

# TRADE POTENTIAL AND TRANSPORT CONNECTIVITY OF BRICS COUNTRIES AFTER THE 2024 ENLARGEMENT

Analytical digest

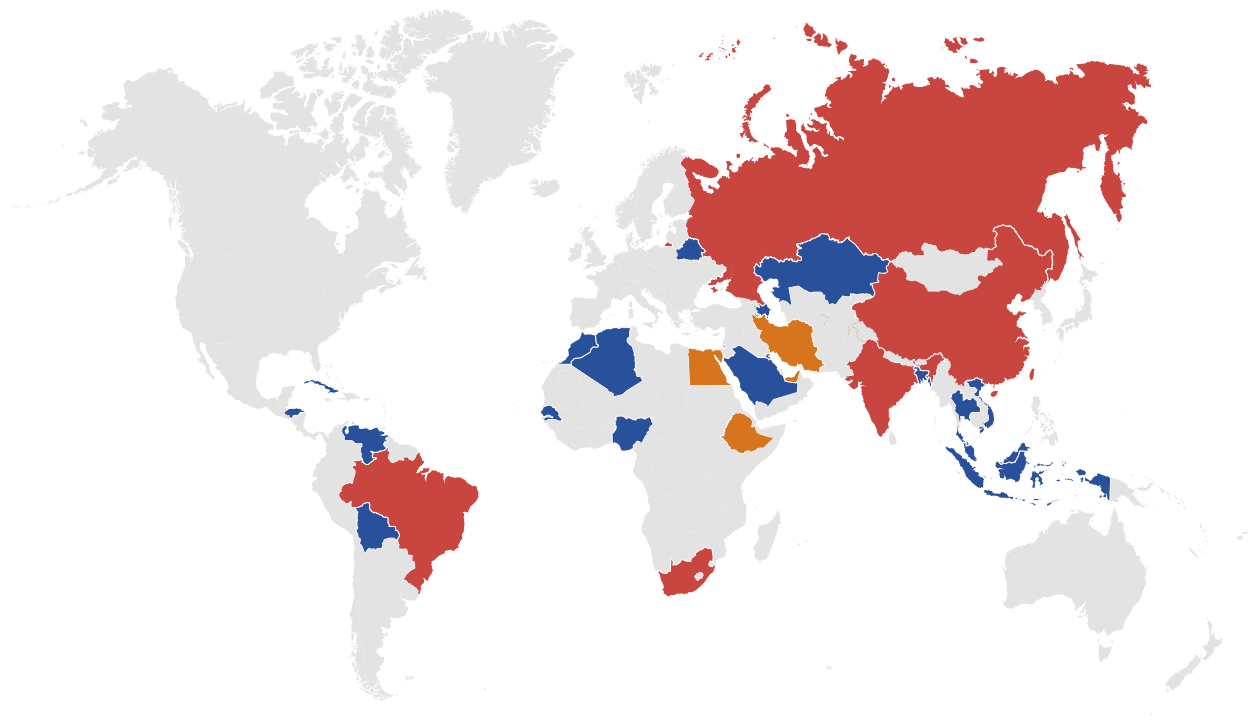
Moscow, September 2024

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# INTRODUCTION

Figure 1. **Member states of BRICS**



- Brazil, Russia, India, China and South Africa – **Original participants**
- Egypt, Ethiopia, Iran and UAE – **New participants**
- Algeria, Azerbaijan, Bahrain, Bangladesh, Belarus, Bolivia, Cuba, Honduras, Indonesia, Kazakhstan, Kuwait, Malaysia, Morocco, Nigeria, State of Palestine, Saudi Arabia, Senegal, Venezuela, Vietnam – **Applications have been submitted**

Source: compiled by the authors

As international political uncertainty grows amid the waning ability of multilateral institutions to manage global trade and economic flows, interstate cooperation platforms such as BRICS have become increasingly important. The creation of BRICS as an interstate association (BRICS is an abbreviation for Brazil, Russia, India, China and South Africa), initiated by Russia in 2006, was one of the most important international achievements of the early 21st century. At present, BRICS is a large interstate trade and economic association which has a direct impact on the regulation of the world economy.

Initially, BRICS included five rapidly developing countries – Brazil, Russia, India, China and South Africa. This year, in 2024, four more countries joined the bloc – Iran, Egypt, Ethiopia and the UAE. The large-scale expansion of the bloc testifies to growing interest in BRICS and makes it relevant to study the potential for integration within the association.

The expansion of BRICS and the deepening of cooperation between its member states has played a significant role in the new architecture of international trade: the BRICS countries account for almost half of the world's population, a third of its territory and a quarter of world trade. Following the enlargement, the BRICS countries account for 35% of global GDP in PPP terms<sup>1</sup>. BRICS are of particular importance in the global natural resources market: the countries account for more than 40% of world oil production and about 25% of world commodity exports. Also, the territory of the BRICS countries is home to about 30% of the world's iron ore reserves – in Brazil, Russia, India, China, Iran and South Africa.

The new participants have brought a number of strategic assets to the BRICS: new markets, natural resources, and ties to the most important integration associations, including OPEC, the Pan-Arab Free Trade Area, the Gulf Cooperation Council, and the African Continental Free Trade Area.

BRICS acts as an integration platform for mutually beneficial partnership. Among the main goals of the group are to increase economic growth, gradually transition to high technology, and improve the quality of life. In addition, participation in BRICS should stimulate trade and investment ties, ensure financial stability, and promote mutually beneficial cooperation among BRICS companies.

