



By: Tomorrow's Affairs Staff

BRICS faces its biggest test before the new summit



Disruptions in mutual trade channels and disagreements over the search for an alternative to the dollar are the latest symptoms of deeper tensions within the BRICS.

The five founders of the organisation—Brazil, Russia, India, China, and South Africa—joined forces last autumn with Egypt, the United Arab Emirates, Saudi Arabia, Ethiopia, Indonesia, and Iran in an expanded format, promising a new era of economic cooperation and political influence.

In practice, however, each of these countries has its own pragmatic priorities and limitations. The most critical point of contention concerns the **response** to unilateral measures by Western powers, particularly American tariffs and secondary sanctions.

China, which is affected by tariffs of up to 145% on exports to the USA, is taking the toughest stance. As it is closed to the conventional multilateral trade mechanisms, it is forced to look for alternative channels.

At the BRICS ministerial meeting in Rio de Janeiro in April, Beijing's representatives insisted on a direct condemnation of "arbitrary protectionist measures that violate the rules of the World Trade Organisation."

This proposal met with resistance from the largest trading partners: India and Brazil, which are tied to the American and European markets, did not want to risk their export competitiveness.

The dispute culminated in a failure to adopt a joint communiqué – the first such split since the founding of BRICS+.

Brazil then issued its own statement condemning the "unilateral, discriminatory tariffs", while India proposed a milder formulation focusing on "strengthening the role of trade negotiations".

Diplomatic circles discussed secret lobbying efforts to move away from the US dollar, but there were also comments suggesting that the

idea of a "BRICS+ currency" remains unrealistic and potentially counterproductive.

Confidence in the strength of the bloc is fading

Confidence within the bloc is also fading on the financial front. Russia and Iran, which are affected by the sanctions, are in the process of developing national payment systems and expanding the use of local currencies in bilateral trade.

Many other members, including Brazil, are abandoning the idea of having their own **instruments**, opting instead for a mix of national currencies, a European clearinghouse, and bilateral agreements.

However, the BRICS' **ambition** to overturn the global financial order often looks more like a political manoeuvre than a viable strategy, as many initiatives have remained declarative without adequate resources or institutional frameworks for implementation.

Critics point out that the diversification of payment systems tends to be driven by the strategic interests of the largest members, with no guarantees that it will bring real benefits to smaller economies or that it will not increase dependence on the political decisions of Moscow or Beijing.

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Most BRICS+ initiatives have so far failed to produce concrete results: promised infrastructure projects have not been launched, common funds have not yet been allocated and technocratic studies on regional reserve currencies have not yet entered the operational phase.

These uncoordinated steps cast a shadow over the bloc's claims of strength and cohesion. The financing climate, another area of

disagreement, shows how far apart the members' economic visions are.

Brazil, the host of a global climate summit this autumn, is pushing for wealthy countries to shoulder the burden of the energy transition in poorer countries, while Russia and Saudi Arabia are wary of commitments that could jeopardise oil revenues.

China balances commitment to the Paris Agreement with preserving industrial growth and favours a model of "common but differentiated responsibility." In practice, each of these formulations remains at the level of declarations.

Mobilisation capacity

Although there is a growing realisation that BRICS+ cannot be an alternative to the Western **order**, it is not without its advantages.

When negotiations on the reform of the UN and global financial institutions took place under the leadership of Luiz Inácio Lula da Silva and Vladimir Putin, the group demonstrated that it could mobilise significant votes in the General Assembly and defend the interests of the countries of the Global South.

With the accession of new members, the potential for a more inclusive system of international development is not excluded – but success will depend on the ability to overcome fundamental differences in economic priorities.

The countries of Latin America, Africa and Asia are constantly examining what BRICS+ can really offer them

Intensive diplomatic activity is expected ahead of the organisation's July **summit** in Rio de Janeiro. Moscow is preparing new credit lines, Beijing is speeding up negotiations on digital yuan clearing systems, and Brazil and India are looking for relief mechanisms with the EU to

protect their exports. Each initiative opens up room for compromise but also for new tensions.

At the same time, the countries of Latin America, Africa and Asia are constantly examining what BRICS+ can really offer them: from investment in infrastructure to poverty reduction and technology transfer.

A long road to a clear answer

If the format does not lead to concrete projects and financial solutions, there is a risk that it will become another forum for declarative diplomacy without any real influence.

The fate of BRICS+ will be decided by its relationship with the US dollar and the role of global financial institutions.



BRICS+ will have to choose between its own instruments or adapting to existing mechanisms – Luiz Inácio Lula da Silva

While the US threatens new tariffs and restrictions on banks doing business with the bloc, BRICS+ will have to choose between its own instruments or adapting to existing mechanisms. This decision will shape the structure of the international economy in the coming years.

Without a clear agreement before the forthcoming summit, members are likely to rely on the optimistic tone of the joint declaration but without binding goals.

BRICS+ will then remain a political symbol for the expansion of the South but an economic mechanism ill-adapted to an interdependent world.

Only realistic decisions on financial channels and the degree of integration can make BRICS+ a real partner rather than another alliance without real influence.