

# Week5

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Due Q. Are we in danger of ignoring a slowdown in the BRIC nations when one or all of the BRIC countries come to a halt?

As the so-called BRIC nations (Brazil, Russia, India, and China) continue with the struggle of easing their policies to rebalance their economic growth prospects in the face of a sluggish global economy, it must not be lost that their efforts are directed towards a storm generated elsewhere. The most obvious reason for the gloomy growth momentum in these countries is the ever worsening economic effects of Euro debt crisis, which seems to be exporting lack of market confidence at their doorsteps owing to the general lack of economic leadership from the aging industrial countries. The slowdown is further aggravated by their internal challenges associated with structural problems as well as the massive uncertainty surrounding the fiscal policy cliff in the United States to boost the global economy after an almost fatal trap in the 2008 crisis (Bluford and Samantha 1).

The BRIC countries combined have been a dynamic growth powerhouse with a sizeable contributory effect to the world economic expansion over the past decade. The combined share of the BRIC's input to the global GDP was at 8 percent in the year 2000. By 2010, their influence hit a new level high of 25 percent; a clear pointer that their slowdown now will obviously be more detrimental to the global turnaround than it would have been years back, more so after the 2008 financial meltdown followed by another credit crunch in Europe. With an average weighted real GDP growth of 8.1 percent in 2010 slipping to a respectable 6.5 percent in 2011 and a further expectation of a downward trend of 4.87 and 4.70 in 2012 and 2013 respectively, it is admittedly clear that the severity of the economic slowdown in the BRICs to the global economy is greater than the previous projections (Bluford and <https://assignbuster.com/week5/>

Samantha 1-4). However, coming to the point of a complete halt would be an exaggerated scenario. The BRIC nations are simply on the verge of coping with the global slowdown, which seem to have caught up with them late than expected. Notably, 2009/2010 growth elements in the BRICs were driven by economic woes elsewhere. The latest statistics are but confirmations of a reshaping economic growth towards sustainable levels.

Work cited:

Bluford, Putnam, and Samantha Azzarello. BRIC Country Update: Slowing growth in the face of internal and external challenges. CMEGroup, 25 July 2012. Web. 30 Sept. 2012.