

# **Center for American Progress**

**His Excellency Ollanta Humala,  
President of Peru on Peru's Global Emergence**

**Welcome:  
Neera Tanden,  
President,  
Center for American Progress**

**Introductory Remarks:  
Michael Shifter,  
President,  
Inter-American Dialogue**

**Keynote Remarks:  
Ollanta Humala,  
President of Peru**

**Moderator:  
Dan Restrepo,  
Senior Fellow,  
Center for American Progress**

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(Applause.)

NEERA TANDEN: Good afternoon, everybody. You may take your seats. Thank you so much.

I'm Neera Tanden. I'm the president of the Center for American Progress. And I'm very excited for this key afternoon speech. We're particularly excited to do this event in partnership with the Inter-American Dialogue. And we're honored and thrilled to have President of Peru Ollanta Humala here today. Mr. President, thank you so much for joining us here this afternoon, and welcome back to Washington.

I'd also like to thank Foreign Minister Eda Rivas, Defense Minister Pedro Cateriano Bellido, Education Minister Patricia Salas and Foreign Trade and Tourism Minister Jose Luis Silva Martino. And as well, I want to thank Peru's ambassador to the United States, Harold Forsyth, for joining us. I'd also like to acknowledge U.S. ambassador to Peru, Rose Likins, and Ricardo Zuniga, special assistant to the president and senior director for Western Hemisphere affairs on the national security staff. We're very honored to have everyone here with us today for these very important remarks.

Here at the Center for American Progress, we have long understood and argued for the strong U.S. relationship with Latin America. We've made it our business to highlight the importance of that relationship and ensure that policymakers here in the U.S. focus on it as well.

The interconnections that tie together the countries of the Americas, including our own, where a majority of our foreign-born population and more than 50 million Latinos have family ties to our neighbors, are an incredible source of strength for the United States and opportunity for the United States. And as Washington begins its deliberations on immigration reform, we hope that we continue to emphasize that – the importance of those ties.

Our appreciation of those dynamics is one of the reasons we are so happy to have back Dan Restrepo as a senior fellow at the Center for American Progress. Dan will help guide the center's work on the Americas, building on his service as one of the principal architects of President Obama's policies in the Americas and his previous work here at the center.

As countries in the Americas increase their global profile, and as Peru's doing – just as Peru's doing under President Humala's strong and capable leadership, the importance of our ties will only intensify. That is why we're so pleased today that we will hear from President Humala and his vision about Peru's place in the world and its implications for his policies at home, in the Americas and beyond. And perhaps he'll let us know about his views on sports as well.

But rather than get too far ahead of myself, I am honored to also invite Michael Shifter to come to formally introduce (the) president. As you all know, Michael is the president of the Inter-American Dialogue, the premier organization also dedicated to highlighting the importance of ties that bind the Americas. He's also an expert on Peru. And so we're thrilled to have him. After that the president will make remarks, and then Dan Restrepo, our CAP senior fellow, will moderate questions. Michael?

MICHAEL SHIFTER: Good afternoon. Buenos tardes. Thank you very much, Neera, and thank you for the wonderful work you do here at the center.

The Inter-American Dialogue is delighted to join the center in sponsoring this very special event with the president of Peru, Ollanta Humala. I want to thank in particular my friend and colleague, Dan Restrepo, for his collaboration in this effort. I also want to express my gratitude to Ambassador Forsyth for his confianza and warmly welcome the ministers and advisers accompanying President Humala on his visit.

(Through interpreter.) I had the pleasure of introducing President Humala on two other occasions. First was in September of 2010, during his first visit to Washington, D.C., in an event held in the framework of the dialogue at the beginning of his presidential campaign. And the second occasion was in Lima, in another event, in February 2011. And to be quite honest, on both occasions, at that time, if you took the surveys seriously, it really wasn't clear that President Humala would actually reach his position. However, despite the outlooks of many analysts – of course nobody here – (laughter) – but in other places, other analysts – (inaudible) – was elected president during the second round. And next year he will have fulfilled two years as the president of Peru.

During 25 years President Humala had a military career, and he was actually a colonel in the army. Then he was a presidential candidate in 2006 in the party that he founded, the Partido Nacionalista Peruano.

It is clear that President Humala has been fulfilling his campaign promises and is meeting the expectations of all Peruvians. He has a high approval rating among all of the sectors and in all areas of the country, progress registered in the country's undeniable economic growth that is simply astounding, combined with poverty reduction and the reduction of inequalities, more social inclusion, greater participation on the global scene and everything within the framework of democracy and a friendly relationship and a close relationship between Peru and the United States, strengthening cooperation in all fields. We are getting more excellent Peruvian products every day, including happily, incredibly delicious pisco. (Laughter.)

