Forbes 2007 list: Nearly one thousand billionaires in the world, a misfortune for humanity

David Walsh
10 March 2007

Forbes magazine released its annual list of billionaires Thursday. There are now nearly one thousand billionaires worldwide—946 to be exact, according to the magazine's calculations—and their combined wealth in the past year grew by 35 percent to $3.5 trillion.

The latter figure is larger than the Gross Domestic Product (GDP) of every nation in the world with the exception of the US, China, Japan and India. The combined GDP of all the countries in Africa, a continent of nearly one billion people, was some $2.3 trillion in 2005. More than a third of the African population lives on less than $1 a day. The combined GDP of South America's largest trading bloc, Mercosur, whose full members are Argentina, Brazil, Paraguay, Uruguay and Venezuela, is $1.1 trillion.

The proposed US federal budget for 2007 amounts to $2.8 trillion. The sum devoted in that budget to Social Security, Medicare and education for a population of 300 million people is approximately one-third of the combined wealth of those 946 individuals. The European Union countries spend something more than half a trillion dollars annually on education. The Chinese government expended some $15 billion in 2005 on science and technology, education, health and culture for its population of more than one billion people.

The co-editor of the lead *Forbes* piece on the billionaires, Luisa Kroll, explained that in 2006 the rich cashed in on globally strong equity markets, real estate and commodity prices. The Associated Press (AP) quoted Kroll, "It's just been kind of an extraordinary year for markets worldwide."

Forbes editor and former candidate for the Republican Party presidential nomination, Steve Forbes, crowed, "This is the richest year ever in human history. Never in history has there been such a notable advance." For a relative handful, this is true. Meanwhile nearly one billion people go to sleep each night without food. The existence of the group of 946 and their enormous wealth speak to staggering levels of global social inequality.

Who are these people? Microsoft's Bill Gates and investor Warren Buffett remain number one and two in the world in 2006, with $56 and $52 billion, respectively. The third man on the list, Mexico's telecom mogul Carlos Slim Helu, is now worth $49 billion. He gained $19 billion in a single year, the largest one-year gain over the past decade.

The *Forbes* profile of Helu, whose holdings include telecom, banking, energy, tobacco and more, notes enthusiastically that he has "built unimaginable wealth in one of the poorer countries in the Western Hemisphere . . . Slim, 67, amassed his pile in a nation where per capita income is less than $6,800 a year and half the population lives in poverty. His wealth comes to 6.3 percent of Mexico's annual economic output; if Gates had a similar chunk in the US, he'd be worth $784 billion. It's enough to give any populist heartburn." The piece notes that Helu is generally mistrusted and despised in Mexico.

Sweden's Ingvar Kamprad, the founder of IKEA, along with his family, is listed as the fourth richest individual in the world. It was discovered in 1994 that Kamprad joined a Swedish pro-Nazi group in 1942 and remained a friend of its leader until the early 1950s. His wealth is placed at $33 billion.

Lakshmi Mittal, the Indian steel magnate, comes in at number five on the 2007 *Forbes* list, with $32 billion. His family owns 45 percent of Arcelor Mittal, now the world's largest steel company. In 2004 he paid more than $65 million to host his daughter's wedding, the world's most expensive in history.

Number six is Sheldon Adelson, a property developer and businessman based in Las Vegas, with $26.5 billion. He is chairman and CEO of Las Vegas Sands Corp., which owns and operates the Venetian Casino Resort and the Sands Expo and Convention Center. In 2004 the one-million-square-foot Sands Macao became China's first Las Vegas-style casino.

Bernard Arnault of France, the owner of Christian Dior and LVMH, "which markets some 50 well-known brands, including Marc Jacobs fashions, Louis Vuitton bags and a cluster of famous champagnes," according to *Time* magazine, is number seven. Arnault is worth $26 billion.

Number eight is Spaniard Amancio Ortega of the retailer Zara and Inditex, a holding company, with $24 billion, according to *Forbes*' estimates. One commentator observes, "Inditex became the biggest multinational textile company in Spain and among the largest in the world; in the late 1990s only Gap and Sweden's HM were larger."

Li Ka-shing of Hong Kong is the ninth wealthiest individual in the world. *Forbes* wrote this of him a year ago: "Real estate developer, cell phone provider, retailer, major supplier of electricity to Hong Kong and the world's largest operator of container terminals." Li is reportedly the richest person of Chinese descent and the most influential investor in Asia. He is the chairman of Hutchison Whampoa Limited and Cheung Kong Holdings in Hong Kong. In 2001, *Asiaweek* called him "Asia's Most Powerful Man."

The last of the top ten is David Thomson (and family) of Canada. He gained control of the family fortune after his father, Kenneth Thomson, died in June 2006. He had already succeeded his father as chairman of Thomson Corp., the media conglomerate in which the family has a 70 percent share. The company once made most of its money in newspapers, but today Thomson specializes in the electronic delivery of information for the financial, legal, research and medical professions.

Forbes' Kroll and Allison Fass observe, "Ingenuity, not industry, is the common characteristic" shared by the world's billionaires. One might come up with other adjectives, but an association with industry is certainly not a common feature. Mittal is the exception that proves the rule, as one critic writes, his "specialty is scooping up 'distressed' steel mills in

© World Socialist Web Site

remote corners of the world and making them profitable through tough management practices. In other words, he follows a financial playbook of extracting value through vulnerability."

Kroll and Fass write of their list, "these folks made money in everything from media and real estate to coffee, dumplings and ethanol."

The 2007 list has several notable features. While the US only placed three individuals among the top ten, it still leads the world in billionaires with 415, or 44 percent of the total. However, "many of them are dropping through the ranks [like the Walton family members and Michael Dell] and are being overtaken by business tycoons from Asia and other emerging economies, including Russia and Mexico" (AP).

Germany has the second highest total, 55, but Russia, with 53 "mostly young, self-made tycoons" is catching up. What a commentary on the collapse of the Soviet Union and its consequences!

India, which has some 350 million people who go to sleep hungry every night, has managed to spawn 36 billionaires, four in the top 21. It has now surpassed Japan (24) as the Asian country with the largest number of mega-rich. Hong Kong has 21 billionaires and "Communist" China now has 20, including "self-made mogul Li Wei, founder of Synear Food Holding . . . one of the country's largest producers of frozen food, including sweet and meat dumplings . . . an official supplier to the 2008 Beijing Summer Olympics." Thirteen of the Chinese billionaires made the list for the first time.

The AP comments, "The rich in China and India, the world's two most populous, cashed in on nearly every opportunity created last year by their increasingly globalized economies, from a boom in stock markets to soaring commodity and real estate prices, the magazine [*Forbes*] said.

"Their wealth accumulations have also manifested in a growing demand for luxury goods—from Louis Vuitton bags to Porsche cars—in this once impoverished part of the world." Rolls-Royce is apparently expanding its workforce by 25 percent to meet the demand from China. Merrill Lynch meanwhile reported that it plans to open more private banking centers in India "to tap its growing cash-rich population."

Google founders Larry Page and Sergey Brin are now worth more than $16 billion a piece, in one of the most rapid rises in wealth.

In other articles, *Forbes* glories in the homes and "playgrounds' the super-rich can afford. "Many keep second, third, even fourth residences all over the world. One particular commonality is New York City. [Microsoft's Paul] Allen and Viacom chief Sumner Redstone, No. 86 with a net worth of $8 billion, are two of many who maintain secondary homes on New York's East Side.

"Here, they join many illustrious full-time residents, such as David Koch (No. 49, with a net worth of $12 billion), who lives in an 18-room duplex in the exclusive 740 Park Avenue building, and Michael Bloomberg. The city's mayor (No. 142 with a net worth of $5.5 billion), who also owns homes in Bermuda, London and Vail, Colo., de-stresses in a five-floor, 7,500-square-foot townhouse a half-block away from Central Park."

The magazine explains some of the leisure habits of the billionaires:

"Indeed, those with a net worth exceeding a billion dollars have a limitless area for escape. And for these lucky few, a vacation spot is not just a place to bask in the culture and climate, it's a place to be seen with notorious neighbors and famous faces.

"One, of course, where the living is good. Indeed, whether the locales are snow-capped or sun-kissed, Monaco or Mustique, all offer the world's best service and amenities.

"'When you have unlimited budgets, you can get whatever you want,' says Susan Breitenbach, a Bridgehampton, N.Y.-based senior vice president of the Corcoran Group. And billionaires are 'used to good restaurants and used to world-class shopping.'"

That's not all. "For the exceptionally private traveler, there is always the private island. Whether renting or purchasing, like Richard Branson, private islands hold an unparalleled sense of seclusion.

"Branson's 74-acre Necker Island and 120-acre Moskito Island are both in the British Virgin Islands. Necker Island, purchased by Branson in 1976, is currently used as a private resort for rent (one can rent the entire island or share with others in off-weeks). Branson hopes to turn both Necker Island and Moskito Island, which he bought earlier this year, into eco-friendly resort islands featuring Balinese-style lodges of sustainable materials and wind, wave or solar power."

And this: "What's next for the billionaire tourist?

"[Donna] Foersom [marketing manager for luxury travel and tour operator Abercrombie & Kent] says the 'untouched and unexplored' destinations are the future. Antarctica may be the next big thing for those have been to the other six continents, while Papua New Guinea and Botswana combine top-end, luxury accommodations with extreme remoteness that should impress the most discerning—and most distinguished—traveler."

In September 2007 Rolls-Royce will start delivering the $412,000 Phantom Drophead convertible. However, those anxious to own one will have to wait—the automobile is sold out for almost two years in advance. Currently some 300 people are on a waiting list.

The Rolls may be the most prestigious, but it is not the most expensive. "The mogul happy to have all eyes upon him will no doubt want to settle in behind the wheel of this ride—Bugatti's $1.2 million Veyron 16.4 supercar, which has 1,001-horsepower, a top speed of 253 mph and a zero-to-60 time of under 2.5 seconds.

"Another billionaire-friendly set of wheels is DaimlerChrysler's $453,000 Mercedes-Benz SLR McLaren supercar, a street-legal racecar with a top speed of 207 mph. It's perfect for the adrenaline-junkie eager to go for a spin down the Autobahn then escort his sweetie to dinner hours later.

"But not all billionaires desire sports cars. Some, after a long day of deal-making, want to relax in an ultra-luxury sedan, like a Maybach or a Bentley. Some want models with exotic, alternative technology. The ride of choice for that type of billionaire? Monaco's $392,000 Venturi Fétish—possibly the world's most glamorous electric car." And so forth.

The various *Forbes* articles and the entire list stink of parasitism, corruption and outright gangsterism. That is state of the global rich today.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site