

Brazil, Russia, India and China: BRIC Nations Expected to Drive 70% of Global Growth

By [Global Research](#)

Global Research, December 27, 2008

[People's Daily Online](#) 24 December 2008

Region: [Asia](#)

Theme: [Global Economy](#)

In 2009, the economies of developed countries will see negative growth. The growth rate of the global economy will plunge and face recession while the international financial crisis will probably stabilize in the second half of the year.

In the face of an overall environment of worsening economy and economic recessions in developed countries caused by the international financial crisis, the developing countries cannot be expected to sever economic ties with the developed countries. The economic growth rate of developing countries will continue to slide in 2009, and their financial markets are likely to face the pressure from outflows of capital. However, compared to developed countries, developing countries, especially emerging economies, will maintain relatively high growth rates. The International Monetary Fund predicts that the overall economic growth rate of the developing countries will reach 5.1% in 2009. Of the developing countries, Brazil, Russia, India and China (BRICs) will enjoy growth rates of 3.0%, 3.5%, 6.3% and 8.5% respectively.

The major driving forces behind economic growth include: first, the financial institutions of developing countries are exposed to the sub-prime lending crisis at a relatively low level. Taking Asian countries for example, the non-performing loans of these countries only account for less than 5% of their assets and the capital of their commercial banks are sufficient. Second, their economies have slowed down, and declines in oil prices have reduced the pressure of inflation. It is estimated that the developing countries will see the inflation rate drop from 9.2% in 2008 to 7.1% in 2009, whereas the developed countries are estimated to see the inflation rate dropping from 3.6% in 2008 to 1.4% in 2009 and will face the pressures of deflation. Third, the trade growth rate of the developing countries is estimated to reach 5.2% to 5.3%.

So far, the developed countries make up more than 50% of the global economy. According to calculations based on purchasing power parity, in 2007, the share of "BRICs" in the global economy rose to 21.4%. Despite the fact that the major developed countries are experiencing negative growth, the contribution of the "BRICs" to global economic growth will probably reach 70% in 2009. In addition, the emerging economies are the main holders of foreign exchange reserves in the world. It is difficult to imagine that the developed countries, which have been ensnared with liquidity problems, can quickly escape the financial crisis without the financial support of the emerging economies.

The original source of this article is [People's Daily Online](#)

Copyright © [Global Research](#), [People's Daily Online](#), 2008

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Global Research](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca