

Banker Issues Warning about Global Inflation

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- William R. Rhodes, Senior Adviser for Latin America, World Economic Forum USA, called for attention to the looming threat of inflation in the world economy
- More information on the meeting is available at www.weforum.org/latinamerica2011

Rio de Janeiro, Brazil. – William R. Rhodes, Senior Adviser for Latin America, World Economic Forum USA, warned about the looming threat of inflation in the world economy during a plenary session on inclusive growth at the World Economic Forum on Latin America here today.

“ There is a clear and present danger of inflation worldwide, ” said the banker. He specifically mentioned inflationary pressures in China and the struggles of many emerging markets to absorb the capital inflows they have received as they maintain strong growth while the US, Europe and Japan struggle to recover from the financial crisis. About his own country, the United States, he said “ there is a tendency to underestimate the effects of fuel and food. ” Rhodes noted that pressures on food and energy prices are “ the same everywhere ”, but that inflation could be particularly damaging to developing countries as they try to promote inclusive growth. “ One of the dangers of inflation is that it cuts into growth and hurts the poor the most, ” he said.

Luciano Coutinho, President, Brazilian Development Bank (BNDES), Brazil, agreed that inflation deserves attention, but expressed caution about a possible over-reaction that could severely hamper growth rates. “ We have a difficult challenge, globally speaking, ” he said. “ China is leading global growth. If developing economies put on the brakes to stop inflation it could be dangerous, because the developed world is not going to grow. ”

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 Fleury Curado, 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.

For more information about the meeting, please visit the Forum ' s website at <http://www.weforum.org/events/world-economic-forum-latin-america-2011>

Notes to Editors

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