

Center for Strategic and International Studies

Global Leaders Forum

**“Argentina at a Turning Point: An Address by President
Mauricio Macri of Argentina”**

**An Address by:
President Mauricio Macri of the Argentine Republic**

**Welcome Remarks by:
Dr. John J. Hamre,
President and CEO,
CSIS**

**Introduction and Remarks by:
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Chairman,
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*Transcript By
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(Applause.)

JOHN J. HAMRE: Good afternoon, ladies and gentlemen. Thank you all. I'm sorry we don't have enough seats for everybody. We knew this was going to be popular. We had no idea it was going to be this popular, and we're delighted that you're all here. My name is John Hamre. I'm the president at CSIS.

When we have events like this, we give a little safety announcement in advance. I'm responsible for your safety, so follow my instructions. I'm going to take care of him first, but I'm going to come back for you. If we do have to evacuate, we're going to use these exits right behind me. Stairs go down to the street. We'll take two left turns. We'll meet across the street at National Geographic. I'll get ice cream and we'll sing a song of praise for our salvation. (Laughter.) OK? We'll be fine.

I do want to say thank you to President Macri. It's wonderful of you to come. By the way, this is – this is an event that's sponsored by five different think tanks in Washington. And I'm very glad that my colleagues are willing to let us host it here, but it is not just CSIS. And so the reason we asked Mack McLarty to be the official kind of welcome and host is that he transcends all think tanks in Washington. (Laughter.) And he is the guy who is going to lead us. So, Mack, let me turn to you and let's get this started. Thank you, Mr. President.

THOMAS "MACK" MCLARTY III: Well, Dr. Hamre, thank you very much for making sure we're safe and for a warm introduction. My association with CSIS always affords me to have the opportunity to benefit from the leadership and wisdom of John Hamre and the exemplary manner in which he conducts his affairs.

I think it is a joint event with both Brookings. Strobe Talbott and I have traveled the Pan-American Highway together. Strobe is a friend and a colleague, and someone I admire and respect greatly.

Michael Shifter is always very thoughtful and articulate and serious at the Inter-American Dialogue. And I'm privileged to a co-vice chair there.

And both Susan Segal and Jane Harman are here from their organizations, the Council of the Americas and Wilson Center, and many others.

So this is a – not only a distinguished group but, Mr. President, you have an overflow crowd here.

PRESIDENT MAURICIO MACRI: Yes, sir.

MR. MCLARTY: Standing-room only.

Let me thank each of you for joining us today to help deepen the relationship between the nations of the Americas. And after all, strong relationships are what brought us here today. And with that in mind, I am very pleased and honored to introduce President Macri to this group.

Mr. President, you've led Argentina for a short time now, a little over a year. Yet, in that time you have worked tirelessly and effectively to build trust within your country, within the international community, and specifically with the investment community. And you have transformed, change dramatically, the relationship between Argentina and the United States, for the better. Today you have come from Casa Rosada to the White House for one of the first meetings with President Trump of a South American leader. It is a sign, and an encouraging sign, that relationships between our two countries is growing better.

I'm reminded that you graduated with a civil engineering degree. Today, we might pose a few questions to you about engineering more civil discourse in our country in this time of hyper-partisanship, bridging some of the divides and building consensus. But despite that, you and President Trump, I think, clearly understand the mandates you have to lift the lives, improve the lives, of the citizens that you're privileged to represent.

And in that regard, you've made some very hard choices. You have cut agricultural export taxes dramatically. You have loosened import controls. You have unanchored the peso, settled billions in debt, paving the way to return to credit markets around the world. Argentina has hosted the IMF, the World Economic Forum, and you're planning to host the WTO ministerial. You're receiving several heads of state, including President Xi, in the near term.

This progress, this engagement on the international front, certainly reminds me of the time when I had the privilege to serve in the White House, to enjoy the elegance of Buenos Aires and the beauty of Bariloche, and the talent on the football fields in Argentina.

President Macri was a different kind of president then. He was the president of the Boca Juniors football club. And in case you don't know, this is a big deal in Argentina.

PRESIDENT MACRI: The most popular team of football.

MR. MCLARTY: Oh, I knew it was coming. (Laughter.) I knew it was coming. (Applause.) I almost feel like I need to stand up, but we're underdogs – San Lorenzo here. But I won't.

