BRICS in Transition: A Critical Analysis of Opportunities and Challenges within an Emerging Global Order

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Abstract

This research critically examines the transition of BRICS into an expanded bloc incorporating Egypt, Ethiopia, Iran, and the UAE, amid a shifting global order. The study centres on the puzzle of how BRICS, with its growing diversity in economic priorities, political ideologies, and development levels, can maintain internal cohesion and effectively address global governance challenges. Employing a mixed-method approach that combines quantitative analysis of GDP growth, FDI flows, and trade volumes with qualitative analysis of policy documents and expert opinions, the paper highlights the bloc's growing strategic influence in trade, energy, and geopolitical affairs. Findings suggest that while the inclusion of resource-rich and strategically located nations enhances BRICS' leverage in fostering a multipolar world order, ideological diversity, regional rivalries, and power asymmetries pose significant risks to cohesion. The study argues that BRICS' ability to reshape global governance will depend on establishing flexible, consensus-driven decision-making frameworks and leveraging South-South cooperation.

1. Introduction

The BRIC, an acronym of four emerging economies—Brazil, Russia, India, and China—was officially formed as an alliance in 2009, with the common goal of establishing a powerful platform in global economic governance. South Africa joined the grouping in 2010, making it the BRICS. The alliance was basically created to strengthen the economic cooperation and promote financial and trade mobility among these rising economies. However, balancing the influence of G7 countries and creating room for the rising powers globally was also the hidden wish of the group. BRICS is distinguished by the large populations of its members, rapidly growing economies, and growing collective political influence on the global stage. Over the years, BRICS has become a symbol of the collective strength of emerging markets, accounting for nearly 42% of the world's population and about 23% of global GDP, highlighting its significance in international affairs [O'Neill 2020].

However, the dynamics within BRICS are evolving as the group have gained new members, signalling a transition phase. The BRICS political and economic environment has seen substantial changes because of this transition. The addition of new members, from different corners of the world, produces both opportunities and challenges, as these new entrants bring different economic priorities, political ideologies, and levels of development. This research examines the impact of this transition on the ability of the BRICS alliance to uphold cohesion and achieve its long-term goals. Understanding how BRICS acclimatizes to these shifts is essential in determining its further relevance in the global order.

In the circumstances, this research focuses on the key question of how BRICS, with its diversifying membership, can maintain internal cohesion and effectively navigate the opportunities and challenges presented by its expansion in a shifting geopolitical landscape. As BRICS struggles to balance the conflicting interests of its current and potential members, this issue is vital to the ongoing discussion over the bloc's future. Originally, BRICS aimed to foster economic cooperation, mobilize infrastructure development, and ensure global financial stability, but it now faces new challenges as through expansion, the grouping includes new members from the Global South. However, this expansion also introduces complexities due to the diverse economic and political landscapes of the new members, which can complicate cohesive policymaking and strategic alignment within the group [Moch 2024]. Therefore, this paper aims to critically analyze the prospects for cooperation that this transition presents and to investigate the potential challenges that may hinder BRICS' progress. The study focuses on key sectors such as economic growth, investment in these countries, mainly, Foreign Direct Investment (FDI), trade liberalization, and political cohesion and affiliation within BRICS. Each of these sectors offers both potential synergies and areas of friction. This analysis attempts to provide insights into how BRICS can play an important role in global governance while navigating its internal complexities.

This paper is organized as follows: A review of the literature on the research topic is presented in the second section. A thorough overview of the theoretical framework will be provided in the third section, with an emphasis on the characteristics of global alliances and economic cooperation. The fourth section will explore the possibilities brought forth by the BRICS transition, looking at areas where collaboration might thrive, including trade, investment, and economic growth. Difficulties will be discussed in the fifth segment, along with how to handle power imbalances within the bloc and manage conflicting political and economic agendas. Conclusions and suggestions will be provided in the latter section, along with suggestions for flexible tactics that BRICS can use to promote greater unity while taking into account its diverse membership. This study attempts to contribute to the ongoing dialogue on the role of BRICS in the new global order by examining both opportunities and obstacles.

2. Historical evolution of BRICS: A bibliographical review

As the dynamic alliance of emerging states, extensive research has been documented on the BRICS group's achievements and the array of challenges it has faced throughout its journey. Since its inception, BRICS has gathered enough attention for its collective attempt for a multilateral global order, putting the emphasis on challenging Western-led dominance in international institutions. This ambition has materialized in various ways, notably through the creation of alternative financial institutions such as the New Development Bank (NDB) and the Contingent Reserve Arrangement [Saran & Sharan 2012]. Establishment of these institutions is clear evidence of the group's efforts to lessen their dependency on the Western-dominated World Bank and the IMF. The NDB along with the Asian Infrastructure Investment Bank (AIIB) have finished their formation and built large-scale project portfolios [Andronova & Shelepov 2019]. By promoting "South-South" cooperation, the NDB has emphasized infrastructure development, thereby positioning BRICS as a key player in the global development finance landscape [Hopewell 2020].

Promoting the Global South on matters ranging from reform of the multilateral trading system to climate policy has been a key component of BRICS' influence. The need for more egalitarian global governance frameworks has been portrayed as a unified position by BRICS through yearly summits and joint announcements. Scholars argue that the coalition has reshaped the discourse on development finance, pushing for reforms in trade systems that often disadvantage emerging economies [Beeson & Zeng 2018]. The BRICS countries have indeed been vocal advocates for climate justice, emphasizing the need for fair financial support from developed nations to assist developing countries in achieving their climate targets [Shen & Zou 2024]. Despite these successes, some scholars argue that the effective reach of the BRICS' initiatives is still limited, as its members are still reliant on Western institutions for financial and trade norms.

The extensive literature also identifies significant challenges before BRICS, primarily due to the economic and political diversity of its member states. This diversity brings internal contradictions that often complicate the bloc's efforts at cohesive policymaking. For instance, structural differences in their economies—Brazil as a primary resource exporter, China as an industrial and manufacturing powerhouse, Russia's reliance on energy exports, and India's service-oriented economy—create tensions around economic coordination [Stuenkel 2015]. However, any divergent economic policy hampers collective decisions, primarily in sectors like trade policies and tariffs, because in such context, each member may promote differing national interests. The varying levels of economic interdependence between BRICS' members further complicate economic policy coordination, particularly in sectors where their exports compete on global markets [Nye 2013].

In addition, political and ideological differences within BRICS raise predicaments. For example, Russia and China, with their, relatively speaking, more authoritarian systems of governance, often differ ideologically from members with a more democratic nature like Brazil, India, and South Africa. This contrast complicates BRICS' capacity to present a unified political stance, especially on issues of international security and human rights, where authoritarian and democratic values may come into conflict [Cooper 2016]. These ideological differences often weaken the group's decision-making processes and hinder BRICS' credibility as a cohesive voice for the Global South.

The idea of BRICS expansion has harvested growing interest among scholars, who argue that enlargement holds both opportunities and potential drawbacks. Some observers posit that the inclusion of new states within the group could enhance BRICS' legitimacy, making it a more comprehensive representative of the Global South and thus strengthening its international positions [Hopewell 2020]. By adding new members to the club, BRICS could widen its scope and influence in the United Nations or World Trade Organization. This vast membership could amplify the group's capabilities to drive reform in diverse areas such as trade, climate policy, and development finance.

