

Fernando Lelo de Larrea: If inflation levels remain high during 2022, the economies will require specific programs.

Fernando Lelo de Larrea comment about the current economic situation and a forecast for 2022

MIAMI, FLORIDA, UNITED STATES, January 19, 2022 /EINPresswire.com/ -- Since the end of the '80s, we have not heard the words Stabilization Programs. The famous programs that they applied in Argentina, Brazil, Peru, Bolivia, and Mexico were familiar notes in various media worldwide. The persistence of high levels of inflation and its consequent social cost, for many years, has raised a basic consideration: If a country should make an effort and pay the cost of combating inflation or should resign itself to living with it and try to develop within a continuous increase in prices.

In this sense, we interviewed the

[entrepreneur Fernando Lelo de Larrea](#), who shared his point of view on the matter.

Fernando Lelo de Larrea, What differences do you consider between the situation we are experiencing today and what was experienced in the 80s in terms of [economic](#) crises?

In the eighties, the problems of inflation and volatility were not a global phenomenon. They were based on the fiscal weakness of different countries, accompanied by solid devaluations of currencies against the dollar. There were no such sophisticated food supply chains as Walmart and others that tend to avoid problems of speculation and are more accessible for authorities to monitor than an isolated store. That is why I believe that what we are experiencing today is somewhat different in its origin. The result is causing fiscal weaknesses in various countries that could have a longer-term effect on the destabilization of some economies. At this point, there are similarities with what happened in the eighties.

According to Bloomberg, next year, Latin America will be the largest issuer of new debt in the developing world because few countries issued austerity policies in their public finances. What's your opinion about it?



Entrepreneur



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Fernando Lelo de Larrea

It is fully documented that a country with high inflation will hardly have economic development because the purchasing power of its inhabitants is affected, income distribution worsens, savings are discouraged, investment is distorted because many business people want to link spending as an engine of investment instead of creating economic competition, speculation is encouraged, and the creation of an economic environment of uncertainty, instability and, above all, political tension is encouraged. The key in these environments is fiscal control, austerity

policies that can go in that direction, promote economic competition as an engine for investment and technological transformation, direct social policies for interest groups, strengthen the rights of minorities that can be affected by more powerful agents and access to financing under affordable conditions.

The eighties leave us with the experience that neither orthodox programs nor ignoring the inflation problem are the solutions to implement a stabilization program.

Tomorrow we will have the second part of this interview.

Who is Fernando Lelo de Larrea?

Fernando is one of the most successful entrepreneurs in Latin America. The Venture Capital that he made has supported a lot of projects in the region.

Sharon Turner

Lideres Empresariales

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