We didn't get to see a game, as much as we would have liked. But Strobe and I did get an opportunity to travel with the president to Plaza de San Martin, where he quoted a general saying all progress is the child of time.

Mr. President, we have seen what your nation can do in little more than a year, and we look forward to the progress that is still to come. Thank you for joining us today.

PRESIDENT MACRI: Thank you.

MR. MCLARTY: Would you make just a couple of opening remarks? And then I'll jump right into the questions with you.

PRESIDENT MACRI: Well, in only two years and a half – (audio break) – that Argentina could enter in a new political stage. The odds were all against us. But what nobody counted is what happened in the majority of the citizens of my country. They understood that 30 years or more of conflicts, of confrontation, of isolation, didn't help at all. To the contrary, it increased poverty.

Today we have 30 percent of our country under the line of poverty, even though we have – we are full of natural resources, and, what’s more important, incredible human resources. So we understood that the way was stopping confrontation and trying to recreate dialogue among us with the rest of the world. And for that we needed a change, that populism was not any more a solution with the costs of all these problems that we were facing.

So that’s why we surprised the world and we started a new process. As you said, it takes time. It’s not from one day to the other.

MR. MCLARTY: Right.

PRESIDENT MACRI: It doesn’t need a president, it needs a magician. (Laughter.) So, unfortunately, I’m not a magician. I would love to be. Many moments of the day I’d love of being a magician, to make disappear certain problems. But, no, the problems have to be solved working, working a lot.

So we are very grateful because we have received a great welcome from the whole world. As you mentioned, we have been receiving visitors, distinguished visitors – presidents, prime ministers, the responsables of the main companies around the world. In the next 30 days, not only I’m here. I’ve just coming from the White House, but I’m going to travel next two weeks to China, Japan, to visit Xi Jinping, Abe. And I am receiving Merkel in June. So that shows the level of interest that the world has gave to us in the last year and a half. But we still have to working in our reforms. We’re just starting. We know we have to cut inflation, but we have to reach one-digit inflation. We have to keep working in cutting the fiscal deficit, creating a greater environment in terms of doing business, because to reduce poverty you have to create jobs, improve education – we are also going through a deep, huge debate about how to educate for the future our kids, to leave a 19th-century system and now go into a 21 – in 21st-century system, try to get – prepare kids for jobs that still don’t exist now because the world is moving so fast that we don’t know where are –

MR. MCLARTY: Right.

PRESIDENT MACRI: – the future jobs going to be.

MR. MCLARTY: Nor do we.

PRESIDENT MACRI: So we’re in the beginning of that process – lot of excitement, lot of hope in the country, and this shows that something is going on in Argentina, no? A couple of years ago, when I used to come here, there was no attention for Argentina. Now there’s a lot of attention. That’s a great challenge, and we should – we should be aware and take the opportunity.

But the big difference, Mack, between this process and any previous process is that this came from the citizens’ decision.

MR. MCLARTY: Yep.

PRESIDENT MACRI: So it’s bottom-up, you know. And that gives a strength, a different strength, to what we are doing now. If you’ve traveled around the region or through the world and you see what is the situation of all the governments, what is the support of it, the citizens is around 20

percent, 15 percent, 25 percent. We are still having 50 – more than 50 percent backing all these policies. And that's not been very easy.

MR. MCLARTY: No, we know.

PRESIDENT MACRI: This transition process has been very hard for many, many Argentines. And I suffer with them. All the consequences of getting release of populism takes a lot of work.

MR. MCLARTY: Well, I think it is now very clear – (audio break) – have been able to make such dramatic and significant progress. And I think all of us in this room either that have had the privilege to serve in government, diplomatic corps and the private sector know that change is very hard. And you are clearly committed to that. You really laid out your vision there in a very clear and yet kind of conversational manner. And it strikes me that part of your success is you without question take your responsibility and privilege of serving the people of your country very seriously. It's a sacred trust.

But you wear that responsibility very lightly, and that is a redeeming and positive commentary on how you interrelate to the people of your country and around the world.

Mr. President, let's jump right in to the questions. And I think in keeping with that, we were talking before we came on stage with Dr. Hamre, and the president said, I'd like to just go straight to the question, no opening comments. I asked you to make a couple of comments, and you've clearly laid out again your vision in a very, very thoughtful and serious manner.

