



THE PRESIDENT OF THE REPUBLIC OF NICARAGUA

ADDRESS TO MIAMI HERALD FORUM, THE MIAMI HERALD AMERICAS CONFERENCE

MIAMI, OCTOBER 29, 2003



1. I value your invitation to address this prestigious forum in which the ideas expressed by Continental Presidents, Ambassadors, Foreign Ministers and business leaders affect the policies that shape our relations among the Latin American Countries as well as in relation to the Unites States.

2. This makes it a very important forum I could not miss.

3. Some of you may remember an old ad from an advertising firm that came out in the late seventies or early eighties, trying to exemplify the need for any business to advertise and make their products known to the Corporate Consumer. It showed a man –a businessman– having a strong and nasty look while asking doubtful questions on where to invest his hard-earned money.

4. In a way, that is the same situation I find when I invite businessmen to invest in Nicaragua: Some tell me that they don't know who we are. Others still wonder if we still ask for payoffs or bribes to approve investments. I tell them about CAFTA, but some yet ask: What is Cafta? What do you produce? How good are you at producing whatever you do?

5. Well, I am here as President of Nicaragua. I am here to take this opportunity to answer these questions, to tell you about the New Nicaragua, and to encourage investment and job creation in my country.

**Let me tell you who we are:**

6. Let me start by answering the first question asked by some of the businessmen I described: ***"I don't know who you are."*** Let me begin by correcting a small mistake published for this event at the web page "Herald.com", signed by Christina Hoag, by informing her, and to you that I am not a cattle rancher and coffee grower –I wish I were. I am an Industrial Engineer from Saint Louis University, Saint Louis, Missouri, and that I worked in my country for over 30 years, having no ties whatsoever with politics. Through hard work since 4 am in the morning, I built my own business to become the largest cotton producer in Central America until the Sandinista regime punished me by confiscating all my business in 1985.

7. Many of you may remember that as President of the Nicaraguan businessmen's umbrella organization, COSEP during the 1980's, I shared with many of you and your predecessors the struggle for democracy, human rights and the restoration of the rule of law in Nicaragua.

8. Ever since, on my own, I taught myself Computer Programmer to be able to support my family. I have never left my country, not even to escape the hardships of the Sandinista years. Thank God I managed to survive.

9. I had deep feelings about my country. A rich land full of valuable natural resources that has been mismanaged since our independence. Our Income per capita tells it all: 700 dollars per year; e.i. 2 dollars per person per day: barely above Haiti's.
10. This situation has to be improved for the benefit of my people. I am trying to make the difference.
11. Let me tell it again –because people tend to forget– that on November 2001, 93% of the voting population voluntarily went to the polls in Nicaragua, and 54% voted for the new vision I presented in the campaign for the creation of a “New Era for Nicaragua.” This meant a landslide with more than 14 points over the next contender: Mr. Ortega.
12. In this mission of creating the New Nicaragua, I am not alone. Let me present my Cabinet to you – the ones that accompany me in the task of creating the New Era of The New Nicaragua. I have:
  - a. Two PhD's from Harvard, both from the Kennedy School (the Minister of Education and my Chief Economic Adviser).
  - b. One Juris Doctor and one Master of Law from Harvard (the Minister of Health and the Attorney General).
  - c. Three Harvard MBA's (the Minister of the Treasury, the Director of the Investment Promotion Service, and the President of the Energy Board).
  - d. One Master of Public Policy from Harvard (the Vice-Minister of Foreign Affairs).
  - e. Two University of Texas Graduates (the Minister of Foreign Affairs, BBA; and the Minister of Trade and Industry, Ph.D.).
  - f. One PhD from Stanford who studied under Condoleezza Rice (the Vice-Minister of Trade and Industry).
  - g. One MBA from Chicago (the President of the National Finance Institute) and another MBA from Wharton (our envoy to the Inter-American Development Bank).
  - h. One PhD from Cornell (the Adviser to the Minister of the Treasury).
  - i. One PhD from Oxford (the Ambassador to Brazil).
  - j. One PhD from the University of Bordeaux (the Ambassador to the UN in Geneva).
  - k. One PhD from Berlin and an MS from the Sorbonne (both are Advisers to the Foreign Minister).
  - l. One Master of Science, from the University of Delaware (the Ambassador to Spain).
  - m. Three members of our Foreign Service have advanced degrees from Columbia University: two of them ladies, to boot: An Environmental Ambassador, our Trade Officer in Miami and our Minister-Counselor in our UN Mission.
  - n. There are many other graduates, from many other prestigious schools, that will be tiresome to list them all today.
13. Anyhow, we all make up a formidable team –like the Marlins– except that our team is managed by a younger man of just about 75, all committed to make Nicaragua get out of the long lasting siesta to wake it up and get moving to win the pennant against poverty.
14. Now you know who we are.
 

**Now let me tell you about CAFTA (Central America Free Trade Agreement).**
15. During the past few years, this region of 33 million people has been subjected to various external shocks. Coffee export prices have dropped to their lowest level in history, while imported oil prices have risen to near record levels, US and European demand for our products has stagnated after “nine eleven” and yet Central America has continued to progress faster than the rest of Latin America.
16. Central America's trade with the United States (over 21 billion in 2002) is third only after Mexico and Brazil, higher in value than US trade with Indonesia, India and Russia combined. Central America's trade with the US is almost 4 times larger than the Chilean trade with the US.
  1. We are all located within two 2 hours flying time to the world's largest market and have shores on both the Pacific Ocean and the Caribbean Sea.

2. As a show of businessmen's expectation of opportunities in the region, our Trademark registrations in Nicaragua have almost doubled since the CAFTA was announced earlier this year and visits by businessmen and investors have become commonplace in all Central American capitals as well as at the free trade manufacturing zones.

3. The treaty will be signed in 2003, ratified in 2004 and will most likely start January 1<sup>st</sup>, 2005 at the latest. This CAFTA agreement will attract investment in the region, and especially in Nicaragua for the creation of jobs that we need.

#### **Let me talk a little bit about our economic growth.**

4. A long term vision is tempered with that old Swedish saying that "*if you do not know where you are going, any road will take you there*". Only when your sights are set on a long term goal can you take the short steps that will take you there in hops and bounds, frog-leaping sometimes, advancing at snail's-pace sometimes but never stopping on the way to development.

5. For Economic Growth is not a methodology, nor a state of mind, nor a way of doing things. Growth is the result of doing the right things in the economic arena.

6. Micro-economically, we have been working under the guidance of Professor Michael Porter of the Harvard Institute for International Development in establishing a National Competitiveness Program that goes to the root of development.

7. We seek to reduce transaction costs and, eventually, production costs, for those companies investing in Nicaragua.

8. We have identified seven clusters where we are concentrating our scarce resources and development: (1) aquaculture and the blue revolution; (2) beef and dairy products; (3) electric energy generation; (4) wooden furniture and parts; (5) specialty coffee; (6) tourism and (7) agribusiness. Basic Infrastructure such as first roads and first ports will have to be provided by the

Government. The private sector provides alternatives once the basic infrastructure is there, not before.

9. For it is job creation through investment in the private sector the only way to get out of poverty.

10. Let me humbly quote Mr. Porter himself about what he has seen in Nicaragua regarding microeconomic efforts at making the country more competitive: "*I'm frankly amazed by all the advances made by the Government of President Bolaños ... I have worked in many countries in the world, and it is easy to speak, what is difficult is to act; I find President Bolaños actions awesome.*"

#### **National Plan for Development.**

11. Last night we concluded a two day Consultation Group Meeting in Managua where representatives from donor friendly countries, international organizations like IMF, IDB, World Bank, CABEL, European Union delegates, ad others, made a thorough analysis of our National Plan for Development. The Plan was highly praised for it constitutes the road map for the future development of Nicaragua. No other country has designed such a deep and thorough plan.