And in fact there are still challenges that we need to face – historical, social and institutional challenges. President Humala and his team are committed to facing these challenges with a lot of dedication and hard work.

And if you will allow me a personal comment, I lived in Peru from 1987 to 1991. They were difficult years for Peruvians. However, at that time, I was very impressed by a country that was so dynamic and diverse. People had such a strong spirit, despite the challenges that we faced. And you don't know how happy I am that these positive changes have taken place, and I am sure that under President Humala's capable leadership during the next three years of his term, the country will keep moving forward on all fronts, with positive and important results for the well-being of all Peruvians.

I am proud and honored to introduce to you the president of the Republic of Peru, His Excellency Ollanta Humala. (Applause.)

PRESIDENT OLLANTA HUMALA: (Through interpreter.) Good afternoon, everybody. It is an honor to be here again in Washington, D.C., and be able to tell you about what has been happening in Peru.

I come from the army. I have an army background, and destiny has brought me here. I ended up in politics. The difference is that, in any case, in the army you know where the enemy is; you never know in politics where it's going to come from. (Laughter.)

However, today we're working on good governance – that's our focus – and we've had to start by building trust. It is absolutely essential in order to live together and work productively. And I recognize that it's difficult, it's not easy, because trust – I always say trust is like an old jar, and if it breaks, if it – (inaudible) – we can glue it back together, but it'll never be quite the same. It loses its value.

And what we have as a country, a society in Peru where the people – it doesn't – people don't really trust the government because – Peru has a long history of using natural resources that have transformed the world. We wouldn't have been able to have the auto industry today without caoutchouc from the Peruvian rainforest at the end of the 18<sup>th</sup> century, beginning in the 19<sup>th</sup> century. Robert (sp) gave so much to this industry. Peru gave to the world many resources, such as potatoes, corn. And during certain points in history, Europe was able to survive famine, overcome famine because of Peru's exports. And today, we're exporting quinoa. This food is so important that the United Nations has named 2013 the international year of quinoa.

Therefore, Peru always gives back to the world. It contributes to – (inaudible). However, Peru is part of a Latin American reality. We're not the poorest region, but we are the most unequal region, and therefore, with the passing of time, we've seen a set of uncertainties that have developed against the government, because despite the Peruvian people's efforts, we still don't see results. We don't see tangible results in order to build a path towards prosperity together. Nothing is free in life.

And we all know this – we're all aware of this, and in Peru, we are fighting – we are struggling every day to develop – the slogan of my campaign was “the great transformation” – a transformation that means giving opportunities to the people – to people that maybe never had a chance beforehand. I strongly believe that all of us, at some point in time, have needed an opportunity – we've needed a break, maybe, to start a business – to start a family, to travel for work purposes. But we always need a little bit of help. We need that extra push, and as a country, as a state, we need to give young people this opportunity – hundreds of thousands of people in the center of our country in rural areas – in border areas, opportunities take a long time to get there. Peru is an extremely diverse country. We have our coastline, and we also have a mountainous region. We have the Andes, and we also have the Amazonian rainforest.

So historically, the Peruvian state was based on the coastline. That's why we have such a modern coastline, and we have another area – a mountainous area which is very rich in

resources. However, we have a deficit of infrastructure in this region, and the same thing happens in the Amazon. In the Amazon, we have many resources. We have water resources, but we also lack infrastructure. Therefore, in the process of this great transformation that we're building together, we'll have taken short-term decisions, medium-term decisions and long-term decisions.

When it comes to the short-term, we find that we had a population which was living in unequal conditions with respect to the opportunities that they had, and previous governments had been fighting against poverty in these many efforts, but at the end of the line, we didn't have the desired results. We believe that to fight against poverty in an efficient manner, we need to close the gap of inequality, as I mentioned. I mentioned that a \$100 ticket in Peru's capital and another \$100 ticket in the Amazon doesn't offer the same kind of possibilities to access vital services. But we need to build up our services; we need to build infrastructure so that everybody can have equal access to opportunities. Why? Because otherwise, young people ask us, where can we find opportunities? We can't find it in our town. And we say, well, in the capital, and to date, one-third of Peru's population lives in the capital and is trying to find a job. And this collapses the whole system, because our capital wasn't designed to have so many inhabitants.