On the other hand, an extended BRICS raises concerns about its cohesion and operational effectiveness. As the group has already been marked by significant heterogeneity on many occasions, critics contend that expansion could exacerbate existing challenges for the bloc, such as ideological and economic divergences, potentially stalling progress on collective initiatives [Kornegay & Bohler-Muller 2021]. Furthermore, it is also predicted that the elevated complexity in decision-making might hinder BRICS' ability to act as a cohesive group on pressing global issues, thereby weakening its influence on the world stage.

While this extensive literature provides insights into BRICS' successes, challenges, and debates over its growth and possible impact, there is also a notable research gap concerning BRICS expansion and its specific impact on key areas of intra-BRICS cooperation. Few studies have tried to analyze BRICS expansion, but no empirical research has been conducted so far that would examine how the addition of new members would influence economic growth, investment flows, trade trends, political cohesion, and unified action on global issues like climate change, security, and development finance. Apart from this, there is a lack of literature on the possible long-term effects of this expansion on BRICS' institutional efficacy and capacity to serve as a counterbalance to Western-dominated global governance. Filling in these gaps may help us to understand whether a larger BRICS is feasible, and if it can change the global order in the upcoming decades.

3. Theoretical framework

Theoretical perspectives are the lens through which to understand the BRICS phenomenon. Three dominant theoretical perceptions, Realism, Liberalism, and Constructivism provide a distinct lens with which to examine BRICS' expansion and its implications for the global order. These theories offer essential frameworks for understanding the aspirations, dynamics, and potential impact of the bloc's growth on global governance. The Realists view BRICS expansion as a strategic manoeuvre aimed at counterbalancing Western power, particularly the influence of the United States and other G7 countries. Realist scholars argue that BRICS represents a platform for its members to pool their influence on the global stage, promoting a multipolar world order that can offset Western dominance in institutions like the International Monetary Fund (IMF) and World Bank [Beeson & Zeng 2018; Varela & Delgado 2019]. From this perspective, the expanded BRICS helps to build the club as a stronger voice of the global south, thereby providing it with the strength to challenge the West.

Liberalism, in contrast, emphasizes the ability of BRICS to foster cooperation and promote interdependence among its members, thereby contributing to global stability. Liberal theorists argue that international institutions and alliances like BRICS serve as platforms for collective problem-solving, facilitating trade, economic growth, and shared development goals [Keohane & Nye 1977]. For liberals, BRICS expansion is an opportunity that helps them to enhance their economic cooperation, boost trade liberalization and mobilize resources for infrastructural development. Liberals believe that expanded membership could increase BRICS' capacity to support global economic stability, promote inclusive growth, and create a framework for cooperative engagement with other multilateral institutions.

Constructivist theories add a different dimension by focusing on the role of shared identities, norms and values within BRICS. Constructivists suggest that BRICS is not just a strategic or economic alliance, but a bloc shaped by a collective identity as emerging economies advocating for a more equitable world order [Van Tulder et al. 2016]. Constructivists view BRICS expansion as incorporating a broader range of cultural and political values, enhancing the bloc's legitimacy and representativeness on the global stage [Jones 2024]. However, they also caution that BRICS' diverse political and economic backgrounds may lead to identity conflicts, requiring ongoing negotiation of common values to maintain unity [Cooper 2016]. Collectively, these theoretical viewpoints demonstrate the complexity of the group's expansion. Realist perspectives underline the bloc's strategic objectives. Liberal ideas highlight economic interdependence, and Constructivist methods emphasize common identities and the need to reform global governance. Each perspective contributes to a comprehensive understanding of BRICS as an evolving coalition with both opportunities and challenges as it expands its membership.

3.1. Research methodology

The study employs both quantitative and qualitative analyses to thoroughly evaluate the potential impacts of BRICS expansion on economic cooperation, investment flow, shifting patterns in international trade, and global influence. A longitudinal research design is applied to track the evolution of BRICS over the period and forecast the effects of expansion. The study examines the BRICS group's historical growth and anticipates the future trajectory by evaluating both economic and political indicators. This mixed methods approach provides a well-rounded interpretation of the impact of expansion on internal cohesion of BRICS and its positioning on the global stage.

The data collection process includes both quantitative and qualitative methods. Quantitatively, economic indicators and trade data have been collected from secondary sources, including the World Bank, IMF and United Nations trade databases, to assess intra-BRICS trade flows, GDP growth rates, foreign direct investment (FDI), and economic interdependence among BRICS members and potential new entrants. For qualitative analysis, content from BRICS summit declarations, policy documents, and official statements are examined to evaluate the coalition's political alignment and thematic focus over time. Additionally, the opinions of scholars, policymakers, and international relations experts from BRICS countries and potential member states have been collected from different sources of news media in order to obtain nuanced perspectives on the political and ideological aspects of expansion.

3.1.1. Data analysis

Both qualitative and quantitative techniques are used in the analysis of the data that was collected. Thematic analysis is used for qualitative data to discover important patterns and insights from the collected opinions. This approach makes it possible to identify recurrent themes and concepts pertaining to ideological alignment, political cohesion, and decision-making difficulties, which promotes a more complex comprehension of the ramifications of BRICS' growth. Simultaneously, quantitative data analysis looks at trade volumes, investment flows and growth indicators within BRICS, using statistical techniques like trend analysis and correlation analysis. These statistical techniques made it possible to identify important trends and relationships that inform the study's conclusions about the economic dynamics within the bloc.

3.1.2. Limitations

The study faced limitations due to potential inconsistencies in data availability across all BRICS nations and potential new members, especially given the varied economic and governance structures of each country. This limitation is acknowledged, and results interpreted accordingly with caution to account for potential variations in future international relations dynamics.

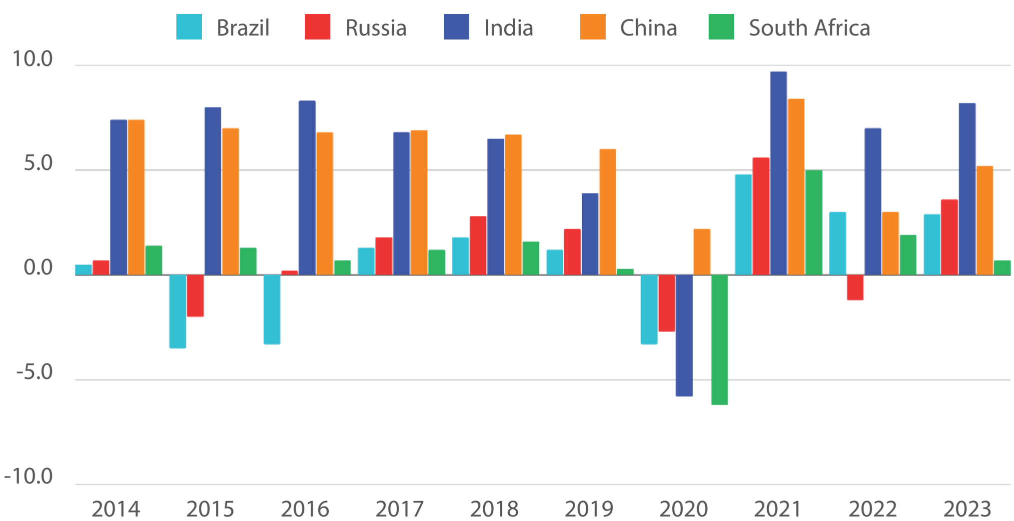
4. Economic analysis of BRICS: Quantitative observations

4.1. The growth trajectory of BRICS

The economic growth trajectory of BRICS has been pivotal to discussions on economic and geopolitical shifts, given the coalition's potential to influence global structures. Since its formation, BRICS has progressed from a loose association to a cohesive group with substantial influence, driven by robust economic growth and the development of supportive institutional mechanisms [Stuenkel 2015]. The coalition's early economic rise was spearheaded by China and India, which saw growth rates averaging over 10% and 7–8% respectively, with Brazil and Russia benefiting from strong commodity exports, albeit with more volatility due to external dependencies [Hopewell 2020]. Collectively, BRICS' economic ascent has allowed it to advocate for greater reform in institutions like the IMF and World Bank to reflect its growing influence [Robinson 2015].

