SAVING A NATION with FAKE CURRENCY

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My Career Path

THE SYNDICATE

ERICSSON

Sabre Holdings

credera

slalom
User Experience

Design
What people desire

Technology
What is possible

Business
What is profitable

- Design: What people desire
- Technology: What is possible
- Business: What is profitable
- User Experience: Doesn't actually solve a problem, works but nobody uses it, impossible to build or maintain
why am i here?
that's actually my cousin...
SAVING A NATION
with FAKE CURRENCY

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BRASILIA
The perfect city
“Although named as an UNESCO World Heritage Site in 1987, the city is notorious for its windswept emptiness and anti-pedestrian layout.”

– Davi Baldussi

$19.5 billion*
Inflation in Brazil

http://www.indexmundi.com/brazil/inflation_rate_(consumer_prices).html
Inflation hit 80% per month
Grocery Shopping was Hard...

Eggs:
- Day 1 - $1.00
- Day 2 - $1.02
- Day 30 - $2.00
- Day 365 - $1,000
There were advantages
(if you had the money)
Inflation in Brazil

http://www.indexmundi.com/brazil/inflation_rate_(consumer_prices).html
How NOT to fix inflation in 5 easy steps
1. New President comes in with a new plan.

2. President freezes prices and/or bank accounts.

3. President fails.

4. President gets voted out or impeached.

5. Repeat.
You can’t centrally plan an economy!

No matter how hard you try, Markets are Free
You have to stabilize people’s faith in money itself. People were the problem. People had to be tricked into thinking money had value when all signs told them that was absolutely not true.

— Edmar Bacha

The URV
(Unit of Real Value)
The Real
Modern Day Brazil
Bolsa Familia
(family allowance)
When a family earns less than 120 reais ($68) per head per month, mothers are paid a benefit of up to 95 reais on condition that their children go to school and take part in government vaccination programs.
The number of Brazilians living in extreme poverty has fallen from 17 million in 2003 to 9 million six years later. Such households had an average income of less than $30 a month.
Brazil has everything to succeed.
In 2006, Petrobras found oil in an ultra-deep water oil field that some experts say could hold 50 billion barrels or more of high-quality crude, which if proven would make it the biggest discovery in the hemisphere since Mexico tapped its Cantarell field in 1976.

http://online.wsj.com/news/articles/SB10001424052702303448104579149382470863524
Growing Domestic Population
Strengthening Middle Class
Natural Resources
What could possibly go wrong?
Hockey sticks aren't necessarily good.
Approximately 75 percent of GDP growth in Brazil over the past decade was due to the increase in the number of people working and only about 25 percent was attributable to productivity gains.

– Boston Consulting Group

https://www.bcgperspectives.com/content/articles/globalization_private_equity_brazil_facing_the_productivity_challenge/
Shopping Trip

Brazil's household consumer debt as a percentage of GDP

30%  

August 2013: 25.6%

Note: Data is for August of each year
Source: Brazil's central bank

The Wall Street Journal
All these people have been spending more than they have, creating an illusion of economic growth

– Vera Remedi

http://online.wsj.com/news/articles/SB10001424052702304795804579097412611960306
The profile of Brazilian debt isn’t as healthy as it is in countries like the U.S. A big chunk of U.S. borrowing is home loans, seen as healthier since home prices can rise. But Brazil’s mortgage market is tiny. Brazil’s consumer debt went largely to appliances and cars—items that lose value.
After becoming president in 2011, Dilma Rousseff sought to stimulate growth by hiking public spending and the minimum wage, and forcing state-run banks to lend more. The resulting inflation was tackled not by raising interest rates but by cutting sales taxes and holding down the price of items with a big impact on the inflation index, including food, petrol and bus fares.

Hoping to prevent Brazil from cooling too much after the sizzling boom of the previous decade, Ms. Rousseff...pressured the central bank to **reduce interest rates**, *fueling a credit spree* among overstretched consumers who are now struggling to repay loans.
Our leaders wanted to find the formula to increase their power and remain in office, even if this meant intensifying mediocrity in an economy,
“My Better Home”
Government stimulus to buy refrigerators, TVs, and appliances

SERIOUSLY?
On the way home, Mrs. Rousseff stopped in Cuba, where she inadvertently signaled the opposite. The Brazilian government’s development bank—known by its Portuguese initials BNDES—has dumped almost $700 million in subsidized credit into Cuba to finance the renovation of the Port of Mariel.
How Brazil’s Lula Conned the World

The World Bank rates Brazil at 174th of 189 economies in ‘starting a business.’

Brazilian President Dilma Rousseff and former President Lula da Silva. PHOTO: ZUMA PRESS
An economic crisis is unleashing a withering national exploration of how Brazil squandered its hard-won success.
Federal prosecutors are investigating a complicated scheme in which construction companies allegedly bribed Petrobras executives in return for contracts. These contracts were said to have been inflated in order for kickbacks to go to politicians and political parties.

http://theconversation.com/how-the-massive-petrobras-corruption-scandal-is-upending-brazilian-politics-43939
Operation Car Wash
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Votação Aberta
Today
What’s Next for Brazil?
Thank You!