

Supply Chain Challenges among BRICS Countries

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Abstract

Supply chain management encompasses the routing and scheduling of inventory maneuver to desired allocation in an economic mode for satisfying the all end-users by prompt connectivity and communication between the links of supply chain. In this article efforts have been made to explore the series of challenges in BRICS countries in supply chain connectivity to achieve the revolution of coined word, which is “Broad vision and shared prosperity, also security and prosperity” this paper exposes the impacting key constraints on economic and smooth supply chain execution country wise, specifically Brazil, Russia, India, China, South Africa, also discusses the approaches to overcome the loose poles in supply chain system by enhancing internationalization and globalization, which relates to quantitative and qualitative strengthening in the field of finance and technology.

Key words: Supply chain integration, BRICS, fragmented, logistics, constraints

I. Introduction

In the current scenario BRICS has come in existence as a very important group in terms of many economic and demographic parameters. BRICS now constitutes the fastest-growing and largest emerging-markets economies. They account for just half of the world's total population and have increasing share in GDP, FDI, and might have a huge impact in shaping and enhancing future economic and world dynamics. Tracking towards the vision (shared prosperity, global stability) of BRICS summit, it's mandatory to know about the challenges in above countries individually before achieving the target “Supply chain integration” which cover different concerning challenges and culture to cast into single coined term. Supply chain integration (SCI) is immense area and have chosen a specific province which emphasizes about knowing the barriers and obstacles in integrating the BRICS for trading enhancement and unified solution and this paper gives the initial platform for me to move further for shipping routing optimization among BRICS countries by GA (Genetic Algorithm) in my next paper.

Supply chain integration: Supply chain encircles the activities beginning from purchasing, procurement, manufacturing operations, production scheduling, inventory control, material management, facility location planning and information technology by coordinating between supplier, manufacturer, retailers and end-users.

II. Supply chain integration challenges among BRICS countries

Brazil

Managing currency volatility in global risk-on, risk off markets is a very big challenge in Brazil, also maintains a relatively aggressive stance towards protecting its own industries for internal political reasons and laws that constrain expansion of the energy industry, Due to the protectionist government measures, weakened global demand and an overall risk-off attitude globally. Brazil overall economic dynamic distinctly lower than other BRICS countries and rating for country risk evolution in the international trading markets still grabbing negative response. A further barrier to business activities in Brazil is unskilled workers. Promotional programs for trading enhancement to develop applied research and development are inadequate. The technological capability shows uneven status for Brazil, activities emphasizing on innovation and diffusion process have been below average up till now.

Russia

Forecasting is a primary challenge due to high growth rate, unreliable sales data, poor communication in throughout the supply chain. Poor customer responsiveness due to unreliable deliveries and delays at customs. Legal policies are not stable and consistent which results in arbitrarily implementation of law. Sourcing is a crucial issue for Russian market, local supplier has poor delivery reliability and capacity constraint whilst licensing requirement, complicated regulation, import duties make the importing option unsuitable. Convincing the foreign company to move in Russia, encounter many problems as staff turnover rate is high, untrained logistician, acquiring land, construction facility. Delivery in Russia is also challenging

because of inferior transport structure, lack of warehouse, fragmented logistics service, under capacity and lack of modernization of ports and further inland waterways are frozen which creates unreliable commitment to customers.

India

In India, the concept of integrated third party logistics is not so common in use which results in high logistics cost. Distribution network and accommodation capacity of warehouses is not significant, which gives the outcome of bottlenecking in reaching the product to end customer. Length of express highways is not commercially good to sustain the prompt connectivity. Lacking in tracking technology (Global positioning system) for the instant update of the goods location is also a dominating factor ,which is considered as one of the challenge of the BRICS, internal structure of the ports is not technological sound to handle the goods quickly.

China

Implementation of supply chain integration (SCI) in China has list of barriers, remarkable, obstacle of Chinese culture unfold the value of feeling and law, means Chinese always give priority to feeling above law which results in complicated track to be followed in solving the problem by the rules and policy. This restriction also bound to run the organization based on feeling despite of rules and regulation, which in turn, make the management process blind that does not in favor of supply chain integration. Information sharing becomes pathetic as administrator use power and status to control the information, which forms groups in the department of enterprises.

South Africa

In South Africa, scarcity of centralized environment creating confusion and uncertainty in the working culture of the companies, which arises as availability of third party logistics providers (3PLS) , retailers, carriers, suppliers, provide facility in different manner due to their unique operating sequence, further bottlenecking in supply chain integration (SCI) come in existence in the form of unpredictable turnaround times, inventory loss, damage, lean security due to unskilled and temporary manpower. An impact which cannot be underestimated in supply chain is theft, hijacking of trucks add significant cost to supply chain. The highly impactful constraints in South African supply chain as the cost of transport which remains a crucial issue as that account 65% of the total logistics costs, shortage in skills, economic uncertainty, efficiency of ports, also lacking in

accurate forecasting, which is an important tool of supply chain integration because of small market.

III. Conclusion

The study discussed above is helpful to make familiar about individual challenges faced by BRICS countries, which further support for integration of supply chain in attaining sustainability in all aspects. This paper extends the BRICS status towards clear picture of lacking in different areas of concerned country but further my efforts will continue to provide solution regarding above stated scarcities to make successful integration of BRICS countries, with the help of literature reviews, data collection, and optimization technique followed by software tool.

The efforts made in this study will aim to unify different nations globally. The insufficiency of various countries in their province will be sufficed only when a step will be taken forward towards integration. To overcome the deficiency of one country, in the moment of crisis, with the strength of remaining BRICS Countries, this idea has been put forth.

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