The Big Read Global Economy

Brics on the rise

The grouping accounts for a bigger share of the world economy than the G7



Michael Stott and **Andres Schipani** in New Delhi, **Joe Leahy** in Beijing, and **Michael Pooler** in São Paulo

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They represent nearly half the world's population and will dominate the global economy this century. They include some of the planet's most powerful leaders and its biggest militaries. They reject a US-dominated world and aspire to remake the international order.

This should be a moment for the Brics bloc of developing nations. Their economic heft is undeniable. The US has stepped back from global leadership and Europe is in decline. The multilateral order is in need of friends.

But 25 years after then Goldman Sachs economist Jim O'Neill coined the original acronym for the bloc comprising Brazil, Russia, India and China, internal divisions could yet prevent it coming of age.

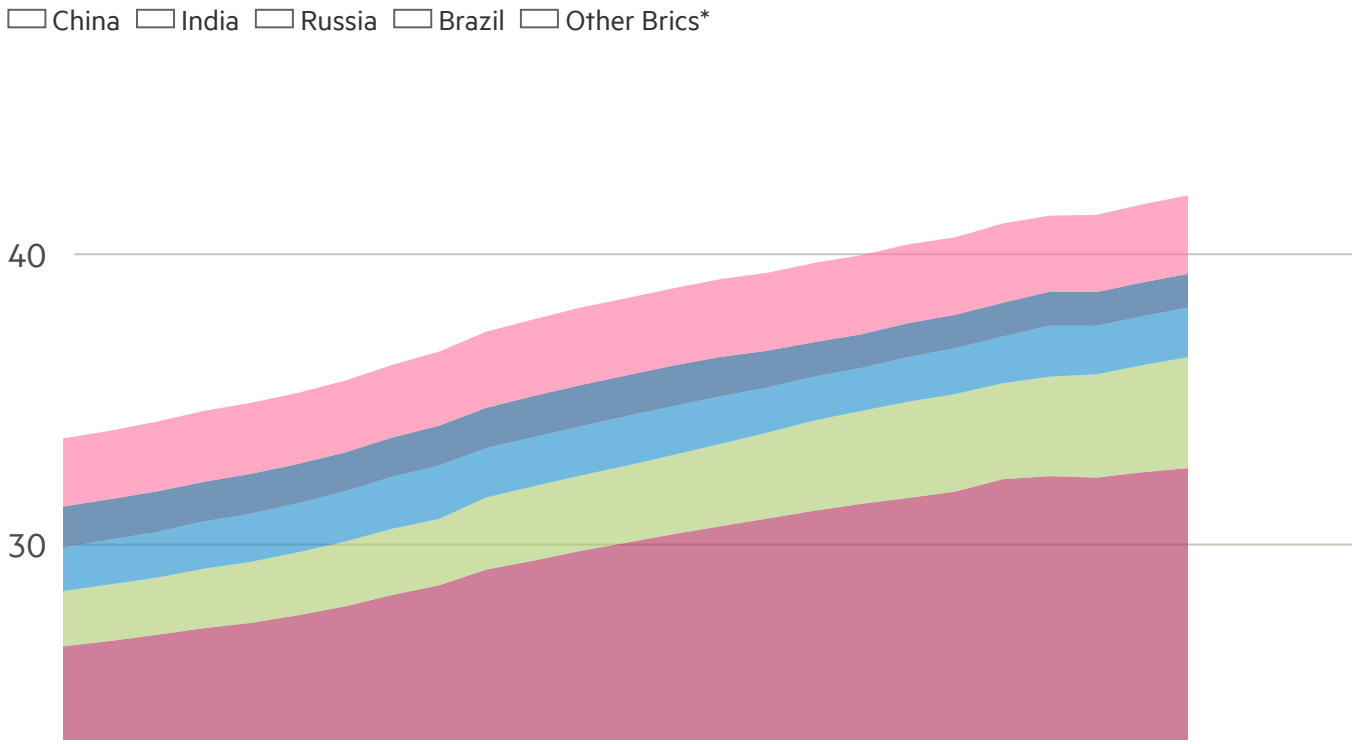
Brics leaders will aim to present a united front when they meet for their annual summit in New Delhi this weekend. The bloc has expanded out of all recognition since the heads of government of the initial four countries first met in Russia in 2009.

