

Brics expands: Argentina, Saudi Arabia join historic Phase One



By Katja Hamilton

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Brics has achieved phase one consensus, extending invitations to six new member nations: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE. Their membership will take effect from 1 January 2024.



Source: Supplied. Brazilian President Luiz Inácio Lula da Silva defended Argentina joining Brics earlier this week.

The news of the expansion comes on the back of the Brics Summit which, on Thursday (24 August) hosts leaders from Africa and the Global South in the Brics-Africa Outreach and Brics Plus Dialogue.

This will drive inclusive dialogue on key issues affecting developing economies and will identify actions that can be taken towards building a more equitable, inclusive and representative world.

"We are confronting an existential crisis," UN Secretary-General, António Guterres said in his address at the summit. "The cost of the climate crisis is poverty, hunger and inequalities, while the conflict between Russia and Ukraine is having profound global implications. We need to set new objectives for sustainable development."

He added, "We are moving towards a multi-polar world, which is a positive thing. However, multipolarity is not enough to guarantee a peaceful community; multipolarity must be sported by multilateral institutions that are strong."

Russia's President Vladimir Putin attended the summit virtually. "It is obvious that we are in the process of a new world order," he stated..

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While he stressed that Brics is not competing with anyone, he did caution that the new expansion will be met with fierce opposition. "Neopoliticians will try to slow down this process to contain the emergence of new independent centres of development in the world, but preserving the old world order only benefits them. They are aiming to eliminate our traditional values of family- and cultural traditions, and they are doing so to only serve their own interests."

China's clean energy partnership

Putin identified key areas of focus for the growing Brics community, namely working towards food security in Africa with the donation of 25- to 50-000 tonnes of grain to the continent, delivery free of charge; a focus on Russia energy exports which will further enhance agricultural development and the distribution of clean energy namely through the development of nuclear power plants and the supply of hydrogen technologies.



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This ties in with China's development of its global clean energy partnership that will support investments and integrate clean-energy supply chains to help countries meet their net-zero targets. Chinese President Xi Jinping drew attention to this at Brics2023. Moreover he urged that, "the representation and voice of developing countries in global governance should be increased."

African Union's G20 membership

Brazilian President Lula da Silva echoed this point with his announcement that the African Union has been invited to be a permanent member of the G20. This is a gamechanger, he declared, as many African nations are limited by immense foreign debt. "The volume of resources directed to the Global South through trade and investment has been diminishing, while the export of commodities is impacted by volatile demand and the rise in prices of goods. This comes on the back of financial institutions imposing high interest rates and conditionalities, which is impossible to sustain," he said.

"The African Union is a growing protagonist in conflict resolution, in forging the rebirth of exclusive alliances and decelerating tensions," he concluded.

Katja Hamilton is at the Brics Summit this week in Johannesburg, reporting live for Bizcommunity.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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