



VIDEO OF THE VICE PRESIDENT OF THE REPUBLIC OF COLOMBIA.

HER EXCELLENCY MARTA LUCIA RAMIREZ FOR THE EMERGING MARKETS FORUM

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GOOD MORNING TO ALL.

It is a great honor for me to have been invited to the Emerging Markets Forum, which in over 15 years has held more than 30 meetings and has contributed to the discussion on global growth and development. At this very moment of great uncertainty and doubt about how the economy is evolving, this Forum is more important today than it has ever been before.

Unfortunately, due to health issues related to a bronchitis that I have been struggling with for the past three weeks, which have now affected my throat. Therefore, doctors have recommended I do not fly for the next five days and this is the reason why I had to cancel last minute.

I would like to genuinely thank all the Board Member of the Emerging Markets Forum, especially Director Sylvie Naville, Michael Camdessus, Jin Liqun, Takehiko Nakao, Hiroshi Watanabe and my friend, Enrique García, for organizing and hosting this important event for the constituents of the economic world.

I also would like to send my regards to the Prime Minister of Kenya - Raila Odinga, to the former Minister of Finance of Nigeria - Ngozi Okonjo, to the Secretary of State for Economic Affairs of Switzerland - Marie Gabriele Ineichen, to the President of the African Development Bank - Akinwumi Adesina, the Director of the Bank of France - François Villeroy, the President of Kazakhstan - Nursultan Nazarbayev, the Secretary General of the OECD - José Angel Gurría with whom we will meet very soon in Bogotá and the Deputy Chairman of the Planning Commission of India - Montek Ahluwalia.

My kind regards from Bogota to all the attendees, international organizations, and Presidents of the multilateral Banks.

I would like to start with a few economic indicators related to emerging economies. We are all aware that in 2018, these economies - according to the IMF - grew 4.5% and the forecast for 2019 is 3.9%, with the Asian economies which are estimated to grow 5.9%, 0.5% less than they grew in 2018 and European economies are estimated to grow 1.8%.

The changes in the emerging economies of Latin America are frankly quite worrisome. Argentina's negative growth of -3.1%, Brazil's stagnation of 0.9%, Bolivia with a positive growth of 3.9% and Colombia, which is a country that nowadays, despite its difficulties, has had a satisfactory growth of 3.3%, which is insufficient compared to our necessities. Colombia is also the only country in Latin America with a positive variation compared to 2018. Nevertheless, the forecasts for Latin America are concerning, 0% growth increase for 2019 and 0.8% even excluding Venezuela from the statistics. (International Monetary Fund, 2019).

The information stated above, in addition to the uncertainty in and of the world economy, the hope for an eventual stable and credible arrangement between the United States and China, has all the emerging economies on the edge of their seats. We hope, that the eventual arrangement between the United States and China, will offer stability and will help put back growth of emerging economies back on track.

As we are aware, there is great diversity in growth speeds. Although Asia's economies are slowing down, we observe cases such as Bangladesh, an emerging economy that has been able to free more than nine million people from poverty in recent years, and continues to increase its clothing exports at a rate of 16% per year, achieving a very significant growth rate. In fact, it is very similar to India's, which shows very successful cases of young people getting more and more out of poverty, by introducing them into technology, the new economy of knowledge. There is a large

number of young people in Bangladesh at the moment, who are employed in technology companies, learning, training and also contributing to that turn of Bangladesh, towards a new economy of knowledge.

The problem in Latin America, as pointed out by the president of the CAF, Luis Carranza, is among other things the stagnation of productivity. This statement that was made recently in Spain at the Multilatinas Enterprises forum. And it is true, we have been talking about productivity stagnation for many years. The OECD has also said the same regarding the Perspectives on Latin America. We have to find out how Latin America, which has had middle-income economies for several decades, precisely because of its productivity stagnation, can make a considerable leap and to make the most out of its diversity, this is an enormous Latin America's potential.

