

Letter from the Executive Board

It gives us great pleasure to welcome you to the BRICS committee at OakMUN 2025. This year's agenda deals with one of the most pressing issues in the modern economic order: the weaponization of trade and the rise of alternative monetary systems.

“Discussing the Implications of US Tariffs on BRICS Nations, with Special Emphasis on Alternative Avenues of Trade Including Dedollarisation”

The agenda aims to provoke nuanced economic, political, and strategic discourse, and we hope that delegates explore the agenda from both national interest and collective geopolitical perspectives. As always, this background guide is a primer. We encourage all delegates to expand their research by utilizing credible sources and recent developments. We wish you all the best and look forward to intense, productive debate.

Best regards,
Anvi Waghmare
Vice-Chair, BRICS
OakMUN 2025

About the Committee

Originally coined by economist Jim O'Neill in 2001 and institutionalized in 2009, BRICS is a geopolitical bloc comprising **Brazil, Russia, India, China, and South Africa**. Its purpose is to promote cooperation among major emerging economies in matters of trade, finance, development, and geopolitics. The grouping has grown in significance due to its increasing share of global GDP, population, and trade volume.

Since 2023, the bloc has expanded into **BRICS+**, with several observer and prospective members joining key summits. While not a treaty organization, BRICS acts as a critical platform for developing economies to push back against Western-dominated institutions like the IMF, World Bank, and WTO.

This year's OakMUN simulation features several non-BRICS countries as observers or participants, reflecting the growing interest in BRICS+ and collaboration between the Global South. Their presence provides diverse perspectives on US trade policy and global economic realignment.

Objectives and Functions of BRICS

Although BRICS does not operate under a formal mandate or charter, it has evolved around shared goals that guide its policy direction and global engagement. Its key objectives and functions include:

- **Promoting economic cooperation** among emerging and developing economies.
- **Reforming global financial institutions** to make them more representative of Global South interests.
- **Encouraging multipolarity** and balanced global governance.
- **Developing alternative institutions**, such as the New Development Bank (NDB) and BRICS Contingent Reserve Arrangement (CRA).
- **Enhancing trade and investment ties** among member and observer states.
- **Strengthening innovation, digital infrastructure, and sustainable development** in member states.
- **Fostering dialogue and policy coordination** on international economic, political, and security issues.

These principles are reaffirmed during annual summits, ministerial meetings, and working group reports. BRICS functions by consensus and flexible cooperation, enabling diverse national approaches under a shared strategic umbrella.

→ What Member States Can Do

BRICS member states are expected to:

- Lead discussions on alternatives to US-dominated global trade frameworks
- Propose detailed mechanisms for dedollarisation, such as currency swap arrangements, fintech infrastructure, or reserve pooling
- Share case studies of successful local currency trade or resistance to tariff shocks
- Collaborate on shared institutions (e.g., strengthening the New Development Bank or BRICS Pay)
- Present unified responses to potential US retaliation or diplomatic backlash

Delegates must demonstrate vision and initiative, offering actionable proposals that consider the shared yet diverse priorities of the bloc.

→ What Non-Member States Can Do

Observer and prospective member states play a vital role in shaping the future of BRICS+.

They can:

- Offer regional perspectives on the global trade order and its inequities
- Contribute to working papers by aligning with member states on specific policy issues
- Suggest conditions or expectations for deeper engagement with BRICS initiatives
- Raise concerns about monetary risk, technological readiness, or geopolitical pressure
- Act as diplomatic bridges between BRICS and other blocs (e.g., ASEAN, OPEC, AU)

Non-member states are encouraged to participate with equal intellectual rigor and make sure their strategic interests are effectively represented.

About the Agenda

The United States has historically used tariffs and trade sanctions as tools to advance its domestic and geopolitical interests. These measures disproportionately affect large exporters in the developing world, many of which are part of or aligned with BRICS. Since 2018, US tariffs on Chinese goods have reached over \$360 billion, and countries like India, Brazil, and South Africa have also been targeted under “national security” pretexts.

In response, BRICS nations have begun exploring alternative avenues of trade, most notably **dedollarisation**: reducing reliance on the US dollar in global transactions. This agenda focuses on analyzing the economic implications of US protectionist measures and evaluating strategies such as currency swaps, local currency trade, BRICS Pay, and proposals for a common currency.

The debate must balance **economic feasibility, political will, and long-term strategic consequences**.

Main Points of Discussion

- 01. Economic Impact of US Tariffs
 - a. Sector-wise losses (e.g., steel, solar, agriculture, tech)
 - b. Shifts in trade balance and market access
- 02. Dedollarisation Initiatives
 - a. Bilateral trade in local currencies (e.g., INR-Ruble, Yuan-Riyal)
 - b. BRICS Pay system and digital currencies
 - c. Feasibility of a BRICS reserve currency
- 03. Alternative Trade Routes and Partnerships
 - a. Expansion of BRICS+ and Global South alliances
 - b. Strengthening South-South trade (Africa, ASEAN, Latin America)
- 04. Challenges to Dedollarisation
 - a. Currency volatility, political risk, and infrastructure gaps
 - b. US retaliation and sanctions
- 05. The Role of Observers and Prospective Members
 - a. Will non-member states support or resist dedollarisation?
 - b. Shared interests in trade diversification or monetary sovereignty

What We Expect from Non-Member States

Non-BRICS nations, especially observers and prospective members, are expected to contribute relevant economic perspectives. These may include exporters impacted by protectionism, energy-rich states exploring currency diversification, or nations balancing ties with both the US and BRICS.

Delegates should highlight the broader impact of US trade policy, explore bilateral trade diversification, engage with dedollarisation frameworks, and suggest collaboration with BRICS without undermining national sovereignty. Their active participation will shape BRICS+ and future trade structures.

Questions to Think Upon

1. Is dedollarisation economically viable for your country?
2. How have US tariffs impacted your trade sectors?
3. Can BRICS realistically establish a common currency?
4. What role should observers and Global South partners play?
5. Is the US likely to respond to dedollarisation? If so, how should BRICS react?
6. What economic or diplomatic risks would your country face by joining de-dollarisation efforts?
7. Can alternative digital payment systems rival the reach and trust of the SWIFT network?
8. How can BRICS+ ensure smaller economies are not marginalized within new frameworks?
9. Should de-dollarisation be applied to energy and food trade? What are the trade-offs?
10. What role can multilateral development banks play in supporting these shifts?

Further Reading

IMF Reports on BRICS economies:
<https://www.imf.org/en/Countries>

UNCTAD & WTO trade data:
<https://unctadstat.unctad.org/EN/>
https://www.wto.org/english/res_e/statis_e/statis_e.htm

Reserve Bank/MinFin reports
(national sources):

- India: <https://rbi.org.in>
- China: <http://www.pbc.gov.cn>
- Brazil: <https://www.bcb.gov.br>
- South Africa:
<https://www.resbank.co.za>
- Russia: <https://www.cbr.ru/eng/>

BIS papers on dedollarisation:
<https://www.bis.org/publ/work1013.htm>

Reuters (BRICS coverage):
<https://www.reuters.com/markets/brics/>

Bloomberg (emerging markets):
<https://www.bloomberg.com/emerging-markets>

Al Jazeera (BRICS news):
<https://www.aljazeera.com/tag/brics/>

The Diplomat (Asia-Pacific economics):
<https://thediplomat.com/topics/economy/>

Foreign Policy (global economic shifts):
<https://foreignpolicy.com/tag/brics/>