And on the other hand, we have a state that is not used to providing services for the entire population. In fact, it's used to providing services for about 30 percent of its population, so therefore asking the state to give basic services – roads, hospitals, schools, et cetera, asking the state to do this for the entire country is an incredible effort. It's huge. And that's what we're trying to do.

Therefore, among the measures that we've taken, especially for the neediest populations, those that are the victims of poverty, we have decided to organize and create a special social policy. We used to have a whole set of measures for fighting against poverty, and we decided to articulate a more – (inaudible) – social policy that will allow us to focus into poverty, and that way we'll be able to lift people out of poverty and to close the inequality gap. So this led us to create a new ministry, the Ministry for Development and Social Inclusion.

In parallel to that, we also have to focus on infrastructure. Therefore, we began to articulate our agenda for the short term and medium term in building roads, building bridges, modernizing airports, among other things. And today we are launching the construction of our metro system in Lima. It was about time, right? And this will benefit millions of Peruvians that take so long to get to work every day, because nowadays we understand that time is money. And the more time that we can give to our citizens so that they can use it effectively, then we're going to be more competitive.

We're also working on our medium- and long-term goals by building a gas pipeline in order to bring gas from the mountainous region to the coast and by building a petrochemical plant, and we're launching this in the second semester of this year. And this is going to transform Peru because we'll actually have the first petrochemical project on the southern coast of the Pacific.

But we also believe that it is important to really bank on Peru. Throughout our history, we've banked on certain raw materials; for example, rubber, guano, salt, and now we're betting on minerals. However, we need to bank on education. We need to bank on training young people. And that's why we have created a very important program called Beca – (inaudible) – Scholarship number 18. It is a program that provides scholarships, especially for the poorest populations and students in public schools.

When I reached the presidency, we found that we had approximately 300 students on scholarship, and now we have more than 11,000 students benefiting from scholarships, direct programs with different governments and agreements – each government with agreements, and we're actually soon going to reach 15,000 students on scholarship. And we hope to actually double this amount in the years that we have left.

And from a personal standpoint, I have to say my father comes from a province in the interior of the country, and most of his cousins are actually farmers. However, my grandfather decided to give my father an opportunity to get an education, and my father traveled to Lima to go to college. And my father gave me the opportunity to study. And thanks to the training and education that I received and that many receive, you can generate development. You can aspire to do more, and this really can create synergies through education, through training.

This is wonderful. However, Peru is in a context as a country and as a region that is Latin America. We've got to keep this in mind. And as we know, we're going through a world crisis, a financial crisis, and in this crisis the United States is trying to get ahead, Europe is lagging behind, we see China's economy is slowing down, and Peru is a country that depends on its raw materials exports like the rest of the Latin American region. So the crisis is starting to hit Latin America.

However, we have been wise enough to take care of our macroeconomic affairs. We are solid. We've managed our economy in a way that, although nobody is safe from the crisis, we can say that we have a buffer that is protecting us. And we hope that the crisis won't come to Latin America. We're blowing away so that this awful cloud will stay somewhere else, but nobody can say that we're completely safe.

And therefore, in this process of international trade, we've been doing what any businessman would do. If we lose a client here, we find another client, so therefore our sales won't be reduced. And we think that imports and exports are extremely important within the context of trade. And that's why we're seeking out new markets.

And also, as part of a set of countries, we're trying to build partnerships today. Peru was one of the founding partners of the Trans-Pacific Partnership, an economic bloc that is extremely dynamic and diverse. Mexico, Colombia, Chile and Peru are part of it. And we've been able to progress very quickly. We're actually moving forward even faster than the Trans-Pacific Partnership – the Pacific partnership. And this is a turning point. We have about 20 countries that are observer countries, and we believe this is a space for opportunity.

We believe Peru needs to be a proactive partner within the context of the international scene, and moreover, we do this in the context of strengthening our democracy, giving value to human rights, respecting the environment. And in fact, for that, we've created a Ministry of the Environment that helps us to establish leadership policies for everything relating to the environment.

And we face serious challenges. We have micromining, for example. This is an issue that is regional. And what happens is that small miners are extracting ore without respecting international standards, and this generates deforestation. Therefore, one of the issues that I will address with the United States government are issues relating to good environmental policies that will help us fight deforestation.

We believe that another important aspect that we need to take up is climate change. Latin America, and especially the Andean region, Peru, Bolivia, Ecuador and Chile, are countries that will be feeling the impact of climate change very soon. Therefore, this is an issue that is near and dear to our hearts, and we want to establish an ongoing dialogue with the main polluters.