BRICS' economic growth has also been characterized by significant diversity, with China and India expanding into technology and services, while Russia remains reliant on energy and Brazil on agriculture. This diversity has contributed to global trade but poses challenges for internal policy cohesion, particularly with China's rapid growth positioning it as the bloc's leading economy [Pant 2013]. Institutional milestones, such as the New Development Bank (NDB) and Contingent Reserve Arrangement, were established to promote financial independence from Western institutions, supporting South-South cooperation and providing crisis funds for BRICS members [Stuenkel 2015; Acharya 2017]. However, internal political differences and external crises, such as the COVID-19 pandemic, have unevenly affected members, with Brazil and South Africa facing stagnation while India and China showed resilience [Cooper 2016; Beeson & Zeng 2018; Varela, Delgado 2019]. As BRICS contemplates expansion, this trajectory may shift, potentially strengthening its global standing but risking cohesion and decision-making complexities [Narlikar 2020].

Figure 1. Real GDP growth rate (PPP) in BRICS countries during 2014–2024 in %



Source: BRICS Joint Statistics Publication, 2024 & World Bank Open Data available at https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG

BRICS countries have depicted varying trajectories of GDP growth over the period from 2014 to 2023 (see Figure 1 on p. 58), highlighting both times of resilience and times of vulnerability, and elucidating important patterns and obstacles that have influenced each member nation's economic path. Although both China and India have had downturns connected to larger structural and external forces, they typically exhibit the greatest and most consistent development. China's growth exhibits a declining trend pre and during the Coronavirus period. Its growth declined from 7.4% in 2014 to 2.2% in 2020. However, China's economy was enough resilience compared to other Western economies during the pandemic. China is rebounding sharply due to its stringent control measures and robust fiscal policies. In 2023, China achieved a GDP growth rate of 5.2%, meeting its annual target and underscoring its role as a consistent economic leader within BRICS [Global Times 2023].

India remained as a consistent high growth economy within the BRICS group, upholding high growth rates averaging above 6% before the pandemic hit the world. India's economic reforms, demographic dividend and insistence on infrastructure development bolstered this growth. India experienced a significant downturn in its economic growth trajectory, with the COVID-19 pandemic contributing to a 5.8% contraction in the fiscal year 2020–2021. But the economy illustrated noteworthy resilience by marking a growth rate of 9.1% in 2021–2022 and retaining strong growth at 7.2% in 2022–23. This performance highlights the adaptability of India's service-oriented and diversified economic structure [PIB 2023].

Equally, Russia, South Africa, and Brazil face more fluctuating growth patterns. Brazil's economy experienced a substantial variation throughout the period 2014–2023. With a modest growth in 2014 (0.5%), it faced economic recession in 2015 and 2016 (-3.5% and -3.3%, respectively). This negative GDP growth was majorly affected by political turmoil and a commodity market slump and fiscal imbalances. While the country witnessed a mild recovery from 2017 onwards, jumping by 1.8% in 2018, the economic impact of COVID-19 caused another shock, led to a 3.3% contraction in 2020. Post-COVID recovery was rapid in the following years maintaining growth at 4.8 % (2021) and around 2.9% in 2023 [Carvalho et al. 2023]. However, the fluctuating growth has necessitated drastic reforms in Brazil's economy. Russia's growth trajectory was similarly influenced by external and internal factors. Economic growth in 2014 (0.7%) to -2.0% in 2015 due to fluctuating global oil prices and imposed sanctions following the geopolitical tension with Western countries. Growth was evident from 2016 (0.2%) to 2019 (2.2%), but COVID-19 led to an economic slowdown (-2.7%). The Russian economy managed to recover in 2021 with 5.6% growth rate followed by a new slowdown of 2.1% in 2022, due to the conflict in Ukraine [World Bank 2023].

South Africa's growth, meanwhile, was hindered by structural economic challenges like high unemployment, political uncertainty, and reliance on commodity exports as the major factors behind the scene. GDP growth was hiked at 1.6% in 2018 before the pandemic, facing a contradiction of -6.2% in 2020. Recovery was slow and growth remained far from touching 2% throughout 2022 and 2023, highlighting persistent economic challenges.

These trends underscore a primary challenge for BRICS: maintaining internal cohesion amid diverse economic structures and external dependencies, as well as the importance of stable political and economic policies to support growth trajectories [Acharya 2017]. The data emphasize the heftiness of China and India compared to the volatility in Brazil, Russia, and South Africa. The data also focus on the potentiality for growth within BRICS, while at the same time underlining the challenges that this expansion might bring by considering the existing economic disparities within the bloc.

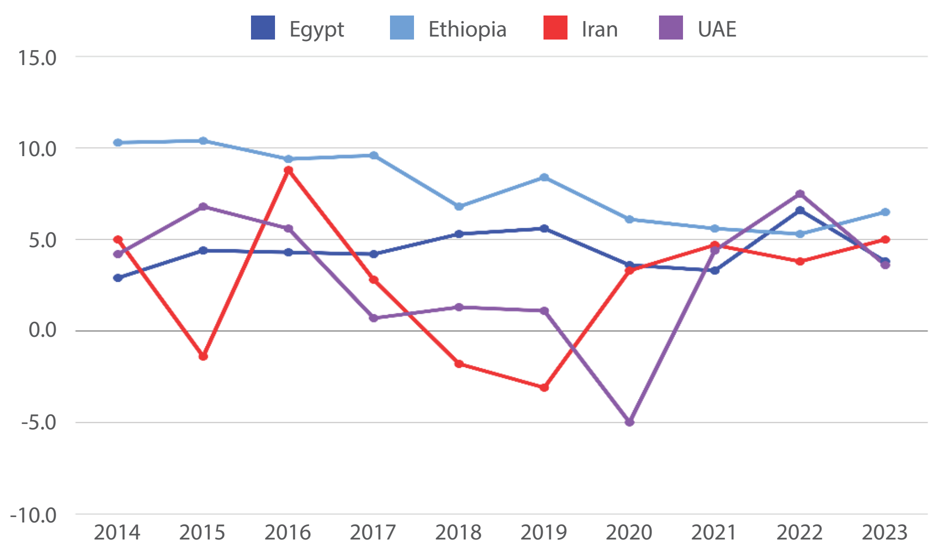
Overall, the divergent paths show how difficult it is for BRICS to achieve economic cohesion. Although China and India have continued to expand at a rapid pace, the economic instability of South Africa, Brazil and Russia highlights how difficult it is to develop a cohesive economic policy within the alliance, given the different economic underpinnings and outside factors that each nation faces. This fluctuation implies that while BRICS is still a substantial economic bloc, its internal economic disparities may limit its ability to act as a cohesive counterbalance to Western economic alliances, if it wishes to do so in the future [World Bank 2023].

