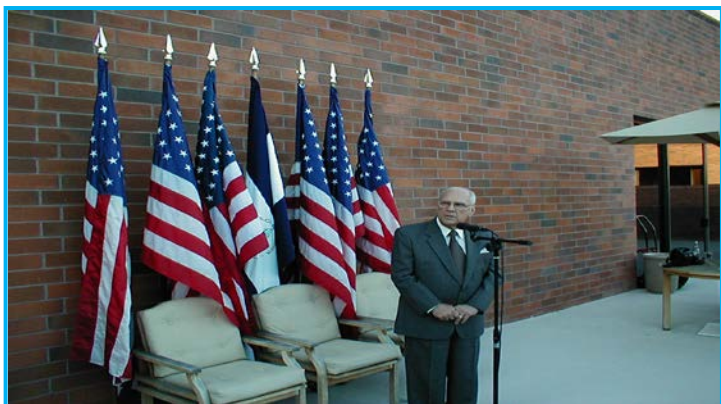




**PALABRAS DEL PRESIDENTE DE LA REPUBLICA  
INGENIERO ENRIQUE BOLAÑOS GEYER  
EN LA CENA DE GALA DEL CARIBEAN LATIN AMERICAN ACTION.  
Miami, Florida, 4 de diciembre de 2002 (1982 PALABRAS)**



1. In April 2001, President George W. Bush publicly unveiled his “Third Border” initiative designed to enhance diplomatic, economic, health, education and law enforcement cooperation and collaboration with the islands of the Caribbean. Caribbean/Latin American Action, our host for this important conference, has wholeheartedly embraced this concept and expanded it to encompass the entire Caribbean Basin region, including the countries of Central America.
2. In the aftermath of September 11th, the geographic proximity of the Caribbean Basin to the U.S. has become even more relevant in terms of the United States’ national security and strategic interests.
3. In this new geopolitical reality, Nicaragua emerges as an oasis of peace. The Nicaragua that was synonymous with violence, no longer exists. According to a study by the Inter-American Institute on Human Rights, the conclusion is clear: Nicaragua is the safest country in Central America and one of the safest in the world.
4. The study states, “When we compare the Latin American capitals, Managua is the most secure. Nicaragua is the most secure country in Central America and one of the most secure countries in the world.” Public safety, dear friends, is one of the main attractions for foreign investors, when choosing a country for their business enterprises. !That country is Nicaragua!
5. In addition to public safety, our country has other attractive and important elements to offer, some of which have been widely recognized and supported by the international community.
6. You may find what I share with you tonight about Nicaragua to be somewhat biased. However, you may be surprised by what former president George Bush recently stated, *“Nicaragua: One of the best examples I know of a country that has chosen Democracy, free markets, and economic freedom. This nation has become one of the most exiting countries for investment opportunities with the recent election of the current President, Enrique Bolaños, who stands for anti-corruption and economic stability, and enjoys a reputation for integrity and actions that support Democracy. Free markets, trade, and new business investments are being well received by Nicaraguans as well as representatives and visitors from other countries around the world.*
7. *More investors are coming everyday to get involved in this economic transformation. Nicaragua is an exciting place these days and has become a beacon of success for others to follow. Together we can share in this economic growth and be a real part of this success story”.*
8. We know that in order to reach our objectives and benefit from our advantageous and privileged geographic position, we will need to work hard to attract foreign investment. To complement this effort, we have recently created a new investment promotion agency: PRO-NICARAGUA, which has the support of our business community and international organizations, and will serve as a facilitator to all investors interested in doing business in our country. We have also begun a process of administrative reform to ease the path for investors in our country.

9. Furthermore, as a result of the responsible manner in which we have managed our finances and the actions taken in our relationships with international finance organizations, we have gained the recognition of the International Monetary Fund. This has led us to the development of a monetary strategy that allows for unrestricted currency exchange, and full repatriation of investors' profits and investment capital, while maintaining inflation under 5%.
10. Thanks to these efforts, Nicaragua has also gained the recognition of investors in a key sector: textile and apparel. In the last 10 years, exports from Nicaragua's free trade zones grew from a mere US\$2.0 million up to nearly US\$350 million; this represents an average annual growth rate of over 60%. The accelerated rate of expansion of our textile and apparel industry is clear evidence of the many advantages Nicaragua offers investors, such as our highly competitive labor force, low turnover and absenteeism, and the many tax and legal incentives we provide for investing in free trade zones.
11. As I was saying, Nicaragua is now a safe nation and an important element in preserving safety, liberty, and democracy in our hemisphere. We believe that the United States is well served by having politically stable and economically sound countries along its borders. We also believe that the United States is ready to help these countries if they are ready to help themselves, and there has never been a better opportunity to solidify the mutually beneficial relationship between the United States and the countries of the Caribbean Basin.
12. How important is the economy of our region to the United States? I would guess that only a few of you know that commerce between the United States and Central America is greater than that of the United States with Russia, Indonesia and India combined.
13. Defining the entire Caribbean Basin as the "Third Border" of the United States, with Canada and Mexico as the "first" and "second" borders simply recognizes the reality of its geographic location. The people living in the region are close enough to be able to walk or take a boat ride to the U.S.

