09012023 XP Investimentos Boris Johnson

**XP Investimentos**

**Boris Johnson**

**Introducer & Moderators: Fernando Ferreira, XP; Rachel Sa, XP**

**Sao Paulo, Brazil**

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**Friday, September 1, 2023**

(Introduction in Portuguese)

**FERNANDO FERREIRA:** Rachel just went back to get a microphone, but I was just saying in Portuguese that Friday night, and everybody stayed to listen to you, Mr. Johnson. It’s a huge honor for us here at XP to receive you tonight to talk about the world. We're going to talk about Brazil and the UK as well. Thanks, everyone, for being here.

(Break for direction.)

**RT HON BORIS JOHNSON:** Boa noite, everybody. Thank you very much for having me tonight. (Applause.) It's wonderful to be here. It's quite amazing to be here in Brazil. It's the first time I've ever been in Brazil, and it's worth not being Prime Minister of the UK just to come to Brazil, I can tell you. It's very, very exciting. Thank you. Abrigado.

**RACHEL SA:** Welcome to Brazil for the first time. I hope it's not the last, right?

**RT HON BORIS JOHNSON:** Yeah, I'm coming back.

**RACHEL SA:** As an international leader and giving the UK's leading role in the financial service sector, as you know, we are in the greatest financial services event in the world. There's about 10,000 people here, so a lot of people just here.

**FERNANDO FERREIRA:** Just in this auditorium.

**RACHEL SA:** Yeah, just here, right? Outside, there are lots more people. Where do you see Brazil at the current stage and the role of financial services in the country's economic development?

**RT HON BORIS JOHNSON:** I think Brazil is an incredible country, just in the short time that I've been here. My father, I should say, came here in 1959 when he was 19 years old, and he tried to get a job building Brasilia, which was then under construction. But they kicked him out because he didn't have the right visa.

But I'm delighted to be here. I think this is a country that should be doing much more with the UK. And we, in the UK, should be doing much more with Brazil, because we are two great democracies. And we're free market, liberal capitalist democracies. And I know we're going to talk about the BRICs, and I love the BRICs, but where's the mortar, is my question.

I want to encourage liberal capitalist democracy everywhere. And this morning, I went to this incredible museum, the MASP Museum. Have you been to the MASP Museum? Obviously, it's beautiful, it's absolutely beautiful. And it has a collection that is absolutely world class. I saw Van Gogh, I saw Manet. You name it, it was there. And this museum is funded by the private sector. I couldn't believe it; I couldn't believe it. In my country, it would be the government; it would be the taxpayer. And you're doing it with the private sector.

I also had a great time talking to Governor Tarcisio, and I love this guy. (Applause.) And I don't want to do him down, but he reminded me of me because he had the right ideas, it seemed, for putting in lots of infrastructure, lots of transport, mass transit systems, better transportation. He wants to privatize the sanitation.

Now, you talk about where is Brazil, which way is Brazil going? This is a massive step, and it's the right thing to do. We did it in the UK. It's very controversial. People will say it's got to be run by the state. It doesn't have to be run by the state because in the end, politicians have billions, tens of billions, maybe hundreds of billions of dollars, but they’re taxpayer dollars.

And the market has trillions. The market has trillions, and you're better off getting that money from the markets and making the investments in your infrastructure, in your sanitation, improving your mass transit systems and improving the water supply. And so, I thought what he was doing was completely, completely right.

The third thing – did I say that we're going to be three things? The third thing, the UK and Brazil did a wonderful collaboration on the COVID vaccine, the AstraZeneca vaccine. How many people here had the AstraZeneca vaccine? I did; delicious, made me what I am. (Laughter.) Fantastic, saved loads, saved 1.5 – we, UK, Brazil, we got that because you tested it. We helped to make it. Brazil tested it, we helped to make 1.5 billion doses in 2021 alone around the world, UK/Brazil collaboration.

Who funded it? Not the taxpayer. It was the markets. It was the banking system, financial services that put the money into the Western pharma, into the pharmaceutical companies that enabled us to vaccinate the world. And it was a great vaccine. I mean, I don't know, who had Sinovac or Sinopharm?

**RACHEL SA:** Yeah, we had (crosstalk/inaudible).

**RT HON BORIS JOHNSON:** Who had Sputnik? Anybody had Sputnik?

**RACHEL SA:** We had Sputnik here in Brazil.

**RT HON BORIS JOHNSON:** Did you have Sputnik?

**RACHEL SA:** No, we didn’t have it.

**RT HON BORIS JOHNSON:** I don’t think Sputnik worked very well, myself. I don't want to do anybody down, but I don't think it worked very well. On the whole, it was the vaccines produced by the liberal capitalist democracies that actually save people's lives. And AstraZeneca was a UK – that’s the truth. (Applause.) That’s the truth, and that was thanks to financial services of a kind that everybody attacks, but are indispensable for innovation and economic growth.

