



Research

Breaking Down the BRICS Tariff

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Executive Summary

- President Trump has threatened to impose a 10-percent tariff on any country associated with BRICS, a bloc composed primarily of developing countries that seek to counter the economic influence of Western-dominated institutions.
- This new tariff proposal - which would stack on top of “Liberation Day” tariffs - was touted by the president as a response to the “anti-American values” of BRICS, most likely referring to the bloc’s pursuit of alternatives to reliance on the U.S. dollar.
- Such a tariff would likely reinforce the desire of BRICS countries to shift away from the U.S.-based global financial system while at the same time increasing U.S. consumer and business costs by up to \$56 billion annually.

Introduction

President Trump has threatened to impose a 10-percent tariff on any country associated with BRICS. This bloc, composed primarily of developing countries, seeks to counter the economic influence of Western-dominated institutions, specifically financial institutions such as the International Monetary Fund and World Bank. This new tariff proposal - which would stack on top of “Liberation Day” tariffs - was touted by the president as a response to the “anti-American values” of BRICS, most likely referring to the bloc’s pursuit of alternatives to reliance on the U.S. dollar.

Starting a trade war with BRICS would further isolate the United States from more than a third of the global economy and up to two thirds of the world’s population. Such a tariff would likely also reinforce the desire of BRICS countries to shift away from the U.S.-based global financial system while at the same time increasing U.S. consumer and business costs by up to \$56 billion annually.

What Is BRICS?

BRICS, founded in 2009 by Brazil, Russia, India, China, and South Africa, is an informal group of emerging economies that - despite having [competing](#) geopolitical interests - share a common desire to counter the influence of Western-dominated institutions. The bloc offers alternatives to existing financial institutions such as the International Monetary Fund (IMF) and the World Bank via the Contingent Reserve Arrangement ([CRA](#)) and the New Development Bank ([NDB](#)). The organization is also working to create financial payment networks that circumvent the U.S.-dominated Society for Worldwide Interbank Financial Telecommunication (SWIFT), which currently uses U.S. dollars for nearly all financial transactions globally. All of these efforts act to bolster BRICS as an illiberal counterweight to the Group of Seven ([G7](#)), which represents the primary economic forum for global democracies.

BRICS countries can be categorized into different groups as the degree of membership and association with the bloc varies.

Figure 1: Countries Associated With BRICS by Category

Group	Countries	Description
BRICS Founders	<ul style="list-style-type: none">• Brazil• Russia• India• China• South Africa	Countries that created the BRICS organization and make up the majority of economic output, population, and trade with the United States.
BRICS+	<ul style="list-style-type: none">• Egypt• Ethiopia• Indonesia• Iran• United Arab Emirates	Countries that have been officially accepted as members in recent years. (Can refer to the BRICS founders, as well.)
BRICS Partners	<ul style="list-style-type: none">• Bolivia• Belarus• Cuba• Kazakhstan• Nigeria• Malaysia• Thailand• Vietnam• Uganda• Uzbekistan	Countries announced during the 2024 summit in Russia and are mentioned in the Rio summit's joint declaration. This group has yet to become official members but still partakes in joint objectives and economic cooperation with BRICS.

BRICS NDB Members	<ul style="list-style-type: none"> • Algeria • Bangladesh • Colombia • Uruguay 	Countries that are part of the BRICS New Development Bank but are not official BRICS members or partners. (Many of the above BRICS countries are also NDB members.)
Prospective/Unofficial	<ul style="list-style-type: none"> • Turkey • Saudi Arabia 	These two countries have been invited to join the organization, but their membership status remains unclear. Turkey has officially applied for membership while Saudi Arabia has yet to publicly confirm its acceptance into the bloc.
Interested Countries	<ul style="list-style-type: none"> • Afghanistan • Bahrain • Iraq • Kuwait • Laos • Nicaragua (blocked) • Pakistan • Senegal • Syria • Tunisia • Venezuela (blocked) • Yemen • Zimbabwe 	Countries that have expressed interest in joining BRICS in the past or may become partner countries in the future.

The July 2025 BRICS Summit

From July 6-7, BRICS leaders met in Rio de Janeiro for their 17th annual summit, during which they discussed priorities such as trade, AI governance, and reforms of the international financial system to provide developing countries with greater representation. Neither President Xi nor President Putin attended in person, which raised questions about the strength and direction of the organization. Despite the absence of these two prominent leaders, those in attendance published a joint declaration condemning tariffs and other protectionist actions. While President Trump was not mentioned by name, the declaration states that tariffs “distort trade and are inconsistent with [World Trade Organization] rules.” In response, President Trump posted on Truth Social that any country aligning with the “anti-American values” of BRICS would face a 10-percent tariff on exports to the United States.

Why Is BRICS a Target?

