

Mexican Entrepreneur Sees Brazil's Poverty as Door of Riches

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Mexican-based Grupo Salinas's chairman, Ricardo B. Salinas participated in a plenary session addressing "Risks and Opportunities for Regional Development," at the World Economic Forum's Conference held last week in São Paulo, Brazil.

In the event, which also had the participation of the President of Brazil, Luiz Inácio Lula da Silva, and 280 businessmen, government officials, academics and journalists from Latin America and other regions of the world, Mr. Salinas noted that he looks at the region's high inequality as an opportunity.

"When I see the outlying districts of São Paulo, I see the huge opportunities that exist. Business potential is everywhere in Latin America, in infrastructure, in financing middle to low segments of the population; in fact, most significant opportunities can be found in the mass markets, which have been vastly unattended by most companies.

"I favorably compare the great opportunities in Latin America, where almost everything has to be built, with European countries or other developed regions where it is all set and the return on capital is less attractive," he said.

"But we don't want to take from the rich to give to the poor to make everybody poor; we want everybody to be prosperous, although we have to be aware that the risks of the high regional inequality can lead to populist solutions," added Mr. Salinas.

"Governments can make a difference in simplifying fiscal systems. In Latin America these are too complex and costly. The goal," he said, "should be for small companies to be able to submit a single-page tax return. There are great opportunities in Latin America, but the lack of competitiveness has a lot to do with the quality of governments."

Salinas noted that, "The cultural heritage of Latin America was to seek solutions designed abroad; all our countries are different and must decide for themselves what will work or not."

At the conclusion of the Forum, when asked by the Conference organizers for subjects to discuss in future events, Mr. Salinas stressed,

"In today's allegedly global world, where capital investment, technology and information freely cross borders, human capital does not. In order to have a true global economy, there must be freedom of migration. It is important to address the subject and propose effective solutions."

Grupo Salinas describes itself as a "group of dynamic, fast-growing, and technologically advanced companies focused on creating shareholder value, building the Mexican middle class, and improving society through excellence."

Created by Mexican entrepreneur Ricardo B. Salinas, Grupo Salinas operates as a management development and decision forum for the top leaders of member companies: TV Azteca, Azteca America, Grupo Elektra, Banco Azteca, Afore Azteca, Seguros Azteca, Circulo de Credito, Unefon, Iusacell, Movil@ccess, Todito.com and Telecosmo.

Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings.