

As Prepared for Delivery

**Partners in Progress:
Expanding Economic Opportunity Across the Americas**

AmCham Panama

Address by

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Introduction

Good afternoon and thank you Robert [St. John] for that kind introduction.

AmCham Panama has been a great partner to the U.S. Chamber and to the entire U.S. business community. We appreciate your friendship and your strong leadership.

We're here in Panama to participate in the Second CEO Summit of the Americas. During our brief stay, we'll meet with almost a dozen heads of state and ministers, as well as key business leaders from across the hemisphere.

Tomorrow morning I look forward to meeting with President Varela to discuss the important and growing partnership between the United States and Panama—including the ongoing implementation of the U.S.-Panama free trade agreement.

It's been just three years since the agreement was approved, but already our bilateral trade has risen by more than one-quarter. The United States trades as much with Panama as we do with Argentina, Spain, or even Ireland.

We're optimistic about making substantial progress at both the CEO Summit and the Summit of the Americas for a number of reasons. First, this time everyone is welcome at the table. The Chamber is pleased to have Cuba joining the summit for the first time. We have strongly supported normalizing relations between the United States and Cuba.

We stand with those who believe that after 50 years of pursuing the same failed policy, it's time to try something different. However, as I stated in a speech to the University of Havana last May, it's imperative that the Cuban government act quickly to reform its economy and improve its human rights record.

The second reason we're optimistic is that our trade agenda is moving forward. In Washington, Congress is preparing to renew Trade Promotion Authority, and the negotiations for the Trans-Pacific Partnership are nearing their conclusion.

Third, we now have a robust mechanism in place—the Americas Business Dialogue—to rally the private sector around measures that will spur reform, forge public-private partnerships, and coordinate and share best practices on a range of issues.

And fourth, we have a strong base on which to build. Trade between the United States and the Americas has increased 350% since the first Summit of the Americas in 1994. Our neighbors in the Americas buy more U.S. goods than Asia and Europe *combined*. And the United States remains the region's top market—not always for commodities, but certainly for the value-added products tied to innovative companies and good jobs.

So the situation is ripe with potential and we've only scratched the surface. And you know what? We don't need grand schemes to realize that potential or to achieve our shared goals. All we need is commonsense and cooperation. All we need is to take one step at a time and keep moving forward. Our watchword should be pragmatism.

Here's what we really need: We need more trade and investment—operating under transparent and reliable rules—that leverages our strengths, capitalizes on our opportunities, helps us overcome our common challenges, and commits us to relentlessly pursue the one thing we need most—economic growth.

The need for greater economic growth and cooperation within this hemisphere is urgent. Many of our economies are slowing, and so are those of our customers. Global competition is getting stronger by the day. In many of our societies, prosperity is not shared broadly enough. Too many still lack opportunities to climb the economic ladder and make a better life for themselves and their families.

We have the ability to change that if we work together and take things one step at a time. It's in that spirit that I'd like to offer four concrete, practical steps we can take to fundamentally strengthen our economies, significantly increase trade and investment throughout the hemisphere, and expand opportunity for all of our citizens.

Energy

The first step is to ensure that the western hemisphere becomes the energy hub of the world.

The good news is that we have the energy to develop—that sure beats the alternative! But having the resources is one thing—developing them and distributing them to everyone's benefit is another.

Development starts with investment. We need to do a better job matching resources with capital. We need to ensure that energy technologies, talent, and expertise can be shared and move freely around the region in a secure and open environment.

That means nations in the Americas must remain open to investment in each other's energy sectors. Mexico is a case in point. We're pleased that many Mexican leaders are now bringing some foreign participation into their energy sector, and this progress has been encouraging.

Once developed, energy must be moved to market safely and efficiently across a modern infrastructure. For example, we can do a lot together to promote the integration of our electrical grids, which would lower costs and increase efficiency.

Working together to firmly establish the Americas as a 21st century energy hub is an extraordinary opportunity for this hemisphere. We can't afford to pass it up.

The United States has been a case study in the promise and peril of energy development. The shale revolution has helped lift our economy out of recession, produce millions of jobs, and generate billions of dollars in revenues for our government.

And yet, our government is doing everything in its power to slow development of oil and gas on federal lands and offshore, destroy the coal industry, and prevent producers from selling their energy overseas.

So we have our work cut out for us in the United States, as do many nations in this hemisphere. But we must do it because the rewards are so great.

Infrastructure

The second step is to fundamentally strengthen each of our infrastructure networks and to help forge them into a more seamless system throughout the Americas. Doing so will facilitate trade through the more efficient movement of goods; lower costs; enhance the region's global competitiveness; and grow economies while putting a lot of people to work.

According to the Inter-American Development Bank, if the region could double its infrastructure investment, GDP growth would increase by as much as 2 percentage points. That's huge.

And it's very clear we're going to need more resources if we want to take full advantage of the expansion of the Panama Canal.

So where do we find the money to pay for all of this and how do we best connect our systems? Our governments must have the courage and foresight to step up funding, even when budgets are tight. But even that won't be enough. The scale of investment required means that alternative funding from the private sector will be needed.

The United States is struggling with these issues back home. We're not only pushing for more public funds through a sensible gas tax increase, we're also encouraging measures that will help us tap into the \$250 billion in global private capital available for infrastructure spending.

That, along with more public-private partnerships, represents the best new source of infrastructure funding we have. We must find ways to take advantage of it.

