRICS should be a catalyst for sustainable global economic recovery and respond to the disruptions to supply chains and challenges of food and energy insecurity.
- As a collective, BRICS countries work together to address challenges and explore opportunities for mutual benefit for all.
- BRICS is at the forefront of shaping a new people-centred global society.

BRICS has the collective influence to push for the restructuring of the global governance mechanisms to ensure a just world.

- BRICS is a partnership of influential countries who place multilateralism at the centre of a shared BRICS vision of a restructured global political, economic and financial architecture that reflects the contemporary world and is more equitable, balanced and representative.
- The foundational shared value of BRICS member states is the need to restructure the global political, economic and financial architecture to be more equitable, balanced and representative.
- The urgent need for global governance reform is not limited to the United Nations, and that all global political, economic, financial and social governance structures should be modernised made fit-for-purpose and more effective, agile, action-oriented and forward-looking, as well as inclusive and representative of current geopolitical relations and the international community.
- BRICS has emerged as the legitimate voice of the global south and a critical player in shaping global governance.
- BRICS has stated its vision for reform in the Joint Statement on Strengthening and Reforming the Multilateral System adopted in 2021.
- The Joint Statement highlights key principles of reform and calls for the strengthening and reform of principal organs of the United Nations, international peace and security architecture, international financial architecture, trade and development architecture, and global health system.
- The Joint Statement delivers a clear message that our vision of reform is inclusive and representative.
- BRICS has the opportunity to take the leadership role in shaping an emerging international order, and to safeguard multilateralism as the cornerstone of international relations.

The BRICS New Development Bank (NDB) continues to mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries.

- The NDB was established in 2015 with a AAA and AA+ credit rating to play a catalytic role in providing financial support to emerging market and developing countries for infrastructure and sustainable development.
- The Bank has to date approved eleven projects in South Africa, valued at around R87,3 billion (US\$5.2 billion), providing financing and technical support for projects in transportation, clean energy, environmental protection, water infrastructure and greenhouse gas emissions reduction.
- Since the outbreak of the COVID-19 pandemic, South Africa has also received US\$2 billion in funding from the New Development Bank under the COVID-19 Emergency Loan Programme to fight the pandemic and to support our economic recovery.
- The location of the NDB Africa Regional Centre in Johannesburg is aimed at enhancing infrastructure development in the Continent.

- South Africa initiated the first third-country loan with the NDB providing financing to a South African agency for the Second Phase of the Lesotho Highlands Water Project to be implemented solely in Lesotho.
- In 2021, the Bank welcomed Bangladesh, Egypt, the United Arab Emirates and Uruguay as new members firmly positioning the Bank as a preferred global financing mechanism for emerging markets and developing countries.

BRICS countries have both expertise and technologies to use their resources to enhance energy security

- The South African Economic Reconstruction and Recovery Plan details interventions to address the energy crises with the aim of bringing new generation capacity to the grid and reducing loadshedding, fundamentally transforming the electricity sector to achieve long-term energy security and enabling and accelerating investment in the energy sector.
- At the January Lekgotla, President Cyril Ramaphosa called on BRICS partners to assist South Africa in the recovery. This is in line with the principled position to advance in partnership with others and is the central part of the theme as Chair of BRICS for 2023, namely: *BRICS and Africa: Partnership for Mutually Accelerated Growth and Sustainable Development, and Inclusive Multilateralism*.
- The theme reflects the vision of BRICS as a partnership of leading developing countries providing leadership momentum and solutions for global growth, sustainable development and inclusion of the global South in the world system.
- The theme and priorities were developed through an inclusive national consultation process that included the BRICS Business Council, BRICS Women's Business Alliance, BRICS Think Tanks Council and BRICS Civil Forum in order to align the BRICS priorities with South Africa's national interest.
- The first priority responds to the significant transformational changes South Africa is making in the economy, particularly in the energy sector. This priority aims to find solutions to transformational energy change which will also improve people's lives and livelihoods in the sectors that supported the old economy, such as mining.
- BRICS countries are uniquely positioned to support South Africa's energy recovery. BRICS countries contain almost half the world's population and account for approximately 40% of the world's energy consumption. As BRICS we are responsible for 48% of the world's coal consumption, 22% of the world's oil consumption and 13.5% of the world's natural gas consumption.
- While renewable energy consumption is only 16% at the moment, BRICS renewable energy consumption has been growing year by year driven by most BRICS members commitment to mitigating climate change and global for low carbon development.
- BRICS countries are not only consumers of energy, as all members have substantial fossil fuels and available renewable energy resources. BRICS members account for 40% of the world's coal reserves, 25% of the world's natural gas reserves and 8% of the world's oil reserves. In the renewable energy sector, solar power from South Africa, Brazil and India, wind power from Russia and China, as well as biomass from Brazil, all enjoy substantial resource advantages.
- Within BRICS, China is the world's largest coal producer with 50% of the world's output in 2020 and India 10%. Russia produced 12% of the world's oil and 16% of the world's natural gas. Brazil is rich in biomass energy and its output for 25% of the world's total biomass energy in 2020.
- With our natural resources, BRICS countries are major role players in the global supply of energy and its dynamics. BRICS countries have developed similar energy policies to manage energy risks. BRICS countries have both expertise and technologies to use their energy resources to enhance energy security and cooperation.
- BRICS recognised these complementarities and in 2020, BRICS adopted a Road Map for BRICS Energy Cooperation up to 2025 aimed at building a strategic partnership in energy cooperation. The Road Map is being implemented in phases.
- The first phase is the research phase which started under South Africa's Chairship of BRICS in 2018 with the establishment of the BRICS Energy Research Cooperation Platform. The platform brings together experts, companies and research institutes to coordinate common interests of BRICS in research and development of innovative technology and policies, with seven studies being released to date at BRICS Ministers of Energy meetings. Last year, China presented an additional study on the development of renewable energy and smart grids in the BRICS countries. This year, Russia is leading a study on energy security. The roadmap also established the publication of the annual BRICS Energy Report.