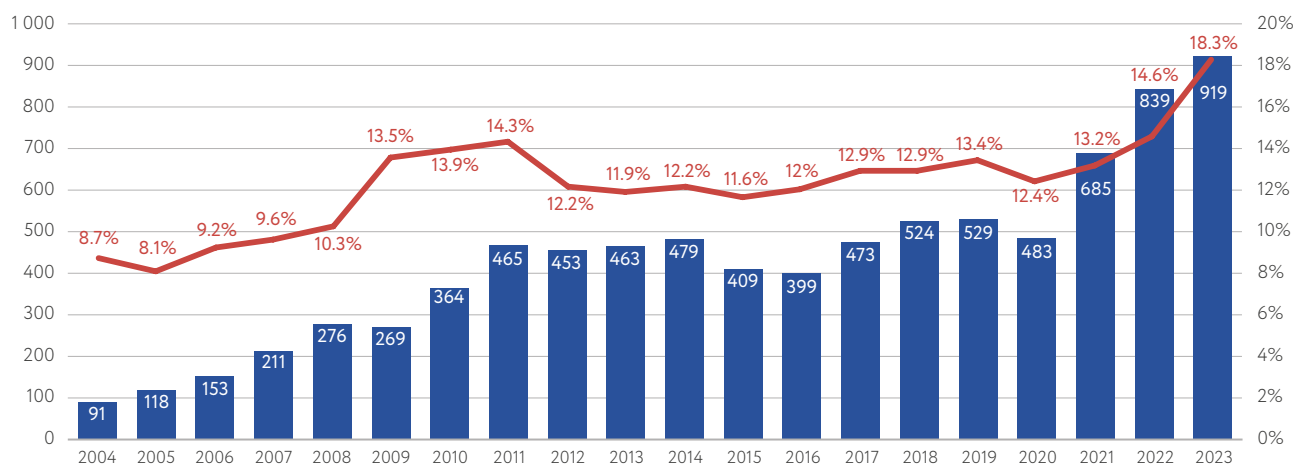
The location of the BRICS countries on the axes of key international transport corridors (East-West, North-South, One Belt, One Road, and sea routes to Brazil and Egypt through the ports of the Azov-Black Sea basin) creates conditions for the advanced development of transportation via various modes, including sea, road and rail.

<sup>1</sup> <https://1520international.com/en/content/2024/February-2024/eaeu-brics-sco-railway-services/>

# 1. MUTUAL TRADE AMONG THE BRICS COUNTRIES: DYNAMICS, STRUCTURE, AND THE LARGEST CARGO FLOWS IN THE WIDER BRICS SPACE

Over the past twenty years, the aggregate value of the exports of the nine BRICS countries to one another have increased tenfold – from \$91 billion in 2004 to \$919 billion. The focus of countries in the BRICS markets has also increased: **in 2004, only 9% of the exports of the BRICS members were supplied to the markets of other countries in the bloc; by 2023 the share had doubled and amounted to 18%.** These dynamics of the development of mutual trade, along with the movement of investments, fully reflects the efforts of the countries to pursue comprehensive cooperation and the convergence of the economies of the states in the course of joint work on the BRICS platform: since 2010, meetings of the ministers of economy and foreign trade have been held annually; The main objectives are reflected in the declarations issued at the summits.

Figure 2. Dynamics of mutual trade of the BRICS countries (in terms of exports), billion USD

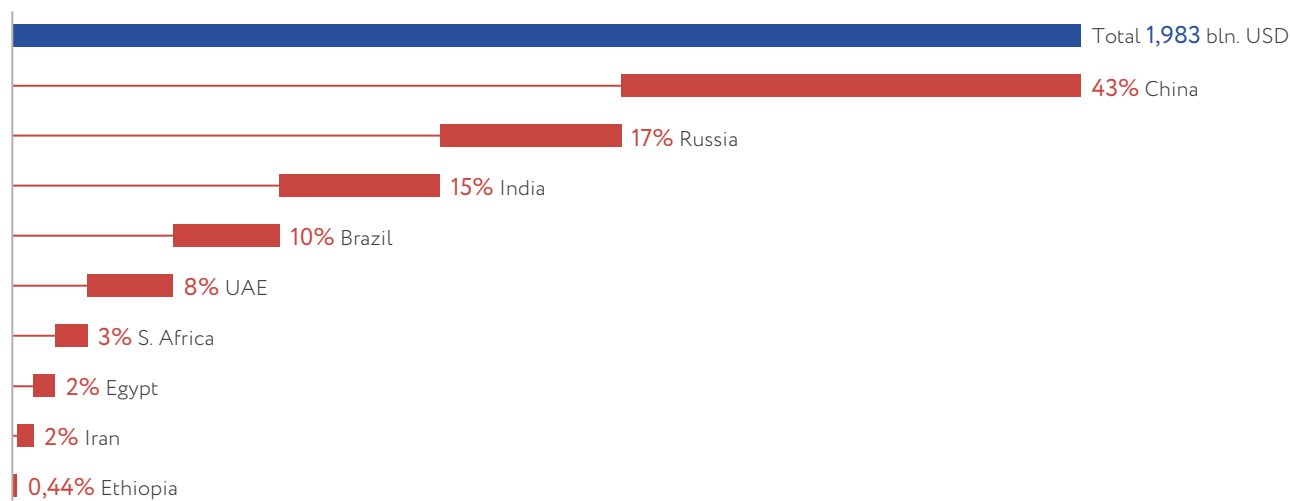


Source: author’s calculations based on ITC data

Since 2013, the theme of economic cooperation has taken real shape, namely the unification of the countries in the field of trade policy: BRICS invariably considers the multilateral trading system, where a central role is played by the World Trade Organization, as the basis for the development of an “open, transparent, non-discriminatory and inclusive multilateral trading system.”<sup>2</sup> The presence of common denominators in the field of foreign trade regulation is critically important for the even distribution of the benefits and costs of potential integration due to the significant asymmetry of the economies of the association in terms of structure and scale. Thus, the share of China, the largest economy in BRICS, in trade within the bloc today is 42% of total trade, while Ethiopia’s share is only 0.44%.