4.1.1. New members, new trajectories

However, inclusion of new countries such as Egypt, Ethiopia, Iran, and the United Arab Emirates under BRICS Plus adds new dimensions to the alliance. These new entrants represent diverse economies ranging from resource-based (Iran, UAE) to agrarian and manufacturing driven (Ethiopia, Egypt) models. The comparative GDP (see Figure 2 on p. 60) depicts a clear picture of the economic relations of BRICS with new entrants over the past decade. Their growth trajectories display diversified economic performances, which complements the existing BRICS economies and mitigates risks from sector-specific surprises.

Egypt has exhibited sustained growth rate over the years, with annual rates ranging from 2.9% in 2014 to a high of 6.6% in 2022. This sharp growth rate was hit by the COVID-19 pandemic. However, it succeeded in maintaining stable growth, averaging 3.5% over the decade. This consistent performance reflects its resilience and strength to accommodate global and regional economic realities. Egypt's relatively stable growth reflects the results of its economic reforms that aimed at fostering an investment conducive environment, primarily in infrastructure, which has made it one of Africa's leading economies [Kornegay & Bohler-Muller 2021].

Figure 2. GDP growth rate (PPP) in Egypt, Ethiopia, Iran, and UAE in 2014–2023 in %



Source: BRICS Joint Statistics Publication, 2024 & World Bank Open Data available at https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG

Ethiopia has been able to continue robust economic growth at an average of between 7% and 10% in most years, proving that it is one of Africa's fastest-growing economies. This significant progress is attached to modernization in agriculture, heavy investments in infrastructure, and Ethiopia's strategic location in the Horn of Africa, a pivotal point for trade and regional stability. Despite these trajectories, Ethiopia's growth has dropped 5.3% in recent years, reflecting the result of internal strife, international disruption, and economic pressure. Even though its economic size is far smaller than its other BRICS partners, the growth that the country is experiencing has meant Ethiopia has become a rare example of an African growth story.

Iran's economic trajectory has been highly volatile and influenced by external factors. In 2016, following the adoption of a Joint Comprehensive Plan of Action (JCPOA) and the easing of international sanctions, Iran recorded GDP growth as 8.8%. This positive peak was driven by an increase in oil exports, which served as the backbone of its economy [Reuters 2024]. However, this spike did not last. By the end of 2019, the US's unilateral withdrawal from JCPOA, followed by renewed sanctions by the US government under Trump, meant that Iran's growth trajectory entered into a deep recession, recording a negative growth rate of -3.1%. This happened in the context of international sanctions and the geopolitical tussle. Iran's integration into BRICS not only enhances the alliance's energy security but also strengthens its geopolitical influence in the Middle East, providing opportunities for BRICS, as well as Iran, to keep Western hegemony away from the region.

Compared with other BRICS Plus members, the UAE has shown relatively rational and stable growth. It has experienced notable peaks, with a 7.5% growth rate in 2022, but also witnessed a slowdown in growth to -5% in 2020 during the COVID-19 pandemic. As UAE is a major oil exporter and an international destination for logistics, innovation, and finance, the UAE's economic activism is closely tied to global economic cycles and energy markets.

Five founding members of BRICS collectively represent approximate 35% of the world's GDP, which is higher than the G7's 30% share. With the addition of Egypt, Ethiopia, Iran, and the UAE, BRICS accounts for over 37% of global GDP, substantially increasing its global economic influence. The new entrants together contribute around 1.51% to the global economy, with Egypt's GDP at $477 billion, Ethiopia's at $164 billion, Iran's at $359 billion, and the UAE's at $508 billion [IMF 2024]. Since this represents nearly half the world's population and a substantial share of global trade and resources, this expansion not only boosts the group's contribution to global GDP, but also increases its demographic and geopolitical weight. This further positions BRICS as a critical player in remaking the global economic and political order.

Comparatively, economic growth in the original BRICS countries is moderate as well as steadier due to its broader economic base, whereas smaller economies like Ethiopia witness faster but potentially less stable growth. Its growth scenario shows that the BRICS group may have long-term growth potential, but that it may also experience difficulties in maintaining cohesive policymaking due to its divergent nature. In contrast, countries like Egypt and the UAE, though smaller, may benefit from focused economic reforms and regional stability efforts that position them as potentially important players in an expanded BRICS [Hopewell 2020].

4.2. Investment flow

Investment within the BRICS countries have increased significantly over the past decade, showing the alliance's growing influence and its increasing economic interdependence. During the period, BRICS has welcomed considerable Foreign Direct Investment (FDI) across a wide array of sectors. Driven by economic reforms, a large consumer base, and sectoral strengths, each BRICS nation has contributed to the bloc's collective investment landscape [UNCTAD 2023]. The variation in investment flow has positioned BRICS as a global economic force. It has given BRICS a vision to strengthen their regional collaboration and reduce dependence on the West.

4.2.1. Inward FDI growth and its drivers

The steady growth for inward FDI across the BRICS nations illustrates their increasing appeal to global investors. Inward FDI grew from $300 billion in 2013 to around $540 billion in 2023 [UNCTAD 2023]. This expansion is ascribed to several causes, including broad customer bases, various economic systems, and competitive advantages across industries. The largest economy in BRICS, China, has benefited greatly from inward FDI, especially in the industrial and technology sectors. Multinational firms have been drawn to set up production facilities in China due to its sizable domestic market and robust manufacturing capabilities, which has fuelled industrial growth and enabled China's continuous economic progress [World Bank 2023]. Similarly, India has witnessed substantial FDI inflows. India's policy reforms, which have liberalized key sectors and made it easier to do business, have made it a prime destination for foreign investors, especially in the information technology and pharmaceutical sectors, where India plays an important role in global supply chains [UNCTAD 2023].

Brazil and Russia have also been an attraction for inward FDI flows. Brazil's interest to investors is largely determined by its powerful agricultural and energy sectors. Brazil has become a key exporter of soybean, sugarcane, and ethanol, especially to China and India, as demand for these resources grows [Valdes 2022]. Contrarily, Russia has witnessed consistent investment in natural resources and energy, which continue to be important pillars of its economy. Russia's energy exports to China and India highlight its function as an energy supplier to the BRICS, particularly since Western sanctions have caused trade flows to shift [EIA 2023]. South Africa's inward FDI flows, though smaller, have focused on mining, manufacturing, and services, with its strategic location and developed infrastructure acting as significant draws for foreign investors [AUC/OCD 2022].

