

Memo 2, proposition:
the brics should be
the primary focus of
international inves...

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Case Memo 2, Proposition The Brics Should Be the Primary Focus of International Investments BRIC is an acronym of four countries i. e. Brazil, Russia, India and China which according to O'Neill they are characterized by a large population, large underdeveloped economies and more importantly governments that is willing to embrace global market and globalization. They share this in common despite the difference in disparities, cultural differences and different geographical positioning. These countries have potential of rapid future growth in such a way that they would overtake western largest economies toward globalization that, and they have to be accepted widely but, not in terms of America beliefs and social structure. BRIC being recognized as a primary focus of international investment face dispute from diverse backgrounds who criticize BRIC idea and concept based on the concept that these countries economies can not continue growing smoothly also other alleged that BRIC idea is Goldman Sachs concept of commanding global power, hence so called BRIC can not achieve the projected status. The emerging market also has a certain level of uncertainty since it is no well accustomed market of the west hence ambiguity.

The BRIC idea was received differently by different countries, where Russia took the idea positively, Brazilian absorbed the idea cynically, China received the idea with doubt while, in India, it stimulated neutral response, this response to BRIC idea have shaped the progress of the concept and relation of BRIC countries. Apart from Goldman Sachs other competitors companies and investors have adopted the concept and are investing in BRIC countries. In the economic environment, BRIC concept has stimulated different products under BRIC label.

BRIC as the center focus of investment is supported by several advantages, which include: BRIC stock market growth from 2% to 9% of total global market capitalization and current on going meeting to seek platform for strengthening their coordination so that they can gain more influence has a positive impact on emerging market. Despite the fact that there is no concrete measure by then which had been put in place by BRIC countries in common to forge ahead the emerging trade (Gillian, 2010).

Feasible option to ensure BRIC is a primary focus of international investment include, investing with multinational companies in emerging market in BRIC countries and buying bond and currencies in BRIC countries. This is because through multinationals companies. various emerging market in BRIC countries can be tapped easily on the other hand buying bonds and currency from BRIC countries will enable an investor to tap yield that emanate from economic growth experienced in BRIC countries. however multinational companies management my not be willing to invest in BRIC countries due to the fact that not all people buy in BRIC idea and concept while buying bond and currencies from countries involve high risk since BRIC economies can also suffer a set back (Gillian, 2010).

Even with BRIC being a primary focus of investment the trend emerging from investment and economic performance of BRIC countries be analyzed critically and understood before investment plan are implemented, this will help to asses viable sector of investing in this emerging market with minimum risk. I also recommend that an investor be embedded in this emerging market since opportunities are more when investors are considered to part of emerging market portfolio.

Reference

Gillian, T., (2010, January 16). The Man Who Named the Future. Financial Times.