

## Economic QuickView



### **BRICS+: A Rising Coalition of EM Economies with Significant Potential**

- Starting from five major emerging economies, BRICS has gradually expanded to BRICS+, with an aim to enhance global economic governance and collaboration.
- BRICS+ has played an increasingly important role in the global economy, with a vast market size, robust manufacturing, and high potential for consumption and investment.
- BRICS+ has shown strong growth potential, outpacing most developed economies.

### ***An EM-led coalition to enhance cooperation and promote development***

**BRICS comprises emerging market (EM) economies that could collectively reshape global governance and economic cooperation.** The term BRIC was coined by a British economist, Jim O'Neill, at Goldman Sachs (GS) in 2001, to describe four rapidly growing economies, namely Brazil, Russia, India, and China. He believed these economies would become dominant players in the global economy by 2050. Motivated by a shared interest in amplifying their voice in the global economy, the leaders of these four nations initiated high-level political dialogue to lay the institutional foundation for the formation of BRIC, with the 1<sup>st</sup> BRIC summit being held in Yekaterinburg, Russia, in June 2009. The inclusion of South Africa in 2010 transformed the group into BRICS.

**BRICS membership has continued to expand in recent years, reflecting the growing strategic importance of EM economies on the global stage.** In 2023, BRICS initiated an expansion process, upgrading to BRICS+. At present, the expanded BRICS+ includes ten economies, with the addition of Egypt, Ethiopia, Indonesia, Iran, and the United Arab Emirates (UAE). The 2024 Kazan Summit in Russia marked a pivotal moment in the evolution of BRICS when members agreed to create a new category of partner economies. These partner economies, while not full members, are invited to

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participate in BRICS summits, foreign ministers' meetings, and various discussions, providing a platform for collaborative efforts on shared values and objectives. The first batch of partner economies includes Belarus, Bolivia, Kazakhstan, Cuba, Malaysia, Thailand, Uganda, Uzbekistan, and Nigeria. These economies have the potential to be full members in the future.

**Existing BRICS+ cooperation is multi-dimensional.** Since its inception in 2001, BRICS+ has been working closely to strengthen cooperation through three main pillars. The 1<sup>st</sup> pillar, economic and financial cooperation, encompasses a wide range of initiatives aimed at promoting sustainable development, economic growth, and financial stability. The 2<sup>nd</sup> pillar, political and security cooperation, focuses on upholding international law, promoting multilateralism, enhancing security collaboration, and advocating for a more equitable global order. The 3<sup>rd</sup> pillar, people-to-people and cultural exchanges, emphasises cultural, educational, and social interactions among the BRICS+ economies. The BRICS+ economies have launched a variety of initiatives around these three pillars of cooperation over the years.

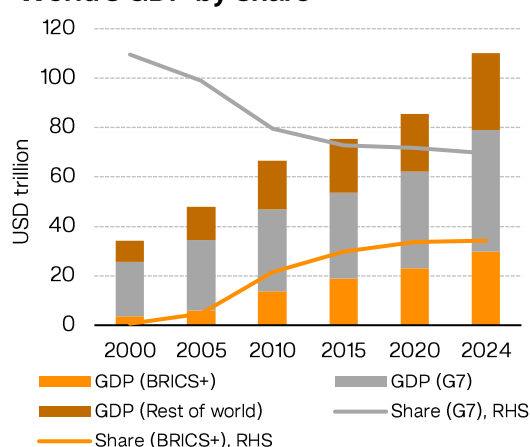
Three Pillars of BRICS+ Cooperation	
Pillar	Key Initiatives
Economic and Financial Cooperation	<ul style="list-style-type: none"><li>● New Development Bank (NDB): Provides financial support for infrastructure and sustainable development</li><li>● Contingent Reserve Arrangement (CRA): A total committed capital of USD 100 billion that provides liquidity support to member economies facing balance of payments pressures</li></ul>
Political and Security Cooperation	<ul style="list-style-type: none"><li>● Advocacy for multilateralism and United Nations reform, counter-terrorism initiatives, dialogues on regional conflicts</li></ul>
People-to-People and Cultural Exchanges	<ul style="list-style-type: none"><li>● Academic exchanges, cultural festivals, joint research initiatives, and youth forums</li></ul>