So I do want to ask you about – as I did earlier – about the natural areas of cooperation of agriculture, energy and technology. All three of those are areas that have a lot of commonality between our two countries.

But again, I must ask you for this standing-room-only crowd, how did your visit go with President Trump today? You came straight from the White House to this meeting. (Laughter.)

PRESIDENT MACRI: Oh, it was a wonderful meeting. It was quite amazing – (audio break) –

MR. MCLARTY: (Audio break) – many, many years ago.

PRESIDENT MACRI: When I was only 24.

MR. MCLARTY: That's what I thought. (Laughter.)

PRESIDENT MACRI: And there was – there was a lot of excitement, and I've – we found a very friendly environment.

MR. MCLARTY: A good reunion.

PRESIDENT MACRI: Yes, a good reunion, yes, absolutely. And the whole team hosted us for lunch, and we discussed many subjects. And in every case, they were open for finding solutions, small matters compared with the huge opportunities of integration that we have, you know. Imagine that we have a very small economic tie, you know. We have to go for a strong one. And I think that it's natural, because if you analyze which is the first destination that Argentines choose to when they're

travel abroad, it's the States. And I think there's a natural friendship that we have to develop in terms of integration. And as you mention, there are areas in which we could help more easily.

We are talking about in consideration of many of these awful policies that the populism had in the last 50 years, like it was with the energy. We went from exporting to importing energy, only for wrong policies, because Argentina is full of natural resources. And we have really access now to a world-class reserve in non-conventional shale gas, shale oil – especially shale gas that we have to develop. And that will give us a chance to develop our industries. This is a plant of Dow Chemical in Freeport.

As I landed from Argentina, they took a helicopter, and another helicopter, another helicopter, another plane. (Laughter.) After some hours, I didn't know where I was really, because it was turned around, my head. But I wanted to visit the new plant of Dow Chemical because they are building a big opportunity of expanding in Argentina. But only to mention that, you know, with access to secure and good-prices energy, the chances of developing all type of industries in Argentina, the chances increases in a wonderful amount.

So let me tell you that, with the access to your technology, because you have already developed shale gas in United States –

MR. MCLARTY: With shale gas, right.

PRESIDENT MACRI: – in our rock, I think the chances are huge for your companies. The big ones are already there. The middle one and small ones, not yet. I think that they should go there. And that should also help to continue increasing this strong economic relationship now in long-term basis.

MR. MCLARTY: I think that's good news. You clearly have changed the environment to be very pro-business, to be very inviting of foreign investment. And I think that will serve your country well. It will obviously provide opportunities for both our country and countries around the world.

Let me shift a bit to the area of trade, which is a very important subject here in our country, as you know, and one that has been hotly debate in the campaign and now. It seems to me, Argentina is increasing your intra-regional trade. You're looking outward. Would be interested to hear your views on that and whether you had the opportunity to discuss with President Trump trade in general.

PRESIDENT MACRI: We didn't talk much about the specific subject of trade, but we helped first to understand that we are in different situations. President Trump is approaching the subject from one of the – standing on one of the most open economies in the world. And we are approaching the subject standing in one of the most closed economies of the world. So we are always looking for which is the real balance, no? The right word is always discuss situation. But obviously we need to move towards a more – substantially more open economy. So we are working hard to fasten the Mercosur process.

We restarted, and we are quite optimistic with our future agreement with the European Union, the same with EFTA. We are talking with Korea, with Japan. We are also talking towards a future integration between Mercosur and Pacific Alliance. So we view that this intelligent integration with the world will help a lot for Argentina to reestablish a good and sustainable growth, no? So we have already experienced being completely isolated for nearly a couple of decades, and it didn't work.

MR. MCLARTY: Too long. Too long.

PRESIDENT MACRI: So, obviously, this is a huge cultural change, and so we want to do it gradually. We want to help our citizens to be ready for this integration. We are dealing in that – in that way. We are working sector by sector, trying to find ways to gain productivity, trying to get every sector with its own plan, which also a huge part of the competitiveness that they don't have is related to what the state doesn't perform, no?

MR. MCLARTY: Right. Competitiveness, right. It's important.

PRESIDENT MACRI: So we need to – we already launched the most important infrastructure plan of our history. Here IDB's person is a great friend of Argentina, Luis Alberto Moreno, is helping a lot, together with the World Bank and the other institutions. We are talking about hundreds of billions of dollars. Argentina is a huge country. It's among the 10 –

MR. MCLARTY: Right, you have a lot of resources. Right, right.