<sup>2</sup> <http://www.kremlin.ru/supplement/5139>

Figure 3. Volume of mutual trade turnover of the BRICS countries by country in 2023



Source: authors' calculations based on ITC data

Russia, which in 2023 lost to India in terms of its share in international trade, is ahead of it in intra-BRICS trade, being the second most important trade participant (after China), with a share of 17%. Among the new members of the association, the largest share (8%) in the total mutual trade turnover is held by the UAE, ahead of even one of the «old» members of the association – South Africa.

If the share of a country's foreign trade turnover in the total mutual trade of BRICS reveals the "balance of power" – the place and role of each participant in trade within the bloc, then the reverse indicator – the share of BRICS countries in the country's foreign trade – indicates the degree of interest in trade integration. **At the end of 2023, Russia demonstrated the greatest orientation of foreign trade towards BRICS: trade with the countries of the association accounts for almost half of its foreign trade turnover.** Russia accounted for 49%, while the average share for the BRICS countries was only 20%, which is due to the rapid reorientation of Russia's foreign trade from West to East over the past two years. At the same time, Russia's orientation towards BRICS in exports is slightly higher than in imports – 51% against 46%.

In second place is the foreign trade of Ethiopia, the smallest of the BRICS economies, and Africa as a whole. This is due to the high share of BRICS countries in Ethiopia's exports: 49%. Its high degree of orientation towards the BRICS markets even before the state joins the association speaks in favor of the expediency of such a step and a high degree of motivation for integration within the bloc. Ethiopia is a historical exception among African countries; most of them were European colonies, as a result, their foreign trade is still more oriented towards the Western European countries. Today, the country's significant agricultural potential, as well as explored reserves of natural resources – coal, iron ore, gold – provide a significant investment attractiveness for Ethiopia, particularly for China.

Table 1. **Total and mutual trade of the BRICS countries in 2023**

	Foreign trade turnover, USD mln	BRICS trade turnover, USD mln	Share of BRICS countries in foreign trade
<b>World</b>	<b>46,808,685</b>	<b>9,746,868</b>	<b>20.8%</b>
<b>Total BRICS</b>	<b>9,746,868</b>	<b>1,983,507</b>	<b>20.4%</b>
China	5,948,036	846,658	14.2%
India	1,099,178	300,814	27.4%
Russia <sup>3</sup>	680,393	332,622	48.9%
Brazil	580,489	192,488	33.2%
UAE <sup>4</sup>	936,114	168,244	18.0%
South Africa	217,927	56,902	26.1%
Egypt	125,210	31,825	25.4%
Iran <sup>5</sup>	139,627	45,141	32.3%
Ethiopia	19,894	8,814	44.3%

Source: author's calculations based on ITC data

China, the absolute leader in terms of trade volumes in the BRICS space, has demonstrated the lowest orientation indicator – at the end of 2023, only 14% of China's foreign trade was with the BRICS countries. **The ongoing confrontation between China and the United States is steadily changing the orientation of China's foreign trade towards the Asia-Pacific region and especially BRICS.** In the future, this will strengthen the weight of the bloc in international trade, which today is already about 20%.

Table 2. **Exports between BRICS countries, 2023, mln USD**

Exports	to China	to India	to Russia	to Brazil	to UAE	to S. Africa	to Egypt	to Iran	to Ethiopia
<b>from China</b>		<b>117,821</b>	<b>111,057</b>	<b>59,138</b>	<b>55,809</b>	<b>23,679</b>	<b>14,981</b>	<b>10,107</b>	<b>2,592</b>
<b>From India</b>	16,267		4,091	6,681	33,044	8,026	3,963	1,187	479
<b>from Russia</b>	128,485	61,602		10,013	8,190	523	4,958	1,526	19
<b>from Brazil</b>	104,325	4,686	1,343		3,166	1,642	2,315	2,298	24
<b>from UAE</b>	10,106	25,393	2,591	649		2,091	5,749	6,758	764
<b>from S. Africa</b>	12,498	5,051	283	488	2,545		55.7	16.5	31.0
<b>from Egypt</b>	909	1,175	519	444	2,214	118		1.8	112.7
<b>from Iran</b>	22,426	1,888	692	139	6,006	367	10.1		1.9
<b>from Ethiopia</b>	131.6	139.2	12.9	2.3	163.8	10.0	8.7	1.3	

Source: Ministry of Investment and Foreign Economic Relations (MIFER) of Myanmar

As follows from the data on mutual trade between the BRICS countries, the largest trade flows are concentrated around China, in particular its trade with Russia, Brazil, India and the UAE. There are also trade flows between Russia and India, India and the United Arab Emirates, and Iran and China.