Source: XVI BRICS Summit Kazan Declaration, BEA Economic Research Department

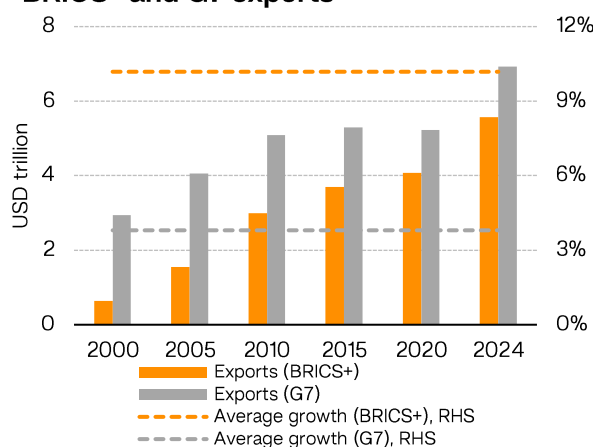
## ***BRICS+: Key markets with expanding production, consumption and investment***

**BRICS+ has shown rising influences in the global economy.** In 2023, BRICS+'s aggregate gross domestic product (GDP) reached USD 29.8 trillion, with its share of the global economy rising from 10.3% in 2000 to 27.1% in 2024. In comparison, G7<sup>1</sup> economies accounted for 44.8% of global GDP in 2024, down from 64.8% in 2000. From 2000 to 2024, BRICS+ economies grew at an average rate of 6.0%, outpacing the G7 economies (+1.6%) and the global average (+3.5%). Additionally, BRICS+ together represented 48.1% of the world's population in 2024, with a notably younger demographic profile. These figures underscore that BRICS+ economies are hard to be ignored.

<sup>1</sup> Canada, France, Germany, Italy, Japan, the UK, and the US

**World's GDP by share**


Source: International Monetary Fund

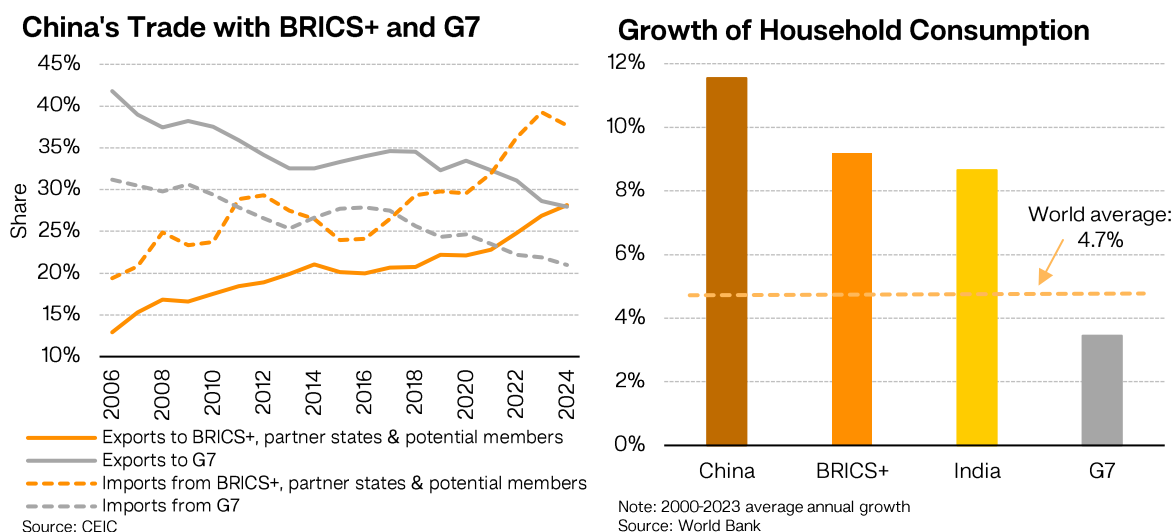
**BRICS+ and G7 exports**


Note: 2000-2024 average annual growth  
Source: World Trade Organisation, International Monetary Fund

