

Brazil Now Tries to Make the PPP Program Work

Contributed by Juliana Andrade
Monday, 03 January 2005

The president of the BNDES (Banco Nacional de Desenvolvimento Econômico Social - Brazilian Development Bank), Guido Mantega, commemorated congressional approval of the Public-Private Partnership (PPP) program of investments by saying that whereas 2004 had been the year when economic growth was renewed in Brazil, with the PPPs, 2005 will be the year economic growth is consolidated.

Mantega pointed out that investments are fundamental to such growth and that the consolidation will come with increased investments that will be spurred by the PPPs, especially in infrastructure.

"As we strengthen Brazil's infrastructure, eliminating bottlenecks that make it difficult for higher GDP growth to occur, we will have sound, solid growth. That is why the PPPs are so important," said the minister.

He added that although there is no final figure for PPP investments yet, the BNDES has reserved "various billions for PPP projects."

At the end of last year, Brazilian President Luiz Inácio Lula da Silva said that the Public-Private Partnerships Project can help keep Brazil from becoming a "victim" of its own growth.

"See how absurd this is. Brazil can be a victim of its own growth," Lula declared November 9, during a ceremony at the headquarters of the National Confederation of Industry (CNI) to commemorate the 60th anniversary of the Odebrecht construction group.

Lula recalled that, previously, Brazil was the victim of a lack of growth, but, if industry continues to export as it has been doing, and agribusiness continues to expand and export, "we face the delicious risk of realizing that we lack the means to get this huge production potential that Brazil is presently enjoying to market."

According to Lula, in light of the large number of backups that exist around the country to get production to market, the government is taking steps to resolve the problem.

For the President, the delay in deciding things in Brazil constitutes an obstacle at times. "We often make the mistake of engaging in a lot of discussion, while the people are in a hurry, and, even more, Brazil is in a great hurry for things to happen," Lula said.

According to him, "Brazilian entrepreneurs must stop thinking small. They need to stop being afraid of becoming multinational entrepreneurs and have to make their presence felt, because in the business world nobody gives anyone else a break. We want our companies to be in Brazil, but at the same time they should be in all parts of the world. That's how we shall build a great nation."

Agência Brasil