And to wrap up and give time for our Q-and-A session, I would just like to point out that today we have come to the United States to meet with the government in order to improve our current relationship. We need to address certain issues that are very sensitive, such as the fight against drugs. And we need to understand that there's a shared responsibility.

Therefore I believe – and this is my opinion – that when we talk about cooperation, cooperation is binding. We must be partners. We must agree on certain issues. And we must decide what each person is going to bring to the table to fight against this scourge, because I don't think there is a single country in this world or a single family in this world that will feel free from this evil that can free and can feel safe from the fact that their children might consume drugs. Therefore I believe that this is a fight where we all have a role to play, and we all need to work together as equal partners.

And I also believe that it is important to look at development in science and technology. We want to improve the quality of our partnership with the United States. And for this, we need to strengthen local industries. We need to strengthen trade processes, cultural relationships with the United States. We need to work on technology transfer. This is a very important factor. It's vital, in fact, in order to improve our relationship as partners. Thank you very much.

(Applause.)

MS. : (Off mic.)

MR. : Well, first I would like to – (laughter).

I am convinced that – (off mic) – but by the end of the meeting, it would – (off mic) – could have key message about the situation – (off mic) – in the general Latin American community – (off mic). So, these are some of the – (off mic) – that – (off mic) – to talk about. (Laughter.)

MR. RESTREPO: (Off mic.)

PRESIDENT HUMALA: (Through interpreter.) (Off mic) – to start – (off mic) – any questions?

Q: (Through interpreter.) Thank you, Mr. President. (Off mic) – Washington. (Off mic) – emphasis on corporations – (off mic). In all fairness within this – (off mic) – relationship and struggle – (off mic) – improve this. Can you be more specific, please?

PRESIDENT HUMALA: (Through interpreter.) Sure. I think that we're failing in fight against drugs – (off mic) – cultivation are not going to – (off mic) – criminal organizations – (off mic) – so we need to help (clean ?) – (off mic) – to help – (off mic) – economic alternatives for this – (off mic) – especially, I think, in those areas where the state is just begun – beginning to come out. We have a very high standard, a very high (goal ?) – (off mic) – to do this peacefully, we need to bring our attention to this – (off mic). And in many cases, they have – (off mic) – because their economy, and so I think we have – we have to open up opportunities, and I think – (off mic) – and experience has been – (off mic). It is the – (off mic) – reduction is – (off mic) – but these lands are producing cocoa, coffee, organic produce, fruit and so on. little by little, they're having more access to the U.S. market.

Sir, standing by the door. (Off-mic exchange.) (Laughter.) I thought that your name was "Standing."

Q: (Through interpreter.) Mr. President, it is a pleasure to greet you – (inaudible) – also – (inaudible) – also mentioned about the Peruvian community tomorrow meeting with Mr. Obama and also the Senate is going to start the debate on the migratory policy. Would you like to make some comments to Mr. Obama about the situation of migrants, about the –

I am very respectful to heads of state. I don't think it's my place to make suggestions, especially as a visitor to the United States, but I do believe it is important to have a certain expectation – to create a certain expectation in Latin America about this subject, which is fundamentally for Latin American countries to have communities in the U.S. And I think this – very positive for this – (inaudible) – to be discussed and to have a standard that gives greater peace of mind to millions of Latin Americans who are here in this country and who are part of the economy.

OK, I'll switch to the other side of the room.

Q: (Through interpreter.) Good afternoon, Mr. President. My name is Carlos Martson (ph), and I was born in Peru I have lived here for 40 years, and it's an honor to greet you. I work in agriculture. I work – I work for the Department of Agriculture – (inaudible) – and I would like to ask you, sir, a question about the agriculture in Peru.

Agriculture has grown in Peru. I think it's a very successful area within the Peruvian economy. You have mentioned there are certain challenges regarding climate change –



(inaudible) – you mentioned the important piece of technology transfer. So what do you think about the next few years? What kind of changes will the Peruvian government do to face these changes in the climate change and protect agriculture? And I'd also like perhaps to ask something about biotechnology, which – (inaudible) – those changes Peru has a 10-year moratorium, and perhaps during the next 10 years, perhaps the government can – greater research increase the use of biotechnology.

