

## **BRICS – How Should We React?**

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**Presented by:** *Working Group on Foreign Affairs & CDJA*

### **Recognising that:**

- BRICS is an economic alliance consisting of Brazil, Russia, India, China, South Africa, Iran, the United Arab Emirates, Egypt, and Ethiopia, alongside 13 partner countries, including Algeria, Belarus, Bolivia, Cuba, Indonesia, Kazakhstan, Malaysia, Nigeria, Thailand, Türkiye, Uganda, Vietnam, and Uzbekistan.
- In January 2024, the BRICS expansion, known as BRICS+, increased the alliance's economic and demographic weight, surpassing the GDP of both the G7 and the EU.
- Current BRICS member states are often characterised by autocratic governance, social inequality, and corruption, attracting countries with challenges in maintaining democratic systems.
- BRICS has grown into a main challenger to the established international order, with profound influence over energy investments and trade, especially through oil-rich OPEC countries that are either members or candidates for BRICS membership.
- The alliance aims for de-dollarisation, reducing or eliminating reliance on the US dollar in trade, and has proposed the creation of a new currency to challenge the dollar as the global reserve currency.
- BRICS has been largely overlooked by international actors for years, despite its growing geopolitical and economic significance.

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### **Acknowledging that:**

- BRICS represents over 40% of the world's population and accounts for more than a third of global GDP, with the gap between BRICS and the G7 expected to widen due to the economic growth of emerging markets.
- China, Russia, and Iran maintain close security partnerships within BRICS, aiming to reshape the global power structure with an independent economic system and potential military coalitions.

- The alliance's expanding influence challenges the promotion of European values and interests globally, with its presence across three continents and active engagement with the Global South.
  - BRICS' investment in the Global South, often through the New Development Bank, offers an alternative to Western-led initiatives, such as the EU's Global Gateway Initiative, by providing less restrictive financing options tailored to local needs.
  - The EU's Green Deal and energy transition objectives rely on critical raw materials, many of which are controlled by BRICS countries, making the EU vulnerable to supply chain disruptions.
  - The United Nations Secretary-General António Guterres acknowledged BRICS' influence by attending the Kazan Summit in October 2024.
  - The formation of BRICS could mirror the EU's evolution from a limited alliance to a significant geopolitical force.
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#### **YEPP Calls On:**

#### **1. The European Commission, the European Parliament and the European Council to closely monitor BRICS' activities**

#### **2. The European Commission:**

1. **Develop Targeted Strategies:** Tailor specific diplomatic and economic strategies for each BRICS country and its partner countries, balancing security concerns and opportunities for constructive engagement.

#### **2. Strengthen Global South Engagement:**

- Enhance the EU's Global Gateway Initiative with more flexible financing, faster approval processes, and stronger partnerships with local stakeholders to address pressing infrastructure and social needs.
- Invest in sustainable infrastructure, education, and technology transfer to offer compelling alternatives to BRICS funding.

#### **3. Discourage BRICS Expansion:**

- Work proactively to discourage additional countries from joining BRICS or aligning with its goals by negotiating new, mutually beneficial cooperation agreements with these states.
- Promote EU-backed development projects and partnerships that align with local priorities.

4. **Address Institutional Reforms:** Support balanced reforms within global financial institutions, such as the IMF and the World Bank, ensuring the inclusion of emerging economies while maintaining transparency and stability.

**3. The European Council to:**

1. Facilitate discussions on BRICS' growing significance and its implications for the EU's role in the global order.
2. Promote unity among member states in responding to BRICS' influence and expanding presence.