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Sistema Económico  
Latinoamericano y del Caribe  
Latin American and Caribbean  
Economic System

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Latino-Americano e do Caribe  
Système Economique  
Latinoaméricain et Caribéen

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## **Speech by Ambassador José Rivera Banuet, Permanent Secretary of the Latin American and Caribbean Economic System (SELA), during the Ministerial Stage**

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Your Excellency Mr. Reinaldo Bolívar, People's Vice Minister for Foreign Affairs of the Government of the Bolivarian Republic of Venezuela;

Your Excellency Mr. Mohammed Ali Odeen Ishmael, Ambassador of the Republic of Guyana and outgoing Chairman of the Latin American Council;

Your Excellency Mr. Ramón Castillo Leets, Ambassador of the Republic of Nicaragua and Chairman of the Latin American Council;

Your Excellencies Ambassadors and Representatives of Member States of SELA and the Diplomatic Corps;

Distinguished Representatives of International and Regional Organizations;

Distinguished special guests;

Ladies and gentlemen:

I warmly welcome you to this Latin American Council, which marks the thirty fifth anniversary of the creation of the Latin American and Caribbean Economic System.

I thank distinguished Vice Minister Reinaldo Bolívar for his presence on behalf of the President of the Bolivarian Republic of Venezuela.

The support that the Government of Venezuela has given to our body has remained unchanged and permanent.

We express our heartfelt sympathies to the people and government of Barbados for the untimely death of Prime Minister David Thompson; to the people and Government of Argentina for the sad passing of former President Néstor Kirchner; and to the people and Government of Bolivia for the death of Mrs. Ana María de Campero, who was the President of the Senate of Bolivia.

A number of outstanding personalities were scheduled to attend and honor this Latin American Council, but understandably they will not do so because they are attending the mentioned funerals.

We are pleased about the election of Ambassador of Nicaragua Ramón Leets Castillo as the Chairman of the Latin American Council. He has always expressed interest and favourable disposition towards the activities of our organization.

I would like to thank Mr. Mohammed Ali Odeen Ishmael, Ambassador of the Cooperative Republic of Guyana, for his work as Chairman of the Latin American Council. He left his mark on the work he has done in the past year.

I would also like to congratulate the other members of the Bureau, in the certainty that our mission will be more efficiently accomplished with their support.

We welcome the decision of Honourable Mrs. Laura Chinchilla, the President of Costa Rica, to make her country rejoin SELA. Costa Rica's membership enriches and gives impetus to our work.

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We have submitted to the Member States for consideration the Report of the Permanent Secretariat, which outlines the activities carried out in the past year.

We did our best to ensure fulfilment of the tasks, in compliance with the mandate of governments.

Today, we remember that the Panama Convention establishing SELA was signed in 1975, as an expression of Latin America and Caribbean willingness to have their own organization, which brings together the largest number of countries in our region.

We are pleased to celebrate the 35 years of life of SELA, whose objectives are in line with the current times and whose accomplishments have been many.

Further, this landmark involves greater commitment from us to better help Member States to face their local and international challenges.

The Panama Convention brought to fruition the idea that the unity of our nations was possible despite their differences.

It showed that self-confidence, the search for opportunities among our countries and the joint defence of their interests are the key to open large-scale spaces.

Such decision helped to outline the goal of establishing a permanent consultation forum that would in turn pave the way for wider cooperation activities.

Calling this body a "System" mirrors a far-reaching vision of creating an organization that seeks links among existing organizations and mechanisms.

The creation of multinational enterprises and action committees for specific programmes between two or more countries was also a very positive decision.

SELA institutionalized the goal of forming a united voice that represents the region in international forums, bearing in mind that improved foreign relations would lead to increased regional welfare.

This year 2010 seems to mark the end of a long process of reflection about the great task of building and realizing the union of Latin America and the Caribbean.

Ever since the Independence deed, 200 years ago, the ideas of a united region were present at the inspiration of the founding fathers.

This year, beyond the tensions and conflicts that have been overcome on the basis of dialogue, the countries of the region have participated in meetings and have defined guidelines that are of the essence for achieving the goal of unity.

The current scenario is complex, and the region needs to analyze and take actions vis-à-vis the world's new political and economic architecture.

Latin American and Caribbean countries have suffered the recent economic crisis, whose centre is now in European countries, while recovery in the United States is uncertain.

In 2009, growth dropped 1.9%; and this year the decline is to exceed 5%, but in 2011 it will not surpass 4%.

Caution must be exercised because it is premature to predict a cycle of sustained economic recovery in our region.

In this context, the major challenges are strengthening the export sector, with better services, greater value added and the incorporation of SMEs to productive chains, as well as taking steps to update and seek internationalization of enterprises, in order to promote wider economic and productive relationships with emerging economies.

Particular emphasis should be given to boosting regional integration, as well as cooperation among our nations.

The recent global situation has confirmed the concept that integration is the best way to attain sustainable development and welfare in Latin America and Caribbean countries.

