

BRICS Expansion and its Implications to the Global Economic Order

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I. Background

As “America First” nationalism and the tendency toward bloc formation have intensified in the wake of deepening US–China strategic competition, the COVID-19 pandemic, and the outbreak of the Russia–Ukraine war, BRICS has been expanding with the Global South at its center. Accordingly, the influence of BRICS is widening across energy, critical minerals, and manufacturing supply chains, as well as in the finance and investment sectors. Following the accession of the UAE, Egypt, Iran, and Ethiopia in 2024, Indonesia joined BRICS+ in 2025, reinforcing BRICS’ role as a soft-balancing platform that defends the interests of emerging economies against Western-centered governance. As of 2023, the ten BRICS countries accounted for 48.7% of the world’s population, 28.1% of global GDP, and 24.5% of global exports, making it a vast economic cooperation bloc.

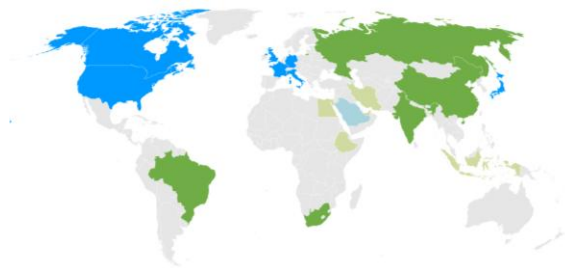
As a result, BRICS member states are expanding their market dominance over the energy

industry—centered on crude oil and natural gas—and over major critical minerals such as rare earths and manganese. With China leading the manufacturing supply chain within BRICS, there is a growing need to analyze what an emerging-economy-led expansion of BRICS means for the Korean economy. In addition, discussions are needed on the prospects for de-dollarization, driven by the construction of a settlement system to counter SWIFT, the expansion of cross-border payments using central bank digital currencies (CBDCs), and efforts to increase the share of local-currency settlement.

This study aims to explore Korea’s responding strategies toward BRICS+ through an analysis of whether the BRICS expansion that began in 2024 will lead to the formation of an emerging-economy-centered economic order and the development of a cohesive economic bloc. To that end, it focuses on the following questions: what motivates countries to join; whether stra-

tegic interdependence among BRICS+ member states is increasing and the economic standing of BRICS+ is being strengthened; and what the development direction and challenges of BRICS+ are, along with what lessons this holds for Korea.

Figure 1. Map of G7 and BRICS member countries



Source: Author

II. Motivation of BRICS Expansion

1. Existing Members

China and Russia, while leading BRICS and the Shanghai Cooperation Organization (SCO), are strategically using BRICS to build an alternative order in opposition to the G7. In response to US pressure to contain China, China is strategically using BRICS to expand its global supply chain, linking the Belt and Road Initiative (BRI) with BRICS to consolidate its influence within the Global South, encompassing ASEAN, South Asia, the Middle East, Africa, and Latin America. Russia, for its part, has led the expansion of BRICS membership in order to overcome the economic sanctions imposed by Europe following the war with Ukraine, to diversify its energy export markets, to build a financial settlement system

that can replace SWIFT, and to realize a multipolar strategy. To that end, Russia has attempted to diversify exports with the Global South by leading the creation of a BRICS+ grain exchange and by expanding crude oil and natural gas exports to China and India.

India, Brazil, and South Africa use BRICS as a channel to represent the Global South, while at the same time pursuing strategic autonomy and the diversification of middle-power diplomacy through BRICS expansion. India uses BRICS to secure leadership within the Global South, maintain strategic autonomy, and pursue concrete economic benefits, whereas Brazil uses BRICS as a platform to reform advanced-economy-centered global governance but takes a cautious stance on the expansion itself. South Africa has used BRICS as a multilateral cooperation platform to reflect the voice of the African continent in the international community and to advance its own economic interests, and it has leveraged the BRICS+ expansion as an opportunity to expand trade and investment, diversify economic partners, and improve access to global markets.

