

After three days of closed-door discussions between members, the President of South Africa, which is hosting the 2023 BRICS Forum, has confirmed today that six new countries have been admitted to join the BRICS bloc of developing nations starting from 1 January 2024. Two of them: Egypt and Ethiopia, are African. The other four countries that will access the bloc are Argentina, Iran, Saudi Arabia and the United Arab Emirates (UAE).

The acronym BRICS derives from BRIC, a term coined in 2001 by then Goldman Sachs chief economist Jim O'Neill in a research paper titled "[The World Needs Better Economic BRICs](#)" that underlined the growth potential of Brazil, Russia, India and China (called "BRIC" from their initials), this growth having important implications for global-governance arrangements. Another paper from Goldman Sachs in 2003, titled "Dreaming with BRICs: The Path to 2050," argued that the BRICs countries would have overtaken the largest Western economies by the year 2039.

. At present, the group has surpassed the G7 in terms of relative contribution to global GDP (based on purchasing power parity).

The leaders of BRIC countries met for the first time in St. Petersburg, Russia on the margins of G8 Outreach Summit in July 2006. Shortly afterwards, in September 2006, the group was formalised as BRIC during the 1st BRIC Foreign Ministers' Meeting, which met on the sidelines of the General Debate of the UN Assembly in New York City. South Africa joined the bloc in 2010 and since then the grouping became known as BRICS, where the final "S" stands for South Africa.

The BRICS is a geopolitical club of fast growing emerging economies that provides a platform for its members to increase trade and economic cooperation and their economic weight so to counterbalance the influence of the United States and its Western allies in global politics and the hegemony of the US dollar. Heads of State and government of the nations that are part of such bloc meet annually in specific Forums, with each nation taking up a one-year rotating chairmanship of the group.

In 2014, the BRICS Development Bank (now the [New Development Bank](#)) was formed as a multilateral financial institution for funding development projects that aim at increasing economic growth in the BRICS member countries through loans, equity investments, and other tailored financial instruments.

In the previous weeks, [rumors](#) had circulated that more than 40 countries had expressed interest in joining BRICS and that 22 or 23 had formally requested to be admitted.

Ethiopia, the smallest economy to join the BRICS, revealed its plans to join the bloc in July 2023, even though [some analysts](#) have warned that Western powers might perceive this accession as a drifting into an alternative geopolitical bloc or alignment, potentially reacting with a reduction of aid (on which Ethiopia is highly dependent) and investment flows to this country.

Ethiopia, a State with a recent socialist past, has

[followed](#)

[China's](#) ^{ec} economic development in recent decades, achieving great results, at the point of becoming one of the fastest-growing countries in Africa. Through its accession to the BRICS, Ethiopia will strengthen its relations with the Asiatic superpower, probably in the hope to get preferential access to the Chinese vast market and modern technologies.

The inclusion of Ethiopia in the BRICS could be however an opportunity for abandoning the Ethiopian birr in view of the adoption of a future BRICS currency that the bloc is planning to develop. Such a way, Ethiopia would solve two of the main challenges that constrain its economy: the perpetual foreign currency shortage (especially of dollars) - due to its strong dependance on imports - and the continuous weakness of the birr against the US dollar.

In the meantime, it would be interesting to know how the group will call itself after the formal accession of its new 6 members. Maybe BRICSEASUIE?

Bets are open.