Integration is not just another choice but a strategic, political, economic and social need. Additionally, it is the most auspicious platform for Latin America and Caribbean countries to interact with the rest of the world.

The Treaty of Montevideo was signed 50 years ago. The document expressed the Latin American countries commitment to integration, and launched the Central American integration process through the signing of the Treaty of Managua.

Integration has moved forward thanks to major institutional breakthroughs and deepening of related cooperation agreements and commitments.

Such process has witnessed the consolidation of the Andean Community of Nations (CAN), the Central American Integration System (SICA), the Caribbean Community (CARICOM) and the Common Market of the South (MERCOSUR), as well as the Association of Caribbean States (ACS) and the Latin American Integration Association (ALADI), while bilateral and multilateral agreements have been signed to deepen integration.

A number of bodies has emerged to complement this purpose, such as the Bolivarian Alliance for the Peoples of the Americas – People's Trade Agreement (ALBA - PTA), and the Union of South American Nations (UNASUR).

Further, monetary and financial cooperation has been boosted through the Bank of ALBA and the Bank of the South, the adoption of the Regional Clearance Unitary System (SUCRE), and the Payment System in Local Currency for trade between Argentina and Brazil, while another system for trade between Brazil and other countries will be created soon.

Although intra-regional trade is viewed as low, as it averages 20%, manufacture represents more than 80% of these trade exchanges.

We are optimistic that intra-regional trade will be invigorated, while the region will achieve a better insertion in international markets, thanks to the efforts of physical integration under the Mesoamerica and IIRSA projects, as well as those conducted domestically.

We are also optimistic because tariff reduction schedules and elimination of tariff barriers will be completed in 2019, while tariff regulatory and regional convergence programmes are advancing.

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Growing and steady extra-regional and intra-regional investment flows are other reasons for optimism.

Similarly, we are optimistic about the size of population, improved average income, and broader social inclusion, which will help boost an expanded market.

On the other hand, there will be greater diversification of exports to markets such as China and India, and to traditional markets in Europe and North America.

The balance of integration should also be assessed based on the gap between expectations and achievements.

Therefore, the limitations curbing integration need to be identified, and the following actions are required:

- To move firmly towards the coordination and convergence of the various subregional schemes.
- To have common trade standards and outline objectives and mechanisms for coordination of economic policies.
- To reverse the perception that supranational institutions have a high cost in terms of sovereignty.
- To give priority to establishing a dispute settlement mechanism for regional implementation.
- To complement the economic approach by focusing on political, social, educational, cultural, environmental, and technological issues.
- To develop active forms of people participation, while considering that deep integration is built with the peoples of nations.
- To agree on effective programmes to reduce disparities, thus ensuring greater solidarity; and
- To coordinate stances in international forums, as the agreements in those instances influence the processes of integration.

We deem of the utmost importance that Brazil convened the Summit of Heads of State on Integration and Development (CALC), in 2008, which reviewed the crisis and decided to advance the integration process.

In Cancun, in February this year, the Heads of State of our region met again for monitoring the progress made following the meeting of Bahia, in the Summit of Unity.

These Summits, without the presence of countries not belonging to the region, showed autonomy and willingness to participate in the construction of a new international architecture under the Latin American and Caribbean perspective.

At the Cancun Summit, an agreement was reached to establish the Community of Latin American and Caribbean States (ECLAC).

SELA will devote special efforts to support the works to shape up that future Community, remembering that our organization has overlapping mandates and that it comprises no extra-regional countries.

As a result of both Summits, a meeting of 33 countries and regional and subregional agencies and institutions was held this week at the headquarters of SELA. The meeting, hosted also by the Government of Venezuela, was intended to identify synergies and areas of cooperation in economic, trade, productive, social and cultural fields.

Please allow me to express my appreciation for the fact that yesterday, during the Preparatory Stage, a fruitful debate was conducted regarding the work of the Secretariat. SELA is a body belonging to 28 countries and their leadership and guidance will make it a better organization.

Ladies and gentlemen:

The 2011 Programme of Activities is based on purposes to which we have committed ourselves:

- We will privilege consensus in the region.
- We will support the coordination and convergence of subregional integration processes.
- We will promote specific initiatives for regional cooperation.
- We will extend all activities, such as the IBERPYME Programme, to the Caribbean countries.
- We will join efforts to consolidate the region's role in partnering with other actors in the international community.
- We will contribute to coordinate regional positions in international forums.
- We will promote coordination and joint work with other agencies.
- We will prioritize activities, optimize resources and seek additional financing and,
- We will make full use of information and communications technologies.

My fellow SELA staff, whose efforts and dedication I will always acknowledge, will contribute to achieve the above purposes.

We aspire to the ideal of regional integration in Latin America and the Caribbean, which for us is defined by the words of Gabriel García Márquez:

"... A new and sweeping Utopia of life, where no one will be able to decide for others how they die, where love will prove true and happiness be possible, and where the races condemned to one hundred years of solitude will have, at last and forever, a second opportunity on earth".

Thank you very much.