



WASHINGTON
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Americas

Investing in the Americas: The New Agenda for Growth



The 48th Washington Conference on the Americas, held at the U.S. Department of State on May 8, 2018, was, by acclamation, a complete success. From Venezuela to Argentina to NAFTA and trade to new opportunities for investment and development, the record number of participants were introduced to top policy makers and discussed the most pressing regional issues among their senior level business and government peers.

Keynote luncheon speaker Nikki Haley, U.S. Ambassador to the United Nations, energized the meeting by asserting, “the Venezuelan people no longer have a government. They are the unwilling victims of a criminal narco-state.” She declared, “It is time for Maduro to go.”

Other speakers included cabinet secretaries and under secretaries, senators, and multi-lateral leaders. The conversations were rich and nuanced, and the conference meaningfully advanced understanding of the issues and policy considerations. And, it’s not too early to make plans now to join us in 2019 for the 49th Washington Conference on the Americas!





Democracy has been “eviscerated” in Venezuela, said Deputy Secretary of State John J. Sullivan. The United States supports a peaceful, democratic transition, led by the Venezuelan people. He also affirmed the United States’ commitment to the anticorruption fight in the region. “As corruption grows, freedom and prosperity wither,” he said. “The U.S. will not stand for corrupt practices abroad that we would not stand for at home.”

Financial Times’ world trade editor Shawn Donnan moderated a panel on regional growth and asked about news that Argentine President Mauricio Macri was seeking support from the International Monetary Fund. “Are we looking at the beginnings of another emerging markets crisis?” David Malpass, U.S.



Treasury undersecretary for international affairs, said no, and that overall conditions for economic growth looked favorable. Nonetheless, “we’ll be watching the discussions closely,” he said.

Governance reforms are the key to encouraging economic growth in the region, said panelist Marcelo Estevão, Brazilian finance secretary for international affairs. “The population has no tolerance anymore for bad public governance,” he said. In particular, he cited the need to pass a social security reform, finalize bilateral trade agreements, and open Mercosul to more international trade. Speaking on the need for infrastructure in the region to spur growth, IFC CEO Philippe Le Houérou said he was “flabbergasted” to learn that it costs more to ship cargo by truck from Bogotá to the coast than from Colombia to China.



Energy Secretary Rick Perry laid out the case for both environmental protection and economic development. “When nations embrace innovation over regulation, they can do both economic growth and environmental protection.” The former Texas governor also said that energy policies to eliminate fossil fuel use aren’t feasible. Even if technology can make renewables competitive with fossil fuels, he said, it will take decades for renewables to replace them in daily use. He was introduced by Maria Pica Karp, Vice President & General Manager, Public and Government Affairs, Chevron.

Senator Bob Menendez (D-NJ), the ranking minority member on the Senate Foreign Relations Committee, said that while he supports the Trump administration's use of targeted sanctions toward Caracas, more needs to be done to address the humanitarian crisis. To that end, he announced introduction of a comprehensive bill in the Senate on Venezuela. He stressed the bill has bipartisan support, saying that the issue of Venezuela represented a "unique opportunity" for cooperation across the aisle.

"The U.S. relationship with Mexico is one of the finest that's out there," said Ted McKinney, undersecretary of trade and foreign agricultural affairs for the Department of Agriculture, in a conversation with Bloomberg Television anchor Shery Ahn. "NAFTA has shown terrific benefits for the two. It is right and just that we modernized NAFTA." That said, he was less bullish on the relationship with Canada. "Their managed supply does not speak to free and fair trade," he said, particularly on the issue of milk. "If we can get dairy fixed with NAFTA, I believe we'll settle this and we can be friends again."

In his second appearance at the conference, Commerce Secretary Wilbur Ross challenged Latin American governments to raise infrastructure spending to 5 percent of GDP per year, and expressed a desire to make the Western Hemisphere the world's most transparent trade environment. Ross, who was introduced by Merck Latin America President John Markels, also described the "insidious" nature of Chinese investment in the region, saying it often requires countries to repay loans with commodities, thereby hobbling future cash flows. On NAFTA he stated: "We're somewhat encouraged by progress being made, but are really concentrating on a handful of difficult issues yet to be resolved." "In a few weeks, the calendar will start working against us," given upcoming Canadian provincial elections and Mexico's presidential vote. "If we don't see progress soon, probably we won't see it for quite a while until the end of the year, if at all."

Nebraska Senator Ben Sasse (R-NE) opened by saying that few places understand the importance of global trade better than the Cornhusker State, where 13 cents of every dollar depends on international agricultural commerce. The senator went on to say that anxieties about the future of work are really about technology and automation rather than trade. He urged those in the room to, when making the case for trade, understand and acknowledge people's legitimate anxieties in a time of "unprecedented economic upheaval."

Florida Senator Marco Rubio (R-FL) made closing remarks that echoed many speakers' sentiments on topics including Venezuela. Rubio also said he was "disappointed" by the president's decision to end Temporary Protected Status for the roughly 86,000 Hondurans living in the United States. "I think that was the wrong decision, I think that should be and hopefully will be reversed," said the Florida senator. "I think it places incredible strains on a nation that has been a good partner to the United States and has done everything that's been asked of them in terms of taking on these issues."



Vice President Mike Pence Hosts Luncheon in Honor of the Conference



The Council of the Americas thanks the sponsors of our 48th annual Washington Conference on the Americas for their tangible and meaningful support. We look forward to seeing everyone on May 7, 2019 at the 49th annual Washington Conference on the Americas!

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