Today Brics includes South Africa, Egypt, Ethiopia, the United Arab Emirates, Iran and Indonesia as full members, and another 10 “partner nations” as observers, several of whom will send presidents. (Saudi Arabia was invited to join and attends meetings but has not formalised accession).

Chinese President Xi Jinping will be in attendance for his first visit to India in almost seven years, state media confirmed, a gesture that signals a thaw in relations between the bloc’s two most populous nations after several frosty years.

The expanded Brics group of countries now accounts for two-fifths of globa output

Share of global GDP at purchasing power parity (%)



Brics leaders will contemplate a global economic picture that they have done much to create over the past 25 years. The expanded bloc now accounts for around 40 per cent of the world's economy at purchasing power parity.

Yet the build-up to the New Delhi summit has been low-key. Officials emphasise "people-centric" and "development-oriented" outcomes, rather than grand geopolitical aspirations. Talk about challenging the dominance of the US dollar, a pet topic of some Brics leaders, has been suppressed.

Host premier Narendra Modi and his top officials have said little about the event and only a smattering of Brics posters adorn the streets of the Indian capital, a sharp contrast to the lavish festivities surrounding New Delhi's hosting of the G20 three years ago.

The modest approach partly reflects a desire to avoid provoking US President Donald Trump, officials say, but it also reflects tensions within the bloc, which has admitted members as diverse as Iran and Indonesia, and in particular a battle over who should lead it.

While western powers readily accepted US leadership in the post-1945 international order, some Brics members, notably India, resist submitting to a new world led by Beijing. Also in dispute is whether the 10 countries under the Brics banner can unite around common economic and diplomatic goals when geopolitical ambitions are discordant.



Brazil's Luiz Inácio Lula da Silva, Russia's Dmitry Medvedev, China's Hu Jintao and India's Manmohan Singh shake hands at the bloc's inaugural summit in Russia in 2009 © Dmitry Kostyukov/AFP/Getty Images

Sarang Shidore, who heads the global south programme at the Quincy Institute for Responsible Statecraft in Washington, sums up the dual challenge facing Brics. "Suddenly the world is more opportune for them to create alternative institutions. But on the other hand, the diversity and heterogeneity and the squabbling we have seen of late internally means that they're not ready to fully seize the moment."

Just after Brics leaders met in Rio de Janeiro last year, Trump tried to impose a price for membership of the bloc.

"They have to pay 10 per cent [tariff] if they're in Brics because Brics was set up to hurt us," he told reporters in Washington. "Brics was set up to degenerate our dollar and . . . take it off as the standard."

As so often in his second term, Trump did not follow through. But his warning was a reminder of the growing clout of the grouping of nations, and its capacity to unsettle some in the west.

“This is the first time where you have the president of the United States making explicit threats [about the costs of Brics membership],” says Mihaela Papa, director of the Brics Lab research project at MIT’s Center for International Studies. “That gives you a sense that Brics . . . is actually perceived as a threat.”

It’s a far cry from when O’Neill dreamt up the original Bric moniker in 2001 while head of global economics at Goldman Sachs. “I never dreamt there was going to be any Brics political club,” he tells the FT. “My thing was based on each of them individually, just that they were very important economic powers.”