**Manufacturing capacity in BRICS+ economies has expanded markedly, forming an increasingly integrated supply chain.** BRICS+ has emerged as a major manufacturing hub for global markets. Exports from BRICS+ economies expanded at an average annual rate of 10.2% from 2000 to 2024, reaching USD 5.6 trillion in 2024. Its share in global exports rose from 9.8% in 2000 to 22.8% in 2024, whereas the share for G7 exports declined from 45.6% to 28.3%. Moreover, China's trade with other BRICS+ economies is on the rise. The share of China's exports to other BRICS+ members, partner economies and potential members<sup>2</sup> collectively rose from 17.5% in 2010 to 28.1% in 2024, compared with a decline in exports to G7 economies from 37.5% to 27.9%. This trend reflects China's efforts to boost intra-BRICS+ trade, which helps form a resilient supply chain among BRICS+, thereby mitigating geopolitical risks arising from the Western economies.

**Consumption within BRICS+ economies has grown steadily, led by China.** Household consumption in BRICS+ economies reached USD 13.4 trillion in 2023, increasing at an average annual rate of 9.2% from 2000 to 2023, surpassing the global average of 4.7% and the G7's 3.5%. Its share in global consumption rose sharply from 8.6% in 2000 to 22.3% in 2023. Among BRICS+ members, China's household consumption expanded at an average rate of 11.5% annually from 2000 to 2023, elevating it to be the world's 2<sup>nd</sup> largest consumer market, while India's consumption grew by a strong annual average of 8.7%, positioning it as the world's 5<sup>th</sup> largest consumer market. Improvements in household incomes, rapid urbanisation, supportive poverty-reduction policies and large consumer bases have all contributed to vigorous consumer spending.

<sup>2</sup> Turkey, Saudi Arabia, and Vietnam



**Vast investment opportunities have yet to be unleashed.** Infrastructure development in BRICS+ remains uneven. In the IMD World Competitiveness Report 2024, the infrastructure sub-index scores for Brazil (25.7), India (31.1), South Africa (21.0) and Indonesia (34.6) were significantly lower than the G7 average of 65.3. These disparities indicate vast investment needs in areas spanning logistics facilities, green transition, and digitalisation. Despite these challenges, BRICS+ has continued to attract foreign direct investment (FDI), with FDI stocks rising by an annual average rate of 11.9% from 2000 to 2023, reaching USD 6.4 trillion. Thus, capital investment is expected to be one of the major driving forces of economic growth and efficiency gains within BRICS+.

	GDP Growth Forecasts*		
	2025-2029	2030-2039	2040-2049
<b>BRICS+ Members</b>			
Brazil	2.3%	2.8%	2.5%
Russia	1.2%	1.6%	1.2%
India	6.5%	4.6%	3.7%
China	3.8%	2.5%	1.6%
South Africa	1.5%	3.6%	3.4%
UAE	4.7%	n/a	n/a
Egypt	5.1%	5.3%	4.4%
Ethiopia	7.4%	8.2%	6.6%
Iran	2.4%	n/a	n/a
Indonesia	5.1%	3.6%	3.0%
BRICS+ Weighted Average	4.0%	n/a	n/a
<b>Potential BRICS+ Members</b>			
Saudi Arabia	3.9%	3.2%	2.5%
Turkey	3.4%	2.9%	2.1%
Vietnam	5.8%	n/a	n/a
<b>World and G7 Members</b>			
World	3.2%	2.5%	<b>2.1%</b>
G7	1.7%	1.6%	1.4%

\*Note: 2025-2029 forecasts from the International Monetary Fund, 2030 – 2039 and 2040 – 2049 forecasts from Goldman Sachs  
Source: International Monetary Fund, Goldman Sachs

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**BRICS+ economies are projected to maintain stronger-than-average growth in the coming decades.** BRICS+ economies are well-positioned to outpace the growth rates of the G7 economies, buoyed by expanding populations, abundant natural resources, and rapidly advanced industries. Rising consumer demand, accelerated technological adoption, and targeted infrastructure investments are set to underpin these trends. In the near term, the International Monetary Fund (IMF) forecasts an average GDP growth of around 4.0% amongst BRICS+ economies from 2025-2029, compared with a global growth forecast of 3.2% and the G7 average of around 1.6%. Moreover, potential BRICS+ members like Saudi Arabia, Turkey, and Vietnam are also expected to grow above global trends, at 3.9%, 3.4%, and 5.8%, respectively. In the long term, GS predicts that several BRICS+ and potential BRICS+ members will continue to outperform the global economy.