I think Brazil is on the right path. That's what I think.

**FERNANDO FERREIRA:** Perfect.

**RT HON BORIS JOHNSON:** Well, I think Sao Paulo is on the right path. (Applause.)

**FERNANDO FERREIRA:** Thank you. Let’s talk a little bit about geopolitics, because it's the topic, main topic of our panel here. How do you see the current state of world affairs? I mean, Russia and Ukraine are still at war. The relationship between China and the U.S. still seems quite fragile. There's questions around Taiwan. What happens next? Middle Eastern countries are also becoming a little more, let's say, independent from the West and the U.S. Do you see the current period as one of the most delicate periods in the geopolitics world in the last decades?

**RT HON BORIS JOHNSON:** Yeah, I mean, it's about 20 questions there, Fernando. (Laughter.)

**FERNANDO FERREIRA:** We don’t have that much time, so we have to be –

**RT HON BORIS JOHNSON:** I think Russia/Ukraine in the end will be all right. I think Ukraine will win. No, I don't think that China will be so mad as to attack Taiwan. I think that will be okay. I don't think we want a Cold War with China, but we have got to be very, very careful about China. You should be doing more business with the UK, not with China, in my view, but never mind.

And I think that the most important thing is that it is the… I love the BRICs, okay? Fantastic. I think it’s a great idea, a great idea. But in the end, who do the people want to listen, which music do people want to listen to? It's the music from the liberal capitalist democracies.

I mean, I see there's sign here for Paul McCartney and Adele. And I arrived at the airport, there was a small crowd of young female admirers cheering as I came out of the arrivals thing. But it wasn't for me, it turned out. It was the guy called Post Malone. I don't know who Post Malone is, but anyway, there you go.

Would you expect to find Brazilian crowds cheering for Chinese rock stars or Russian techno funk rock music? It's not what people listen to, right? They don't watch Chinese films around the world on the whole.

I think the direction is still very much in favor of the liberal capitalist democracies. Democracy is much maligned, it's much attacked. But as Winston Churchill said, democracy is the best – or sorry, it’s the worst system in the world, the worst system in the world except for all the others. That's the truth about democracy.

Putin would never have been so mad as to attack Ukraine if he had a proper parliamentary democracy with people like I had back on my case back in London. If he had Tory backbenchers complaining, he would never have been so foolish, so irrational as to attack a sovereign country like Ukraine. Xi Jinping, if he'd lived in a democracy, would never have pursued the lockdown policies that he did for so long.

Stick with democracy is the answer. The big global answer to your question, Fernando, is, yes, things are going to be tense, yes, things are going to be tough. But stick with the liberal capitalist democracies around the world.

**FERNANDO FERREIRA:** Perfect. (Applause.)

**RT HON BORIS JOHNSON:** That’s my answer.

**FERNANDO FERREIRA:** But a lot has been discussed on this thesis of a global decoupling, right? Do you believe in that thesis or is the world so intertwined and the economy is so dependent on each other that you don't see that really happening, because that's been a big discussion, right, in the last couple of years?

**RT HON BORIS JOHNSON:** I'm a skeptic about this, about decoupling. Look, the world is changing and it's changing fast. Fifty years ago, America's share of world trade was twice what it is today. China is growing the whole time. There’s one Chinese company has about 37% of the entire global cattle, has about 37% of the entire global market for batteries. China is growing. It's a risk; it’s a challenge. I don't know about you, but we don't want a Cold War with China. Do you want a Cold War with China? What's the point if China is a fifth of humanity? It contains many, many brilliant, brilliant people. Why would you want to turn those people into enemies?

You've got to be careful about China. You've got to make sure that you don't have Chinese control of your critical national infrastructure. And we don’t, and we're moving away from that in the UK.

But I think to go for decoupling, as you say, Fernando, I think that risks destroying a huge amount of value. I mean, they think they've confiscated my mobile phone, but here it is. Who made this? Yes, it's an American thing, but it was made by Foxconn, right? It’s made in China. And I think that Brazil's trade, your economy is very heavily interwoven with China. You pull this apart too much, you do a lot of damage. You've got to be careful, and you've got to do more between the liberal capitalist democracies.

But I'll tell you something, my basic message to everybody tonight is do not underestimate us, the liberal capitalist democracies. Look at the United States of America. When I was a kid, it would have been mad to think of buying an American car in the UK, in Britain. American cars were ridiculous things that guzzled gasoline and had fins, and nobody bought them. They were too big; they were ridiculous.

Now, if you go around the lanes of Oxfordshire, where I live, you see Teslas, Teslas, Teslas everywhere, smug people buying Teslas to cut their, quite rightly, to cut their CO2, to cut their emissions, quite rightly. And I can't get the Internet. I put in a lot of gigabit broadband when I was prime minister, but I have to get Elon Musk. It's that guy again. I have to pay him to give me gigabit broadband in Oxfordshire because he has all these satellites orbiting the world.

And all I'm saying to you is, I think when I look at the relative productivity of America, the potential of America, it's incredible. And I would urge everybody just to think about that. China, India, these are very ancient countries, ancient civilizations. America is new. It's less than 250 years old, and the population density in the United States is a fifth of that of China, a sixth of that of India.

America is going to keep growing. It's going to, and America is full of incredible cities, university cities, full of talent, agglomerations of talent. And America is still sucking people in, and it doesn't have the demographic problems of China and already has a massively higher per capita GDP, massively higher productivity.

I’ll give you some more figures. Can you bear some more figures quickly, quickly? In 2008, when the crash happened, America and the European Union were roughly the same in GDP, about $14-$15 trillion. Today, whatever it is, 15 years later, America has stormed ahead, now $25 trillion against $19 trillion for the EU, plus Brexit Britain, plus Brexit Britain. And that's why Brexit Britain needs to do its own thing and go with liberal capitalist democracies around the world, because I think people are underpricing America. And I think that the idea that China and India are going to be running the world is, yeah, the world's changing, but that's exaggerated.

**RACHEL SA:** Perfect. Moving a little bit on to geopolitics, but military, I would say, you have a long track record with conflict resolution studies and policy making. If you look at the current war in Ukraine, what are your views on what's going on at the moment? Given the progress of the war to date, do you think that military victory is possible for Ukraine still? And if not, how does the war end?

**RT HON BORIS JOHNSON:** Yeah. Look, I think first of all, I want to say that I think Brazil has been robust. Brazil has been strong, and I think Brazil has been right about Ukraine. I really want to thank the people of Brazil for the support that you've given to the people of Ukraine, because I think it's been very noticeable in this part of the world.

And I think that Ukrainian victory is going to happen. I think it's going to be difficult. It's going to remain tough, but I think Ukrainian victory is inevitable, because the Ukrainians are fighting for their halls and their homes. They're fighting for their families. They're fighting for their nation and national feeling. Apart from religion, national feeling is probably the strongest force there is in politics.

Putin has brilliantly disproved his own argument. He said that Ukraine wasn't really a country. He's been proved completely wrong. And the Ukrainians have kicked the Russians out of Kiev, of Hassan, of Kharkiv, and they're now actually making quite a lot of progress in the south of the country.

Rachel, if you ask how – Rachel used to work for the British consulate, by the way. She wouldn't admit this now in public, but she partly used to work for the British government, I'm thrilled to say. (Laughter.) I'm not certain whether that's an entirely tactful thing for me to point out right now, Rachel.

But anyway, the Ukrainians have every chance of, I think, in the next few weeks and months, of breaking through in the south of the country, cutting the land bridge Putin's land bridge in two and causing him a total strategic nightmare, because he won't be able to reinforce Crimea. And then that's game over for Putin. It's really difficult.

And look, I know that people worry about what happens then, and they worry about what Putin could do. But I just ask you, do you really think that the Ukrainians can negotiate with the Russians? Can they negotiate with Putin? Would you do a deal? Would anybody at XP, any brilliant business brain here, would you do a deal with Putin and rely on it? Would you? Do you think he would keep his word? Do you think if Volodymyr Zelensky, even if Volodymyr Zelensky wanted to do a deal with Putin, do you think he could rely on him?

I mean, I’ll tell you one guy who thought he could do a deal with Putin, and that was Yevgeny Prigozhin, right? You saw what happened to him. He thought he'd done a deal. He was going to protect his own life, and Putin gave him some reassurances. And look what happened to him, right?

And one thing the people of Brazil know is that whatever happened to Yevgeny Prigozhin was not a result of any fault in the aircraft, because that was an excellent machine that was made in Brazil and has, as far as I know, a 100% reliability record. Everybody knows that Vladimir Putin executed that guy before the whole world like a mafia hit, so the whole world could see it. He had him liquidated like Tony Montana in *Scarface*, wiping out his best buddy. That's what happened. And so, anybody who thinks that Zelensky or the Ukrainians can do a deal with this guys is mad.

Just one thought, do not worry. I don't know if you are worried, but don't worry about the possibility of escalation, nuclear escalation. You didn't ask me about that, but I'm going to tell you anyway.

**RACHEL SA:** Yeah, I was going to ask you about that now.

**RT HON BORIS JOHNSON:** Okay. Well, let me tell you, I don't believe it's a realistic possibility. I don't think Putin would be so insane as to do it. And I'll tell you why, because he would immediately lose the support of the Chinese. He would immediately lose the middle ground in the world, the swing voters, a lot of the BRICs countries, not Brazil, but a lot of the BRICs countries who give him too much of the benefit of the doubt.

He would lose their support. He would become a global pariah. He would terrify the people of Russia, who wouldn't know what kind of reprisals they were going to experience as a result of Putin’s – this would be the first time that anybody's used a nuclear weapon in anger since the Second World War, since 1945. It would be an unbelievable thing to do.