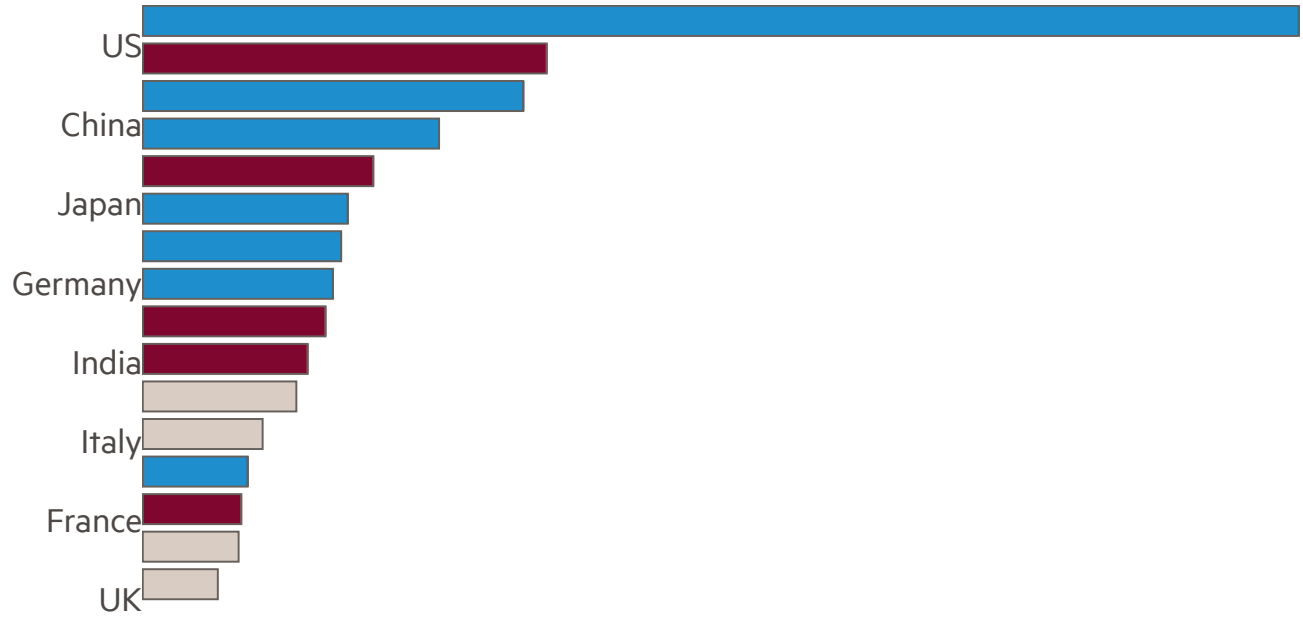
Over the past quarter century, the economic performance of individual Brics has diverged sharply. “China and India have vastly outperformed any of the projections we had in the early days, but the others [Russia and Brazil] have badly underperformed,” he says.

China is now the US's biggest economic rival

Ranking of largest economies (GDP at purchasing power parity, $tn), 2001 and 2026

Choose year 2001 2026

G7 Brics Other



Nonetheless, the basic concept — that key emerging markets would grow faster than the west and dominate the 21st-century global economy — remains intact.

Goods trade between Brics nations has jumped more than 13-fold since 2003, according to UN data, with intra-Brics exports hitting $1.2tn in 2025.

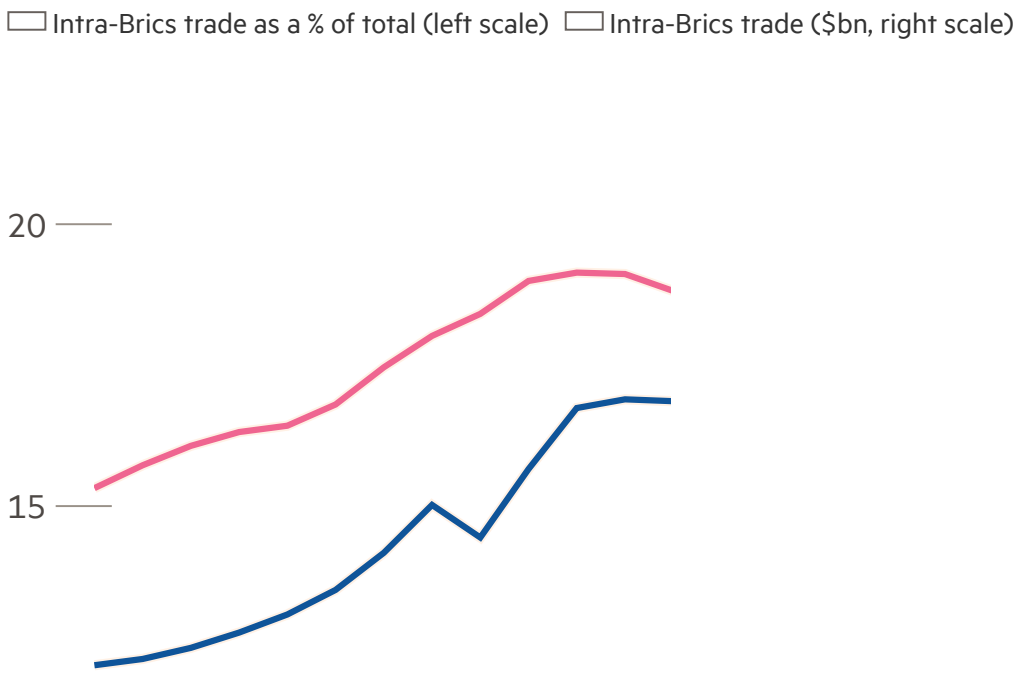
Some of the causes long espoused by the Brics, such as seeking an alternative to a US-led world, defending multilateralism and open trade, are newly fashionable amid Trump's disruptive diplomacy.

