

RC

**NOTAS DE S.E. EL PRESIDENTE DE LA REPUBLICA,  
DON RICARDO LAGOS ESCOBAR,  
EN EL RETIRO DE LOS LIDERES DE LA APEC**

**Ensuring the Transition to Free and Open Markets**

**Los Cabos, 27 de octubre de 2002**

## **Freer trade, fairer rules**

Chile has proved that a small economy can be inserted into the global economy and benefit, but you have to be cautious.

We try to develop our export markets but often we have to confront protectionist measures in developed countries.

At the end we are pragmatic. We pursue free trade policies, but this does not mean that we believe global rules are fair.

There is a tendency to blame wrong domestic policies for every turmoil or economic trouble that emerges.

I think that is not fair. Transition to stability is long and hard, but governments have little choice but to push ahead.

Without a definitive commitment to lasting prudence, transparency and accountability no government, no country, will succeed.

But it takes two to tango for reforms to be real and sustainable and we need a friendlier world economic environment.

Some kind of lender of last resort is needed, a super IMF.

The IMF and investors were betting that Argentina was going to be an isolated crisis, but experience tells us that crises do spread.

## **Much more than the Washington Consensus is needed**

Chile is an economic success story because we went beyond the Washington Consensus. We aimed simultaneously at

- A trajectory of responsible economic policies
- adopted in a framework of political stability,
- strong institutions, and
- a proactive social investment policy

Because economic success is co-determined by social integration.

Otherwise, when crisis hits you, you are left without political support. Is as simple as that.

The national consensus in favor of economic liberalization and openness is the result of measures aimed at deregulating our financial markets and offering increasing opportunities to the private sector, but also of initiatives that seek to make that all Chileans, and not just a few, enjoy the benefits of globalization.

On that line, last year our government proposed and enacted a far-reaching capital markets reform aimed at modernizing and liberalizing domestic financial markets and, at the same time, an unemployment insurance scheme to provide protection for those who have the misfortune of losing their jobs.

Today we are implementing a Pro Growth strategy and, at the same time, we are dealing with substantive reforms of the health and criminal justice sectors.

## **Our goal; faster ahead**

Chile is committed to the deepening of its developing process based on international trade, finance and investments.

That is why liberalization of commerce, integration and diversification of our economies constitute the priority of our international agenda.

I hereby express our commitment to stand by the dates set forth at the Doha convention for APEC in the multilateral arena.

At the regional level we proposed an earlier agreement on ALCA. And we will promote and enhance trade liberalization through bilateral trade agreements.

Today I confirm my country's willingness to obey the liberalization compromises expressed in Bogor, and reaffirm our aspiration to achieve our commitments to free and open trade and investment in the Asia Pacific sooner; not before 2020 as defined in the Bogor agreement for developing countries, but before the year 2010.



We fully support ABAC recommendation on liberalisation in the services sector prior to the WTO Ministerial in 2003.

- the fostering of regional and sub-regional financial and economic mechanisms
- the implementation of a programme for the introduction of agricultural biotechnology

The acceleration of our commitments to globalization are a signal to the world.

We expect that it will be a first step towards accelerated compliance by the rest of nations.

## **Not trade alone**

But we have to focus our attention not only on trade relations.

International trade depends crucially on both the financial stability and economic growth.

In order to provide international trade with enhanced stability, we have to be able to improve our self defined regulation mechanisms for financial flows, as well as promoting the adoption of economic policy based on efficiency criteria, free market and social justice.

Another pivotal factor for the integration of our economies is the need to advance on the discussion of a new and internationally accepted standard of conduct regarding corporate governance.

We are called to provide the needed cooperation and coordination to ensure that crystal clear relationships can and will be at the base of our understandings.

We fully support ABAC recommendations on

- the fostering of regional and sub-regional financial and economic mechanisms
- the implementation of a programme for the introduction of agricultural biotechnology

~~Final~~  
~~Final work~~

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We are convinced that globalization is not something that just happens to our countries, unpredictable and uncontrollable as a tornado.

Public policies can and must make a difference. That is what democratic governments are for.

Thank you very much