

Chilean-Japanese Chamber of Commerce Luncheon

Santiago, Chile, November 6, 2003

Good afternoon. If you'll allow me just to say a few words.

I would also like to thank all of you for being here with us at this lunch. And we're extremely happy that, again, the chapter Chile-Japan has an opportunity to be here in Chile.

Needless to say that the state of relations we have with Japan is excellent. It's excellent not only at the political level, but also at the commercial level. And, I might add, at the investment level. And I'd especially like to thank you, all of you, for the confidence that you have in this country. Many of you have been here for many, many years. We know each other very well. And I think that our future is going to be brighter.

We are trying to do our own thing, trying to have sound economic policies, and it means that, now that the world economy is recovering, I think we can be confident that next year we will grow by around 4-5%. In 2005 it will be a little bit more. And now we're trying to put some emphasis on how we're going to increase our investment and our GNP.

In addition to that, you know that we have been pushing very hard, for a developing country, for trade agreements. And we have been successful with the European Free Trade Association, the United States, Canada, Mexico, South Korea, and some others. And now we're negotiating, as you know, with Singapore and New Zealand. I know that these agreements are difficult. When we decided to have negotiations with South Korea, needless to say that our farmers were very happy. Nevertheless, when I announced that we were going to have some negotiation with New Zealand, our farmers were extremely unhappy. And meanwhile, our friends in the manufacturing sector are not very happy with South Korea, and are very happy that we're having an agreement with New Zealand.

What I'm trying to say is that, in the long run, there's going to be free trade, sooner or later. And the fact that there was a failure in Cancún with regard to the World Trade Organization doesn't mean that bilateral agreements aren't

important—they are—but there are some other things that have to be tackled at the world level.

And this is why we're extremely happy about the decision in the recent APEC meeting in Bangkok, that there was a discussion among the 'economic leaders,' as they say there. And all the leaders agreed that it was necessary to start talking again, to get the World Trade Organization working. And all of us decided to give instructions to our representatives in Geneva, that despite the talks in Mexico, we had to move forward. And there was a decision that all of our trade ministers, when they convene next year, in June, in Chile—because we're going to be the host of the APEC—it's going to be very important for them to see, and to tell us, what have been the advances. Why? Because you have the United States, and Canada. Why? Because you have Japan and China. Why? Because you have somebody like Russia, who would like to join the club. Why? Because you have somebody like Mexico and Chile, that are taking some other route. In other words, in an organization like this, every country is looking for their own interests, needless to say. And I'm confident that we're going to be able to have some advances in this area.

And in Chile we are also extremely happy that APEC is going to take place here next year. And I'm sure that since you have been playing such an important role in the transpacific relation between Japan and Chile, your help in the challenge of organizing this meeting is going to be extremely important. And as you know, there is not one meeting, but three: the business leaders' meeting, the Presidents' and Prime Ministers' meeting, but also, the meeting between the business leaders and the political leaders. And we hope that you will be a tremendous help for us to organize a good business meeting, with a good representation, based upon the strength of our business community in Chile. And, needless to say, the strength of your own business community, part of which is present here this afternoon.

And finally, let me tell you about something for which everybody was happy in Bangkok: that after some years, the Japanese economy had prospered. Because if Chile has a growth rate of 4 or 5% next year, we Chileans are going to be happy, but no one besides us. Nobody in the world is going to be extremely happy because Chile has a growth rate of 5%. But, needless to say, everybody in the world is extremely happy to know that the Japanese economy is going to prosper. And therefore, both economies are going to be extremely important to the growth in each other's own trade and investment.

So let me tell you that I think that this meeting of the chapter falls in an extremely good economic period, and good international economic news. And therefore we're extremely happy for what has been a longstanding relationship, represented by our two flags here. And those flags, to some extent, also represent optimism that they will always blow in the wind.

So I would like to make a toast for you, for your success, and for the relationship between Chile and Japan.