Matias Spektor, dean of international relations at the Fundação Getulio Vargas, a private university in São Paulo, argues that the Brics should not be judged on whether they act cohesively like the EU, because that was never their aim.

“The original objective of the Brics was to show that another world was possible outside the unipolarity of the United States and its selective use of international law,” he says. “That message is a message which is mainstream today, so in that sense the Brics have been a resounding success.”

Trade between Brics countries is now $1.2tn and forms a growing proportion of overall trade

Sum of goods exports between 10 Brics economies



Yet scepticism about the bloc persists, particularly in the west.

For Yun Sun at the Stimson Center, a Washington-based think-tank, “there is a perception” that groupings like Brics are “nothingburgers, right? That they don’t produce concrete collaboration mechanisms. But . . . if there’s no benefit provided to these member states, why do they want to join?”

Officials from Brics countries point to a range of concrete achievements. One is the creation of a lending institution intended as an embryonic rival to the World Bank, the Beijing-based New Development Bank. Since its founding in 2015, the NDB has approved $43bn in lending, according to bank figures from early 2026, versus almost $600bn globally from the World Bank.

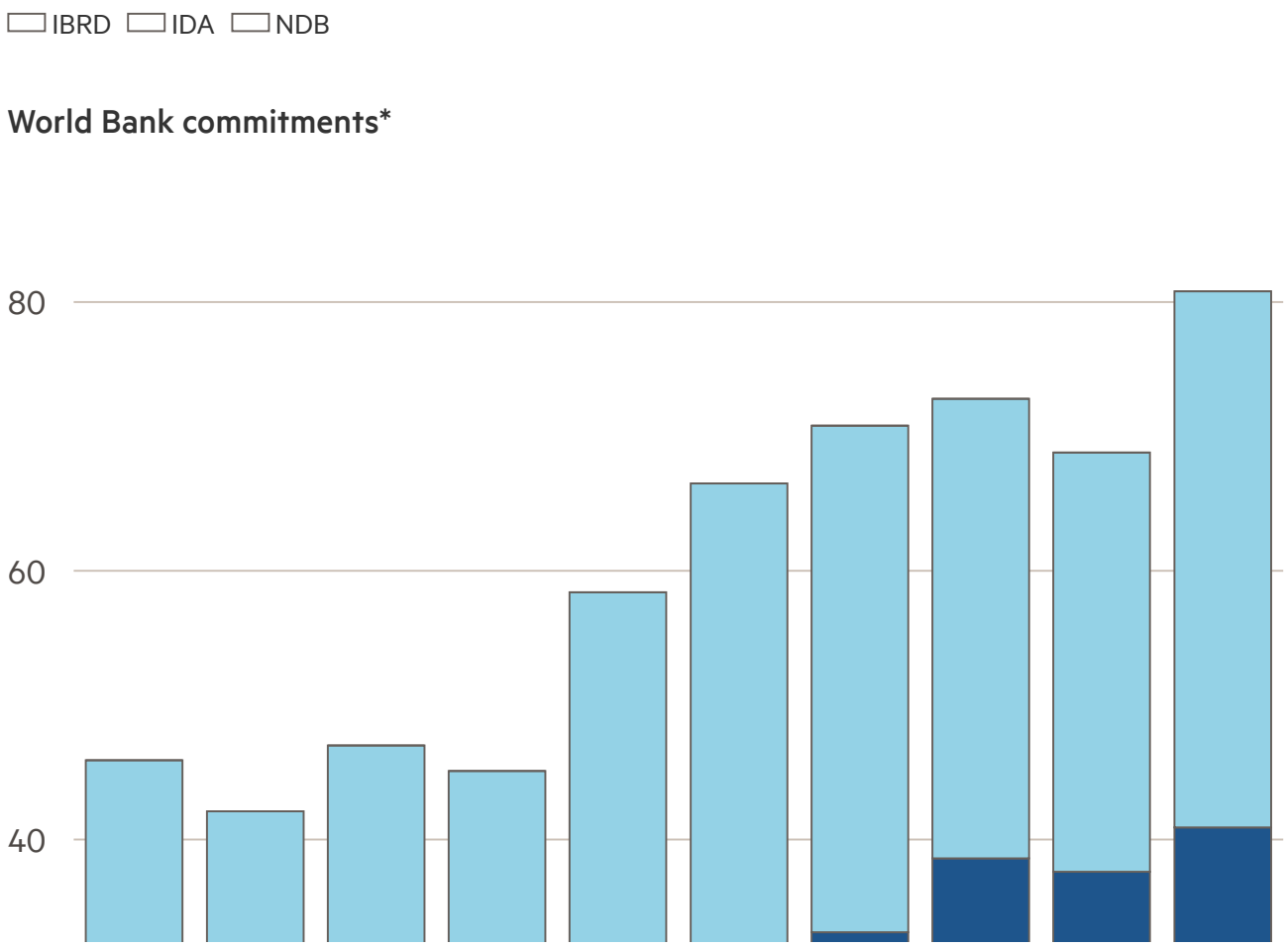
Less visible is what officials describe as an extensive web of intergovernmental Brics collaboration. Diplomats say it now extends to 20 separate negotiating tracks, focused on co-operation in areas ranging from space technology to green energy.