4.2.2. Outward FDI and the BRICS group's expanding influence

Outward FDI from BRICS countries has grown from approximately $150 billion in 2013 to $250 billion in 2023, reflecting BRICS' strategic objective of expanding its economic footprint globally [UNCTAD 2023]. The two main sources of this outbound FDI are China and India, with China's investments closely aligning with the Belt and Road Initiative

(BRI). Building infrastructure throughout Asia, Africa, and Latin America is the main goal of China's BRI investments, which surpass over $300 billion worldwide. This establishes a network of trade routes that improve China's resource access and trade connectivity [World Bank 2023]. India has also increased its outward FDI, focusing on neighboring countries and African markets, where it has made investments in technology, pharmaceuticals, and renewable energy. Growing outward trade strengthen India's ability to support its economic growth and thereby enhance its regional leadership.

4.2.3. What are the FDI trends for new BRICS members?

The addition of new members to the BRICS grouping has certainly extended the bloc's investment potential, by introducing additional resources, strategic trade routes, and new markets into the BRICS fold. These have brought distinct opportunities in sectors like energy, infrastructure, and finance, aligning with BRICS' objectives to foster sustainable and autonomous economic growth. While Egypt and Ethiopia have seen significant FDI in manufacturing and infrastructure owing to their strategic locations and developmental needs, the UAE, with its advanced financial services and commitment to renewable energy, has brought substantial capital and resources to the bloc.

Collectively, additional members galvanize the BRICS group's urge for investment in different sectors. They support the group's ability to achieve diversified but sustainable growth. By pooling resources and creating investment-friendly policies, the expanded BRICS group aims to amplify its collective bargaining power in global trade and attract investments that strengthen regional ties [World Bank 2023]. Each of these countries brings unique strengths, contributing to the bloc's overall appeal for FDI in energy, manufacturing, and infrastructure.

Iran

While international sanctions have constrained Iran's FDI inflows, the country still attracted around $1.5 billion in 2022, marking a 5% increase on previous years [Tehran Times 2023]. Iran's rich natural resources, particularly in oil, gas, and mining, offer considerable FDI potential if sanctions ease. In the Middle East, Iran remains the fourth-largest recepient of foreign investment, just behind the Saudi Arabia, Oman, and Bahrain. Another point in Iran's favour is its strategic location. Iran provides access to both Middle Eastern and Asian markets that make it conducive to attract foreign investors and manufacturers.

Egypt

FDI inflows to Egypt have steadily risen, with the country receiving approximately $9 billion in FDI in 2022, representing a 5% increase on the previous year [UNCTAD 2023]. Egypt's strategic location, combined with its current efforts to make economic reforms, has made Egypt newly attractive for international investment, particularly in the energy, infrastructure, and manufacturing sectors. The Suez Canal Economic Zone has drawn considerable investment as it remains a critical hub for global trade and logistics [World Bank 2023].

Ethiopia

Ethiopia's rapid industrialization and large consumer market have led to significant FDI growth. In the 2022/23 fiscal year, Ethiopia attracted around $3.6 billion in 2022 [The Ethiopian Herald 2023]. Investment has primarily flowed into manufacturing (textiles and garments), agriculture, and infrastructure. Iran's push for industrial parks, rapid industrialization, and a large-scale consumer market has galvanized this growth. This has made it an attractive destination for foreign investors.

United Arab Emirates (UAE)

As a regional investment hub, the UAE continues to be a top FDI destination in the Middle East, with FDI inflows reaching $20.7 billion in 2022 [World Bank 2023]. The UAE's strategic location, developed infrastructure, and business-friendly policies attract FDI in real estate, tourism, finance, and technology. Its proactive policies, stable economy, and environment, conducive for investment, has made it favorable for FDI.

4.2.4. What is the impact of BRICS expansion on FDI trends?

Expansion is likely to influence FDI trends in different ways. First, the addition of new states enhances the regional and sectoral diversification of the BRICS grouping. The new countries infuse substantial resource wealth and access to strategic trade routes. For example, the UAE brings oil and natural gas to the group, while Egypt controls the Suez Canal, which provides the alliance with an important strategic maneuver. This geographic and sectoral expansion will likely attract FDI flows into sectors like energy, logistics, and infrastructure, which are crucial for bolstering trade connectivity across the Middle East, Africa, and Asia [World Bank 2023]. The bloc's overall appeal is enhanced by this diversification, which appeals to global investors seeking to mitigate the risks associated with single-sector or single-region investments.

Second, since some of the biggest energy exporters in the world are now part of the expanded BRICS, investments in infrastructure and energy are strengthened. This increases chances of more inward FDI flow in energy sector, particularly in countries like China and India. Therefore, these countries can secure more stable and direct access to vital resources. Renewable energy and sustainable infrastructure are other areas where FDI flow is likely to grow as the UAE shifted their investment focus toward green energy investments, aligning with global trends. BRICS' development banks and initiatives to improve intra-bloc connectivity will help infrastructure investments, particularly in Ethiopia and Egypt, and encourage FDI in major infrastructure projects [UNCTAD 2023].

Third, the inclusion of UAE, enabling flow of potential FDI through non-Western channels that will reduce BRICS reliance on Western Financial System, as the UEA is one of the largest facilitators of trading through non-USD currencies. This will increase the group's ability to facilitate trade and investments using local currencies and thereby reduce their dependency on the USD. Investors looking to avoid USD-related currency volatility may find BRICS an attractive investment target, encouraging increased FDI flows within the bloc and toward BRICS-aligned projects globally [Tehran Times 2023].

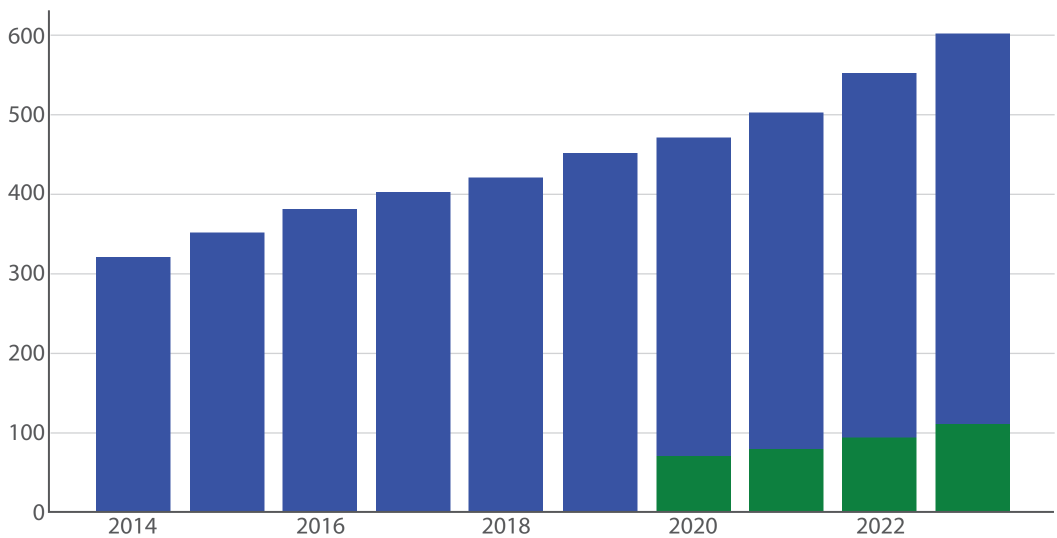
This currency diversification can stabilize FDI trends and create new avenues for capital within emerging markets.

