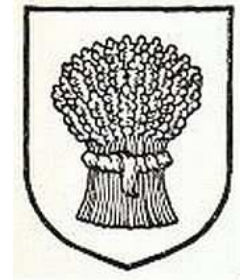


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Thinkpieces

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BRICS The Company One Keeps

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BRICS

The Company One Keeps

- + The BRICS concept is a fun one to resurrect to have a good laugh about the days when Goldman Sachs' counter-intuitive market calls were actually given credence
- + The concurrent brilliant Moon landing achieved by India represented peak-China, think about it.....
- + Argentina has understandably declined to embrace the Outsiders Club as somewhere it wants to be, showing even more how out of touch the BRICS crowd are
- ✗ China has revived BRICS and converted the S into South Africa, the latter being unfortunately so desperate that it embraced the flattery of its conversion of a plural into a membership of an "inner circle"
- ✗ Xi not turning up to read his own speech was akin to Jay Gatsby not turning up to his own party
- ✗ The concept of a serious challenge to the US dollar is likely to be a victim of the disparate membership of the BRICS clique, rather than any economic rationale

A Seedy Club if Ever there Was One

On October 20 of 1949 the Hollywood columnist Erskine Johnson published the story quoting Groucho Marx's letter of resignation to the Friars' Club: "I don't want to belong to any club that would accept me as one of its members". This comment came to mind when South Africa's president, Cyril Ramaphosa pronounced "We have decided to invite the Argentine Republic, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Islamic Republic of Iran, the Kingdom of Saudi Arabia and the United Arab Emirates" he clearly had not consulted anyone from Argentina.

Of that group, Argentina would only deign to talk to Saudi Arabia and the UAE, but the rest would be regarded, at best, as customers for Argentina's grain exports, and nothing more. They certainly aren't people that Argentine presidents would want to sup with.

Over and beyond that, in mentioning Argentina and Iran in the same sentence he clearly had not ever heard of the terrorist attack at the AMIA in July of 1994, which still festers.

The "winner" of the recent Argentine presidential primaries, Javier Milei, has already signalled he thought that Brazil and China should be declared *persona non grata* for reasons we are not exactly clear on. Patricia Bullrich, meanwhile, stated that the BRICS were not a group with which she wanted to do business (in that guise). Argentina is part of G20 already, so why would one want to "trade down" to the

BRICS.

Even the Kirchnerites have in their Hall of Fame, the famous appearance of the current President, Alberto Fernandez, stating that “Mexicans originated from the Indians, while Brazilians came from the jungle, but Argentines came from Europe”. Needless to say, one would not want to hear his view on Ethiopia.

Beyond the Argentine quibbles on being relegated to this gathering of the Global South, who in their right minds would regard the GDP per capita of the KSA and UAE as South-worthy? Joining for these Middle Eastern nations would be the equivalent of slumming it....

Goldman’s Brainchild Disowned

Firstly, for those not subject to failing memories, BRICs in its original incarnation, was a brainchild of Goldman Sachs, and only four countries, not five. How the basket case of South Africa went from being a mere plural “s” to being a fully-fledged member, despite its multifarious problems, eludes us.

The four (now five) were seen in the late 1990s as being the countries of the future. Russia, of course, is now a disaster area and totally beyond the pale (Pale?) whereas in the late 1990s it was seen as a country that (maybe) was coming in from the cold (war). The rest, as they say, is history with major multinationals retreating like Napoleon from Moscow, with the Russians being the ones left to freeze in the snow as everyone (except Unilever) head back upon the tracks they made in the 1990s.

As the Latin American joke goes, Brazil is the country of the future... and always will be.

Peking’s Echo Chamber?

The new Big Idea (of course spawned in Peking.... (the new/old capital of China that we shall use henceforth to mess with their minds) is that the Five (a Mighty Handful, not to be confused with the Russian composers who previously held the title) will now all vote to be independent of the US... by adopting the Yuan or some simulacrum thereof. If any of these “observers” are actually seeing India adopting the Yuan (currency of a country they were recently in a shooting war with on the slopes of the Himalayas) then we strongly suggest eye tests, if not sanity checks.

As it happened China’s President Xi, arrived in Cape Town, but then let a minor minister give his speech. This had the Peking-watchers in a tizzy. It was akin to Jay Gatsby not turning up to one of his own parties. Did Xi get a case of cold feet or stage fright? Hard to believe.. or fathom...

Dollar Dominance

Such is the US’s own ambivalent attitude to its currency’s international supremacy that is it less than enthused about Argentina under Milei (or Cavallo in 1999) declaring dollarization, yet many (well, the Chinese) see Washington as dedicated to an evil plan of global dominance by the dollar that must be

smashed or undermined. Don't they have better things to do, like dealing with their own floundering economy?

There was the requisite forelock-tugging to China on this issue at the event, but it had all the seriousness of a "happening" at Haight-Asbury in 1968. Be there or be square? We don't think so..

Xi is now so *off-piste* that he doesn't realise when he is being humoured by these people.

More key than this collection of nodding presidents was the fact that India landed a craft on the Moon's South Pole during the gathering. Cruel wags suggested that Xi missed his speech so he could watch the event. In our case, we saw it as a pivotal moment in which the baton was passed to India, while Xi *et al.* were grandstanding to the Russians (whose own Moon mission had had a Titanic moment only a week before).

Conclusion

China, in breathing life back into the retired (and bankrupt) BRICs concept, looks like one of the unpopular girls in the schoolyard trying to create a clique which they can control and direct against the "popular" girls. Brazil and India should know better than to lend credence to this process. By joining this group, one has to don the hairshirt of unpopularity. The Argentines have already balked, why should the Saudis willingly do the opposite? The latter group are doing quite well (much to everyone's surprise) with their neo-Metternichian charm offensive, China and charm are mutually exclusive concepts these days, so we expect the Saudis to demur.

The BRICs concept deserves at the very least a Viking funeral, or a restraining order from Goldman to Peking to "cease and desist". China should stop looking so needy. It's not a good look.

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