

Remarks by the President at CEO Business Summit in Brasilia, Brazil

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THE PRESIDENT: Thank you. (Applause.) Boa tarde. Thank you very much. Please, please, everybody be seated. It is a great joy to be here in Brazil, and on behalf of Michelle and myself, I want to thank the people of Brasilia for the incredibly warm welcome that you've shown us since we arrived.

I want to make a few acknowledgements. First of all, I want to thank the Brazil-U.S. Business Council for the outstanding work that they're doing. The National Conference of Industry and the American Chamber of Commerce for Brazil, thank you all for the great job in hosting this conference.

I want to acknowledge a number of my Cabinet who are here: The Secretary of the Treasury, Timothy Geithner, is here. Gary Locke, the Secretary of Commerce; Ron Kirk, our U.S. Trade Representative -- (applause) -- Lisa Jackson, our EPA Administrator; Fred Hochberg, President of the Export/Import Bank; Michael Froman, my Deputy National Security Advisor for International Economic Affairs. (Applause.) And to all the government officials of Brazil, thank you for your hospitality.

My only regret is that we missed the party by coming a few weeks after Carnival. (Laughter.) Maybe that's the best -- since I'm not sure I would have had the same level of productivity from my staff. (Laughter.)

I also want to thank all the business and government officials who have traveled from the U.S. and all over Brazil to be here today. After spending the morning discussing a range of economic issues with President Rousseff and talking with some Brazilian and American CEOs, I want to speak with you today about how we can work together to create new jobs and new opportunities in both our countries.

In the last two centuries, there has never been a moment of greater promise for Brazil. You now have the seventh largest economy in the world, and one of the fastest growing of any country. In the span of nearly a decade, tens of millions of Brazilians have been lifted out of poverty. Nearly half of your population is now considered middle class. Instead of relying on the helping hand of other countries, you are now extending a hand to help developing nations. You grow much of the world's food, supply much of its biofuels, and will host the two largest international sporting events in the world. And as I mentioned at the joint press conference with Madam President Rousseff, I'm still a little hurt about the Olympics coming here instead of my hometown in Chicago. (Laughter.) But I know you'll do an outstanding job.

So what has been accomplished here in Brazil is nothing short of remarkable. It's often been said that Brazil is a country for the future. Well, that future has now arrived. And despite the uncertainties over the last two years, Brazil has stepped onto the world stage as a major financial and economic power.

You did not arrive at this point by simply chance or good fortune. Your success came because of hard work and the perseverance of the Brazilian people, the entrepreneurial spirit of many in this room, and the vision of leaders like Presidents Cardoso and Lula. What these leaders realized, and what President Rousseff understands, is that the surest path to prosperity for Brazil involves free people and free markets.

In a region of the world where the legacy of colonialism is still fresh, there was a legitimate concern in the last century that opening your economies to more trade would lead wealthier countries to extract resources without regard to your own nation's development. I understand that. At the same time, many Latin American nations, including this one, lived through decades of dictatorships where closed economies failed to produce decent standards of living for the vast majority of people.

But over the last decade, Brazil has proved to the world that there is another way. You've shown that participation in the global economy can lead to widespread opportunity at home. You've shown that the spirit of capitalism can thrive alongside the spirit of social justice. You've shown that democracy is still the best path to economic progress, for when governments are accountable to their people, their people are more likely to prosper.

In the United States of America, we have always shared these beliefs. Like you, we threw off the yoke of colonialism and established our independence in the New World. We, too, are a vast nation of immigrants from different backgrounds and cultures who find strength in our diversity, strength and unity in our national pride. And as the two largest democracies and economies in the Western Hemisphere, we share a belief that all human beings deserve the chance to shape their own destiny and fulfill their God-given potential.

For all these reasons, the United States supports the rise of Brazil as a global power. That's why we worked to empower the G20 — where Brazil has a prominent seat at the table — to be the premier forum for international economic cooperation. That's why we supported a bigger role for Brazil in various international institutions such as the IMF and the World Bank. And that's why Brazil is my first stop on my first trip to South America -- because we seek a deeper partnership with your government and a closer friendship with your people. We believe that strengthening our economic ties will create new jobs and opportunities for both of our nations.

As the United States looks to Brazil, we see the chance to sell more goods and services to a rapidly growing market of around 200 million consumers. And for us, this is a jobs strategy. When our businesses send more products overseas, it supports the workers who make and sell those products. And I think most American businessmen who are here understand this. For every \$1 billion in U.S. exports, we see 5,000 U.S. jobs.

Already, our exports to Brazil have more than doubled over the last five years — growing twice as fast as our overall exports, and faster than our exports to China. We now sell \$50 billion worth of goods and services to Brazil, and those sales support more than 250,000 jobs in the United States.

For example, after one small business in North Carolina attended a trade forum in São Paulo last year, they came away with a manufacturing deal that sent auto parts to Brazil and led to the hiring of new workers in the United States. Capstone Turbine in California recently sold \$2 million worth of high-tech energy equipment that will support jobs in America and serve millions of Brazilians in the years to come. And the government of Brazil recently purchased helicopters that will support U.S. manufacturing jobs from Pennsylvania to Alabama.

These exports don't just mean jobs for the United States; they also mean more services and more choices for the people of Brazil. From telecommunication and information services to machinery and clean energy technology, American companies are contributing to the economic growth that is raising the living standards of Brazilians everywhere. And our businesses don't just make that contribution by exporting to Brazil, but also through billions of dollars in direct investment that supports jobs and businesses in both of our countries.