In short, the BRICS group's expansion is not only poised to alter FDI trends through enhanced sectoral diversity, promoting investment in energy and infrastructure sectors, but also to offer alternatives to Western-dominated financial systems. This transformation increases BRICS' attractiveness to global investors, as well as promoting the coalition's objective to become a self-sustaining, differentiated union capable of redesigning global investment flows.

4.3. Trade liberalization

Trade has been the core contributor in BRICS' overall development. Trade has shown continuous growth among BRICS countries, reflecting the group's increasing economic interdependence and collaborative efforts in regional trade. The graph below (see Figure 3 on p. 65) shows that the contribution of the countries that became new BRICS members in 2024 to the trade volume of the enlarged BRICS has been growing in recent years. This continuous development may be attributed to stronger economic ties, increased trade infrastructure, and policies targeted at lowering trade barriers within BRICS. Reliance on the USD has decreased and trade flows have become more seamless because of efforts to settle intra-BRICS transactions in local currencies. The bloc's growing prominence in global trade networks is evidenced through the substantial growth of intra-BRICS trade.

Figure 3. Trade volume among BRICS countries and contribution of new members (data from 2020), 2014–2023, $ billion



Source: BRICS Joint Statistics Publication, 2024 & World Bank Group data available at https://data.worldbank.org/country/iran-islamic-rep?view=graph

Several factors have contributed to enduring growth in BRICS trade volumes, well attributed in the complementary nature of BRICS economies. Each member country specializes in sectors that fulfill essential needs across the bloc. China's largest contribution in driving BRICS trade is a notable factor in this expansion. Being the second-largest economy in the world, China is heavily involved with its BRICS partners for transferring electronics, machinery and textiles while importing energy, minerals, and agricultural goods from Brazil, Russia, and South Africa. China's trade volume with Brazil reached $140 billion by 2022, dominated by imports of soybeans and iron ore to fuel its industrial needs [World Bank 2023; IMF 2023]. Brazil primarily exports agricultural commodities like soybean and sugarcane to China, its agricultural exports to China surpassing $50 billion in 2022. Additionally, Brazil's energy resources, such as ethanol and oil, contribute to trade stability within the bloc, notably through exports to India, further reinforcing BRICS' economic resilience [Valdes 2022].

With its proficiency in digital technology, pharmaceuticals, and IT services, India has increased its influence within BRICS. India is positioned as a major healthcare supplier to BRICS and beyond thanks to its $25 billion in pharmaceutical exports in 2022. In the meanwhile, Russia's enormous energy reserves have highlighted its importance as the bloc's main energy supplier, as seen by the $40 billion in oil shipments it sent to China in 2023 alone. By exporting vital minerals like gold and platinum, South Africa completes this synergy and provides China and India with vital resources for industrial production. By 2023, South Africa's exports to China alone were valued at around $20 billion, further highlighting the strategic complementarity of BRICS economies in supporting economic growth and reducing reliance on Western markets [EIA 2023].

The addition of Iran, Egypt, Ethiopia and United Arab Emirates (UAE) to the BRICS group has further accelerated the growth in trade volume. It is adding strategic value to the group's economic footprint. If we go back to the 2020 data, the new members contributed around US$70 billion to BRICS trade volume in that year. The growth in Iran's trade with BRICS, especially India and China, has been impacted by Iran's oil resources. In the fiscal year 2022–2023, Iran's trade with BRICS jumped approximately $38.43 billion, with China being the largest trading partner at $30.32 billion, followed by India at $4.99 billion [Gulf Today 2023].

As far as the UAE is concerned, it has significantly established itself as global logistics hub, channeling a flow of goods within and beyond the BRICS members. It is therefore facilitating global trade. In 2024, the UAE's non-oil trade reached a record 3 trillion dirhams ($817 billion), marking a 14.6% increase on the previous year [Reuters 2025]. The UAE's increasing investment in trade infrastructure therefore strengthens its economic partnership with the BRICS nations.

The collective contribution of these new members to trade during 2020 to 2023 adds up to approximately US$355 billion. It marks a remarkable addition to BRICS' overall trade volume. This integration conforms with the BRICS group's broader goals to enhance trade resilience, diversify its economic base, and build a globally influential trade network that can serve as an alternative to Western-dominated trade systems [BRICS Joint Statistical Publication 2023].

The expanded BRICS group also brings strategic value to its new members. Below is an in-depth discussion of the key trade drivers for each new member.

Iran

As one of the biggest producers of natural gas and oil in the world, Iran has become an essential energy partner for BRICS, particularly for China, whose yearly crude oil exports total more than US$14 billion. Iran has maintained robust trade flows with the BRICS nations despite Western sanctions, circumventing these restrictions through non-USD transactions, strengthening economic connections and trade stability [EIA 2022]. Iran's strategic location also adds value, as BRICS members like India are expected to increase their energy imports from Iran to reduce dependence on oil sources controlled by the West. This unifies with the BRICS group's larger goals of strengthening intra-bloc economic independence.

Egypt

Egypt's control over the Suez Canal, which handles around 12% of global trade, provides BRICS with a key logistical advantage by reducing transit times between Asia, Africa, and Europe [UNCTAD 2022]. Egypt's strategic benefit aligns with BRICS' vision to enhance market accessibility, since member countries can sidestep longer routes and optimize shipping costs. It facilitates smoother trade flows across continents. Additionally, Egypt's large consumer base, with over 104 million people and a GDP of approximately US$400 billion, offers BRICS countries access to a growing market and aligns with the group's aim to support sustainable industrialization and regional development [World Bank 2023].

Ethiopia

Ethiopia, as a gateway to East Africa, offers BRICS states access to a rapidly industrializing economy and a crucial consumer market of nearly 125 million people. Benefiting from steady economic growth averaging 8–10% annually up to 2020, BRICS countries are keen to invest in Ethiopia, particularly in sectors like energy, mining, agriculture, and manufacturing [Mekonnen 2024], which paves the way for BRICS into Africa. Strengthening trade relations with BRICS countries provides Ethiopia with access to larger markets for its exports, allowing for increased trade volumes and potential economic growth [Mekonnen 2024].

UAE

The UAE's varied economy, estimated at over US$500 billion, provides substantial strength to BRICS by uniting its energy market with robust sectors in finance, logistics, and re-exports. Its strategic location as a bridge between Asia, Africa, and the Middle East increases its significance for the alliance. As one of the vital financial and logistic hubs in the World, the UAE boosts BRICS' trade and investment capabilities. The port of Jebel Ali, one of the world's busiest ports, streamlines intra-BRICS trade by providing efficient re-export channels, thus expanding BRICS' logistical network and fostering increased trade efficiency across member nations [World Bank 2023].

By leveraging the energy and resource wealth of Iran and the UAE, along with the strategic trade routes of Egypt and Ethiopia's swift industrialization, BRICS can enhance its collective economic influence and decrease dependence on Western-dominated trade networks. This expansion positions BRICS as a significant global economic bloc with the potential to foster a more multipolar world trade structure.