The positions of the existing members can be summarized as follows. Russia actively leads expansion in order to secure allies; it views the West in terms of strengthening anti-Western solidarity, regards the US as hostile in the context of evading sanctions and challenging the US-led order, and maintains strategic cooperation with China amid competition. It actively pursues de-dollarization and a common currency by building a SWIFT alternative and

leading the common-currency concept, with the aims of evading sanctions, expanding alternative export networks, and securing leadership in technology and AI. China likewise actively leads expansion to secure allies; it pursues structural competition with the US-centered order, regards the US as a competitor in the establishment of an alternative system and achieving technological leadership, and actively pursues internationalization of the RMB while avoiding direct mention of a common currency. Its purposes are to form a new international order, internationalize the RMB, and secure technological leadership.

India takes a cautious approach to expansion, emphasizing member eligibility and political harmony while remaining wary of China-led growth; it takes a neutral view of the West while guarding against an anti-Western image and pursuing pragmatic cooperation, pursues strategic autonomy vis-à-vis the US, and maintains a cautious stance toward China in light of bilateral tensions and competition for leadership within the Global South. It is cautious on currency matters, expanding rupee settlement while remaining wary of an RMB-centered monetary framework, with the aims of South–South cooperation and development cooperation in infrastructure. Brazil also remains cautious about expansion due to its concern that BRICS’ status could weaken. It is neutral toward the West and emphasizes inclusive multilateralism, is friendly toward the US, and neutral toward China. It favors currency diversification but is skeptical of a common currency, pursuing South–South cooperation

and development cooperation in climate change and health. South Africa is supportive of expansion in order to enhance African representation; it is neutral toward the West while maintaining relations with it, friendly toward the US, and neutral toward China. It is positive on currency matters, expecting linkage with an Africa-connected currency system, with the aims of strengthening African representation and pursuing development cooperation.

2. Accession Motivations of New Members

The UAE pursued membership to BRICS+ in an effort to diversify its economy and diplomacy and to raise its international standing; in particular, it joined to pursue economic benefits through the creation of security and technology cooperation opportunities, which are its top priorities. Saudi Arabia had planned to join BRICS together with the UAE, but has yet to formally join. Iran joined BRICS+ to overcome the long-standing Western sanctions and to escape isolation by strengthening diplomatic, security, and economic cooperation with China and Russia, perceiving BRICS+ as a bloc capable of countering Western sanctions.

Egypt and Ethiopia strategically use BRICS+ to create trade and development-finance opportunities and to strengthen connectivity with Africa. These two countries joined to achieve economic development and reduce government debt through investment inflows, to improve access to the New Development Bank

(NDB), and to diversify their cooperation partners in order to strengthen economic cooperation with China. Indonesia joined BRICS+ to carry forward the Bandung Spirit while pursuing diplomatic objectives such as restoring its standing as a leader of the Global South, diversifying its diplomacy, and securing strategic autonomy. At the same time, it is pursuing the securing of mid- to long-term national development financing through the NDB, including infrastructure construction, energy transition, and digital transition.

3. Strategic Direction of BRICS+

The BRICS+ is pursuing the realignment of global governance through the reform of international organizations, strengthening of the

Global South's representation and cooperation on common issues, and creation of new norms on the global agenda such as AI, climate-change response, and the SDGs. Economically, it is oriented toward building stable raw material supply chains, strengthening the foundations for self-reliant growth in countries with weak manufacturing bases while responding to supply-chain risks, and strengthening the influence of the Global South through reform of the international financial system and the construction of an alternative financial system. Accordingly, the NDB has been established in response to existing multilateral institutions, and cooperation channels are being built across industrial fields as a whole, including grain, energy, critical minerals, and manufacturing.