Among the latest initiatives: Moscow has suggested exploring a Brics digital platform for leading food exporters Russia, India and Brazil to trade grains and challenge the dominance of western commodity trading groups such as Cargill or Bunge.

Mauricio Lyrio, a Brazilian diplomat who acted as his country’s Brics “sherpa” — a senior official who lays the groundwork for meetings — highlights technical co-operation in areas like health.

The New Development Bank provides financing on a smaller scale than the World Bank

Financing for partner countries ($bn), 2016-25



“There have been important advances, such as Brics research centres for vaccines and socially determined diseases,” he says. China, Russia and India have combined on domestic tuberculosis vaccine research and development, for example.

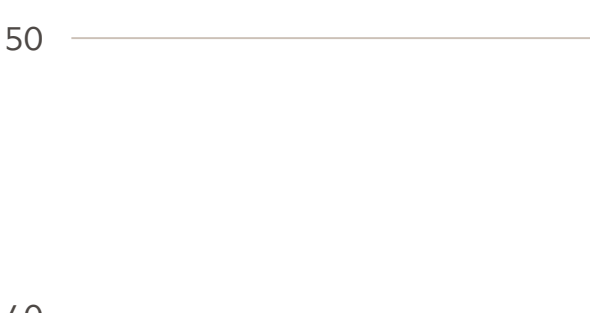
For newer members such as Ethiopia, the main attraction of the bloc is economic. “The core objective of Brics has always been our development,” says Mamo Mihretu, Ethiopia’s former Brics sherpa and central bank governor. “We want secure and predictable access to markets in trade, finance and investment and a genuine voice in global institutions.”

On the economic co-operation agenda, Brics nations are looking at ways of linking up digital instant-payment systems, such as Brazil's widely used Pix or India's pioneering UPI, which would allow them to bypass the dollar-based international payments system.

"Practically every country in the world outside the US . . . would like to disentangle itself from the dollar-dominated financial system and would like to see a world in which the dollar is less dominant as a payment currency and as a reserve currency," notes Eswar Prasad, a trade professor at Cornell University.

The rise of the Brics has failed to dislodge the dollar as the world's dominant currency

Share of international payments on Swift system, by currency (%)



Although China, Russia and Brazil's President Luiz Inácio Lula da Silva have a long-held ambition of reducing dependency on the greenback, senior Indian representatives made it clear that there is "no de-dollarisation agenda" at this year's summit, partly because, at least from New Delhi's perspective, "we have to be sensitive" to Trump.

Despite the bloc's progress, Brics nations are wrestling with growing geopolitical tensions that have accentuated their differences.

