

APEC CEO SUMMIT - OPENING REMARKS

By Lorenzo H. Zambrano

President Fox, Honored Guests, Ladies and Gentlemen:

Good Afternoon; Bienvenidos a Mexico; Welcome to Mexico!

I am Lorenzo Zambrano, Chairman of CEMEX and—more importantly today—Chairman of this year's APEC CEO Summit. It is my honor to inaugurate these three days of meetings, to welcome you, and to encourage you to participate fully in this historic conference.

Let me start by congratulating the members of the organizing committee who have made this meeting possible: Julio Millán, Jorge García, Luis Tellez, Javier Prieto, Maller Zaga, Jorge Sanchez, Alejandro Fuchier and Fernando Salas. I do not think Los Cabos will ever be the same!

During the next days, we will have the opportunity to hear from and interact with, not only the leaders of the economies that comprise this great organization,

but also the private sector leaders whose companies define the fabric of this region.

It is the genius of APEC to bring together such a broad range of experience, expertise, and insight. It is the genius of APEC to provide a bridge between Asia and the Americas, and between the public and private sectors.

And it is the genius of APEC to create a forum for dialogue and creative interchange at the precise moment when the global economy seems fragile and global markets seek direction.

I am exceptionally proud that Mexico was chosen to chair and to host this year's summit. My country, under the leadership of President Vicente Fox—who will address us in a few moments—is in the midst of a dramatic, and dramatically positive, transformation.

A decade ago, we negotiated the North American Free Trade Agreement with the United States and Canada, putting us firmly on a path of free market economics. Recently, we reconfirmed that path by completing a similar free trade agreement with the European Union. Two years ago, we took an important step forward in our political evolution,

when the election of Vicente Fox pushed our democracy to a new level.

Today, Mexico is the 9th largest economy in the world, firmly anchored in the world of market economics and competitive politics. We have many challenges, but I am confident that we are on a path which will make this country one of the success stories of the twenty-first century.

Part of that confidence rests on my belief that APEC will realize its goals of creating the largest free trade and investment area within the first decades of this century.

Mexico needs APEC to succeed; we *all* need APEC to succeed. The divergent forces that are pulling at the fabric of the global economy need to be overcome if we are to remain on a path of ever-expanding and increasingly inclusive economic growth. If APEC did not exist, we in the business community would be asking our political leaders to create it. But, since it does exist, we all should re-commit ourselves and our organizations to its success.

We are meeting at a critical moment. The global economy and global markets seem increasingly fragile. 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 long overdue realignment of major international currencies.

I believe that financial markets and market participants are fundamentally optimistic: they *want* to believe in the future. It is our challenge—and the challenge facing this summit—to give them the opportunity to do so.

- We need to renew and recommit ourselves to a vision of a future based on free markets, free trade, and free democratic choice.
- 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 recognize that economic and human development are critical components of sustainable security.

I am convinced that, if we meet these challenges, the global recovery which is now underway, will broaden into a global expansion. Markets will stabilize and the profound and pervasive sense of uncertainty which is settling over the world economy will dissipate.

This will not happen easily, nor will it happen quickly. But I believe it will happen, because I believe the people gathered at this summit will help make it happen.

How does APEC fit into this paradigm? I think there are two sets of answers, both of which we will be exploring during this summit:

- One deals with the nature of APEC as a pan-Pacific organization,
- and the other with APEC as an engine of effective globalization.

First, APEC is a unique bridge between the Americas and Asia. It provides us all an opportunity to aspire to a broader and richer marketplace: 21 economies, generating 60% of global income with more than 2.4 billion consumers.

There is a strong regional dynamic within each region, and those initiatives—ASEAN in Asia; NAFTA, MERCOSUR, and the FTAA in this hemisphere—should go forward. But, if we are creative, APEC can be the link that makes all of these initiatives even more successful and robust, than they can be on a stand alone basis.

In practice, this means that APEC should be the guardian that prevents either region—Asia or the Americas—from going its own way. It should be the vehicle, on a technical basis, that assures standards, regulations, and practices adopted in one region are consistent with those of the other. It should be the forum that assures the decisions taken to promote *inter*-regional trade also work to promote *intra*-regional trade.

The second issue that will be the backdrop to all of our discussions during the next few days is the crisis of globalization.

It is increasingly clear that *most* people and *most* politicians in *most* countries have not embraced globalization with the same fervor as most of the people here today. They fear that globalization, which by its nature should benefit everyone, is instead creating second class citizens and second class countries at an accelerating pace.

This is one of the ironies of the age in which we live. On the one hand, I believe that increasing globalization is more likely to create more wealth and better lives for more people, and to do so faster than

any alternative. On the other hand, I also believe it is exactly the sense that increasing globalization is inevitable that generates much of the reaction *against* globalization.

Many people, communities, companies, and nations resent the sense that globalization is a process that they can neither resist, nor affect—rather than turning the forces of globalization to their advantage.

This APEC summit is an opportunity to explore how to make the globalization process more successful, more inclusive, and more beneficial to more and more of the people of this vast region. We must commit ourselves to reversing the growing gap between the rich and poor, between the developed and developing.

As a businessman, I think increased international commerce and investment are critical to this process. In turn, I think APEC is critical to assuring we will live in an increasingly open world.

I hope that these next days of meetings will pay particular attention to these two great issues: first, of reconciling the potentially competing agendas of Asian and American regionalism and, second, of

pushing forward the globalization agenda in ways that create many more winners and many fewer losers.

If we do, then this summit will be a success.

Ladies and Gentlemen:

We are convened at a perilous moment when many of the forces that drive the world economy and world markets appear headed in the wrong direction. I think it is our collective obligation—as well as our collective opportunity—to reverse those trends.

This APEC summit, which has brought together so many leaders from so many economies and enterprises, can be a tipping point that contributes to moving the global economy onto a new track of sustained economic expansion and human development.

Thank you for your attention. Thank you for coming to Mexico. And, once again, Welcome!