<sup>3</sup> Data from the Federal Customs Service of Russia

<sup>4</sup> Data for 2022

<sup>5</sup> Data for 2022

Shipments from Russia to China in 2023 were worth 128.4 billion US dollars, and China's exports to Russia were worth 111 billion US dollars. **If in value terms, trade between the countries is close to being balanced, then in physical terms, cargo traffic from Russia "outweighs" imports from China by several times:** according to Chinese customs, in 2023 it amounted to 277 million tons, while China's supplies to Russia weighed in at 22 million tons. This is due to structural differences in commodity flows: Russia's supplies are mainly raw materials, and China's exports to Russia are medium and high value-added goods. The largest physical cargo categories in traffic from Russia to China are oil and oil products – 123 million tons; coal – 101 million tons; timber – 9.8 million tons; iron ore – 9.6 million tons, and liquefied natural gas (LNG) – 8.2 million tons. Supplies of oil, petroleum products and LNG also dominate the UAE-China cargo flow.

Table 3. **China's physical imports to and from BRICS partners, 2023, metric tons**

	Imports	Exports
<b>Brazil</b>	392,895,251	22,821,142
<b>Russia</b>	277,104,366	22,927,658
<b>S. Africa</b>	72,239,566	6,876,291
<b>UAE</b>	61,897,638	17,481,790
<b>India</b>	52,405,912	34,529,967
<b>Iran</b>	15,243,921	2,088,446
<b>Egypt</b>	2,641,636	6,079,269
<b>Ethiopia</b>	286,400	925,729

Source: authors' calculations based on data from the Customs Service of the PRC

At the same time, Brazil's exports to China are the largest flow of physical cargo traffic in the BRICS space, the volume of which in 2023 amounted to 392.8 million tons. More than half of this volume (248 million tons) is Brazilian iron ore. China is the world's largest consumer of this commodity. Since domestic supply cannot compensate for the high demand from Chinese industry, about 80% of total iron ore consumption is provided by imports. The largest suppliers are Australia and Brazil. Other significant categories of cargo traffic from Brazil to China are agricultural products (soybeans, corn, sugar, meat), oil and oil products and timber. Supplies of iron and other ores also dominate in the cargo traffic between South Africa and China, amounting to about 36 million tons, as well as India-China (35 million tons).

Thus, trade statistics allow us to see that **in the BRICS space, two cargo flows stand out most significantly: Brazil – China (iron ore exports) and Russia – China (supplies of oil, petroleum products, LNG and timber).** Therefore, **transport connectivity between Russia and China is the backbone of the transport framework of both Eurasia and BRICS.**



## 2. MAIN TRANSPORT CHANNELS BETWEEN THE BRICS COUNTRIES: CURRENT AND FUTURE

Currently, the total cargo turnover of the BRICS countries is more than 7 trillion tkm, or two-thirds of the world's cargo turnover<sup>6</sup>. Therefore, the BRICS transport framework plays a key role in the global economy, contributing to global economic growth and the development of transit regions. The promotion of mutual trade and integration between the countries entails the need to improve the quality of the existing transport infrastructure, organize new routes for the delivery of goods, and coordinate an approach to all logistical obstacles through the creation of transport corridors.

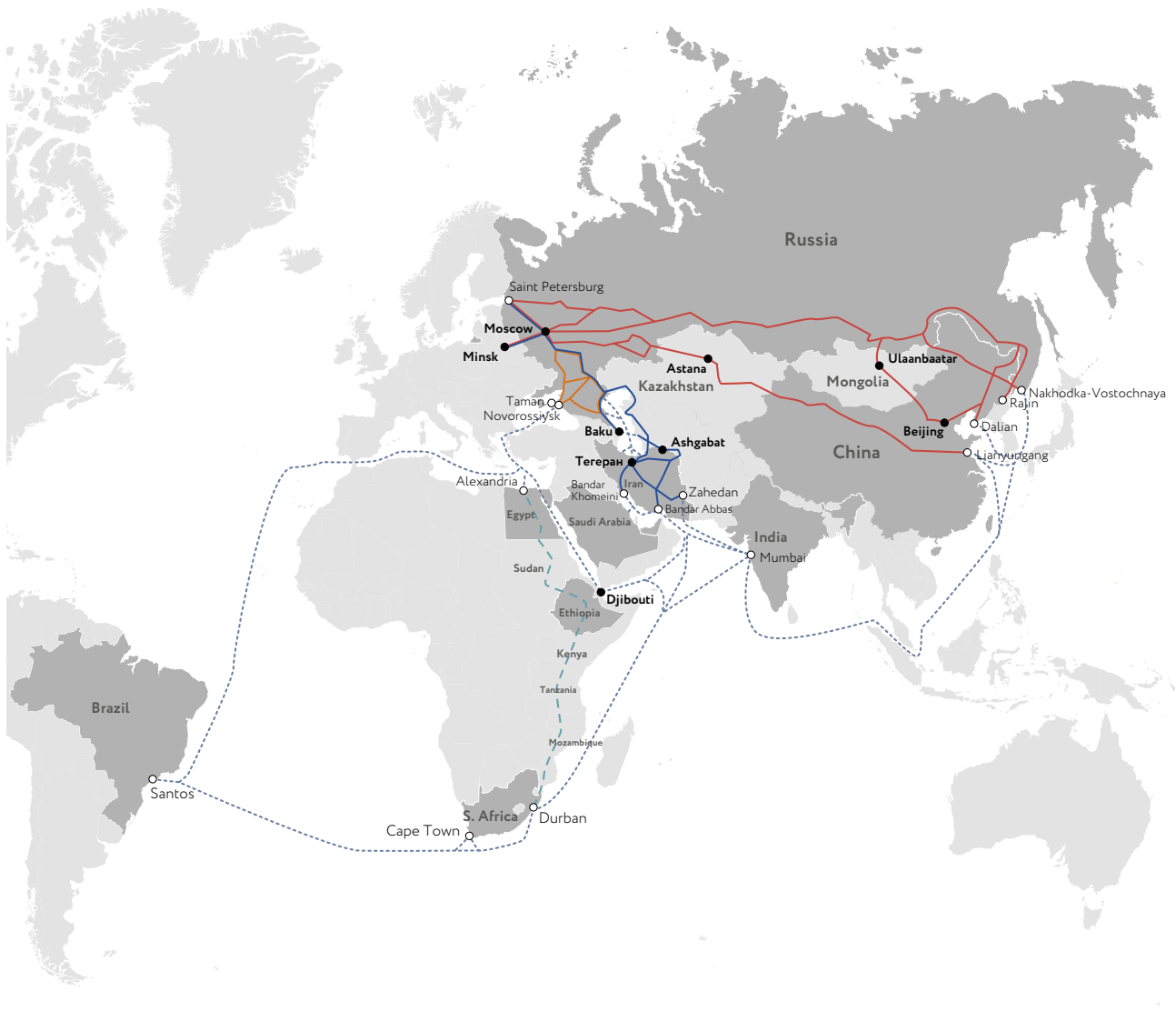
An International Transport Corridor (ITC) is a set of agreements between countries aimed at changing the speed and direction of trade flows in a certain area. The rules governing the transportation and transit of goods along a certain route are supported by an agreement signed by the participating countries.