PRESIDENT MACRI: – biggest countries of the world, and we need roads, we need ports, we need trains, we need airports. And we are starting to build all them. By the way, in the meantime it's a very good way to create jobs – good jobs that contribute to the future, not the political jobs that doesn't create more than bureaucracy and expenses, no? So we are excited with that, and we're in that process.

Again, it's a gradual process. We know that after being isolated so many years you can't – you can't open from one day to the other. But it's a day-by-day process.

MR. MCLARTY: Well, I think a couple of key takeaways. Intelligent integration is one way to describe it. And I think to be told, to have aspirational goals, but also to take it in incremental step by step, shows a political savviness and a reality there that's crucial.

Infrastructure. Perhaps you could visit with some members of our Congress in the U.S. about infrastructure projects before you leave. That might be –

PRESIDENT MACRI: I went to the Congress.

MR. MCLARTY: That might be helpful and beneficial.

You mentioned Luis Alberto Moreno, who is a good friend and a force for good. I had the opportunity to meet some of your team last night. It's essential for any successful leader to have a capable, strong team around him, and you've clearly assembled that.

PRESIDENT MACRI: I am proud of the team I have. Very good team.

MR. MCLARTY: You should be. That's a key element to success.

PRESIDENT MACRI: Not like Boca Juniors, but quite good. (Laughter.)

MR. MCLARTY: They're both winners are the point. That's it. (Laughter.)

Let me turn to a more serious subject that's in the questions from the audience: Venezuela. It's of deep concern here in our country for all the reasons you understand. Regional stability is clearly important to your country for investment. It's important in this – in the Americas. I know it's a complicated subject. Your foreign minister spoke about it earlier in a very eloquent and thoughtful manner. But I think our audience would appreciate your views on that.

PRESIDENT MACRI: Well, first, first approached this subject many years ago, many people told me things cannot get worse.

MR. MCLARTY: (Chuckles.) But –

PRESIDENT MACRI: Time went by, and things got really worse.

So what I believe is that in Venezuela you don't have any respect for human rights. That's not democracy. That's not working. We have political prisoners. They are not respecting the independence of the congress. So I think that we have to keep demanding for elections, for the release of the prisoners. And I'm very happy that we achieved to get an agreement inside Mercosul to express that, and now with American States Organization have already also issue –

MR. MCLARTY: Oh, yes, the OAS.

PRESIDENT MACRI: – a statement in that sense. And we have to keep working. I believe that everybody here is worried about –

MR. MCLARTY: We are.

PRESIDENT MACRI: – what is going on in Venezuela. We have friends who – we are receiving people from Venezuela as never happened before in Argentina in a desperate trying to find a place where to recover life. Well, I think that, obviously, that's not the solution. We need to go back to have Venezuela with a democratic government and with a lot of work to be done, because the day after will be very hard – very hard.

MR. MCLARTY: Well, thank you for your engagement on a very serious, deeply concerning, but a very complex problem. That – we will work on that together. There's no doubt about that. And I think you articulated it very well.

Let me return to energy, but broaden it a bit, which, again, reflected the questions. You spoke of the creation of stability, financial stability, job creation, your infrastructure program. You spoke in a very thoughtful way about energy development. How do you see the balance with the environment in Argentina? I noted about the beauty of Bariloche. Argentina's a beautiful country. How do you – how do you see balancing your energy development and your job creation with your environmental stewardship?

PRESIDENT MACRI: Well, the recovery of the energy market, the energy production, it was based in two fundamentals, no? The first, energy security, that is, having energy when you need it.

MR. MCLARTY: Right, right.

PRESIDENT MACRI: We had been suffering black situations –

MR. MCLARTY: Yeah, blackouts, yeah.

PRESIDENT MACRI: – blackouts for many years.

MR. MCLARTY: Yeah.

PRESIDENT MACRI: And obviously, reasonable prices, competitive prices.

MR. MCLARTY: Right, right.

