



Monday, 20 June 2022

BRICS PARTNERSHIP HAS GREAT VALUE FOR SOUTH AFRICA

Dear Fellow South African

Later this week, I will join the leaders of China, Brazil, Russia and India at the 14th BRICS Leaders' Summit, which will be hosted virtually by Chinese President Xi Jinping.

The value of South Africa's membership of BRICS has grown substantially since we joined this group of emerging economies 12 years ago. As we work to rebuild our country in the wake of the COVID-19 pandemic, there is much to be gained from our participation in BRICS and the relationships we have established with other member countries.

At the outset, BRICS countries identified the strengthening of economic and financial ties as one of the key pillars of its cooperation. The countries have 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. An important part of this strategy, particularly for South Africa, is to diversify trade so that more manufactured goods, rather than raw commodities, are traded.

Last year, over 17% of South Africa's exports were destined for other BRICS countries, while over 29% of our total imports came from these countries. These countries are therefore significant trading partners, and the value of this trade is continuing to grow. Total South African trade with other BRICS countries reached R702 billion in 2021 up from R487 billion in 2017.

At a time when we are focused on improving the capacity and competitiveness of our economy, these trade linkages will prove vital to the growth of local industry. There is therefore a direct relationship between, on the one hand, our reforms in energy, telecommunications and transport, our investment in infrastructure and our efforts to reduce red tape, and, on the other hand, the work underway to increase exports to our BRICS partners. These reforms are also important for encouraging greater investment from BRICS countries into our economy.

One area with great potential is tourism, which has been badly affected by the COVID-19 pandemic. Tourists from other BRICS countries accounted for 65% of all arrivals in South Africa in 2018, and these markets will therefore be expected to make an important contribution to the recovery of this sector. It is therefore significant that visitors from India and China can now make use of our new eVisa programme to make it easier and less costly to visit our country.

As we mobilise financing from different sources to fund our ambitious infrastructure build programme, we expect the New Development Bank – also known as the BRICS Bank – to play an important role in providing financial and project preparation support for infrastructure and sustainable development projects. South Africa has already received \$5.4 billion, currently worth around R86 billion, from the New Development Bank to improve service delivery in critical areas. The Bank also demonstrated its flexibility in rapidly approving \$2 billion for each BRICS member under the COVID-19 Emergency Loan Programme to fund the fight against the pandemic and to support our economic recovery.

Alongside the engagements between governments, the BRICS Business Council and the BRICS Women's Business Alliance are building ties between our respective business communities. They have been looking at the development of sectors such as agribusiness, aviation, financial services, energy, manufacturing and infrastructure, while also improving regulatory environments and developing skills.

The collaboration among BRICS members in the area of health and in response to the COVID-19 pandemic in particular has placed South Africa in a better position to respond effectively to the current and future health emergencies. After several years of planning, the virtual BRICS Vaccine Research and Development Centre was launched in March. This centre will enable BRICS countries to engage in joint vaccine research, development and co-production. It will contribute to the equitable distribution of COVID-19 vaccines, strengthen health systems and help our countries to respond to future pandemics.

We see the BRICS Vaccine Research and Development Centre as a valuable development in our efforts to strengthen vaccine manufacturing capacity in South Africa and on the African continent more broadly. We will be calling on our BRICS partners to support the principle that vaccines destined for Africa should be produced on the continent.

Earlier this month, the BRICS Ministers of Agriculture, adopted a BRICS Strategy on Food Security Cooperation. This is especially important as concerns grow around food security in the wake of COVID-19, the conflict in Ukraine and the increasing effects of climate change. The strategy aims to maintain sustainable agriculture production, unhindered supply of seeds, fertilizers and other agricultural inputs, access to markets and stable functioning of food value chains.

More broadly, this week's summit aims to usher in a new era for global development that is more inclusive, sustainable and fair. Through the reform of the multilateral system, including the United Nations, and by refocusing the attention and resources of the global community on the sustainable development agenda, the BRICS group can support a sustained and equitable global recovery.

The BRICS Leaders' Summit is a valuable platform for South Africa to strengthen ties with its partner countries in support of our own growth and employment creation. More than that, the summit is our opportunity to contribute to a better world, in which all countries have a better chance to recover from this pandemic and to flourish.

With best regards,



We're making the SONA commitments a reality.
Find out more.



Copyright © 2022 The Presidency, All rights reserved.

Our mailing address is:
The Presidency
Union Buildings
Government Avenue
Tshwane, Gt 2001
South Africa

Subscribe to our newsletter