12. Besides, the analysis of our financial and economic performance was also highly evaluated and they recommended that Nicaragua has done its homework to merit the pardon of 80% of the foreign debt according to the HIPC initiative. This means that we are on the right track, and my government is building the basis for providing investors with good opportunities for the making of good business in Nicaragua.

#### **Let's now talk about Anti Corruption.**

13. Anti-corruption is much more than putting corrupt officials in jail; it starts with a hard look at national values and lack of values, it entails a continuous effort at public sector reform with an eye on streamlining government while reducing the monopoly power of those who take decisions, and avoiding granting bureaucrats discretionary powers.

14. An anti corruption drive entails looking for ways to make it expensive to undertake corrupt activities for the giver and for the taker in economic as well as social terms.

15. This includes a revamping of the Judiciary system in the medium term and the introduction of alternative dispute resolution mechanisms in the short run.

16. However, while Transparency, Integrity and just plain Honesty are preconditions for investment to take place, they alone, are not enough. A silent and peaceful yet profound revolution is taking place in Central America. As a result of thorough anticorruption drives throughout the region there is a New Era taking shape.

17. The ongoing moral renewal seeks to reinstate the rule of law, combat corruption, drug and arms trafficking, money laundering and terrorism. We see this as a moral imperative with long-lasting effects in governance and institution building, but this is also as an opportunity to assure investors that no hidden costs will have to be added and their calculations will not be clouded by graft and abuse.

### **Good Governance**

18. For we believe that Good Governance is not a point of view, nor a state of being, nor a magic formula.

19. Good Governance is the result of democracy: combating corruption while respecting human rights for all Nicaraguans at home and abroad; it is the result of resolving our disputes with our neighbors without the use of force or the threat of use of force; it is the result of upholding freedom of the press and freedom of expression while recognizing that the limits to our own rights start where we meet the rights of our neighbors.

20. For that reason, my Government has presented the Governments of Central America a proposal to find a reasonable regional balance of defense forces while reducing dangerous weapons. The other presidents have responded positively and the armies and other experts are working out the details in a task that has been presented to them to be completed by December of 2004.

21. We are a reliable partner in the fight against terrorism. Nicaragua was an early participant in the "Coalition of the Willing" because we could not stand idle in the face of grave violations of human rights.

22. We have a small number of doctors, nurses and mine-sweepers doing humanitarian work with the Spanish brigade in Iraq, as we have been in the past recipients of vast amounts of humanitarian assistance in response to our needs.

23. Summing up, Good Governance is the result of a Government doing the right things in the political arena.

24. In order to better put into perspective the situation in Nicaragua let me quote what the Senate Appropriations Committee has to say about the new Nicaragua under my leadership: *"The Committee believes that President Enrique Bolaños of Nicaragua deserves strong support for launching a courageous anti-corruption campaign, including issuing indictments against the former President, several of his closest relatives and associates and many high ranking former government officials. (...) The Committee requests USAID and the State Department to review United States assistance programs for Nicaragua with a view toward more substantially and effectively addressing her urgent needs, and to consult with the Committee as it prepares its fiscal year 2005 budget request for Nicaragua."*

### **Conclusion**

25. When I asked Ms. Christina Hoag to correct the information she manages about my country, and about myself, I beg her not to take it as a complaint, but as an observation. Eyes are normally cast at the Latin American problems such as Governance in Venezuela, inequality in Brazil, lack of Growth in Argentina, etc. Very little of that very little said about Latin America is said about Central America. The new technology would put it bluntly: what you get about us, is nano-information.

26. To add to that nano-information about facts on Nicaragua, I would like to sum it up by saying that even fewer people realize that Managua is the safest capital city in the Americas; that our inflation rate has been in single digits for a score, that we have signed a three year agreement with the IMF for stability and growth, and that our Aids infection level is one tenth that of the US.

God Bless Miami, God Bless the people of the United States, God Bless Latin America. God Bless Nicaragua.

2430 palabras