4.4. Political cohesion and the motives of BRICS expansion

New motivations, an increase in cultural and ideological diversity, and strategic implications make this expansion as a pivotal moment for the BRICS bloc. This expansion of BRICS aligns increasing sentiments in the Global South to create a platform that balances Western dominance in global institutions. This gives BRICS a way to voice better the interests of the Global South at the international level. As Russian Foreign Minister Sergey Lavrov (2024) stated, bringing in a wide range of developing countries to cooperate with BRICS "will help to further consolidate efforts of the world majority to solve common problems in the common interest" [Spanger 2024]. Mauro Vieira, Brazil's Foreign Minister, believes (2023) that expansion is "underscoring the bloc's desire to serve as a counterweight to Western-dominated structures" [EFE 2023].

This expansion, however, brings ideological diversity, as the new nations have distinct political systems, from democracies to more centralized regimes. As French President Emmanuel Macron (2023) argues, this ideological variety can complicate consensus-building among BRICS members, as diverse governance models may hold conflicting perspectives on issues such as human rights, governance, and economic policies [Curtis 2024]. Scholars like Narlikar [Narlikar 2023] caution that these internal differences could hinder BRICS ability to function as a unified bloc, potentially leading to policy stagnation if consensus on key issues proves elusive. This issue will necessitate BRICS to develop robust frameworks to balance these ideological differences and ensure that the decisions of the group shall reflect the collective interests of all its members.

The expansion of the BRICS alliance, encompassing critical nations of the Middle East and Africa, is a strategic move that could challenge the traditional dominance of Western alliances and potentially reshape global power dynamics [The Wire 2023]. However, the expansion of BRICS has garnered fear among western leaders. For example, in Macron's view, "the expansion of the BRICS bloc of the world's largest emerging economies also creates the risk of a 'fragmentation of the world'," he said during a conference of ambassadors at the 15th BRICS summit [Sputnik News 2023]. However, geopolitical analysts warn that strategic rivalries among BRICS members, particularly between China and India, may complicate efforts to present a unified geopolitical stance [Stuenkel 2023]. One of the most pressing challenges for the expanded BRICS group is cohesion. As the power rivalry between India and China increases, small states may face increased pressure to align with one of them, which could marginalize the interests of smaller states and exacerbate internal tension within the group [Paul 2018]. As these asymmetries continue, it could lead to an imbalance in decision-making, in which smaller states feel sidelined in the group's discussions and decision-making. To deal with this emerging challenge, BRICS will need to establish a governance framework that offers equitable representation and respects the interests of each member country of the group. Such mechanisms are necessary for maintaining the alliance's unity and preventing divisions that could weaken its effectiveness on the global stage.

Global governance is another area in which there are serious concerns about the expansion of BRICS, as it signals a shift toward a multipolar world order where emerging economies have a greater say. The creation of the New Development Bank (NDB) has demonstrated BRICS' potential to alter Western-dominated institutions. This bank aligns with the interests and needs of the countries from the Global South. This may increase the influence of emerging markets in shaping global policies on trade, climate, and development, ultimately creating a more inclusive international system [Seiwert 2024]. Nonetheless, the alliance must navigate its ideological and economic diversity carefully to ensure that it remains a cohesive and constructive force.

5. Research findings and discussion

The expansion of BRICS introduces a new phase of growth and complexity for the alliance. It brings both promising opportunities and formidable challenges to the group. This research investigated the motivations that drove the BRICS expansion, how the ideological diversity impacted the geopolitical implications of a larger BRICS, what challenges lie before attaining cohesion within the bloc, and the potential influence on global governance structures. These findings highlight the potential of an expanded BRICS to shape a multipolar world order, while also underscoring the internal and external dynamics that could complicate this goal.

5.1. Motivations for economic and strategic expansion

The expansion of BRICS, particularly with the inclusion of Middle Eastern countries, reflects a deliberate move toward a more multipolar global order. This expansion is not merely a shift away from Western influence, but a strategic diversification of economic, diplomatic, and security partnerships [Janardhan & Haqqani 2024]. By adding new members to the club, BRICS wields greater collective economic wealth. By integrating major energy exporters, the BRICS has created a new strategic pivot in global politics. With strategic assets like the Suez Canal and increased economic diversity thanks to the UAE's financial know-how, Ethiopia's growing manufacturing sector, and Iran's energy resources, the addition of these nations fortifies BRICS' resource and trade infrastructure. This increased membership addresses the need for diverse economic cooperation between countries in the Global South. It reduces the reliance of these countries on Western markets, and challenges established global economic structures. BRICS countries build partnerships based on equality, openness, cooperation, and mutual benefit. This is in line with the underlying trend toward greater democracy in international relations and meets the core interests of the Global South [China Daily 2024]. Adding new members from Africa, the Middle East, and Asia, BRICS has gained greater strength, to better amplify the voices of emerging economies that have traditionally been marginalized in Western-dominated institutions.

5.2. Shifts in FDI trends

The expansion of BRICS has transformed the bloc into an even more attractive destination for global investment. In addition to reflecting the growing confidence of international investors, FDI flows to BRICS countries have climbed from $300 billion in 2013 to $540 billion in 2023. This development is a result of BRICS' expanded variety in terms of resource availability, sectoral and geographic advantage [UNCTAD 2023]. China and India continue to be major recipients and initiators of foreign direct investment (FDI), and China's Belt and Road Initiative (BRI) is helping to increase BRICS' global influence in developing markets. Since the UAE is a major global financial centre with a strong logistical network, the recent addition of the UAE adds a new advantage in terms of funding sources [World Bank 2023].

All this inspires growth in FDI flow into sectors such as infrastructure development, green energy projects, and regional development. Moreover, inward FDI within BRICS is increasingly directed toward sustainable projects, aligning with UAE's goals to shift its investment strategies toward renewable energy investments and sustainable infrastructure. This shift not only strengthens intra-BRICS cooperation in critical growth areas but also positions BRICS as a viable alternative to the Western-led investment landscape [EIA 2023].

5.3. Trade liberalization

BRICS Plus heralds a substantial increase in trade volume and liberalization opportunities, fueling economic interdependence and empowering the bloc to establish a distinct trading network. BRICS' trade volume rose from approximately $320 billion in 2014 to $600 billion by 2023, a trend largely facilitated by measures to reduce dependence on the US dollar and promote local currency transactions among members [BRICS Joint Statistical Publication 2023]. This rapid growth exhibits not only increased intra-BRICS economic integration, but also the strategic imperatives of addition of new members to the bloc, as each of them distinctively makes their own special contribution. Iran and the United Arab Emirates, being significant oil exporters, contribute to the energy security of the BRICS and facilitate easier trade with countries like China and India, which have high energy needs to fuel their industrial sectors. Additionally, Egypt's control over the Suez Canal facilitates more efficient trade routes and lower transportation costs. It also makes Egypt a vital trade link between the BRICS nations and international markets. The liberalization of trade supports a resilient economic interdependence among the BRICS nations that seeks freedom from Western-led traditional systems. This objective is crucial for current rising geopolitical tensions and currency fluctuations affecting global markets. By promoting trade in local currencies and focusing on essential resources and industries, BRICS is building a more self-sustaining economic bloc.

5.4. Challenge to cohesion

The inclusion of countries with diverse political systems, ranging from centralized, state-led economies to democratic and market-driven systems, has introduced significant ideological diversity within BRICS. Scholars argue if members fail to reach to a consensus on issues of contest, the bloc may experience policy paralysis that could hinder the growth and influence of the BRICS. For instance, Jim O'Neill, who invented the term BRICS, has criticized the group for lacking cohesiveness in the alliance; he stated that rivalry between China and India hinder the group's effectiveness. He emphasizes that without serious cooperation among members, especially China and India, BRICS cannot function as a unified entity capable of challenging existing global structures [Faulconbridge 2024].

