

## The Billionaire Mogul Fighting to Feed Venezuela's Hungry Masses

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### Why you should care

Because he's using his dough to keep a country from starving.

You may not know their names, but the world's *Little-Known Billionaires* wield a hidden economic clout. [Read more](#) of this OZY original series.

He's one of Latin America's most private billionaires. But as Venezuela lurches through the worst economic, social and political crisis in its history, he's also become something of a Han Solo figure, called on by the famished masses to fight for them. Lorenzo Mendoza, 52, doesn't exactly come off as a gunslinger, though. Worth \$1.5 billion as of March 2016, the father of four is known for being pragmatic and keeping a low profile. Yet his popularity could give the Luke Skywalkeresque opposition leader Leopoldo López a run for his money. Why? Because Mendoza is CEO of a company President Nicolás Maduro's regime desperately needs: Empresas Polar, Venezuela's largest private company, which churns out a host of food staples — from margarine and mayonnaise to cooking oil — average citizens can't do without.

In other words, Lorenzo Mendoza is feeding the Venezuela that Maduro can't.

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And yet, Maduro's government is not making it easy for the businessman, whose company enjoys a [92 percent approval rating](#) (compared to roughly 20 percent for Maduro). Last November, the government detained Mendoza for four hours without explanation at a regional airport. Dressed in a navy blue collared shirt and wearing glasses, Mendoza delivered an impromptu press conference, telling the public: "This harassment and persecution, let me tell you, it's not going to dampen my spirits, and I'm going to keep working for this country."



Lorenzo Mendoza runs Venezuela's largest food company, Empresas Polar, which was founded by his grandfather. President Nicolás Maduro has called him an "oligarch of the devil."

SOURCE [FEDERICO PARRA/AFP/GETTY](#)

Why the secretive Mendoza is suddenly becoming more vocal about his struggle to provide the most basic products to his customers is a story that goes back to the election of Hugo Chávez. Chávez came to power in 1999 on a socialist platform, skimmed profits from Venezuela's oil exports and used them to lift people out of poverty with subsidized food, housing and a long list of social programs and benefits.

His critics insist he flirted with authoritarianism. When Chávez died in 2013, his protégé Nicolás Maduro took over. One year later, the price of oil crashed, pulling the economy of [Venezuela](#) — a country with larger oil reserves than Saudi Arabia — down with it. Inflation soared, reaching 817 percent during the last 12-month period. Homicides climbed from 25 per 100,000 residents in 1999 to 91 per 100,000 in 2016. Embattled, Maduro clamped down on his opponents, jailing López in 2014 for supposedly inciting violence during protests. Then, in July this year, Maduro essentially replaced the legislature with a junta controlled by his family and inner-circle loyalists, in what many observers considered a textbook step on the road of dictatorship.

Venezuelans are hungry, with one study reporting that 73 percent of the population involuntarily [lost](#) an average of 19 pounds in 2016. But in the midst of the chaos, there is a simple product stocked in every kitchen: a precooked corn flour called Harina Pan produced and distributed primarily by Mendoza's company. It's the key ingredient for making *arepas* (the equivalent of [sliced bread](#) in the U.S.). Except to keep the product on store shelves, Mendoza has to import the raw materials. To get raw materials, he has to buy dollars from the government. And Venezuela's access to dollars is drying up, putting Polar's main product in jeopardy.

“My instinct, even though I don’t have the proof here, is that Mendoza took a loss on Harina Pan to keep the company intact. He knows how to stick to business, not get into politics and not threaten the government,” says Robert Bottome, a consultant and former editor of *VenEconomy* who has interviewed Mendoza several times.

Polar’s popular chief executive was born into a business dynasty. His grandfather founded the company in 1941 as a [brewery](#). In 1962, he obtained the patent for making precooked corn flour, an invention that transformed Venezuelans’ lives. No more long hours in the kitchen — fresh *arepas* in minutes. When Mendoza was tapped to lead the consolidation of the family’s companies, he was just 34 years old, a newly minted MBA from MIT Sloan. That was 1999, the same year Chávez won the presidency. Soon, private companies started to get expropriated. “When Chávez came to power, Mendoza held off the threat of being taken over ... by being efficient, by being careful in his legal arguments, and defending himself against the government,” says Bottome.



Mendoza worked in investment banking in New York and London before taking the helm at Empresas Polar in 1999. The CEO, who has said the company’s greatest asset is its people, is known for recalling the names of line workers and machinists in visits to far-flung plants.

SOURCE [MIGUEL GUTIERREZ/AFP/GETTY](#)

Fast-forward 18 years and Bottome is more skeptical about Mendoza’s — and Polar’s — future. “You’re talking about an economy that’s going down the tubes very fast, screwing over private business.... There’s no question of his talent, it’s a question of the circumstances now,” he tells OZY.

And the circumstances are horrendous, for everyone. Guillermo Zubillaga, director of the Venezuela working group at Americas Society, says no one is doing well, not even the state oil company PDVSA. “The most striking thing to me is that [Mendoza’s] still committed to Venezuela despite being able to take his company elsewhere,” says Zubillaga. “It’s remarkable to me that they’re still delivering food.”

Since his airport media blast last year, some in Venezuela would like to see Mendoza run for office. But first and foremost Mendoza is a businessman. And in a Venezuela where years of Chavismo have bred class antagonism toward the private-sector elites, Mendoza would face immediate pushback were he to wade into politics. “For a lot of people in Venezuela, his background of being a company leader could stir up doubts in an election. There would be some who say that the businessman is the one responsible for all the injustice in Venezuela,” says Henkel García, a financial analyst in Caracas and director of Econometrica. In fact, even some of the hard-liner opposition politicians see Mendoza as too soft on the Maduro regime, taking a pragmatic, defensive posture when they believe offensive tactics are called for.

No matter his intentions, it’s clear Mendoza and Empresas Polar are needed more than ever by Venezuela’s 32 million residents. Luis Rodriguez, 21, who left the country because of the economic crisis, says his grandfather “used to eat *arepas* all the time.” When they spoke recently, “I asked him what he had for lunch,” says Rodriguez. “I expected him to say ‘*la arepa*.’” He’d only eaten two bananas. “That was it.”