Modern ITCs are integrated systems of transport routes and related infrastructure facilities, designed for the efficient movement of goods and passengers between different countries and regions. ITCs include railways and roads, sea and river routes, as well as air routes and logistics hubs such as ports, terminals and warehouses. ITCs are designed to overcome objective physical, economic and political constraints on the movement of goods by creating a predictable and transparent business environment for freight carriers and consumers of their services.

The transport infrastructure of Eurasia, which includes Russia and its neighboring countries, has traditionally developed in the direction of latitudinal routes. However, in modern conditions, meridional routes are becoming increasingly important, especially the North-South ITC, which connects with most of the latitudinal Eurasian transport routes in the East-West direction, particularly with the Eurasian transit route through Kazakhstan, Russia and Belarus.

<sup>6</sup> <https://gudok.ru/content/analitika/gruzoperevozki/1645900/>

Figure 4. **Transport corridors of the BRICS area**



- **BRICS Corridor №1**  
International North–South Transport Corridor + the countries of the Arabian Peninsula and Africa
- **BRICS Corridor №2**  
East – West Corridor and routes developed within the framework of “One Belt, One Road”
- **BRICS Corridor №3**  
Routes connecting the ports of the Azov-Black Sea basin by sea with Egypt, the countries of Latin America and Africa
- **BRICS Corridor №4**  
International sea routes (China – South-East Asia – India – S. Africa – Brazil; Russia – Egypt – Saudi Arabia – S. Africa; Russia – Egypt – Brazil)
- **BRICS Corridor №5**  
Trans-African transport route system (subject to the practical development of such projects)

Source: Subgroup on Transport and Logistics of the BRICS Business Council

## INTERNATIONAL NORTH–SOUTH TRANSPORT CORRIDOR (INSTC)

This route connects the countries of Northern Europe and the South (the Arabian Peninsula, Africa, India) without the use of the infrastructure of the Suez Canal – through Russia, the Caucasus and Central Asia. This ITC is multimodal and includes railway, road, sea and river routes with a total length of 7,200 km: from the largest port in the north of Russia – St. Petersburg – to the largest port in India – Mumbai. Today, a wide range of goods is transported through this ITC, particularly grain, coal and ferrous metals. The volume of cargo traffic is growing in all directions and modes of transport.

The North-South corridor has three recognized branches: the western one along the west coast of the Caspian Sea, the eastern one along the east coast of the sea, and the trans-Caspian branch, through the sea. All routes lead to the ports of southern Iran (Bandar Abbas, Chabahar). Goods are then shipped further on to India, the countries of the Persian Gulf or East Africa. The branching of the corridor provides a certain margin of flexibility to trade participants, but at the same time slows down the necessary infrastructure development due to the «dispersion» of resources.

A detailed analysis of the INSTC is provided in the joint report published by the Roscongress Foundation and the ITI Research Centre *“The North – South Corridor: New Opportunities for Russia’s Foreign Trade”*.

## THE EAST-WEST CORRIDOR AND THE ROUTES OF THE BELT AND ROAD INITIATIVE

The East-West ITC passes through the Eurasian continent and includes competitive routes for the supply of goods by rail between Europe and Asia.

The East-West ITC is built around the Trans-Siberian Railway, which crosses the territory of Russia, providing access to the railway networks of Korea, China, Mongolia and Kazakhstan in the east, and the European countries in the west, and provides transport and economic ties between the countries of the Asia-Pacific region and European countries. The northern routes of the ITC use the Trans-Siberian Railway through the border crossings of the Far East, with access to China directly and through Mongolia (Naushki), and to the Eurasian route through Kazakhstan. A network of the most important international transport corridors in road and rail traffic passes through the territory of the member states of the Eurasian route, ensuring the flow of goods in East-West traffic. The Eurasian route is the main route for the transit of goods by rail between China and the EU.

