

BRICS Vs G-7: A Tightrope Walk for India

The BRICS summit was held on 6-7 July 2025 in Rio De Janeiro, Argentina. The grouping now includes UAE, Egypt, Ethiopia, Saudi Arabia and Iran apart from the original members-Brazil, Russia, India, China and South Africa. The recently concluded meeting assumes significance in the light of recent geo-political tensions and geo-economic context marked by tariffs and protectionism. Restriction of critical mineral exports by China is another area of concern that threatens to upset global supply chains. The first meeting of RIC (Russia, India and China) was held in 2005 in St. Petersburg. Brazil and South Africa joined the group in February 2011, when the current version of BRICS was completed. Though BRICS is not a formal alliance with differences among members, over the past decade, the cohort has pursued common interests.

In the light of India attending G-7 as an observer and BRICS as a founding member, it would be interesting to observe our trade dynamics with these two groups.

1. BRICS Vs. G-7: How Important are these Economies?

Share of G-7 economies in World's GDP is approx. 44.28% vis-à-vis share of BRICS economies (27.26%) though BRICS occupy 29.4% of the global land mass and constitute 48.3% of the world population. In contrast, G-7 economies occupy just 13.4% of global land mass and 9.7% of the global populace as shown in Tables 1A and 1B.

Table-1A: % Share in World GDP(Year-2024)			
BRICS Economies		G-7 Economies	
Countries	% Share	Countries	% Share
UAE	0.48	US	26.22
India	3.51	GERMANY	4.19
China	16.84	JAPAN	3.62
Brazil	1.96	UK	3.27
Russia	1.95	FRANCE	2.84
Indonesia	1.25	ITALY	2.13
UAE	0.48	CANADA	2.01
Iran	0.39	--	--
Egypt	0.35	--	--
Ethiopia	0.16	--	--
Total (% Share)	27.26%		44.28%

Source: World Bank

Table 1B.: Other Socio-Economic Parameters				
	Parameters	BRICS - Economies	G-7 Economies	Others
1.	Global Land Mass	29.4 %	13.4%	57.1%
2.	Population	48.3%	9.7%	41.9%

Source: World meter

It is thus clear that BRICS Countries are engines of demand due to their sheer size of the population and being major commodity suppliers, though G-7 economies lead in technology, Innovation and military prowess.

2. India's Trade Dynamics with BRICS Economies:

As per Table 2, share of BRICS economies in India's merchandise exports and imports is 18.40 % and 39.1% respectively. The trade Imbalance (trade deficit of - USD 200.9 Bn) with BRICS can be attributed to our high import dependency on China (40.3%) among BRICS economies while UAE is the largest export partner (45.5%) among BRICS Economies.

Table -2: Trade- Dynamics of India with Members of BRICS (FY 2024-2025, In USD Bn)						
Source: CMIE Data						
Economies	Export			Import		
	Volume of Export (\$Bn)	India's Export to BRICS (% Share)	India's Global *Export (% Share)	Volume of Import (\$Bn)	India's Import From BRICS (% Share)	India's Global **Import (% Share)
	(A)	(B)	(C)	(D)	(E)	(F)
UAE	36.7	45.5%	8.3%	63.5	22.6%	8.8%
China	14.3	17.7%	3.2%	113.5	40.3%	15.8%
South Africa	7.5	9.3%	1.7%	10.5	3.7%	1.5%
Brazil	6.8	8.4%	1.5%	5.4	1.9%	0.8%
Indonesia	5.4	6.7%	1.2%	22.8	8.1%	3.2%
Russia	4.9	6.1%	1.1%	63.8	22.7%	8.9%
Egypt	3.4	4.2%	0.7%	1.3	0.5%	0.2%
Iran	1.2	1.5%	0.2%	0.4	0.2%	0.1%
Ethiopia	0.5	0.6%	0.1%	0.1	0.0%	0.0%
Total	80.5	100%	18.40	281.4	100.00%	39.1
India's Trade deficit with BRICS Economies = (-) 200.9 USD Billion						

*India's Total Global Export: 437.7, USD Bn, **India's Total Global Import: 7,20.2 USD Bn

3. India's Trade Dynamics with G-7 Economies:

As per Table 3, share of G-7 economies in India's export and imports are 31.5% and 15.1% respectively. India enjoys a trade surplus with G-7 economies worth US\$29.1 Bn) due to bulk of our exports to USA (62.8%) followed by UK (10.5%). USA is also our largest export partner globally with a share of 19.8%. Meanwhile, USA has a share of 6.3% in our global imports.