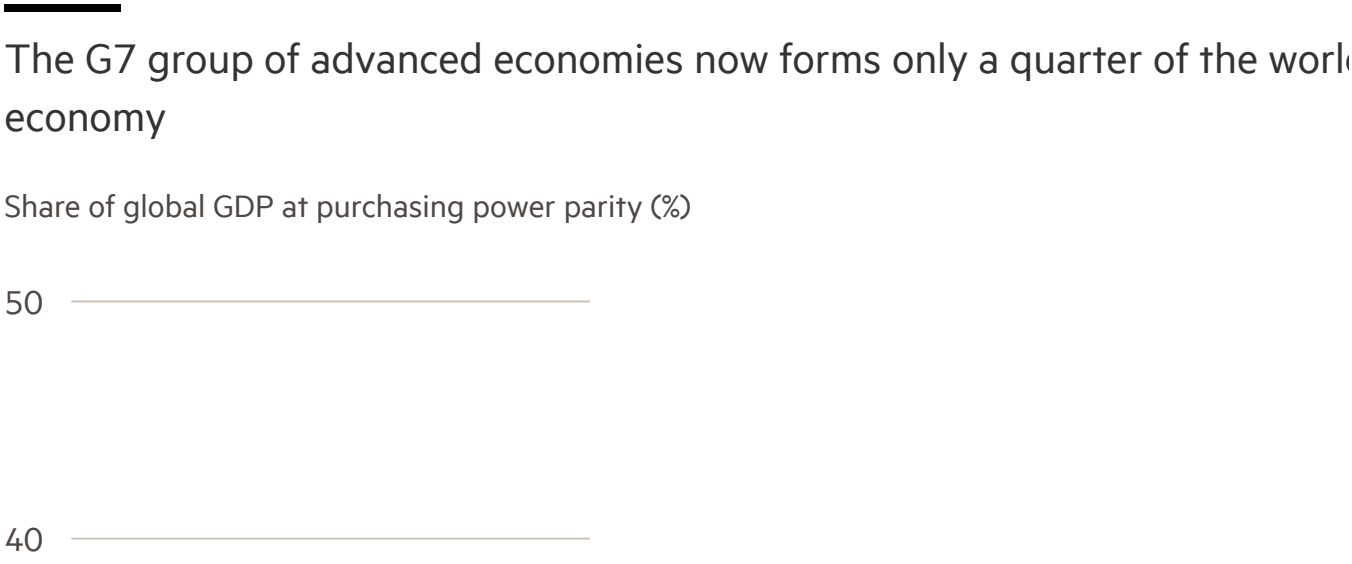
The most fundamental is over the role of China — whether it is a mere participant or de facto leader.

Like the G7, the Brics has no permanent secretariat and its chair rotates annually. Decisions must ostensibly be reached by consensus but in reality, Beijing's status as the group's sole superpower gives it huge weight.

For Xi, multilateral organisations such as the Brics are a critical platform for his ambitions to create an alternative global order that is more amenable to the Communist Party than the US-led model.

Through programmes such as China's Global Development Initiative, which it espouses at forums such as the Brics, Beijing sells the idea that Chinese-style development and poverty reduction contribute more to human rights than universal suffrage and western rule of law.

Yu Jie, senior research fellow for China at Chatham House, says China's aspirations are now becoming reality. "China has become a world order shaper," she says. "What Beijing says is not just diplomatic rhetoric, but also it has begun to tentatively fill that space."



Brazil and India, on the other hand, resist Chinese domination. “For the Indian government in particular, the sense that the Brics agenda sometimes turns into China’s agenda is a worrying prospect,” says Prasad.

Brasília and New Delhi want to position Brics as an alternative to the western-led world order, but not as anti-western — a position supported by the UAE. China, however, “wants to turn this into an anti-western forum,” says Amitabh Kant, India’s former G20 sherpa, speaking in a personal capacity. “India should ensure that the grouping does not become an anti-western grouping.”

Relations between China and India, which have periodically clashed over their contested border, became hostile again in 2020, when at least 20 Indian soldiers and an unknown number of Chinese troops were killed in clashes in the Himalayas. Economic rivalry adds another complication. Beijing is wary of India becoming an alternative for export manufacturing to compete with China, such as by wooing Apple to assemble iPhones or by producing semiconductors.

“India is cautiously re-engaging with China out of pragmatism, but deep mistrust persists,” explains Manoj Kewalramani, a China expert at Takshashila Institution, a research centre in Bengaluru. “Beijing today views itself as a great power, and India as an inferior regional power,” he adds.

