

APEC Summit can help change Summit must narrow the economic divide

*By Lorenzo H. Zambrano
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As chairman of CEMEX it is my honour to take the role as chairman of the APEC 2002 CEO Summit being held this week in Mexico.

During the next few days, political and business leaders from the Pacific countries will interact and exchange ideas in an unprecedented environment. It is the genius of APEC to bring together such a broad range of experience, expertise and insight.

Equally, in a time of uncertainty, and precisely when the global markets seek direction, APEC provides a forum of dialogue between two of the most important regions: Asia and the Americas.

APEC 2002 was conceived in 1989 as a vehicle to drive trade and open markets. The forum, however, today provides much more for its participants. This is a historical opportunity to reflect on globalisation, security issues and the role of technology in economic development.

Key issues of the day such as the WTO, transparency and corporate governance are also on the agenda. APEC 2002 is a platform in which we can break down the walls that divide us along national and cultural lines, and seek solutions to narrowing the economic divide, alleviating poverty and promoting sustained development across the region. APEC 2002 is about positive change.

I am exceptionally proud that my country, Mexico, was chosen to host this year's summit, and look forward to paving the way for APEC 2003, which will be held in Thailand.

Thailand is a nation of tremendous growth and leadership potential. Like Mexico, Thailand offers a dynamic economy, access to some of the largest markets in the region, and is paving the way as a model for regional economic recovery. The kingdom has also shown outstanding leadership in implementing substantive reforms to its commercial, financial and trade structure that encourage free trade, export development and investment.

Our countries share many challenges such as sustained development for a growing population, creating increased competitiveness for the nation's industries, and institutionalising policies that support growth.

I am confident in the future of our countries and expect that both our great nations will assume roles of leadership in the 21st century. As it is for Mexico,

APEC is an important bridge for Thailand's public and private sector leaders to shape the future and offer a Thai perspective to the global community. Thailand's plays a key role in APEC's success. The nation's participation in the summit is a win-win proposition benefiting everyone.

Opening markets and establishing tools to integrate our economies is a positive step. This process supports development by creating exports and jobs, encouraging investment and technology transfer, and facilitating the development of industries positioned to compete on the global stage. Thailand stands to gain from its role in the APEC through exchanging ideas and developing alliances that not only support the development of the country's infrastructure, but also help identify opportunities for its people to benefit from globalisation.

However, despite my long-term optimism, we are meeting at a critical moment. The global economy and markets seem increasingly fragile. In Asia and the Americas, we are in a painfully slow and complicated transition, from recession to recovery. We are coping with the still lingering excesses of the economic and financial bubbles in the United States and Japan, the dramatic impacts of the global war on terrorism, the slow but continuing evolution of the European Union, financial crises in many emerging markets, and the realignment of major international currencies.

We are also coping with the most profound loss of confidence in business and political leadership that I have seen in my career. The long list of corporate scandals _ in the United States, in Europe, and in Japan _ have extracted a significant cost, not just in market valuations, but, more importantly, in market confidence. Investors will not invest in a world where they lack confidence in the vision of the political and economic leadership or in the capacity of that leadership to achieve their vision.

I believe that markets and market participants are fundamentally optimistic: they want to believe in the future. It is our challenge-and the challenge facing APEC 2002 _ to give them the opportunity to do so. Based on this goal, my agenda for this summit therefore includes a need to renew and recommit ourselves to a vision of a future based on free markets and free trade. We need to insist that we will conduct our affairs, in commerce and in government, on the basis of uncompromising ethical values. We need to be clear that we want a world in which the benefits of growth are broadly shared, in which globalization means rising incomes and opportunity for all people. And, we need to reaffirm that we believe vigorous competition _ between companies as much as between countries _ is a creative process, as long as it is conducted in accord with the agreed rules of free and fair trade.

This APEC summit is an opportunity to explore how to make the globalisation process more successful, more inclusive, and more beneficial to more and more of the people of this vast region. Los Cabos, which has brought together so many

leaders from so many countries and enterprises, can be a tipping point that contributes to moving the global economy onto a new track of economic expansion and human development.

- Lorenzo H. Zambrano is chairman and CEO of CEMEX, and chairman of the APEC 2002 CEO Summit.