He would terrify the Russian people; they wouldn't know what was going to happen. And he wouldn't even succeed militarily, because the Ukrainians would not necessarily be defeated. They would fight on. Believe me, they would fight on. And so, it would be a complete catastrophe for Putin. He won't do that.

And I’d just say to everybody, we've got to lose our hang ups about Putin. He's got this ridiculous aura of invincibility. It's not true; he's been losing steadily. He's lost and lost and lost in Ukraine. And we do not need to worry about his political future, okay? People don't worry about my political future. Why should we worry about Vladimir Putin's political future? He can sort it out. He controls the press in Russia. He controls the organs of opinion. He's not going to have a problem.

**RACHEL SA:** (Laughter.) Perfect.

**RT HON BORIS JOHNSON:** Be cool. Be cool, Sao Paulo. Be cool, XP, about this thing and be patient. Be patient. This is the critical conflict of the early 21st century, right? This has got to go right. This has got to go in favor of the rule of international law and liberal capitalist democracy. And it's going to, but we need to stick with it, be patient, give the Ukrainians the tools they need to finish the job, right? Give them what they need, support them, back them, as I know that people in Brazil have been doing. And by the way, the United States of America has been absolutely crucial in that respect as well.

Stick with Ukraine. Slava Ukraini, everybody. Their fight, they’re fighting for freedom around the world. I promise you, the Ukrainian fight is the fight for the liberty of all those countries around the former Soviet Union, Georgia, the Baltic states. But it's also a fight for freedom in East Asia, across the Straits of Taiwan. You mentioned that right at the beginning, Fernando.

If the Ukrainians win, when the Ukrainians win, I believe that will be a major deterrent to any foolish actions by Beijing in respect of Taiwan. It will be a major deterrent.

**RACHEL SA:** Do you think that, against all of that you said, that we're heading back to a world where geopolitics and warfare will actually dominate the international policy agenda again, as it did 20, 50 years ago, actually, with other agendas like environment or even global trade losing steam?

**RT HON BORIS JOHNSON:** Yeah, I hope not. And look, we've got to make sure that we don't lose global trade, in particular. We need to encourage the trade between the UK and Brazil. The UK is the fourth largest global investor in Brazil, I'm proud to say. But you are the only country in the G20 with which we do not have a double tax agreement. And Rachel was trying to fix it.

**RACHEL SA:** Yeah, I truly was. (Laughter.)

**RT HON BORIS JOHNSON:** And (crosstalk/inaudible) fixed it. But we need to do this, right, because if you’re a Brazilian meat exporter, or orange juice exporter, then the way things are at the moment, or whatever, gold, whatever, then you pay tax on the exports in the UK, but then you also pay tax on the profits back here in Brazil. It's mad; it's got to end. And we need to have a double tax agreement to stop it because at the moment, I'm afraid the trade flows between the UK and Brazil are not big enough, in my view. And we need more BA flights, frankly. You don't think so?

**RACHEL SA:** I do. I believe so, yeah.

**RT HON BORIS JOHNSON:** More BA flights to Sao Paulo and Rio.

**RACHEL SA:** More BA flights. We love London.

**RT HON BORIS JOHNSON:** Well, more flights. It doesn’t have to be BA, but more flights.

**FERNANDO FERREIRA:** Can we talk about climate change?

**RT HON BORIS JOHNSON:** Yes.

**FERNANDO FERREIRA:** We had the Amazon summit here in Brazil recently. And backstage, right, we were discussing about Brazil's renewable matrix in terms of energy. Brazil is also the only country that has over one million kilometers of forests, right, especially the Amazon forest.

And a couple of years ago, I think two years ago, I had the pleasure to speak to Tony Blair here at XP as well. And he was saying that he believes that developing countries need to have different rules relative to developed countries who already use their natural resources. But at the same time, we see that all the effort that the world is putting in, in terms of lowering carbon emissions, China is also emitting all that back on their coal production.

How do you see this? How can we balance the climate agenda between so many different countries, because at the end of the world, we are one single world, right?

**RT HON BORIS JOHNSON:** Completely. Well, look, first of all, I just think what Brazil has done is incredible. I mean, you are the custodians of so much of the rainforest, so much of the lungs of the world. And I think what you're doing is right, but I think that the move to renewable energy, the speed with which you've done it is incredible. And we need to get the whole world to do this.

And we, in the UK, I mean, to your point about who's responsible and the balance of, yeah, responsibility, we, in the UK, began our industrial revolution in the mid-18th century, right, a long, long time ago. We were belching, our factories were belching smoke into the air above the Midlands when Brazil was completely innocent and remained innocent for a long time.