PRESIDENT HUMALA: (Through interpreter.) Well, thank you, Carlos. Certainly. The roles of technology – we have been able to use certain areas that were previously desert in coastal areas due to the humble current and even the (routes ?) near the equatorial border, it was a – just desert coast – (inaudible) – this from the total of fresh water, 99 percent – sorry, 97 percent comes to – (inaudible) – Atlantic Basin, and only 1 percent goes to the Pacific Coast. And so what have we done so that today, Peru has ag and industrial sector that faces – is the first exporter of organic bananas and organic asparagus is actually grown in this area, in this dry coast. And so it's using the Atlantic Basin and moving this towards the Pacific.

However these sorts of – (inaudible) – are large (cargo ?) exporting business, but not those in the cultural sectors that are in the – (inaudible) – area – (inaudible) – basically, the – (inaudible) – and glaciers, and so we have created a program called – (inaudible) – and this we have added a hundred million sols to this project so as to make and this high – (inaudible) – areas with more agriculture – a park as we have created a program called – (inaudible) – that gives attention to this small agriculture – (inaudible). That is like the doctor – (inaudible) – has such and such a problem, so and so. And so the doctor looks at your land and gives you a recipe. You need this fertilizer, you need this – (inaudible) – chemical compounds and so on. And it would be good for you to have this type of crops, because these are adequate for you – for your land. We used this, and the – (inaudible). The idea behind this is to develop small agricultural holdings so we can have development in these high Andean (Mountains ?).

We are also building infrastructure to create further (agroindustry ?) there. Perhaps you can take your oranges in crates from the jungle – (inaudible) – mountains. And if you own a truck – (inaudible) – then all your oranges go bad. And we have that type of problem. You can have a truck – (inaudible) – and this is going to give us greater security as a producer, the problem that (we are facing ?) if we have better infrastructure.

And we believe that it's important to develop science, technology and – (inaudible) – and this starts with education. If we want to have, for example, rice – (inaudible) – that requires a lot of water, and in areas there are no water, that this is irrelevant. So what we need to do is to teach farmers to save – (inaudible) – crops they can grow, not whatever they want. And also, the development of science and technology will allow us to improve the seeds, and therefore we have the – (inaudible) – is here with us today and is looking for – (inaudible) – the use of water, the improvement of seeds so we can have more products and greater quantity products.

Q: (Through interpreter.) Mr. President – (inaudible) – want to thank – (inaudible).  
(Cross talk.) (Laughter.)

Q: (Through interpreter.) (Inaudible) -- I'm a student – (inaudible) – they can also have social and economic developments such as – (inaudible)?

PRESIDENT HUMALA: (Through interpreter.) OK, for Ms. Bascus (ph). We believe in a (corporate leadership ?), and I say this because I believe – (inaudible) – problem we had is that democracies are not institutionalized. They don't rest or they don't lie – (inaudible) – political parties that are basically – (inaudible) – democracy, it becomes very fragile. And we would like some (corporate ?) leadership. But I guess that not one country goes ahead and the rest stay behind – (inaudible) – because are all leaders. And as mentioned with Brazil, we cannot have a rich country be surrounded by poor countries, because we will – (inaudible) – the same – (inaudible). So when – (inaudible) – the differences between different – (inaudible).

But all poor people are the same, whether they're Brazilian or from Chile. They are the same. And I'm sure it's the same here in the United States. Poor people are always the same. And so what we need to do is first of all, the head of state needs to have some tasks, not terms that are (entrenched ?) by the campaigns. One of them and the obvious one is to always try to make the country more united. The – another one is always – (inaudible) – anyone that you want to do what must be done. You see, I am not choosing for everyone to like you, but to give opportunities to – (inaudible). People do not eat speeches. And so – (inaudible) – the basic needs of – (inaudible).

So if we can have money in a home – (inaudible) – if there's no food on the table, it doesn't matter – (inaudible) – the father or the mother gives great speeches; in the end, a child will have to go out and get some money. A good economy is necessary for the good policy and good politics. And if there's no good economy, then poor people get tired. Also, this gives it solidarity, that's really important, that's critical in order to construct an identity, not only between, you know, peoples of one country, but the peoples in different countries, because we have problems that we need to solve together.

And drug trafficking is a very important – (inaudible) – that's going beyond countries, beyond borders. And therefore, we need to construct regional leadership.

MR. : (Through interpreter.) Mr. President, there are two events, two international events – (inaudible) – meeting (through ?) Mr. Obama. And the – (laughter) – I begin a – (inaudible) – and as we are – (inaudible) – and we – (inaudible) – unless – (laughter) – (inaudible) – tomorrow at noon. (Applause.)

Thank you very much. Thank you.

(END)