For many centuries, the continental Silk Road was a traditional route connecting the countries of Europe and China, which lost its importance as a result of the colonial expansion of European states in modern times. When the Trans-Siberian Railway opened in 1916 with its final destination in Vladivostok, it became the main latitudinal route for the transportation of goods in Eurasia.

The One Belt, One Road project, initiated by China in 2013, involves combining land and sea trade routes to more efficiently deliver goods to countries in Southeast Asia, Africa, the Middle East and Europe. To do this, it is proposed to connect two projects – the “Silk Road Economic Belt,” a transcontinental corridor connecting China with Southeast Asia, South Asia, Central Asia, Russia and Europe by land, and the “Maritime Silk Road of the 21st Century,” which connects the coastal regions of China with Southeast Asia, South Asia, the countries of the South Pacific, the Middle East, East Africa and Europe. The program provides for attracting investment in the development of infrastructure facilities and is implemented through bilateral agreements between China and transit countries. Such agreements have already been signed by more than 150 countries, including Russia, the UAE, Iran, Egypt, Ethiopia and South Africa. India remains on the sidelines of participation in the initiative due to its territorial conflict with Pakistan, which joined the project. India has also criticized the Chinese project for its unilateral format and for the central role played by China.

## CORRIDOR THROUGH THE BLACK AND MEDITERRANEAN SEAS

This is a traditional route connecting the ports of the Azov-Black Sea basin with the countries of the Mediterranean Sea (through the Bosphorus) and giving access to the countries of Africa and the Arabian Peninsula (through the Suez Canal) and to the countries of Latin America (through Gibraltar). This ITC is limited by the capacity of the ports of the Azov-Black Sea basin. Today, it carries an average of 186 million tons per year, and there are plans to expand this to 250 million tons per year<sup>7</sup>. The corridor is also limited by the capacity of the Bosphorus, one of the busiest sea straits.

## INTERNATIONAL SEA ROUTES

BRICS transoceanic container lines connect the ports of Brazil (Rio de Janeiro), South Africa (Cape Town), India (Mumbai), China (Hong Kong, Shanghai) and Russia (Vostochny, Petropavlovsk-Kamchatsky).

Main directions of cargo flows:

- Brazil – S. Africa – India – China;
- Russia – Egypt – UAE – S. Africa;
- Russia – Egypt – Brazil.

<sup>7</sup> <https://morvesti.ru/news/1677/103253/>

The development of transoceanic routes is of the greatest importance for Brazil, the largest shipper in the BRICS space. Based on its geographical location and the structure of physical exports, it can be concluded that for the bulk of trade with the countries of the bloc, the priority mode of transport is by sea, due to its economy and the ability to transport large volumes of goods. Air transport is used for the high-speed delivery of valuable and perishable goods. Rail and road transport play a key role in the delivery of goods to ports and inland regions. Inland waterways facilitate the transport of bulk goods inside countries.

## TRANS-AFRICAN ROUTES

The Trans-African Highway Network project includes transcontinental road projects being developed by the African Union, the African Development Bank and the United Nations Economic Commission for Africa (UNECA) in collaboration with the regional economic communities. The total length of motorways in the network is 56,683 km<sup>8</sup>.

One of the nine trans-African routes is the 10,228 km Cairo-Cape Town corridor, which connects Egypt with South Africa through Ethiopia. During British colonial rule, the road was known by names such as the Cape to Cairo Road, the Pan-African Highway, or the Great Northern Road. In the 1980s, a modified version was revived as part of the Trans-African Highway, the UNECA transcontinental road network. The route passes through the territory of nine countries – Egypt, Sudan, Ethiopia, Kenya, Tanzania, Zambia, Zimbabwe, Botswana and South Africa – and has the potential to allow travelers to cross the entire continent by car in just five days. According to the Egyptian Ministry of Transport, completion is scheduled for 2024<sup>9</sup>.

The route also involves interface with already-implemented corridors, such as Addis Ababa – Nairobi – Mombasa, which allows Ethiopia to export its cargo through the port of Mombasa. As a landlocked country, Ethiopia primarily uses the port of Djibouti as a gateway for the vast majority of the goods it sells on the international market (90 to 95%). **The completion of the 656-kilometer rail network linking the Ethiopian capital, Addis Ababa, to the port of Djibouti has helped optimize logistics on the country's largest trade route**, but on other routes, the bulk of cargo is transported mainly by road, significantly reducing the competitiveness of Ethiopia's trade logistics. The further implementation of plans for the development of the railway network can change the situation. **Ethiopia's resumption of diplomatic relations with Eritrea has created the potential for expanded logistics operations through the Eritrean ports of Assab and Massawa.** The Government of Eritrea has the potential to connect Assab (via the Metemma-Woreta-Weldiya-Assab railway line) to the Sudan via Weldiya (which is crossed by the Awash-Kombolcha-Mekelle railway line)<sup>10</sup>.