Of course, our economic relationship isn't just a one-way street of U.S. exports and U.S. investment. The United States is the second largest market for Brazilian exports, supporting tens of thousands of jobs and businesses in this country. Over the last decade, Brazilian companies have invested billions of dollars in American industries ranging from steel to information technology — projects that will create thousands of jobs in the United States. At the end of 2008, U.S. subsidiaries of Brazilian firms employed more than 42,000 U.S. workers.

So there is no question that the United States and Brazil benefit from the economic ties we've developed over the years. There's also no question that strengthening those ties would be a win-win for both our nations. And I'd like to mention four areas where I think we can do just that.

First of all, I'm pleased to announce that President Rousseff and I just completed an agreement for a new Economic and Financial Dialogue. It's time for the United States to treat our engagement with Brazil on economic issues as seriously as we do with nations like China and India, and this dialogue will help us do that -- (applause.) This dialogue will help us do that by promoting economic cooperation, streamlining regulations, and enhancing international cooperation not only at the G20 but elsewhere.

We've also completed an agreement for trade and economic cooperation which will help us expand the trade and investment that creates jobs in both of our countries. This agreement will also foster greater dialogue about how we can break down the barriers that still exist between our two nations. As the World Bank has noted, there are still too many obstacles in the way of doing business in Brazil. And I know Brazil has issues with certain policies in the United States. But I also know that there's no country that has more to gain than Brazil from expanded trade and open markets. And we want to help you resolve whatever challenges stand in the way of this goal.

The second place we want to partner with Brazil is on the issue of energy, which is why President Rousseff and I also agreed to launch a Strategic Energy Dialogue. By some estimates, the oil you recently discovered off the shores of Brazil could amount to twice the reserves we have in the United States. We want to work with you. We want to help with technology and support to develop these oil reserves safely, and when you're ready to start selling, we want to be one of your best customers. At a time when we've been reminded how easily instability in other parts of the world can affect the price of oil, the United States could not be happier with the potential for a new, stable source of energy.

Now, even as we focus on oil in the near term, we shouldn't lose sight of the fact that the only long-term solution to the world's dependence



on fossil fuels is clean energy technology. And that's why the United States and Brazil are deepening our cooperation on biofuels -- (applause) -- and why we're launching a U.S.-Brazil Green Economy Partnership, because we know that the development of clean energy is one of the best ways to create new jobs and industries in both our nations.

Already, more than half of the vehicles in Brazil run on biofuels. Nearly 80 percent of your electricity comes from hydropower. In the United States, we've jumpstarted a clean energy industry and we'll soon have the capacity to produce 40 percent of the world's advanced batteries. If we can start sharing these new technologies, and leverage private investment from businesses like the ones in this room, we can grow our economies and clean our environment by making, using, trading, selling clean energy products all over the world. That is a win for both our nations.

A third place we can cooperate is education. I was speaking over lunch with President Rousseff, and we agreed a knowledge-based economy will be the key to growth and prosperity, and that means a skilled and educated workforce. The more our young people, the more our students, the more our workers are exposed to new cultures and new ideas, the more equipped they'll be able -- they'll be to compete on a global scale. And that's why I'm so pleased that American and Brazilian business leaders have expressed interest in increasing student exchanges between our nations -- because when we invest in our people, we invest in our future. (Applause.)

The final place we can work together is on infrastructure. In 2014, the World Cup will take place in Brazil, the only nation that's a five-time champion -- although the U.S. is getting better, you have to admit. (Laughter.) We're getting better. (Laughter.) And as I already mentioned, Rio will host the Olympics in 2016. But even though we lost a hard-fought contest, the United States doesn't just want to watch from the stands. Brazil is expected to invest over \$200 billion to prepare for both of these events. And as you look for businesses to design and build new roads and bridges and stadiums, American companies stand ready to help you meet this challenge -- on everything from engineering to manufacturing to construction. We want to see these games and this nation succeed.

So these are just some of the steps we can take to strengthen the ties that bind our two nations -- ties that offer the promise of greater prosperity and opportunity for Americans and Brazilians alike. And yet, for all the deals and agreements that we may sign, the true potential of our partnership will only be realized by forging relationships between our people -- between business leaders, entrepreneurs, scientists, engineers, teachers, students, and over one million citizens who travel to the U.S. and Brazil every year.

Like all friends, we may not agree on every issue. We won't always take the exact same path. But as the two largest democracies in the New World begin the second decade of a young century, let's never forget all that we share.

In the United States, we believe in what's known as the American Dream -- the idea that no matter who you are, or where you come from, or how you start out, you can overcome the greatest obstacles and fulfill the greatest hopes. I'm a testament to that dream. I believe that that dream exists in this America, as well. I can see it in the entrepreneurial spirit of the men and women in this room. I could see it in the celebrations of Caricoas upon learning that the world will come to compete in Rio. And I can see it running through so much of your history.

Brasilia is a young city -- it will turn 51 next month. But it began as a dream more than a century ago. In 1883, Dom Bosco, Brasilia's patron saint, had a vision that one day, a capital city of a great nation would be built between the 15th and 20th parallels. It would be a model for the future and ensure that opportunity was the birthright of every Brazilian.

And today, this city and this country are indeed a model for the future, showing the world that democracy is still the best partner of human progress. As friends and neighbors who have lived the same story, we are eager to be a part of your future, and fulfill our American Dream together.

Muito obrigado. Thank you.

END
4:21 P.M. BRT