The primary reason President Trump has his eye fixed on BRICS is its explicit goals of becoming less reliant on the U.S. dollar and creating alternatives to a dollar-based international financial system. This objective, known as de-dollarization, could damage the dollar's status as the global reserve currency, which provides the United States numerous economic and geopolitical benefits. The dollar's position lowers the federal government's borrowing costs, makes it easier for consumers and producers to import goods, and gives the United States a key diplomatic bargaining chip over the international financial system due to its widespread use. The loss of dollar dominance, therefore, would result in higher U.S. consumer costs and an increase in federal borrowing costs, among other consequences. As President Trump [puts it](#), "losing the dollar standard would be like losing a war, a major world war." While Trump is rightfully concerned about preserving dollar dominance, his use of tariffs to cudgel countries into submission may only reinforce the concerns BRICS has about an overreliance on the U.S. dollar. This concern grew in recent years after the United States removed Russia from SWIFT and froze many of its assets held abroad, effectively cutting the country out of the global economy.

Trump's initial tariff letters posted on Truth Social seemed to primarily target countries closely associated with BRICS, the most consequential being a potential 50-percent tariff on Brazil. The recent uncertainty in U.S. trade policy has led some countries to explore the opportunities offered by BRICS as an alternative to traditional U.S. ties. Even before the recent tariff letters, BRICS had been growing at a rapid pace, adding Indonesia in 2025 and 10 partner nations in 2024. This expansion indicates that countries are willing to risk their relationship with the United States in favor of a non-traditional organization like BRICS, meaning U.S. economic pressure or uncertainty may only help the bloc grow.

For more information on BRICS and its attempts to circumvent the use of the U.S. dollar, read the American Action Forum's "[The Expansion of BRICS.](#)"

The Cost of a BRICS Tariff

The United States imported goods worth more than \$600 billion from BRICS member countries in 2024 and more than \$950 billion when factoring in partners and other interested countries. A standalone 10-percent tariff would cost U.S. consumers and businesses between \$35-\$56 billion within the first year of implementation, taking into account trade shifts and other offsets.

Figure 2: BRICS Tariff Cost by Category of BRICS Countries

	2024 U.S. Imports	Potential Tariff Cost
BRICS Founders	\$577.4	\$33.5
BRICS+	\$38.3	\$2.2
Total for Official Members	\$615.8	\$35.7
BRICS Partners	\$265.4	\$15.4
BRICS NDB Members	\$30.7	\$1.8
Prospective/Unofficial	\$29.1	\$1.7
Interested Countries	\$28.2	\$1.6
Total	\$969.2	\$56.2

Source: [Dataweb](#)

Setting aside the direct impact tariffs would have on input costs for U.S. firms and consumer prices, BRICS countries would likely institute retaliatory tariffs on U.S. exports. China, for instance, issued its own set of retaliatory tariffs on the United States this year and Brazil has declared that it will match the 50-percent “Liberation Day” tariff President Trump plans to implement on August 1. Retaliatory tariffs from BRICS would further damage the U.S. economy as nearly 20-percent of U.S. exports go to countries associated with the bloc. Referring back to China, U.S. exports between January and April of 2025 are 17 percent below 2024 levels, meaning U.S. companies are missing out on billions of dollars of revenue. Even a relatively small drop in exports to BRICS could result in \$5-\$20 billion worth of U.S. products no longer being sold or diverted elsewhere.

Figure 3: BRICS Countries Economic Data

	Share of 2024 Global GDP	Share of 2024 Global PPP	Population	GDP per Capita	U.S. Imports	U.S. Exports
BRICS Founders	24.8%	34.1%	40.3%	\$8,352	17.8%	11.7%
BRICS+	2.6%	5.0%	7.8%	\$4,509	1.2%	2.2%
BRICS Partners	2.0%	4.2%	7.1%	\$3,737	8.2%	3.2%

BRICS NDB Members	1.1%	1.9%	3.4%	\$4,394	0.9%	1.1%
Prospective/Unofficial	2.2%	2.8%	1.5%	\$19,929	0.9%	1.4%
Interested Countries	1.0%	1.7%	6.2%	\$2,293	0.9%	0.8%
Total Excluding Interested Countries	32.2%	47.5%	59.4%	\$7,362	28.4%	18.6%
Total	33.6%	49.8%	66.3%	\$6,895	29.8%	20.3%

Source: Dataweb, International Monetary Fund, World Bank

As figure 3 demonstrates, BRICS also represents a significant portion of the world’s population and global economic output. The BRICS founders alone constitute more than 40 percent of the entire global population and nearly 25 percent of global gross domestic product (GDP). Examining purchasing power parity (PPP), which adjusts GDP to account for differences in buying power and exchange rates across countries, shows the BRICS founders represent over a third of the global economy on their own. Expanding BRICS to include all members, partners, and interested countries means that over 66 percent of the world’s population and half of global economic output are at risk of being mobilized to retaliate against the United States. This represents a large-scale economic risk as U.S. tariffs targeted at BRICS might isolate the United States from numerous markets, investment opportunities, and emerging economies that are growing ever-more important on the world stage.