Russia adds further complication because its invasion of Ukraine has made it a pariah in the west. Its Brics partners are engaging with a country under heavy sanctions by Europe and the US.

Yaroslav Lissovolik of Brics+ Analytics, a private consultancy in Moscow, estimates that just over half of Russia’s foreign trade is now conducted with core Brics partners, twice as big a share as before the Ukraine war. “The global south is becoming the key partner in the global economy for Russia,” he says. “It’s a significant shift in terms of economic alliances.”

Brics members have become key markets for one another

Share of intra-Brics trade (%), 1995-2024, by flow and country

Imports | Exports

China Other Brics members



FINANCIAL TIMES Source: The Growth Lab at Harvard University, FT calculations • Data covers merchandise trade only

As the economic heft of the Brics has grown, so has the appetite of some of its members to wield greater military power. China, Russia and India are among the world's top five defence spenders, according to the Stockholm International Peace Research Institute (Sipri).

This has led to tensions over whether the Brics should remain focused on economic development and trade, as India and Brazil prefer, or pursue more explicit security goals, as favoured by China.

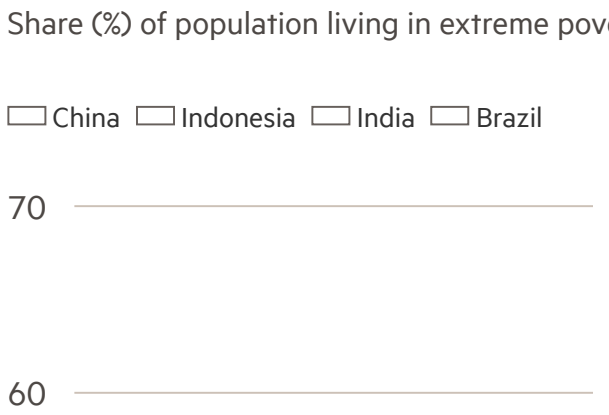
A naval exercise this year off the coast of South Africa, championed by China's ministry of defence under the label of "Brics Plus" and given the name "Will for Peace", created acrimony after Brazil and India declined to send ships and host President Cyril Ramaphosa unsuccessfully tried to stop Iran from participating.

Beijing's state media touted its goal as ensuring "the safety of relevant maritime trade routes" among the Brics — a reference to China's preoccupation with keeping shipping lanes open in the event of a conflict with the US over Taiwan.

The big Brics expansion of 2023-24 — opposed by Brazil and India but pushed through by China — proved especially problematic this year because new members Iran and the UAE are on opposing sides in the US-led war.

A Brics foreign ministers meeting earlier this year in India struggled to reach consensus as tempers flared between UAE and Iranian representatives.

Sustained growth in the larger Brics has brought many millions of people out of extreme poverty



Iranian foreign minister Abbas Araghchi told reporters at the time, without naming Abu Dhabi, that the final statement was “blocked” by a “member state” with a “special relationship with Israel”. The UAE representative, minister of state Khalifa bin Shaheen Al Marar, later accused Araghchi of “attempts to justify Iranian terrorist attacks” against the UAE.

Nonetheless, the UAE’s foreign ministry says it views Brics as “a platform for dialogue and practical co-operation”.

Seyed Emamian, co-founder of the Governance and Policy Think-Tank in Tehran, says what binds the members is more important than what separates them: “Everyone is looking for an alternative to US unilateralism. So Iran is looking for powerful alternative collaborative frameworks, like Brics.”

Some say Brics ought to stick to areas where they are already aligned, rather than trying to find common political ground. A senior Brazilian diplomat describes the Brics as “completely good news” on economy, science and technology, and international co-operation, but cautions: “The idea of the Brics as a political grouping is very artificial.”

But as the group looks at the next 25 years, it will face an intensifying gravitational pull from China.

“The Chinese view . . . is that the wind is blowing in our direction right now on the Brics, in large part because the west is making a hash of it,” says Pramit Pal Chaudhuri, south Asia head at the consultancy Eurasia Group. “India is putting up at best a valiant rearguard action but will struggle.”

Chatham’s Yu says: “Not only does China want to have a decisive vote in the game, but it also wants to design how the game is now played.”

Additional reporting by Nicolas Parasie in Dubai. Data visualisation by Keith Fray and Haohsiang Ko

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