We’re the guilty guys, right? I accept that; I put my hands up. But we need to lead, but we are now, and we're cutting CO2 emissions very sharply. And if you look at coal, for instance, the Chinese actually can make very rapid progress. In 1990, 70% of UK electricity production came from coal. It's now way less than 5%. We've gone right the way down. And you guys, what was it, 98%. Now what's the percentage of electricity that's renewable now.

**FERNANDO FERREIRA:** Electricity is almost, yeah, 80%.

**RT HON BORIS JOHNSON:** Eighty percent. It’s incredible, and the world can do it. We should be working together on offshore wind. We have a lot of wind in the UK, or offshore. We are the Saudi Arabia of offshore wind. We produce more offshore wind than virtually any other country, and we should be doing that.

I think one of the problems of the Ukraine war, of Putin's invasion is that it has pushed up the price of energy. And I think it's caused a lot of people in my country to be anxious about the green agenda. But the green agenda, in my view, is the one that will deliver jobs and growth for the long term. It's the right agenda. It's the right agenda for the economy, and it’s also, by the way, the right agenda for the planet as well.

Let’s stick with it. I'm proud of what we did at COP26 under the UK. I think we took six gigatons of carbon out of the atmosphere. It was more than they did in in Paris. We got 148 countries to sign up to our agreement on stopping deforestation. But this is an area where I think Brazil is showing outstanding leadership, and we should work together on it. And it is the way to go, definitely the way to go.

**FERNANDO FERREIRA:** Absolutely.

**RACHEL SA:** Perfect. Do you see –

**RT HON BORIS JOHNSON:** You run your cars on alcohol.

**RACHEL SA:** Yeah, Ethanol.

**RT HON BORIS JOHNSON:** Ethanol. Unbelievable, fantastic.

**RACHEL SA:** We've been doing that for a long time now, right?

**RT HON BORIS JOHNSON:** I know, it’s amazing.

**FERNANDO FERREIRA:** Yeah, that's why you don't see much pollution.

**RT HON BORIS JOHNSON:** It doesn’t mean if you’ve been out drinking, you can conceal. (Laughter.) If a policeman stops you and accuses you of drinking, can you say, it's not me, it's officer, it's the car? (Laughter.)

**RACHEL SA:** (Crosstalk/inaudible.)

**RT HON BORIS JOHNSON:** Did you could try that in the UK? (Applause.)

**RACHEL SA:** I'm afraid not. (Laughter.)

**RT HON BORIS JOHNSON:** You didn’t do that. Why not? We have very strict rules in the UK about alcohol and cars.

**RACHEL SA:** That's true, yeah. We have it, too, here. You mentioned the climate agenda. You mentioned the lack of a double taxation agreement, which I agree, big obstacle. Do you see other areas where the UK and Brazil can work together, because of course we are close partners, but these ties could be stricter, could be closer?

**RT HON BORIS JOHNSON:** Yes. Come on. Well, I mean, the most obvious thing apart from the double tax agreement is a free trade agreement. We’re two of the world's biggest economies, and we have so much in common. We are liberal capitalist democracies, we do not have a free trade agreement. We've done a free trade agreement with 70 other countries. We're part of the CPTPP, but we haven't done a free trade agreement with Brazil.

And so, I ask you tonight, you wonderful XP people or members of the audience, I should say, how can you tolerate paying such a premium for Johnnie Walker scotch whisky? How can you tolerate paying so much more than you need to for Glenmorangie and Glenfiddich?

**RACHEL SA:** And chocolate, too.

**RT HON BORIS JOHNSON:** Chocolate.

**RACHEL SA:** Chocolate, yeah. (Laughter.)

**RT HON BORIS JOHNSON:** And just about everything from the UK. It is a disgrace that the – I think I'm right in saying the total share of Brazilian imports that originate from the United Kingdom, guess what it is? One percent, one percent. Have you looked at a map of the world, folks? Have you looked? Compare where London is with where Beijing is? I checked this out. London is 5,000 miles away. Beijing is 10,000 miles away. How come you're doing so much more business with Beijing? How come you're buying all this stuff from China? That's my question. It's literally insane; it's literally insane.

We should be doing far more business together. We should do a free trade agreement. We should cut the tariffs. We should have a double tax agreement. We should have much more to-ing and fro-ing between London and Sao Paulo, and we need to get on with it. And it will be good for both sides. On areas like green technology, financial services, services of all kinds, never mind food, agricultural goods, there are huge, huge opportunities for Brazil and also great opportunities for the UK as well. We've got to get going, and it would it would be win/win, believe me.

**FERNANDO FERREIRA:** A round of applause for everyone that would like to see more cooperation between Brazil and the UK. (Applause.)

Now let's touch on another important subject, which are the upcoming U.S. I mean, you were close to former President Trump, but you were also close to President Joe Biden on the relationship with Ukraine. Just a really broad question on how are you seeing the upcoming U.S. elections? What are your thoughts on it?