World's Largest Economies (in USD)*				
Ranking	1980	2000	2025F	2050F
1	US	US	US	China
2	Japan	Japan	China	US
3	Germany	Germany	Germany	India
4	France	UK	Japan	Indonesia
5	UK	France	India	Germany
6	Italy	China	UK	Japan
7	China	Italy	France	UK
8	Canada	Canada	Italy	Brazil
9	Argentina	Mexico	Canada	France
10	Spain	Brazil	Brazil	Russia

■ BRICS+ Member ■ G7 Member ■ Other

\*Note: 1980, 2000, and 2050 data from Goldman Sachs, 2025 forecasts from the International Monetary Fund  
Source: International Monetary Fund, Goldman Sachs

**Certain BRICS+ economies are expected to grow into the world's largest economies by 2050.** GS further predicts that by 2050, half of the world's ten largest economies, and three of the five largest, will be BRICS+ economies, underscoring the long-term growth opportunities in BRICS+ economies. Notably, China is forecasted to overtake the US as the world's largest economy, with India rising to the 3<sup>rd</sup> largest and Indonesia surging to the 4<sup>th</sup> largest.

## BRICS+ future expansion and initiatives represent vast opportunities for growth

**BRICS+ is expected to continue its expansion as more EM economies express interest.** In recent years, many EM economies have expressed a desire to join the group, reflecting the growing appeal of its alternative approach to global governance and economic cooperation. For many EM nations, joining BRICS+ offers access to a platform that promotes economic cooperation, trade diversification, and investment opportunities. Politically, membership enables these economies to advocate for reforms in institutions such as the United Nations, the IMF and the World Bank, potentially reshaping the international system in favour of EM economies.

**Future developments of BRICS+ are likely to reinforce cooperation and growth through innovative initiatives.** One promising initiative is BRICS Pay, a digital payment system proposed in 2018 designed to facilitate seamless transactions among BRICS+ economies by enabling the use of



local currencies for cross-border trade. This system aims to enhance financial inclusion, lower transaction costs, and increase trade efficiency. Moreover, BRICS Pay is envisioned as a tool to support the transition towards a multipolar global financial system, thereby strengthening economic sovereignty and reducing exposure to currency exchange volatility for BRICS+ economies. Currently, Russia is one of the strongest proponents of this system.

**The 2024 BRICS summit in Kazan laid out several forward-looking initiatives.** Russia advocated for the establishment of various specialised exchanges, such as a 'BRICS Grain Exchange' to set fair prices for key agricultural products and an international precious metals exchange to serve as an alternative to Western metals exchanges. These initiatives are expected to reduce dependence on existing Western infrastructures while enhancing connectivity among BRICS+ economies. Besides, Brazil's framework for its 2025 BRICS Presidency outlined prospective areas of focus for the next summit, such as launching the BRICS Partnership for the Elimination of Socially Determined Diseases and Neglected Tropical Diseases, advancing the partnership for the New Industrial Revolution, adopting the 2030 Strategy for the BRICS Economic Partnership, and adopting a BRICS Climate Leadership Agenda.

**Potential further BRICS+ expansion offers additional avenues for growth.** With economies like Saudi Arabia invited to join and Turkey expressing interest, BRICS+ is poised to enhance its influence as a counterbalance to Western institutions like the G7. Integrating resource-rich economies like Saudi Arabia could bolster the BRICS+'s energy security and collective bargaining power in global markets, particularly in oil and gas. Similarly, Turkey's strategic geographic location as a bridge between Europe and Asia could further enhance trade and connectivity within the bloc. Vietnam has also been brought up as a potential member in the future, with its rapid growth and close proximity to China offering the group critical synergies in building robust supply chains.

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