

BRIC countries are slowing: report

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The BRIC countries are slowing – and given their economic policies risk underperforming, Swedbank said in its latest Global Economy report.

- Compared with last fall, global economic prospects have improved, mainly thanks to calmer conditions in the euro zone, a recovery in the US economy and confidence in a soft landing in emerging economies. □
- Conditions have improved in the euro zone in terms of confidence and risk appetite, but prospects for real economic development are just as weak as before. A setback and loss of confidence is possible as the effects of the ECB's loans fade and the focus returns to the currency union's defective design and the long-term ability of the crisis countries to recover. □
- The BRIC countries are slowing, which is natural given the weak economic conditions in the West and the previous need to tighten these economies to avoid an overheating. The economic policies now being applied include protectionism, state capitalism, undisciplined government budgets and supply shortages that create overheating. Corruption is still a major problem, and not enough is being done about it. There is a risk that the BRIC countries are underperforming in terms of economic policy and will therefore see suboptimal economic and social development in the medium term.