Jorge Roig President of FEDECAMARAS today alerted to the severe economic situation that the country is experiencing and warned of the urgent need of making the necessary adjustments to the economic model if an even greater crisis is to be avoided in 2014.

“With absolute responsibility we recognize the seriousness of the events for which we are being attacked: FEDECAMARAS condemns all wrongful deeds and behavior contrary to business ethics, but we also condemn the subjection of all merchants and store owners to public scorn through the public media. All Venezuelans have the right to due process, and the right of defense as contemplated in our laws and Constitution. The President of FEDECAMARAS sent a message of support to that immense majority of honest and hardworking Venezuelans, dedicated to commercial endeavors dedicated to commerce and production, which today face the uncertainty of not knowing what will happen to their businesses, and who foresee empty shelves, more store closings and less employment for the coming year.

Roig reminded that for more than three years FEDECAMARAS has been warning what would happen if an economic model with evident signs of exhaustion continued to be applied—putting aside myths, the reality is that Venezuela is living with as inflation that has reached 50% during the year; with 10 years of price controls during which inflation in foodstuffs alone is 1.953%. We are the country with the highest inflation in Latin-America, with a 22.4% scarcity index, with liquid currency reserves that cover only one week of imports, and even so what is being done is evaluating whether to increase public debt or sell gold from our reserves while we have 4,000 less industrial establishments and 205,000 less industrial jobs. It is not normal that Venezuelans have to withstand long lines to acquire basic products. “This is not the country we Venezuelans want or deserve, we cannot resign ourselves to this situation”.

This is not a fight between factions, if the government fails, we employers fail, all Venezuelans fail, the country fails. We are part of the solution. We are the Venezuelan productive sector. What we are experiencing is the consequence of applying a failed economic model. For Roig, a model that considers the national private sector as an enemy which has to be minimized cannot give good results. Instead, it should be conceived as what it is: the livelihood of a majority of Venezuelans. 70% of the gross national product comes from activities of the private sector, we surpass the contribution of oil to the national income, manufacturing alone is the largest sector of the economy, representing 12.7% of GDP, surpassing oil (that represents 11.7% of GDP). The commercial sector represents 9.9% of GDP. 80% of workers are employed in the private sector, and 58% of the national budget comes from the non-oil sector, in particular income tax and VAT from the private activities.

We need accessible prices, supply of products, stability of labor, and increasing opportunities to develop the talent of our people. We want to have a strong economy and for that we have to
produce in the country. However that is not achieved by measures that promote conflict instead of agreements Jorge Roig stated.

In FEDECAMARAS we want to discuss the future and solutions. More sources of employment are needed, more commercial ventures, that Venezuelan businessmen receive the same conditions as the Government’s foreign allies. The solution to higher prices and shortages is more national production, not companies that close their doors, support for our producers and less subsidized imports, the elimination of mechanisms that generate distortions and corruption such as the Exchange Control Office (CADIVI), substituting them by mechanisms that permit investment and build trust.

We all have a responsibility to assume, and as businessmen we assume ours, we invite the National Government to assume theirs: public companies have to produce more, public services; especially electric service has to improve. The private sector needs access to foreign currency; we do not want “cheap” dollars we require a stable and transparent access to foreign currency to acquire inputs and to produce. The adjustments of controlled prices have to be timely. Legislation should guarantee labor stability and at the same time stimulate the creation of new jobs.

What we are asking for is not the only the desire of FEDECAMARAS but of the majority of Venezuelans: 88% of the people consider that the elimination of scarcities can be solved by dialogue between private enterprise and government. 86% consider that private business needs currency to operate, 72% agree that the delays in allocating currency affects supply to consumers, and 70% consider that the government should adjust controlled prices to reflect cost increases.

We invite the national Government to a public dialogue that will translate into results. We place at their disposal all our will to work so that the course of economic policy be established with the future. In mind. “Venezuelans can count on us, we are committed to the future” assured Jorge Roig, President of FEDECAMARAS.