In terms of better connecting our systems, the WTO Trade Facilitation Agreement offers enormous promise. The agreement advances reforms that would streamline the passage of goods across borders by cutting red tape and bureaucracy in ways that could boost the world economy by as much as \$1 trillion.

Every nation in this hemisphere who signed that agreement should ratify it *this year*, implement it in a commercially meaningful way, and ensure that the private sector has a seat at the table during the entire process.

In sum, let's not look at infrastructure as a challenge, but as a tremendous opportunity.

Financial Systems

The third step is to strengthen our capital markets and expand the availability of credit to consumers and businesses of all sizes. A robust system fuels job creation, economic growth, entrepreneurship, and innovations that improve our lives. In short, well-functioning capital markets provide a ladder for advancement—and everyone should be able to climb that ladder.

For many of the countries in this region, domestic financial markets are small, lack sufficient liquidity to attract international investors, lack risk diversification, and operate in an environment with volatile currencies.

How can strengthen our capital markets?

Nations should consider removing restrictions that inhibit cross-border flows.

They should seek to facilitate investments by public entities, which constitute some of the largest investors in markets.

They should harmonize their rules and coordinate their regulations with other countries to prevent regulatory arbitrage, incompatible or conflicting requirements, and fragmented markets.

They should adopt clear rules of the road and ensure proper and consistent enforcement.

And, they should encourage reasonable risk taking.

The United States has among the world's deepest, most liquid, and most transparent capital markets. But, they are far from perfect. Financial regulations are not consistently enforced and often conflict with one another. They do not strike the right balance between stability and economic growth. They are not always consistent with other nations. And they are often governed by rules established during the 1930s.

The Chamber established its own Center for Capital Markets Competitiveness to help address these issues and strengthen our markets.

The bottom line is you can't make the dash if you don't have the cash. And cash goes where it is welcome, safe, and can earn a good return. We can't expand our citizens' opportunity for advancement without providing them access to affordable and safe credit.

Strengthening financial markets is one of the most important steps we can take.

Human Capital

The fourth step is to better develop our human capital, encourage innovation, and spur a stronger sense of entrepreneurship.

This entire hemisphere—from the northern tip of Canada to the southern tip of Chile—needs to invest in its people. We need to improve our education systems and place a greater emphasis on STEM—science, technology, engineering, and math. These are the skills essential to the development and success of our economies. We need to invest more in basic R&D.

We need to establish more public-private partnerships for technical and vocational education. We need to establish stronger links between the private sector, national research institutes, and universities.

We need to protect intellectual property rights, ensure a level playing field for all investors, and stamp out corruption.

The presence of these values—or lack of them—has a tremendous impact on where companies and investors will bring their capital, their ideas, their technologies, and their jobs.

And we need to promote a larger, more qualified, and more mobile workforce that responds to the needs of the private sector and local communities. That means we need visa reform to facilitate the free flow of people and workers at all skill levels so they can go where needed.

For the United States, immigration reform is essential. We need the skills, energy, and entrepreneurial spirit of immigrants to keep our economy competitive, to maintain our edge in innovation, and to fill gaps in our labor force. It may seem like we've been working on it forever, but it will get done because it must get done.

Conclusion

That's four practical, doable steps we can take together to expand growth and opportunity throughout the Americas.

The U.S. Chamber is going to work hard to ensure that these steps are taken. In Washington, we will push aggressively for increased trade throughout the Americas. We're poised to renew TPA and conclude the TPP negotiations. We will never let U.S. lawmakers forget how important the Americas are to jobs, economic growth, and global competitiveness.

In this region, we will remain committed to the expansion of trade and investment, to the strong rule of law and an end to corruption, and to prosperity that is broadly shared.

Globally, we'll push for the successful implementation of the Trade Facilitation Agreement. We'll fight for IP rights, the harmonization of regulations, the opening of new markets, and the elimination of non-tariff barriers to trade.

With the help of our AmChams in the Americas—and through the Americas Business Dialogue—we will ensure the strong participation of the private sector in key public policy debates throughout the hemisphere.

We will help forge strong public-private partnerships across the region and share best practices in the four key areas I mentioned today.

And the Chamber will do what it has done since the day it was established, at home and abroad—promote the free enterprise system. It's not perfect—and every country must find its own way—but we don't know of another system that generates more prosperity, creates more jobs, or provides more opportunity for people to lift themselves up.

Everywhere around the world, countries that have embraced free enterprise, free markets, and free trade are prospering. The Pacific Alliance of Chile, Colombia, Mexico, and Peru has captured the imagination of reformers around the globe.

The path forward has never been clearer: Free enterprise, competitive markets, and rules-based trade and investment are the keys to economic opportunity and prosperity for all. These principles offer our best chance to achieve the shared growth and prosperity we all covet.

The destinies of the nations of the Americas are tied together. Now is the time to realize our potential ... to work together collaboratively to solve problems ... to strengthen our ties of trade and investment for our mutual benefit ... to provide new and exciting opportunities for our peoples ... and to raise their standards of living.

It will require hard work, tough choices, and new ways of doing things. It will require strong and sustained private sector leadership to win the policies and reforms needed to bolster economic growth.

It will require us to continuously make the case—with solid facts and arguments that have broad appeal—as to why strengthening ties in the Americas represents one of the best economic opportunities for every one of our nations.

We can realize our potential and reach our goals ... *if* we work together.

Thank you very much.

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