**RT HON BORIS JOHNSON:** Fernando, I'd love to hear what your thoughts are, actually. Look, I think it's very difficult. We have a sort of convention that we don't try to comment too much on the domestic politics of very friendly countries. And I once went to see my friend, Mike Bloomberg, when he was mayor of New York, and he was just approaching his third election campaign. He was running for a third term, and it was a very tight race.

And I said, “Mike, how about if I come out and endorse you?” And he thought about it for a while and he said, “Well, on the whole,” would I mind endorsing his opponent, because he wasn't sure that my endorsement would necessarily be exactly what he needed. I don't want to – and he was joking, right? I don't want to damage the chances of any candidate in the U.S. by offering my support.

What I will say is that, back to Ukraine, I think America has been extraordinarily important, $45 billion, more now. They gave another $250 million just a couple of days ago, $250 million just a couple of days ago. America has changed the prospects of that country. It's an innocent, free country, and the United States has picked up the burden of democracy and freedom, and is doing the right thing. America is once again the arsenal of democracy.

And so, I want to thank the Biden administration. And I believe they've done totally the right thing. And I also believe, as it happens, whatever happens in the U.S. presidential election, it will be very difficult for America to do a complete U-turn on that policy. I think that the United States will continue gravitationally to keep supporting Ukraine, whoever wins the election.

But I don't know. I think it looks very even stevens at the moment. I mean, I got on very well with Donald Trump, too. I can't deny it, I can't deny it. And there you go. But I think I'm going to levitate above this subject like a sort of levitating Buddha.

Okay, let me ask this audience. Put up your hands. I’d be very interested. You're a bunch of very smart investors. Put up your hands if you think that Donald Trump is going to win the next U.S. election in 2024.

Wow. Wow, wow, wow.

**FERNANDO FERREIRA:** Thirty percent, maybe?

**RT HON BORIS JOHNSON:** I think so. Okay, why don’t we say put up your hands? If you think that Donald Trump is not going to win the election.

**RACHEL SA:** I guess some people don't think anything. (Laughter.)

**RT HON BORIS JOHNSON:** That’s kind of about the same, and don’t know, about the same.

**FERNANDO FERREIRA:** Yeah, probably.

**RT HON BORIS JOHNSON:** Isn't that interesting? Wow. Okay, he’s got to be in with a (shout?). On this audience, I think he's in. I think he would like those numbers tonight. But anyway, look, I don't want to say any more. I don't know; you have to watch.

**RACHEL SA:** Fair enough.

**RT HON BORIS JOHNSON:** But the interesting thing is, why are these people, relatively speaking, so – it’s kind of like Russia was in the 1970s, 1980s. We seem to be having older and older people running the country. I don't know why that is.

How old is your guy? I should know this. Lula, how old is Lula?

**RACHEL SA:** Eighty? How old is Lula, 80? No, less. Seventy-eight? Seventy-something.

**RT HON BORIS JOHNSON:** Nothing, nothing.

**RACHEL SA:** Close to 80, 78, I guess.

**RT HON BORIS JOHNSON:** It’s nothing. Okay, right. It’s nothing these days.

**RACHEL SA:** Yeah, he’s super young.

**RT HON BORIS JOHNSON:** Okay, good.

**RACHEL SA:** Eighties are the new sixties, right, I heard. (Laughter.)

**RT HON BORIS JOHNSON:** Eighty is the new 60, yeah.

**RACHEL SA:** Okay, so I'll let you levitate on that topic. And moving to a closer topic for you now, closer to home, the UK has been going through an extraordinary period of political instability, I have to say, with three prime ministers in as many months. What on earth is happening there? And what is the way forward for the UK?

**RT HON BORIS JOHNSON:** Listen, the UK, do not be misled by the Gloomadon popping negativity that you will get from some of the British media. Things are actually going extremely well in the UK. We just had some figures out for the growth statistics since COVID, where we did much better than Germany, for instance. Everybody was saying how wonderful the German response was; we did better.

Let me tell you one thing, which I don't think that international audiences necessarily have heard about. We had this thing called Brexit, yeah, and that meant that we were able to do our own thing and to be independent of the European Union legal system. And we came out of this European Medicines Agency, which meant that we were able to approve a COVID vaccine faster than any other country, an effective COVID vaccine faster than any other country in the world. Thanks, as I say, to the help from Brazil that enabled us to vaccinate a human being the first.

And because we came out of that European Union arrangement, we were able to, I think by the March of 2021, we had vaccinated about 45% of our population. The EU had vaccinated about 10% to 15% of their population, because we were so far ahead. That meant we were able to come out of COVID restrictions faster. We came out of lockdown faster, and we saw a very good economic rebound.

In the UK, and I hope you'll all come to London, you will see a more vibrant financial services sector than anywhere, still growing the whole time, post Brexit, bigger than anywhere else in that hemisphere. The tech sector in London is bigger than France, Germany and Israel combined, and we have a unicorn in the UK once every two weeks. We have fintech, medtech, edtech, biotech, you name it. It sounds like Mexico. It sounds like Aztec, Mexico, we have so many techs.

