

Brazil is Building a “ Great Project ” , says Brazilian Minister Pimentel

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- Governor Cabral of Rio pledges all territory controlled by gangs will be back in state hands by 2014
- Governor Alckmin of São Paulo says São Paulo is city with lowest homicide rate in Southern Hemisphere
- More information on meeting is available at www.weforum.org/latinamerica2011

Rio de Janeiro, Brazil. – Fernando Pimentel, Minister of Development, Industry and Foreign Trade of Brazil, told the World Economic Forum on Latin America that a new form of consensus in Brazil is taking shape towards the construction of a “ great ” national project. “ The country has found its way and it will carry on, ” he said.

Political stability and economic growth have turned Brazil into the seventh largest economy and a powerful magnet for investment and capital flows. The government of Dilma Rousseff, who succeeded Luiz Inacio Lula da Silva in the presidency at the beginning of the year, still has to face a series of challenges ranging from inflation, exchange rate appreciation, infrastructure and public security.

But Pimentel was confident that there is now a new spirit of conciliation in the country to deal with these issues. “ What is happening in Brazil is a convergence of opinions towards a great project. ”

Pimentel said that the government is determined to control inflation, as the consumer price index is moving towards 6.5% per year, even though exchange rate appreciation is one of the undesired consequences. “ This means that in dealing with inflation, we continue to hurt the exchange rate. But this choice has to be made. The moment has come to deal with the inflation surge. We will suffer a bit more with an exchange rate, which certainly does not help the national industry. But we have to make up for this with creativity, with the search for innovation and competitiveness wherever it is possible, ” he said. He also said the government is currently working on a formula to lower the cost of energy in Brazil, which is currently one of the highest in the world due to the tax burden.

Meanwhile, the governors of São Paulo and Rio de Janeiro have both hailed progress in public security in their respective states. Sérgio de Oliveira Cabral Santos Filho, Governor of Rio de Janeiro, pledged that all the territories and communities controlled by gangs in Rio will be back in state hands by 2014, when some games of the FIFA World Cup are due to be played in the city. His government forces have already retained control of some areas of the city that were previously controlled by drug traffickers and rival gangs. “ There has been a radical change that has given hope to the population, ” he said. “ By 2014, we will manage to regain control of 100% of the communities that are still in the hands of the parallel power. ”

Geraldo Alckmin Filho, Governor of São Paulo, said there has been some important progress in public security in São Paulo. “ São Paulo is the city with the lowest homicide rate in the Southern Hemisphere, ” he said. We used to have a homicide rate of 35 per 100,000 inhabitants, including some of the most violent neighbourhoods in the world such as Jardim Angela, but it is now down to 9.52 per 100,000 inhabitants, ” which is below what is considered to be an epidemic level by the World Health Organization (10 per 100,000 inhabitants). “ I am optimistic. It is a war we have to win every day. We came from 35 and now we are down to 9.5, against a national average of 26 homicides per 100,000 inhabitants, ” he said.

The World Economic Forum on Latin America is taking place in Rio de Janeiro, Brazil, on 27-29 April 2011. The theme of the meeting is “ Laying the Foundation for a Latin American Decade ” and convenes more than 700 top regional and global leaders.

The Co-Chairs of the meeting reflect the international character of the participants: Frederico President and Chief Executive Officer, Embraer - Empresa Brasileira de Aeronautica, Brazil; Orit Gadiesh, Chairman, Bain & Company, USA; Member of the Foundation Board of the World Economic Forum; Luis A. Moreno, President, Inter-American Development Bank, Washington DC; Vikram Pandit, Chief Executive Officer, Citi, USA; and Sir Martin Sorrell, Chief Executive Officer, WPP, United Kingdom.

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