

## Brazil's Business Leader Urges Bigger Role for Businesses

Contributed by Marli Moreira  
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In Brazil, the president of the Federation of Industries of the State of São Paulo (Fiesp), Paulo Skaf, called once again for the inclusion of a business representative with a voice in the decisions of the National Monetary Council (CMN).

As he sees it, the country needs the presence of a "productive authority" who would represent producers.

Skaf commented the increase in interest rates charged by banks for retail operations.

In his view, Brazil is following the same policy adopted in Europe, "acting from a purely monetarist perspective," a practice he considers important, but "it is a perspective limited to defending the currency, when we have to look at other items, such as creating employment, increasing exports, etc., which are not included on the CMN's technical agenda when the interest rate is discussed."

The Fiesp president commended the president of the Central Bank, Henrique Meirelles, for his performance in the management of economic policy and termed as natural the fact that Meirelles maintains a monetarist stance.

When asked whether the interest rate hike might curb the growth in sales of products for Christmas, Skaf restricted himself to querying what other country has interest rates so much higher than its average inflation.

For the entrepreneur, the biggest obstacles to economic growth are found outside rather than inside factory walls.

He cited production costs and the lack of conditions comparable to foreign competitors, especially when it comes to obtaining investment loans.

Skaf also mentioned a long-standing grievance of the private sector, reducing the tax burden to alleviate production costs and broaden the revenue base.

He emphasized the need for a definition regarding the Public-Private Partnerships (PPPs) project.

"Brazil needs for the PPPs project (which is in the Senate) to be approved, and it needs for this project to work in the correct way, providing the necessary security to investors, clear rules, and security for the State to avoid digging a hole for the future."

Skaf spoke to the press after participating in the opening ceremony of the II European Forum, which is taking place today and tomorrow (29) in São Paulo.

Business prospects for micro and small enterprises are being debated at the encounter, among other matters related to trade between Brazil and Europe.

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Translator: David Silberstein