Due to the fact that we have natural resources, we have the possibility of promoting agricultural production, manufacturing, services, but we need to have better public policies that allow our economies to increase our income, consolidate a middle class and moreover, have a middle class that can ensure that they will remain middle class without risks to the backward return, as it happens to Latin American economies that thanks to the exports of natural resources to China in the last decade, increased their growth, reduced poverty. But today unfortunately they are also witnessing the return of social unrest due precisely to the fact that the resources to provide subsidies, to provide assistance are no longer available. And we have to concentrate on the fundamentals: economic growth based on productivity, the diversification of the production, greater emphasis on the external and domestic markets. The balance of both is fundamental. The challenge is how we achieve that increase in productivity, as many countries in Asia have done, giving a very interesting example that we can follow.

The IMF and its study on World Economic Outlook show that the implementation of policies with reforms in key areas, normally gives good results. The internal finances, external finances, foreign trade, but also the domestic trade of products, and government management are essential and can double the speed of convergence and can accelerate increasing the living standards of an emerging market economy towards those standards of the most advanced economies.

We hope that each emerging economy can identify which is the model to follow, the one that suits them best, how to achieve its potential and also how to accomplish all the macro-economic reforms that we know need to be done, we need to concentrate on the micro, to look at how to raise productivity levels that allow for a much more ambitious and more sustained gross domestic product growth, which is what we are trying to do here in Colombia.

For that reason, I think that it is very important to understand that in today's world we have to deepen the digital economy, encourage a connection between science and the productive sectors of the country. And that is what we are betting on in Colombia. In fact, as Vice President, I am coordinating the work of a Mission of National and International Sages, to make Colombia a country of knowledge and scientific development, but a scientific development and knowledge that is produced in the service of equity, productivity national; and we are working with emphasis on eight strategic areas: first, in the bioeconomy, to take advantage of that diverse Colombia with Bioscience, with a development of the energy matrix, that allows us a sustainable increase in renewable energies and for this also research institutes for the Higher renewable energy production.

Third, health sciences; economic resources and converging technologies that allow us to take advantage of the fourth industrial revolution; fifth, the creative and cultural industries where Colombia has enormous potential because this is a country full of talent and we want to promote that orange economy of the entertainment industries; but also the Oceans, and also scientific research to develop science; as well as the areas of social sciences.

In these eight areas we have a work agenda that, together with the development of a competitive system that increases the productivity of the current sectors of our economy, we hope to make a leap in terms of growth here in Colombia.

We are aware that this is a time where there is great uncertainty, not only regarding the economy, but there is also a crisis of public confidence towards public institutions. This topic has also been raised by the OECD in the document Economic Perspectives Latin America 2018: Rethinking the Institutions for Development.

We have to continue working to strengthen institutions for development; providing citizens with more confidence means demonstrating that the State can be efficient and also transparent; we have to involve the citizens much more and explain with pedagogy that the States are not able to subsidize everything, nor subsidize everyone, that we need a more empowered citizenship, that works, that generates growth, that has critical attitudes when it is the case. We

need people that are aware that countries move forward with public policies and a society with commitment to development and long-term growth to which we all contribute to reducing tensions, generating hope, to having better conditions to face all the challenges of this global world.

Our government is committed to all this, transparency is essential for us, we are working hand in hand with the OECD since Colombia is becoming a member of this important group of countries, to always have an open data policy, so that any citizen can request information and hand in hand, efficiency and transparency. Our National Development Plan, led by President Iván Duque, is based on the 17 sustainable development goals. It is a Development Plan that is called; Colombia Pact, Equality Pact, and raises the need to develop public policies aimed at generating, through the rule of law, more entrepreneurship that opens doors to young people, women to become sustainable and profitable entrepreneurs. Through this means we can have a more equitable country, close the poverty gaps, help our middle class to grow. But we also understand that there are great challenges for Colombia and for the world, for the big and most developed economies as well as for the emerging markets, and it is the challenge of climate change. The consequences of climate change, the obligation to invest resources for the coastal protection for those countries that have coasts and also obviously to be very careful about the channeling of waters, because both the overflows of the sea, as of the rivers, the floods that they cause, generate displacements that produce poverty and a social threats for many populations.