8 [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Cross-border\\_road\\_corridors.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Cross-border_road_corridors.pdf)

9 <https://embassylife.ru/en/post/20238>

10 <https://www.bricstransport.ru/jour/article/view/49/25>

### 3. POTENTIAL FOR FURTHER BRICS EXPANSION AND INTEGRATION IN THE FIELD OF TRANSPORT

BRICS is the expansion of economic and political cooperation beyond the established BRICS circle with any country, bloc or region of the world economy through the transformation of the platform in favor of greater inclusiveness and openness. The BRICS concept was first proposed by China in 2017 with the aim of turning the bloc into the world's most influential platform for South-South cooperation. By early 2024, the idea of BRICS had the support of 23 countries, which submitted official applications to join the bloc. Six of these were accepted – Egypt, Ethiopia, Iran, the UAE, Saudi Arabia and Argentina. However, only four of them joined BRICS, as the new President of Argentina, Javier Milei, abandoned plans to join the association, and the process of the official accession of Saudi Arabia stopped at one of the stages of internal coordination: it took the country more time than initially expected to weigh the economic benefits and political risks of such a step. BRICS includes the largest buyers of oil from Saudi Arabia – China and India. It also exports significant volumes to the UAE and Egypt. The expanded BRICS, built on the principles of non-interference, equality and mutual benefit, is intended to serve as a platform that unites the diverse interests of complementary economies, and a means of balancing forces with Western countries. The decision on Saudi Arabia's participation in BRICS comes amid heightened geopolitical tensions between the US and China, as well as China's growing influence in Saudi Arabia. In addition to strengthening relations with China, the Kingdom's accession to BRICS opens up access to the growing economies of the BRICS countries, as well as contributes to the diversification of the Saudi economy.

The decision on the accession of the remaining countries that have applied to BRICS remains under consideration by the Council. They include Algeria, Bangladesh, Bahrain, Belarus, Bolivia, Venezuela, Vietnam, Honduras, Indonesia, Kazakhstan, Cuba, Kuwait, Morocco, Nigeria, the State of Palestine, Senegal and Thailand. Also in 2024, Malaysia<sup>11</sup> and Azerbaijan<sup>12</sup> announced their intention to join BRICS.

Thus, all key ASEAN members are interested in rapprochement with the BRICS. If the current wave of BRICS expansion covers mainly the Middle East and North Africa, then the next one is likely to affect the Southeast Asian region, which fully meets the strategic interests of BRICS, especially in the development of ITCs.

The lack of statutory documents that regulate the accession procedure in detail creates difficulties for predicting the geography of the future of BRICS. Since summits remain the main format of the bloc's work, the contours of the further expansion of BRICS will become sharper at the next of them, which is scheduled for October 22-24, 2024 in Kazan.

11 <https://www.malaymail.com/news/malaysia/2024/07/09/pm-anwar-malaysia-set-to-become-brics-partner-country-soon-bloc-wont-interfere-with-domestic-politics/143118>

12 <https://ria.ru/20240820/azerbaydzhan--1967363718.html>

**The BRICS platform can make a unique contribution to building a more stable global economic structure by acting as an “integrator” for numerous regional integration agreements in the Global South,**<sup>13</sup> and trade liberalization is one of the main gateways for future cooperation among emerging economies. At the same time, for the uniform and consistent growth of mutual trade, it is critically necessary to use the opportunities provided by the unique cross-continental/regional format of BRICS, namely, to ensure the realization of its transport potential.

The inclusion of Iran in the BRICS plays a decisive role in the development of transcontinental ITCs, since its geographical location opens up opportunities for the connection of latitudinal and meridional corridors. As a territory connecting the Caspian Sea, the Persian Gulf and the Indian Ocean, Iran acts as a point of intersection of the most important cargo flows, including the North-South ITC. The linking of routes could combine Chinese cargo traffic with potential Indian cargo, stimulate additional investment, and contribute to the establishment of interregional ties. **In order for Iran to realize its transit potential, its transport infrastructure, especially ports and railways, is of critical importance.**

The development of railways in the BRICS space is the most important element in realizing the transport potential of the association. The total rail freight turnover of the BRICS countries is almost 64% of the world total<sup>14</sup>. The railway network of the BRICS countries covers more than 382 thousand km, including more than 213 thousand km of electrified lines. The total volume of cargo transported on the railway network is about 8.4 billion tons per year<sup>15</sup>. In order to maintain the long-term interest of states in them, transit routes should help solve the internal problems of transport and logistics infrastructure, the containerization of cargo transportation, administration, and the establishment of interregional ties.

An important element of integration in the field of transport is also the partnership of multimodal operators of the BRICS countries to increase the total capacity of assets, develop independent institutions for insuring the risks of transport companies, and provide the services necessary for transport, including mutual settlements. It is also necessary to study the possibilities of increasing the efficiency of international trade through advanced technological and legal solutions in the field of cargo flow administration. It is important for the governments of the BRICS countries to formulate a systematic and coordinated approach and maximize cooperation between the main beneficiaries of foreign trade – national manufacturers and carriers.

**As a link in the most important international transport corridors, East-West and North-South, as well as a BRICS chair state in 2024, Russia has taken a leading role in the development of the transport system in the association.**

13 <https://brics-plus-analytics.org/brics-as-the-integrator-of-the-regions-of-the-global-south/>

14 <https://gudok.ru/newspaper/?ID=1671505>

15 <https://1520international.com/en/content/2024/February-2024/eaeu-brics-sco-railway-services/>

At the 15th Annual Summit of the Heads of BRICS Member States in August 2023, Vladimir Putin initiated the creation of a permanent commission on transport to coordinate the efforts of countries to develop logistics within BRICS, ensure the operation of transport corridors and improve transport connectivity between the participating states. Subsequently, the Working Group on Infrastructure of the BRICS Business Council decided to establish a Subgroup on Transport and Logistics, the tasks of which, in addition to coordinating the development of transport corridors, will be work on the innovation agenda and the exchange of experience in the field of personnel training.