Table 1. Perspectives of existing members on BRICS+

Country	View on Expansion	View on the West	View on the US	View on China	De-dollarization & common currency	Purpose of expansion
Russia	Actively leading (securing allies)	Strengthening anti-Western solidarity	Hostile (evading sanctions, challenging the US-led order)	Strategic cooperation amid competition	Actively pursuing (building a SWIFT alternative, leading the common-currency concept)	<ul style="list-style-type: none"> Evade sanctions Expand alternative export networks Secure tech/AI leadership
China	Actively leading (securing allies)	Pursuing structural competition with the US-centered order	Competitive (alternative system, tech-hegemony competition)	-	Actively pursuing (leading RMB internationalization, avoiding direct mention of a common currency)	<ul style="list-style-type: none"> Form a new international order Internationalize the RMB Secure tech leadership
India	Cautious (stresses eligibility & political harmony, wary of China-led expansion)	Neutral (wary of an anti-Western image, pragmatic cooperation)	Pursuing strategic autonomy	Wary (bilateral conflict, Global South leadership rivalry)	Cautious (expanding rupee settlement, wary of an RMB-centered scheme)	<ul style="list-style-type: none"> South-South cooperation Development cooperation (infrastructure)
Brazil	Cautious (concern over weakening of BRICS' status)	Neutral (wary of an anti-Western image, inclusive multilateralism)	Friendly	Neutral	Cautious (favors currency diversification, skeptical of a common currency)	<ul style="list-style-type: none"> South-South cooperation Development cooperation (climate, health)
South Africa	Supportive (enhancing African representation)	Neutral (maintaining relations with the West)	Friendly	Neutral	Positive (expects linkage with an Africa-connected currency system)	<ul style="list-style-type: none"> Strengthen African representation Development cooperation

Source: Kang et al., 2025. p. 60.

III. Economic Dominance of BRICS

1. Raw Materials

BRICS+ is strengthening its influence over the grain, energy, and critical-mineral supply chains. In particular, with trade among members becoming more active around the G7 and BRICS+, resource bloc formation is underway. In the grain sector, the BRICS+ countries account for 44% of world grain production and 25% of exports, and with high supply shares from Russia, Brazil, and India centered on wheat, corn, and rice, BRICS+ holds a strong position in global food-security cooperation. Recently, in order to strengthen food security within the Global South, BRICS summits have also announced cooperation measures spanning agricultural trade, agricultural technology innovation, and support for smallholder farmers.

In energy, with the accession of the UAE, Iran, and other members, crude oil and natural gas production by oil-producing countries within BRICS has risen to 43.1% and 32.4% of global production respectively in 2023, and with China and India at the center, energy imports from countries within the BRICS+ region are expanding, leading to a reorganization of the energy supply chain. Accordingly, there have been cases in which the US imposed retaliatory tariffs over energy trade between India and Russia, and following Europe's sanctions on imports of Russian natural gas, the global energy supply chain is being reorganized into

US/EU versus China/Russia, a situation in which BRICS+ influence may be strengthened.

In critical minerals, China plays a central role in supply. In 2024, an agreement was reached to build a BRICS+ geological platform, and as cooperation on critical minerals becomes more active, there are also concerns about their weaponization. The share of critical minerals supplied by BRICS+ member states is 72% for rare earths, 75% for manganese, and 95% for graphite, mainly taking the form of China processing ore and exporting it.

In assessment, BRICS+ influence in raw material markets is increasing, but intra-BRICS+ cooperation is expected to strengthen around energy and critical minerals rather than grain, and BRICS+ is unlikely to speak with one voice in the raw materials sector. Unless there are special circumstances such as domestic supply shortages caused by external shocks like conflict or climate change, BRICS+ member states are likely to maintain long-term cooperative relations even with non-BRICS+ countries in order to secure grain export markets. In the case of the energy sector, bilateral supply and stockpiling cooperation—for instance, between China–GCC, Russia–Iran, and India–Saudi Arabia—is expanding, and with Brazil joining OPEC+, BRICS+ member states are in a position of leading OPEC+. Meanwhile, along with the strengthening of US/EU containment of China to secure critical-mineral supply chains, bilateral cooperation with BRICS+ member states is becoming more active, yet China is expected to lead

BRICS+ critical-mineral cooperation by leveraging its dominant position.