Our National Development Plan is a plan that has a great emphasis on the youth to educate them more and more, to give more importance to education within our budget, and for that reason we are addressing all aspects that we truly believe will serve to ensure that Colombia, as an emerging economy, is increasingly consolidating its leadership in Latin America. Colombia is an emerging market with a growth rate that allows us to continue overcoming poverty, pulling out more and more people from poverty and that is why these four aspects: increasing in competitiveness, investing in entrepreneurship and reforms that guarantee us to accomplish the 17 sustainable development goals, are helping us to moving towards a more consolidated economy, which generates more confidence for its citizens. This will allow us to have a place of prominence in the economies of the region. This is something that we certainly believe is possible and we are working towards it.

Nevertheless, I would like to finish indicating that Colombia is facing today the most challenging humanitarian crisis in the region and the world, as is the exodus of the Venezuelan population fleeing from the dictatorship of Nicolás Maduro. A dictatorship that has been consolidating despite the fact that there was not a lawful selection process, nor a transparent election, despite the report of the vast majority of countries on the election result, Nicolás Maduro a year ago that took office again in a totally spurious way and turned at that moment automatically into a dictator. And for that reason, it is so concerning, and although the Venezuelan Constitution recognizes that the President today is the President of the Assembly, the situation in Venezuela has been stalling. We need solidarity reactions from the international community because the Venezuelan exodus is a humanitarian tragedy that we are living every day and also suffering in Colombia and in many places in Latin America. And this poses risks for these emerging markets of our region.

Taking into account the recommendations of the different economic organizations, such as the Monetary Fund, ECLAC, CAF, the World Economic Forum, from the Vice Presidency of Colombia, we are developing, with all the leadership of the President, Pacts for Growth and Job creation. These are agreements to increase productivity, they are agreements between the government and the private sector to articulate efforts and to eliminate any type of bottleneck and obstacle that is affecting economic activity and is limiting development. And within these Pacts for Growth, it has been very important for us to also develop from the Vice Presidency, an Impact Plan, a policy aimed at establishing new companies in Colombia, especially in the border area with Venezuela.

This is something that our National Development Plan has also prioritized to have productive chains, that generate more value added, more capacity to innovate and produce goods and services that have high levels of sophistication and that serve both the internal as well as the external markets based on current demand. Our government is aware that being ahead in economic matters also means providing better conditions so that Venezuelans who have had to reach our country can find here, not only a temporary shelter but also the way to get involved in our economic activity.

For that reason, we are also developing important tax incentives: zero taxes for 5 years on new businesses that are established in the country, especially throughout this border area; from the sixth year until the tenth, 50% of the tax rate that companies formally pay in Colombia; and move forward all reforms that boost the Colombian productive apparatus. We took examples from other emerging economies, such as China, Bangladesh and India. We believe

that it is important to concentrate a good part of our efforts in those areas where we can develop greater competitiveness.

In the case of Colombia, I already mentioned all our potential in bioeconomy and diversity, but also the new energies without abandoning in any way what traditional energies mean and also not abandoning our manufacturing potential. Manufactured goods, such as clothing, are products that people need on a daily basis, but today there is the opportunity, for example, to develop textiles that are more environmentally friendly, that are much more sustainable. In Colombia we are convinced that this circular economy, consuming less, recycling, are concepts that help change the mentality of society but also have to generate changes in the productive activity.

When we think in Colombia about how do we meet the challenge of a continuous grow, reducing poverty, incorporating this Venezuelan workforce with real, high-quality employment opportunities, promoting our entrepreneurs more and more and, particularly, promoting women more and more, which is another of the challenges that we have in the Vice Presidency, we always consider the SGDs, the commitment to achieve gender equity, more women with economic leadership, with autonomy, to make sure that we will have more inclusive societies that are focused on the rule of law, and ensuring that the guarantees to which we are entitled as citizens also go hand in hand with our responsibilities and obligations as such.

Today`s trend to the protests, to the rejection, the destruction, the disagreement that the whole world is living, is a great challenge that also this Forum in Emerging Markets can certainly discuss. The discussion is no longer only about the economy. It is no longer just the time of macroeconomic indicators, nor what central banks do, nor how strong the financial system is.

This is the time of convergence between the macro, the micro, the institutions, the society, better governments, but also to generate more confidence in each other. We have great challenges for the future, congratulations to you and again I am very sorry for not being able to be with you all you this time. Many successes in the deliberations for the next upcoming two days.