In June 2024, the first meeting of BRICS Transport Ministers was held as part of SPIEF. The discussion touched on topics such as the development of the transport industry, the promotion of industry cooperation, and the future in the digital age. Following the meeting, the participants adopted a Ministerial Declaration, which defines the key priorities of cooperation: transport connectivity and supply chains, innovation and digitalization, urban mobility, and the environment.

Another important decision has been to make the Subgroup on Transport and Logistics a permanent Working Group, which will be chaired by Russia for a transitional period (two years – 2025 and 2026).

An agreement has also been reached that in 2025, a permanent logistics platform will start to work: the BRICS Logistics Commission will be headquartered in Dubai and bring together representatives of the transport and logistics sector.

Also, following the meeting, a memorandum was signed on the development of piggyback transportation between the Chinese port of Jinzhou, the state corporation Russian Railways and the piggyback operator PFCO Express JSC. The document defines the implementation of comprehensive measures to increase the attractiveness of piggyback transportation services and the development of optimal logistics solutions for the transportation of goods in piggyback trailers and long-haul truck tractors using specialized well-type platforms. Today, piggyback transportation is one of the most innovative and popular trends in the development of cargo transportation. This innovative technology combines the benefits of both road transportation – door-to-door delivery, and rail transportation – delivery on tight schedules in line with deadlines<sup>16</sup>.

16 <https://index1520.com/analytics/kontreyler-bystro-ekonomno-ekologichno-i-bezopasno/>



Based on the results of the Group's work, the following main areas of activity in 2024 can be identified:

- **Protecting transport infrastructure from disasters:** coordinating recovery efforts in response to natural hazards such as climate change. The Disaster Management Measures proposed by the IMO (International Maritime Organization) can serve as a general guideline.
- **Development of transport and logistics routes connecting the BRICS countries:** Five main areas of development have been identified, a detailed analysis of which is given in Section 2 of this study.
- **Development of the Guidelines on BRICS Transport Routes:** this work is carried out in order to increase the transport connectivity of the BRICS countries and unify approaches to logistics. The draft Guidelines are due to be presented at the next Summit.
- **BRICS transport portal:** an Internet-based electronic communication platform for the exchange of information on innovations and best practices used in the transport and logistics sector of the BRICS countries. An electronic platform to publicize the work of the Group, BRICS.Transport.com, is currently being developed. Russia has assumed responsibility for filling and moderating the site during the 2025-2026 period.
- **BRICS Solution Awards:** The identification of promising technology projects within the BRICS countries.
- **BRICS transport academy:** human capacity development in the field of transport and logistics, educational and awareness-raising events and master classes (online and offline) with experts and institutes of the transport industry.
- **Sustainable development:** discussion of measures in the field of transport that contribute to the achievement of the UN Sustainable Development Goals, preparation of a common position of the BRICS countries on reducing the share of transport in global hydrocarbon emissions.

## CONCLUSION

The effectiveness of the joint work of the BRICS countries and the rapprochement of their economies are fully reflected in the indicators of the dynamics of the development of mutual trade and investment. The unification of the trade and industrial potentials of the BRICS countries will create conditions for the organization of the efficient transportation of goods at a minimum cost. The BRICS space has concentrated the world's largest suppliers and consumers of basic resources, as well as the most populous states and growing consumer markets.

Over the past year, among all the member countries of the bloc, Russia has shown the greatest orientation of foreign trade to the BRICS markets: trade with the countries of the association accounts for almost half of the state's foreign trade turnover. Russia's role and place in the future BRICS trading system, as well as the economic benefits of this position, are largely determined by the emerging transport framework. Active participation in building an independent BRICS transport and logistics network that is resistant to external challenges fully meets Russia's long-term foreign economic interests.

Russia's geographical location makes it possible to use the territorial aspect as an additional tool for integration into the international economy. Active participation in the development of the Eurasian transport framework and the BRICS international transport corridors makes it possible to take national interests into account in the emerging transport architecture.

The growing role of the North-South ITC, an onshore alternative to the Suez Canal, is due not only to sanctions against Russia, but also to the shift of economic activity centers to China, the countries of Southeast Asia and the Persian Gulf.

The development of the transport connectivity of the BRICS countries serves the purpose of promoting both trade within the bloc and international trade in general. Improving logistics will strengthen or create strong transport chains between states. By remaining committed to the UN Sustainable Development Goals and recognizing the need to reduce the carbon footprint, the BRICS participants are focusing joint efforts on removing barriers to the unhindered, free and non-discriminatory movement of goods and services, as well as reducing logistics costs and improving the efficiency of supply chains. The development of BRICS transport corridors also contributes to the development of regional infrastructure and the economies of countries, providing new opportunities for trade, tourism and cultural exchange.

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In the context of increasing international political uncertainty and diminishing capacity of multilateral institutions to regulate global trade and economic flows, the importance of interstate cooperation platforms such as the BRICS (Brazil, Russia, India, China, and South Africa) is growing. The establishment of the BRICS intergovernmental organization, initiated by Russia in 2006, represents one of the most significant international developments of the early 21st century. The recent expansion of this bloc indicates a growing interest in the BRICS, making it pertinent to explore the possibilities for integration within this association.



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