2. Manufacturing

BRICS accounts for about 25% of the export market for the top ten manufacturing categories—electrical and electronic equipment (HS85), machinery (HS84), general vehicles (HS87), medical products (HS30), plastics and articles thereof (HS39), optical and precision instruments (HS90), organic compounds (HS29), iron and steel products (HS73), various chemical-industry products (HS38), and furniture and lighting fixtures (HS94). Following the economic partnership strategy and the operation of the BRICS Industry Ministers' Meeting, BRICS launched the Partnership on New Industrial Revolution (PartNIR) in 2020, actively pursuing manufacturing cooperation and startup development among member states. BRICS+ has been responsible for around 40% of global manufacturing value added, and there is a trend of industrial transition from low-value-added electrical and electronic, machinery, and automobile sectors toward high-value-added industries.

The manufacturing market is dominated by China to the extent that it accounts for 83.8% of the BRICS+ exports of manufacturing goods, and a vertical division of labor has become entrenched, with China at the center for core components and capital goods and other member states at the center for raw materials. Compared with other economic blocs such as the EU, USMCA, and ASEAN, BRICS+ has a

low share of intra-bloc trade among members but a very high degree of concentration on China, with a very large gap relative to India at 5.5% and the UAE at 3.8%. In particular, while trade in intermediate goods with BRICS+ countries centered on China is becoming more active, a complete supply chain among member states is yet to be established.

Considering that manufacturing production within BRICS+ is carried out with China at the center, China is expected to lead manufacturing exports rather than a supply chain being formed among BRICS+ countries, and accordingly the scale of value creation by countries other than China may also be limited. BRICS+ is competitive in high-skill and low-skill manufacturing sectors, but it still tends to depend heavily on G7 countries for core production equipment and inputs such as capital goods and intermediate goods. With China in the lead, the production shares of mobile phones and memory semiconductors are increasing in the electrical and electronic equipment sector, but in the vehicle sector it remains at a competitive disadvantage relative to G7 countries. Rather than forming a supply chain within the manufacturing market as an economic bloc, BRICS+ can be seen as a system in which China leads the intra-bloc manufacturing market. Accordingly, without technological innovation, the direction of BRICS+ manufacturing is likely to be determined by China's strategic choices. The share of intra-BRICS+ trade within manufacturing is only about 24%, markedly lower than that of the EU at 56.6% and USMCA at 51.9% and only slightly higher

than ASEAN at 16.5%. Accordingly, the likelihood of a manufacturing bloc being formed is low. Moreover, the dependence of BRICS+ member states on China exceeds 50% for many product categories, thus indicating a high degree of strategic dependence.

3. Finance and Investment

Based on the perception that the US-dollar-centered Bretton Woods system does not adequately reflect the economic standing of emerging economies, BRICS+ is pursuing the construction of an independent financial infrastructure through the establishment of the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA), as well as the expansion of digital and local-currency settlement. The NDB raises funds at low rates in global capital markets by leveraging a credit rating higher than that of its member states, and through this it undertakes investment in member states' infrastructure and green projects. To enhance financial stability, BRICS+ has introduced instruments such as BRICS Pay, BRICS Bridge, and the BRICS Unit. However, with the US passing the federal stable coin law, the GENIUS Act, its strategy of strengthening digital-currency dominance is likely to be undermined. That said, the only countries that perceive the expansion of digital finance within BRICS+ as de-dollarization are Russia and Iran, while the remaining countries have a greater interest in financial-market stability and expanding the reach of their own currencies. BRICS Bridge is a CBDC cross-border settlement system utilizing blockchain

technology, while the BRICS Unit can be seen as a concept similar to the SDR—an initiative to introduce a common currency unit based on a basket of member-state currencies. Despite this financial cooperation, the large gaps in the level of digital financial infrastructure among members in terms of technology and policy, as well as the difficulty of rapid decision-making due to the NDB's equal voting rights across member states, remain limitations on financial cooperation among BRICS+ member states.