And unemployment is now the lowest it's been since 1974. Don't be disheartened, don't be downcast by some of the negativity that you may hear about post-Brexit Britain. It was totally the right thing to do.

And I've given you the numbers for the relative growth and productivity of the EU and the U.S. We don't want to be sticking with that old European Union model. It's sclerotic, it's bureaucratic. It's a restraint on growth and productivity, and nor would you in Brazil.

**FERNANDO FERREIRA:** Yeah, I lived in London from 2016 to 2020, so I saw in on the ground how hard it was for all the Brexit process to actually make it happen.

**RT HON BORIS JOHNSON:** But Fernando, the growth in the UK in that period, the growth in Italy was 4%. In 2016 to 2023, the growth in Italy was 4%, in Germany, 5.5%, and in the UK, 6.8%. Come and see for yourself. We're going gangbusters.

**FERNANDO FERREIRA:** Exactly, because that's what I was going to say. What we hear on this side of the world is that Brexit is not working, the economy is suffering. The inflation is high because of Brexit. Clearly, you don't believe in this.

**RT HON BORIS JOHNSON:** It’s rubbish, it’s total rubbish. It’s nonsense. Inflation is high because we had a spike in energy prices, right? And we had a global energy shock, and we had a convulsion in world supply chains. It's nothing to do with Brexit, and it's actually coming down very fast. Inflation in France is now, and inflation in the UK is about 6%. Inflation in France is 5.8%. I mean, last time I looked, France is still a member of the European Union, right? It's the same across the whole of that area.

The difference between the UK and France is, as I say, we have a far more dynamic financial services, tech sector, and we have unemployment running at the lowest level since 1974, which is before most of the people in this audience were born. And the people, the same people who are complaining now and blaming Brexit for inflation, which is not true, are the people who are saying that Brexit was going to produce millions of people unemployed. It has not, and they're furious at having been proved wrong. And it's true, and that's why they're resorting to this nonsense.

**RACHEL SA:** On this, I think it's a good follow up for that. You mentioned that inflation is explained mostly by the energy shock, right? And because of very low unemployment, of course, there is wage pressures. Part of the inflation is coming from the lack of sufficient labor supply. What is your view about future of immigration? Will the UK prove able to increase immigration levels, post Brexit?

**RT HON BORIS JOHNSON:** Yeah. Look, I'm pro-immigration, right? I always have – I was born in New York City. I was mayor of London for about eight years, and 40% of the people of London are born abroad. I don't know what the numbers are in Sao Paulo. Who here was born outside Brazil?

Okay, not many. Right, okay. But in London –

**RACHEL SA:** Their families probably are.

**RT HON BORIS JOHNSON:** Most of the people in London, most of them, if you ask an audience of London, loads of people in London were born abroad. It is a cosmopolitan city. We've had huge immigration this year from Ukraine, obviously, from Hong Kong, obviously, because we have to help our friends there, from Afghanistan. But we're like the United States. We're sucking in talent from around the world, and I think that's a good thing.

The point about Brexit was to control it, and to make sure that the people come in because they have something to offer, because they have a talent, because they're committed to the country and because we're able to interview them and establish what they want to do in the country, which sector they want to come to. And we'd welcome talented people from Brazil, of course. In fact, I met one.

I want to be very clear about this. Brexit was not about the UK closing down. It was about the UK opening up and getting out into the world. That was the point.

**FERNANDO FERREIRA:** A lot of my friends that are still living in London, people are complaining about inflation, real estate prices going up. I mean, cost of living has gone up. How do we adjust those problems back to, let's say, more normal levels? Do you see that we need higher incomes or at some point, prices will have to adjust downwards for people to feel a little bit relieved on their budgets? How do you see that adjustment process?

**RT HON BORIS JOHNSON:** The prices are starting to come down. And the truth is that wages have been too low for people on low income. I believe that wages have been too low for people on low incomes in the UK, and companies haven't been paying their junior staff enough. And they can do; they have the cash to do it, and they should be. They'll increase productivity, they'll increase commitment, they'll increase loyalty. They need to do it. I'm not too anxious about that.

I think the problem is really the housing market. That's where I think your friends find the pressure. When you come to London, it's a real hassle. It's amazingly expensive to find a house. And I noticed in Sao Paulo, you seem to have – I don't know what the planning arrangements are here, but you seem to have a lot of development. I'm not sure how regulated it is. Is it very regulated?

**RACHEL SA:** Yeah, the real estate. Yeah.

**RT HON BORIS JOHNSON:** Okay, right. In the UK, it's very, very hard to build stuff fast. The people of Britain were very happy to discover that there was some newts. Do you know what I mean by a newt? A newt is a kind of small amphibian that the environmentalists found – no, they didn't find. They thought, they suspected that there was some newts in my garden and that these newts, which is a kind of amphibious lizard, were going to stop me building a swimming pool, because there was a risk that the newts would be disrupted.

