

South Africa benefits economically from BRICS grouping

Outlining the economic benefits of South Africa's participation in the BRICS grouping, President Cyril Ramaphosa has informed Members of Parliament that South Africa's trade with the bloc has increased by an average of 10% every year over the period 2017 to 2021.

"The total South African trade with other BRICS [Brazil, Russia, India, China and South Africa] countries reached R830 billion in 2022, which represents an increase of more than 70% from R487 billion in 2017," the President said on Tuesday in Cape Town.

Participating in a Questions for Oral Reply session in the National Assembly, President Ramaphosa explained that BRICS is an important source of foreign direct investment in key areas such as mining, automotive, transportation, clean energy, financial services and information technology (IT).

These investments and projects lead to significant job creation.

"South Africa has experienced significant benefits through its membership as well as its association with the BRICS grouping of countries. South Africa uses its BRICS membership to improve investment, trade, tourism, as well as capacity building, and it also flows into skills acquisition and technological capabilities that we see this relationship yielding for our country.

"Strengthening economic as well as financial ties between BRICS member countries is one of the key pillars of this cooperation that we have forged with all these countries," the President said.

In 2020, the countries adopted the Strategy for BRICS Economic Partnership to increase access to each other's markets, promote mutual trade and investment, and create a business-friendly environment for investors in all BRICS countries.

"Furthermore, the BRICS Business Council and the BRICS Women's Alliance bring together important commercial networks that promote trade and investment partnerships among BRICS countries. In 2015, BRICS countries launched the New Development Bank to finance and largely support infrastructure and sustainable development projects," President Ramaphosa said.

To date, the New Development Bank has provided funding to 12 projects in South Africa to the value of over R100 billion.

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