

Emerging markets

Xi Jinping dominates Brics summit as leaders endorse Beijing-led expansion



China's president given special treatment at gathering that moves the bloc closer to his vision of creating a G7 rival

Joseph Cotterill in Johannesburg YESTERDAY

South Africa's Cyril Ramaphosa was the official host of the Brics summit this week that agreed to more than double the membership of the emerging-markets bloc, but the true VIP was his Chinese counterpart Xi Jinping.

The Chinese president was given special treatment from the minute he arrived ahead of the other leaders for a state visit that saw him inducted into the 'Order of South Africa', a recently created honour.

"The people of South Africa salute you, [President Xi Jinping](#)," Ramaphosa said after he met Xi at the airport, an honour none of the other leaders were given. Even India's Narendra Modi, leader of the second biggest Brics economy, was greeted by Ramaphosa's deputy.

Xi's importance can also be seen in the anxiety created when he failed to appear for his first big address of the summit to businesspeople from across the Brics bloc. No explanation was given and he showed up later in the evening for a leaders' dinner, but it was a low-point of a carefully choreographed event.

The real evidence of Xi's importance was the [expansion that looks set to add](#) Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates to the five-member bloc. This fits into Xi's plan that China should lead the developing world in confronting US "hegemony", even as he also grapples with an economic slowdown and deflation at home.

The Brics going from five to 11 countries "meets the expectations of the international community, and serves the common interests of emerging markets and developing countries", Xi said.





In contrast to the presidential welcome for Xi, India's prime minister Narendra Modi is greeted by Ramaphosa's deputy, Paul Mashatile © Jacoline Schoonees/Reuters

“I would read the pace and volume of expansion as artful negotiations by China,” said Ziyanda Stuurman, senior Africa analyst at the Eurasia Group think-tank, reflecting what has been seen as a diplomatic victory for Beijing.

This despite the expanded grouping facing more internal contradictions than ever before if China wants it to truly rival the G7 and other western-dominated institutions.

Countries such as Saudi Arabia and the UAE, traditional military allies of the west, and large IMF borrowers Argentina and Egypt, were among those invited to join Brazil, Russia, India, and South Africa in an expansion largely brokered by the club's biggest economy.

“Brics started the expansion process during China's chairmanship,” said Li Kexin, China's Brics special envoy. “China has since been working with other Brics members to steadily advance the expansion process.”

Ethiopia, Africa's second most populous nation, will bring up the rear as the Brics' smallest member by GDP but it is a key debtor to Beijing.

Signs at the summit of China's export strength helped to conceal worries about slow domestic growth. Chinese state-owned carmaker Chery was “official presidential vehicle partner” for the event, providing a fleet of cars to ferry international delegates around South Africa's financial centre.

And though Ramaphosa raised with Xi “the need to narrow the trade deficit between South Africa and China”, which was more than \$10bn last year, deals his government signed with Beijing sought to promote Chinese technology to overcome South Africa's punishing rolling blackouts.

Xi's delegation did its own bit to expand the trade surplus with South Africa, taking over hotels and flying in by special cargo plane all the goods needed to completely refurbish them.

“They brought their beds, their mattresses, their curtains, their carpets, everything. There was nothing South African in the particular presidential room of the president of China,” Bheki Cele, South Africa's police minister, told a broadcaster.

Analysts pointed out that it was in no Brics member's political interest this week to raise the economic elephant in the summit room: growing problems in China's infrastructure and property-driven investment model, which will affect commodity exporters such as South Africa and Brazil.

Xi also suggested at a meeting on the summit sidelines with African leaders this week that China would “better harness its resources for co-operation with Africa”, a sign that Beijing's diplomacy is quietly reflecting these economic shifts.

The Johannesburg summit was also noteworthy for a rare bilateral meeting between Xi and Modi in which they agreed to de-escalate tensions on the Sino-Indian border that have led to serious skirmishes in recent years. The two powers otherwise remain locked in a growing security dilemma as India expands strategic ties to the US and other western states.

Indonesia, a natural Brics candidate in economic terms as the world's fourth most populous country and South-east Asia's largest economy, also appears cautious about adhering to an increasingly China-dominated club.

Jakarta was set to be among this week's invitees, but declined to submit its interest as President Joko Widodo's government debates whether to join, despite fast-growing economic ties to other members.

Yet despite Xi's success this week in building momentum to turn the Brics into a pre-eminent international forum, achieving this remains a challenge, analysts said.

“The G7 is framed in a positive way, as grouping together as like-minded liberal democracies,” said Priyal Singh, senior researcher at South Africa's Institute for Security Studies. “The Brics group is the complete opposite of that, as a hodgepodge of countries.

“The only common unifying issue for them to come together is in opposition to the current international system, as dominated by the west.”

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