Ideological diversity among members is likely to hinder the consensus on issues such as human rights, political issues, and economic policies. This would make it difficult for BRICS to take a collective position on global issues. For example, while some member countries may prioritize economic liberalization, others may emphasize state control over key industries. To manage this diversity, BRICS may need to develop an adaptable governance structure that allows for varying degrees of policy congruence while honoring each member's unique political and economic beliefs. This may mean formulating decision-making guidelines that prioritize consensus while allowing for opt-out processes in the case of major disputes. Such flexibility could enable BRICS to proceed with initiatives that align with the collective interests of its members without being hindered by ideological disagreements.

5.5. Geopolitical implications: Expanding strategic influence

The inclusion of new members with strategic geographical positions and resource wealth broadens BRICS' reach and influence in the world. A new geopolitical standing enables BRICS to assert wider influence over global trade routes and energy markets. However, BRICS does not want to challenge the existing system of governance directly, but instead wishes to reform its institutions in order to make the global order more fair, equitable and democratic [Larionova 2018]. BRICS acts in a cooperative manner, seeking to make the international financial architecture and global regulation more representative and responsive to emerging markets and the needs of developing economies [Larionova & Shelepov 2022].

But as the expanded BRICS offers more strategic leverage, it also introduces complexities associated with regional rivalries. Scholars like Stuenkel (2023) suggest that geopolitical tensions between large BRICS economies, such as India and China, could hamper the bloc's cohesion. For instance, India's concerns over China's Belt and Road Initiative in Pakistan Occupied Kashmir[1] have already created points of contention within the bloc. India sees CPEC as an infringement upon its sovereignty and territorial integrity, and has protested against the project by not attending the Belt and Road Forum meetings in 2017, 2019 and 2023.

This rivalry has created friction with the BRICS alliance. India continues to oppose the BRI, while Russia and South Africa remains neutral, and Brazil has shown less interest in the project. India continued to be apprehensive regarding the violation of

1 The name the Government of India and Indian sources refer to the territory of Kashmir under Pakistan control – *Ed.*

its sovereignty in BRICS meetings held in Xiamen (2017) and Johannesburg (2023). India further countered the BRI by creating alternative projects like the India—Middle East—Europe Economic Corridor (IMEC) [Sharma 2019].

To mitigate these tensions, BRICS may need to embrace a pragmatic approach that emphasizes economic cooperation over political alignment, focusing on shared goals in areas like infrastructure, trade, and sustainable development. After all, it is clear that the trajectory of the alliance will hinge upon the effective management of such difficulties while, in parallel, advancing collective cooperation.

5.6. Implications for global governance: Toward a multipolar world

An enlarged BRICS remains crucial for global governance, as it seeks to offer an alternative to IMF and the World Bank. By creating new financial structures like the New Development Bank (NDB), and the Contingent Reserve Arrangement (CRA), supported by trade agreements that bypass the USD, BRICS can reduce its dependency on Western financial systems, creating a more resilient and self-sustaining economic bloc [IMF 2023]. This shift toward a multipolar world aligns with the interests of many developing nations, who view BRICS as a platform for challenging Western hegemony in international institutions [Seiwert 2024]. However, the BRICS must overcome its internal challenges and put up a united front to accomplish this goal. However, the bloc's impact on global governance will depend on how it acts cohesively on issues of global commons such as climate change, trade regulations, and financial reform. If BRICS can successfully tackle its ideological diversity and regional rivalries, it has the potential to reshape the global order by promoting policies that prioritize the needs of the Global South.

6. Conclusion and recommendations

The expanded BRICS group now wields increased economic power, integrating vital resources, strategic trade routes, and financial hubs, all of which align with the bloc's goal of establishing a more multipolar world order. The coalition's expansion is a response to the view that the Western international order does not satisfactorily accommodate the interests of emerging economies. By including new members, BRICS aims to create a more inclusive global governance structure that reflects the economic weight and perspectives of developing countries. By creating a platform that represents the Global South, BRICS can better advocate for inclusive and equitable economic policies, ultimately working toward a global order that prioritizes the developmental needs of underrepresented nations.

However, the assimilation of countries with diverse political ideologies and economic priorities introduces complex dynamics that could potentially hinder BRICS' cohesion. Members with varying political systems, ranging from democracies to centralized, state-led economies will be the defining challenge to the BRICS collective position. To address this, BRICS must develop a flexible governance model that accommodates varied policy approaches, allowing for consensus-driven decision-making while respecting each member's political system [Alden & le Pere 2024]. By creating frameworks that emphasize consensus-building in areas of fundamental disagreement, BRICS can mitigate policy paralysis and maintain unity. Furthermore, dealing with power asymmetries between China and India and newly added smaller members like Ethiopia and Egypt is essential for fostering a sense of shared ownership. Implementing rotating leadership roles, with the presidency of BRICS lasting one year only, sector-specific committees led by smaller members, and shared decision-making processes can help balance various interests. This would avoid the dominance of any single member within the bloc, ensuring that all voices are heard and represented.

The economic impact of BRICS Plus is evident in the noticeable shift in the patterns and trade volumes of foreign direct investment (FDI) that reflects the group's growing influence in the global economy. To sustain and further continue this growth, BRICS countries need to encourage policies that support sustainable investments and regional connectivity. Promoting trade in local currencies, as already observed with increased intra-BRICS transactions bypassing the USD, can reduce currency risks and strengthen economic independence.

In terms of geopolitics, the enlarged BRICS has established itself as a powerful force that can compete with Western influence in global governance, trade, and energy. By prioritizing economic cooperation over political alignment and concentrating on common objectives in infrastructure, trade, and sustainable development, BRICS can improve unity [Stuenkel 2023]. Adopting a pragmatic approach through creating channels of dialogue that facilitate cooperation and conflict resolution among members may help to develop political cohesion among members. Additionally, keeping engaged in strategic partnerships with non-member states and regional organizations will be helpful to exert BRICS' global reach and reinforce its commitment to a multipolar world.

The enlargement of BRICS enables it to promote a fresh approach to global governance that opposes the existing structure, which is dominated by the West. By developing alternative financial systems and governance mechanisms, BRICS can support developing nations' economic independence and reduce reliance on traditional Western institutions. BRICS should promote the development of the NDB and other financial tools that give the needs of the Global South priority in order to cement this change. In doing so, the bloc can establish itself as a legitimate alternative to institutions like the IMF and World Bank, empowering emerging economies to pursue development goals aligned with their needs and aspirations [Sugihartono 2024].

Lastly, an expanded BRICS holds great potential for advancing a multipolar world order, encouraging economic resilience, and advocating for the Global South. However, accomplishing these goals necessitate managing internal challenges related to ideological diversity, power asymmetries, and geopolitical rivalries. By accepting a flexible, inclusive governance model and focusing on shared economic goals, BRICS can navigate these intricacies and enhance its role in global governance. Through strategic endeavors and partnership, BRICS has the potential to rebuild the international system, fostering a more inclusive and balanced global order that prioritizes the interests of emerging economies and developing nations.

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