And there weren't any newts. It was rubbish. There were no newts at all. No newts is good newts, in my view. And I was very happy to build newt motels and create new environments for the newts if they existed, but they didn't exist. And yet they're holding up my swimming pool, and bats, too. We have crazy regulations about bats, which are stopping a lot of development.

And these type of restrictions on planning are pushing the prices up. And in my lifetime, the ratio of income to house prices has massively, massively increased, or the other way around, the ratio of house prices to income has massively increased. And that's the basic problem. We need to be building more good housing, affordable housing.

And by the way, when I was mayor of London, I built many more affordable homes than the previous socialist mayor, Ken Livingstone, and many more than the current Labour mayor. There you go. The answer is have a conservative mayor. That's the answer.

**RACHEL SA:** Good. We're approaching the end, but I think there's a question that will be close to the hearts of the people, because in Brazil, we followed a lot about the monarchy in the UK and all the stories, and then Kate, everyone, right? It's all over the news here. But a huge change for the UK and the world was the unfortunate death of her Late Majesty, the Queen.

You had many meetings with her over the years. Can you tell us a bit about what you think the impact of her passing and also the accession of King Charles have been in the UK?

**RT HON BORIS JOHNSON:** I think she was a fantastic monarch and a wonderful, wonderful person. By the way, the museum I went to this morning, MASP, that was opened by the Queen in 1968. Her Majesty the Queen opened it in 1968, and they showed me the newspaper article. She that the secret of longevity was eating chocolate and drinking tea. There you go, in the morning.

**FERNANDO FERREIRA:** That's the secret.

**RT HON BORIS JOHNSON:** Yeah. She lived to a great age.

**RACHEL SA:** It worked for her.

**RT HON BORIS JOHNSON:** I eat a lot of chocolate, but not in the morning. I've got to stop doing that. She was brilliant. She was a wonderful, wonderful person. And she knew everybody. She'd met every American president. She understood everything, and she always made you feel you were very special. And I think the people in our country miss her hugely.

But, but, but her son, the King, King Charles, is doing an outstanding job. And I think her greatest achievement is handing over the monarchy to her son in a smooth succession that is accepted completely by the British people and in parliament, too.

And the Republicanism is very feeble in the UK. We have a very clear distinction. I can never tell you, even if I knew what the queen's political views were or King Charles's political views, I could never tell you. They're above politics, and it works very well. I don't know whether you have a very different system –

**RACHEL SA:** Yeah, that’s quite fascinating.

**RT HON BORIS JOHNSON:** But our system works well.

**FERNANDO FERREIRA:** Yeah. Now, I want to talk about a more personal question about your future plans. What does the future hold for you? I mean, I recently read your book, right?

**RT HON BORIS JOHNSON:** My immediate future, I think, largely involves –

**RACHEL SA:** Planes?

**RT HON BORIS JOHNSON:** Brazilian red wine. (Laughter.) I think I've been invited to dinner tonight. That's what I'm looking for, because I'm having a lot of fun. I'm writing some books. But I intend to come back to Brazil as soon as I can, and I've had a fantastic time here.

**FERNANDO FERREIRA:** Perfect.

**RT HON BORIS JOHNSON:** And one of my ancestors, according to my mother, who is not a reliable source on this, but she says that one of my ancestors, who was a guy called Percy Harrison Fawcett (ph), disappeared in the Matto Grotto. He loved Brazil so much, he stayed here, and he vanished. And there's been a big mystery about what happened to him. And I think maybe I'll come back and do an expedition to see what happened to my putative ancestor, Percy Harrison Fawcett. And I think that would be an interesting thing to do. Maybe I have some Brazilian relatives somewhere.

**RACHEL SA:** Did he come during Carnival?

**RT HON BORIS JOHNSON:** Did he come – did he what?

**RACHEL SA:** During Carnival?

**RT HON BORIS JOHNSON:** I don't know. I don't know. He went up river.

**RACHEL SA:** That's easy to get lost, I would say.

**RT HON BORIS JOHNSON:** He got lost. Obviously, he found something so entrancing that he decided not to come back to the UK.

**FERNANDO FERREIRA:** You’re definitely welcome to –

**RT HON BORIS JOHNSON:** Well, somebody found him, or something. Anyway, he had a great time.

**FERNANDO FERREIRA:** You’re definitely welcome to come back at any time.

**RT HON BORIS JOHNSON:** You're very, very kind.

**FERNANDO FERREIRA:** I'd like to ask everybody for a warm round of applause.

**RT HON BORIS JOHNSON:** Thank you very much for having me, everybody. Thank you. (Applause.) Thank you. Thank you very much. Thank you. (Applause.)

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