

## **ENTRY INTO BRIC WILL PROPEL SA TO NEW HEIGHTS**

South Africa's invitation by BRIC (Brazil, Russian Federation, India, China) to join the bloc as a full member will propel the country to new heights, say experts. It is expected that South Africa will be accepted formally as a new BRIC member at these emerging powers' next summit in April 2011.

"It can expect to boost investment and trade opportunities for the country, as it has done for the other four states comprising the informal grouping," says International Marketing Council of South Africa's CEO, Miller Matola.

SA, which got an invitation to join the powerful bloc of emerging economies, had a combined GDP of R18 trillion late in December.

BRIC will account for 61 percent of global growth in three years time, according to the International Monetary Fund.

"The fact that South Africa has the opportunity to be affiliated to this group of powerful emerging economies underlines two main points. The country is recognised as a developing economy of significance in its own right, but also that it is the gateway to the continent of Africa - the next growth superstar," expressed Matola.

Matola believes that this is a good step for South Africa, not only economically but also politically. He said a new world order is unfolding where economic clout and therefore political power is shifting from West to East, with the BRIC countries as the visible face of this movement.

South Africa, along with other emerging economies, has long been punting for a greater role in international organisations like the IMF and the World Bank.

The invitation to join BRIC, combined with its renewed membership of the Security Council, will enhance its influence in this regard too, added Matola.

"Huge new opportunities will open up for South Africa on the investment and trade front. Private companies may also find market access into the BRIC countries easier and partnerships with companies from this grouping might evolve.

"This might become particularly important as South Africa is already the biggest emerging economy investor in the continent and its companies are active in at least half of all African countries," Matola stressed.

Joining BRICS will also mean that South Africa must use these new opportunities to increase its competitive edge.

Last year, the country's ranking in the Global Competitiveness Index (GCI) of the World Economic Forum (WEF) dropped, but its performance has in fact remained stable. South Africa's slight decline reflected improvements from other countries and their ability to spur growth.

"South Africa will play in a different league and as such, will have to improve its delivery and performance," says Matola. "To draw South Africa into this powerful club underlines the country's growing international role and its future significance for those who want to make use of the expanding African opportunities.

"It is, in fact, an association that does not only benefit the group, but the emerging world as a whole and Africa, in particular," said Matola.