In terms of investment, BRICS+ creates mutual investment opportunities by utilizing summits and working groups within the Business Council and through the economic partnership strategy. However, rather than intra-BRICS+ investment, investment targeting the G7—where investment stability is higher and technology is easier to secure—is continuously increasing. Investment within BRICS+ is carried out around the areas emphasized in the BRICS Economic Partnership Strategy, such as trade and investment facilitation, climate-change response, the digital economy, and innovative technology, and through Part-NIR the discovery of projects in new industries such as AI and smart manufacturing is linked to investment. However, investment targets of BRICS+ countries by policy financing are concentrated on the G7 market rather than on BRICS+ in order to secure technology and stable investment returns. Accordingly, the limitations on investment cooperation among BRICS+ countries are clear. Policy financing is implemented mainly through the sovereign wealth funds of China, the UAE,

and Saudi Arabia. Investment targeting BRICS+ has a high share of infrastructure and real-estate development, whereas, in contrast, investment in the G7 has a high share of finance, IT, bio, and advanced manufacturing.

IV. Policy Recommendations

Regarding the likelihood of bloc formation, the prospects for BRICS+ expansion leading to the formation of an economic bloc are low, although cooperation is expected to become more sophisticated by sector. The demands of BRICS+ countries for industrial diversification and technological innovation, sovereignty over raw-material supply chains, and the establishment of an alternative financial order, may act as factors driving BRICS+-led regional bloc formation in the Global South. However, cooperation with non-BRICS+ countries is also expected to become more active due to the imbalanced structure of economic cooperation led by China and the lack of investment in high-value-added industries. The greatest constraint on bloc formation is the differing positions on the development direction of BRICS+. For example, Russia and Iran are central to the formation of an anti-Western stance whereas India, Brazil, the UAE, and others pursue practical interests. China seeks to use BRICS+ for hegemonic competition with the US. While traditional-industry and supply-chain cooperation is expected to become entrenched with China at the center, cooperation among member states to take the lead on global issues—climate change,

energy security, sustainable development, and the like—will become even more active.

A first implication is that Korea should expand minilateral cooperation rather than cooperation with BRICS+ as a whole. In particular, to expand “G7+” cooperation, it is necessary to pursue multilateral cooperation with BRICS+ countries, which can be regarded as core states of the Global South. To pursue minilateral cooperation with the Indo-Pacific region and Middle Eastern countries, discussions on Korea–India–Middle East and Korea–US–Middle East cooperation should be advanced in areas such as technology cooperation and supply-chain construction, green industry, and maritime cooperation. Korea and India possess the capacity to mutually complement and supply technological capabilities and technical personnel, while Middle Eastern countries such as the UAE and Saudi Arabia provide investment and testbeds. In addition, over the mid- to long term, a “Korea–China–Japan+” cooperation model with individual BRICS+ member states could be built by adapting the ASEAN+3 platform.

A second implication is that cooperation on global agendas that the Global South is interested in—such as climate change, poverty alleviation, and the energy transition—can diversify cooperation between Korea and BRICS+ countries. At Brazil's BRICS+ summit and South Africa's G20 meeting, agendas concerning the development of developing countries and responses to global crises—such

as inclusive rural development, poverty alleviation, and climate-change response—were commonly discussed. By building cooperation channels with BRICS+ member states that are active on global issues, such as Brazil, South Africa, Ethiopia, Egypt, and Indonesia, Korea can not only pursue industrial cooperation but also jointly respond to the crises facing individual countries, thereby expanding the reach of Korean diplomacy.

A third implication concerns the diversification of cooperation. Considering the standing that BRICS+ countries hold in the energy, grain, and critical-mineral markets, risk can be reduced through the diversification of raw-material imports. Regarding energy cooperation, it is necessary to strengthen cooperation

with Middle Eastern countries with which close cooperation on crude oil and natural gas supply is already in place, while at the same time expanding agricultural cooperation with countries such as Brazil, Indonesia, and Russia and diversifying critical-mineral cooperation with critical-mineral supplier countries. Beyond the countries with which cooperation is already active, it is necessary to diversify cooperation by building cooperation networks with new BRICS+ member and partner countries such as Iran, Egypt, and Ethiopia. At the same time, to advance cooperation with BRICS+ member states with which Korea already enjoys bilateral cooperation, consideration should be given to upgrading these ties to the level of governmental cooperation and partnership. **KIEP**