Table -3: Trade- Dynamics of India with Members of G-7 (FY 2024-2025, In USD Billion)						
Economies	Export			Import		
	Volume of Export (\$Bn)	India's goods export to G-7 (% Share)	Share in India's Global goods Exports*	Volume of Import (\$Bn)	India's goods Imports** From G-7 (% Share)	Share in India's Global goods Imports (%)
	(A)	(B)	(C)	(D)	(E)	(F)
USA	86.7	62.8%	19.8%	45.3	41.6%	6.3%
Germany	10.5	7.6%	2.4%	18.6	17.1%	2.6%
Japan	6.3	4.5%	1.4%	18.9	17.4%	2.6%
UK	14.6	10.5%	3.3%	8.6	7.9%	1.2%
France	8.0	5.8%	1.8%	7.0	6.4%	1.0%
Italy	7.7	5.6%	1.8%	6.0	5.5%	0.8%
Canada	4.2	3.1%	1.0%	4.4	4.1%	0.6%
Total	138.0	100%	31.5%	108.9	100%	15.1%
India's Trade Surplus with G-7 Economies = (+) 29.1 USD Billion						

*India's Global merchandise Exports: USD 437.7 Bn, **India's Global merchandise Imports USD 720.2 Bn

G-7 countries are India's biggest market for export, Investment sources & tech partnerships.

3.Top 3 Commodities of Trade (Export/Import): BRICS Vs. G-7

Table -4. A: Top 3 Traded Commodities with BRICS Economies		
Country	Export (%)	Import (%)
UAE	Gold (9.1), Gasoline (8.75), Smartphone (6.61)	Petro (2.05), Gold (21), Diamonds (12.1)
China	Iron ore (7.90), Light Naphthol (6.42), Iron ore pellets (5.03)	Integrated Circuits (4.2), PC (3.9), Photovoltaic cells (2.1)
South Africa	Diesel Fuel (17.47), Motor Gasoline (10.72), Motor car (9.68)	Gold (47.8), Coal (27.8), Chemical Wood pulp (4.7)
Brazil	Diesel fuel (8.73), Insecticide (6.33), Fungicide (4.33)	Sugarcane (31.9), Petroleum (19.1) soyabean crude oil (14.1)
Indonesia	Gasoline (14.02), Kernels, (5.44), Meat (3.77)	Coal (34.2), Palm oil (11), Refined palm olein (7)
Russia	Digital Processing units (8.73), Smartphones (4.57), Alumina calcined (3.96)	Petrol (79.5), Sunflower oil (2.9), Mineral fuels and oils (2.8)
Egypt	Meat (18.92), Diesel fuel (3.54), Manganese (2.69)	Crude Oil (31.9), Calcium phosphate (13.8), Cotton (10.3)
Iran	Basmati Rice (55.38), Meal of soyabean (11.91), Bananas (4.86)	Apples (17.8), Petroleum (14.8), methanol (13.8)
Ethiopia	Medicine (9.14), Sack and bag (4.07), Other insecticides (2.1)	Beans (43.9), Yarn (22.4), Grams (9.5)

Table -4. B: Top 3 Traded commodities with G-7 Economies		
Country	Export (%)	Import (%)
USA	Smartphones (8.7), Diamonds (6.0), Medicine (4.6)	Petroleum (12.1), LNG (5.7), Diamond (5.6)
Germany	Smart phones (4.8), Parts of electric plants (2.1), Others parts of vehicles (2.0)	Aero planes (13.6), Other parts of vehicles (2.0), Machinery (1.0)
Japan	Motor car (10.1), Other Herbicides (5.5), Smartphones (4.9)	Cathode (10.4), Gold compounds (5.3), Metal solutions (4.7)
UK	Smartphones (10.5), Fuels (9.3), Turbo jets (4.5)	Bar (28.1), scrap (4.6), Turbo jets (4.5)
France	Diesel fuel (15), Airplanes (5.6) smartphones (4)	Aero planes & fighter jet (43.9), Turbo jets (5.2), Helicopters (1.1)
Italy	Smartphones (15.7), Iron (2.1), Other parts of vehicles (1.6)	Other containers (1.5), Mechanical appliances (1.3), Packing machinery (1.0)
Canada	Medicines (7.0), Shrimp (2.8), Smartphones (2.4)	Peas (14.3), coal (13.1), Potassium chloride (7.9)

4. Political- Economic Challenges for India from Member countries of BRICS:

- ✓ China's \$19 trillion size makes its heavyweight in BRICS, posing a challenge to India's economic ambitions.
- ✓ Border tension of India with China.
- ✓ Russia and China are closer than expectation of India.
- ✓ India's dependence on Russia.

- ✓ Brazil's Agricultural export can compete with India's own farmers.
- ✓ Brazil sometimes aligns with China on trade/Finance reforms that India may not support.
Addition of new members like Iran, Egypt, Saudi Arabia, UAE and Ethiopia is making consensus building harder.

5. Tightrope Walk for India?

Balancing between G-7 versus BRICS+ is a tightrope walk for India because:

- ✓ India wants BRICS to counterbalance Western-dominated institutions without becoming a platform for China's dominance or Anti -West rhetoric. India's objective is to have multipolarity.
- ✓ India's aim to be a balancer in BRICS, not a follower. BRICS may be used for de-dollarization and exploration of new supply chain.
- ✓ India should be a vocal of Global South in G7 Summits.
- ✓ India should also be a bridge for Western companies exiting China.
- ✓ To keep the trust of G7 for high end tech-transfer, to further strengthen capital and strategic defence partnership.
- ✓ Goal of India leverage both for maximum national Interest.

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