- During the second phase, BRICS countries will identify the needs and challenges to energy security and find areas where BRICS cooperation can provide solutions. The third phase aims at advancing mutually beneficial cooperation including exchange of best practice, use of BRICS advanced technology, as well as opportunities for trade and investment in each other's economies. Of course, we are not waiting for this third phase before we work with our BRICS partners on energy solutions.
- India is already South Africa's biggest coal export market and brings in almost half of our total coal revenue. China is reopening opportunities for imports from South Africa, following its political fallout with Australia, previously an important coal source for them. China has substantial oil and gas trade with Russia, oil and gas cooperation with Brazil, a joint natural gas pipeline project with India as well as renewable energy trade with South Africa. South Africa is a pioneer in area of clean coal, in which India and China have an interest. The Russian state energy company Rosatom has signed an agreement with South Africa to construct small hydropower plants in Mpumalanga as a key component of South Africa's energy security strategy.
- Part of South Africa's response to the energy crisis involves implementing a just transition to a low carbon economy. Climate change poses its own risks and constraints to economic growth in South Africa. We are among the most water-scarce countries in the world, and recent events here in KZN have shown that extreme weather events such as floods are occurring more often.
- South Africa's Integrated Resource Plan which drives our energy policy envisions that in the next 10 years, coal, which currently accounts for 85% of South Africa's electricity will drop below 60% by 2030. By that stage, solar energy is expected to be almost 20% and wind a further 8%, bringing the total contribution of renewables to around 25% in less than a decade.
- South Africa's Just Transition Plan aims to significantly lower emissions of greenhouse gases and harnesses investments in new energy technologies, electric vehicles, and energy-efficient appliances. Most importantly, it aims to ensure that communities tied to high-emitting energy industries are not left behind and are provided with new skills and new economic and employment opportunities.
- During South Africa's Chairship of BRICS in 2013, we established the BRICS Business Council to strengthen and promote economic, trade, business and investment ties among the business communities of the BRICS countries. The BRICS Business Council also identifies problems and bottlenecks and recommends solutions to BRICS.
- This year, under South Africa's Chair, the Council's Energy and Green Economy Working Group is focused on concrete outputs on the Just Transition. The Council has developed an energy skills roadmap for South Africa which will be rolled out to the other BRICS countries. The skills roadmap identifies the skills available as well as the skills necessary and identifies training programmes as well as sponsors across the BRICS countries.
- There are discussions on the possible establishment of a BRICS African Centre of Excellence on the Just Energy Transition which would support a network of researchers focused on technology, socio-economic, environmental, financial and other aspects of the Just Transition that would inform policy making in BRICS countries in collaboration with the BRICS Energy Research Cooperation Platform.
- The question is how to identify funding for investment in renewable energy. There is a lot of money available globally for renewable energy projects, with National Treasury estimating that there is 12 trillion dollars available from sources such as the Green Climate Fund. But developing countries struggle to access these funds because of the perceived risk of investing in a developing country. South Africa's policy uncertainty and regulatory challenges have been cited as obstacles to South African investment opportunities, with other funders also banning financing and investment in coal for energy, even if it is clean coal.
- India and China are able to source their own international finance for renewable energy by offering their own-currency Green Bonds known as Green Masala Bonds and Green Panda Bonds. The Green Panda Bond is issued by the BRICS New Development Bank.
- The NDB is a multilateral development bank established by BRICS countries to mobilise resources for infrastructure and sustainable development projects. Sustainability is fundamental to the founding principles of NDB and the Bank aims to deliver transformative impact to BRICS member countries with a target of 40% of all the Bank's loans funding projects mitigation and adaption for the effects of climate change by 2026.
- South Africa and China have so far been the leading beneficiaries of sustainable financing from the NDB with respect to clean and renewable energy. South Africa is the beneficiary of 12 projects financed by the Bank to the value of 5.4 billion dollars. Five of these projects support the energy sector, with three of those funding renewable energy projects to the value of thirteen billion Rand.

- The opportunities for BRICS to support transformative change in our economy are obvious. As Chair of BRICS in 2023, our strategic vision is to harness our existing mutually beneficial BRICS cooperation to address issues of national interest and national concern for South Africa in a holistic and multi-disciplinary way. The depth and strength of our BRICS partnership allows us to bring multiple BRICS solutions to the table, including financing, trade, investment, industrialisation, skills development and training, research, development and innovation, as well as partnership with African countries and leading countries of the global South.