If the circumstances in their home country do not offer the hope of a better future for their children. This is the essence of the many challenges our neighborhood is faced with today. How do we create an environment that will allow the people of the region to believe in their future, to commit to their future, to sacrifice for their future?

14. Our thesis is straightforward. Alone, these countries will not be able to escape their circumstances. First, they must come together as a region and second, they must forge a closer relationship with their neighbor to the north.
15. The "Third Border" provides the many small economies that make up the region with a common conceptual framework and a very real competitive advantage. This concept will help us deal with the harsh realities of increased competition in the global economy and endemic poverty in many of our countries. We submit that the United States' invitation to enter into a Free Trade Agreement with Central America ahead of other more developed markets such as Australia, South Africa or Morocco, is, a clear indication of the geo-political importance of the region.
16. This has become more pertinent in light of the difficult political situation facing many South American countries. The relative political and economic stability of Central America serves only to highlight the impact we can have there.
17. We believe that a successful negotiation of the US-Central American Free Trade Agreement (CAFTA) is a crucial first step in establishing the long-term stability and security of the entire region. We also believe that CAFTA, in and of itself, will not be sufficient in driving forward the processes of development – of reform, liberalization and integration—that are currently underway in the region.
18. Our economic development is primarily dependent upon the ability to consistently attract foreign investment. Traditional sources of finance for development - domestic savings, government aid, multilateral agencies' assistance and commercial bank lending—have fallen short and there is no reasonable expectation that this will change anytime soon.

So far, Foreign Investment has not come to the region in sufficient quantities due to three fundamental reasons:

19. The first is scale-- markets are small and inefficient. Second, disorder-- it is difficult to do business because of entrenched bureaucracy and the "culture of the seal" And third, corruption-- which creates a lack of predictability and an uneven playing field. As you know, my government is committed to overcoming these barriers.
20. Accelerating the pace of transformation to aggressively address these issues in Central America is the key to attracting the foreign investment needed for economic development. Access to the largest market in the world provides a powerful incentive to the business and political leaders of Central America to come together and create a greater sense of urgency in meeting these challenges head-on.
21. My friends, the harsh realities of poverty and globalization will not go away. In order to be successful in our efforts, the private sector must take greater initiative in forging the public-private sector partnership required to confront these obstacles. Globalization can be an enabling and powerfully liberating force if properly harnessed. Poverty can only be alleviated if we embrace these forces and make them our own.
22. In support of this position, I would like to share with you our recent experience with a Central American investment forum that CLAA organized last month in Managua, Nicaragua in collaboration with the U.S. Department of Commerce.
23. The theme of this meeting was *Compromiso CentroAmérica*, Central American Commitment. More than three hundred leaders from the region and the United States came together in an extraordinary spirit of collaboration to discuss meaningful ways to accelerate the process of development in Central America. I want to share with you some important lessons that we drew from the dynamic discussions that took place in Managua.
24. First and foremost, there was a clear understanding that foreign investment, a necessary pre-requisite for economic development, will not come to the region unless we address the issues of small markets, difficult business practices and lack of predictability. Not surprisingly, the most common theme in all of the workshops was the need for a uniform legal and regulatory framework across the region to insure that a well-defined set of values and rules is applied equally and impartially to all parties. This is an urgent first step in confronting the powerful twin threats of endemic poverty and global competition.
25. Overcoming these forces is the most serious challenge facing the region and must be addressed with a greater sense of urgency. To move this process forward, US/Central American negotiations for the conclusion of a comprehensive and high-standard trade and investment agreement are critical. In addition, we must recognize the important role of the private sector.
26. Without the unwavering commitment of the private sector, the economic, political, legal and social transformation that is needed to bring about fundamental change in Central America will not be possible. The forces of globalization have taught us that isolation is inimical to the region's prosperity. Thus, the question is no longer how to protect industries from competition, but how to make industrial production competitive in the global market.
27. Dear friends: Nicaragua is ready to join forces with its neighbors in the region to meet these challenges.
28. Nicaragua's vast natural resources, men and women with a great desire to work and succeed, a large pool of young US-educated and bilingual managers, an atmosphere of absolute public safety, transparency and responsible management of public funds, and an enormous potential for economic development make our nation an attractive destination for investment.
29. Nicaragua is a land of new opportunities! I invite you to focus your attention on this nation, which is now on the right path towards progress and development.

30. Nicaragua and the rest of Central America await you with open arms and wish to welcome you to the many benefits and advantages we offer, some of which I have shared briefly with you tonight.
31. Our world-famous poet, Rubén Dario, also known as “Prince of the Spanish Language and Father of Modern Literature” once said, “*Si la patria es pequeña, uno grande la sueña*” which translated loosely means, “*even if our nation is small, one dreams of her as great.*” One hundred years ago, the world embraced Dario’s work, and his words inspired an entire movement in modern literature. I hope that you too, might embrace them and that together, we may build a brighter, more prosperous future for Nicaragua and the Central American region.
32. I would like to thank Caribbean Latin American Action for allowing me to share these ideas with you tonight, and on behalf of my government and the people of Nicaragua, I would like to thank all of you for your participation this evening.
33. Thank you very much. May God bless you.