PRESIDENT MACRI: But the second is producing and consuming it in a sustainable way, no? That's – we are really committed on that. We are working hard at the national level, the state level and the city levels. We are leading different programs that look forward to produce huge results. I did that on the city of Bueno Aires as mayor of the city, was very successful on the program. I think the cities have a very important role taking into consideration that day by day, more and more citizens want to live in the big cities now. So we have to work hard at that level – no? – to reduce energy consuming, and recycle all the garbage, no? So I think that in Argentina now there is a great conscience about that, and we are working all together in trying to be part of the solution, not of the problem. I think that we have been the first country to double the bet in Marrakesh, no? And we increase our commitments compared to parties, no? So we are really engaged in it.

MR. MCLARTY: I see, impressive, impressive. Something about being a mayor, being close to the citizens there that focuses one's mind on the day-to-day problems and how that relates to daily lives.

PRESIDENT MACRI: Absolutely, absolutely.

MR. MCLARTY: Let me – let me build on that –

PRESIDENT MACRI: Let me tell you something.

MR. MCLARTY: Please, no, please.

PRESIDENT MACRI: Maybe it sounded like a joke, but I always said that being mayor should be harder than being president, because you are closer to the daily problems.

MR. MCLARTY: Closer to the people, yeah. I agree.

PRESIDENT MACRI: But harder than that is being president of a football club. (Laughter.) That's so crazy that I prefer to deal with the matters I am dealing now. (Laughter.)

MR. MCLARTY: You've have good training in all those experiences leading up to being president.

PRESIDENT MACRI: Absolutely. It was school. It was my school.

MR. MCLARTY: You graduated with hard knocks and a diploma there. That's good.

PRESIDENT MACRI: Yes.

MR. MCLARTY: Let me continue that theme just a bit, because we have a changing political landscape in our country, and I think, around the world, without any question. I think we would be very interested, giving particularly – and this again goes to the question that was from the audience – as you work toward these changes that you've articulated in a very thoughtful manner, and how you're going to achieve them, talk a little bit about the political landscape in Argentina – your election, how you're going to work with your – and have worked with – your legislature, your congress, with your mayors and governors, who have considerable influence, as you well know firsthand in Argentina. I think that's something that we are quite – we're quite interested in, in here, and obviously has a direct relation. We would be interested in that.

PRESIDENT MACRI: We are facing a mid-term election.

MR. MCLARTY: We have those, too. Go ahead. (Laughter.)

PRESIDENT MACRI: Yes, yes. Everybody's looking forward to see what is going to happen.

MR. MCLARTY: Accountability, yes.

PRESIDENT MACRI: I'm really optimistic about the – what the citizens are feeling, even though I again insist the transition had not been easy, no?

MR. MCLARTY: Easy. No, you're doing a lot. You're doing a lot of things.

PRESIDENT MACRI: This has been very difficult for many citizens in Argentina. I suffer with them all the consequences of trying to build this new scenario for the future. But still, I believe that we're going to win the election because the will of change is still very high.

MR. MCLARTY: Yeah, winds of change.

PRESIDENT MACRI: We really believe in our future. There is a great hope about the future. And let me tell you that all what we have done, we did it without having majority in both chambers. We have less than one sixth of the senate and one third of the congress. We issued the laws that we needed, with support of the opposition. They believe that we have to settle an agreement with the holdouts and finish all this default period that was a disaster for the country and many other things. So that makes me quite optimistic.

And the same at the governor level. All the new governors have been very helpful. We have been working as a team on all the definition of this huge infrastructure plan. We have been taking their opinion, their team's opinion, in consideration. So I think that the process has been quite intelligent and productive in this 18 months. Many things had to be improved. A cultural change takes much more time than economic change.

MR. MCLARTY: For sure.

PRESIDENT MACRI: But so far I am very proud of the reaction; first, the citizens. The citizens are leading. I don't know – you may not know, we have many social conflicts on the streets. We have a strike – national strike, and many other things. And that finally created a reaction that the

citizens decided to, on a Saturday at 6:00 p.m., self – how you say? – self-(promoted ?) – how can I say it? – went to the streets to say we want to support the government and we want to keep this government in place, we want to keep the path of the changes.

And that never happened before. We're talking about hundred, thousands of people around the country. It's impossible to measure how many there were, huh? It was in hundreds of squares, in thousands of cities around the country. That shows that it's a different energy in Argentina. So I believe that the changes that have started will never stop. Argentina is going to be in less than 20 years one of the key countries in the world. We will be leading in many of the new challenges that we are going to face, because all the world is under a great stress.

MR. MCLARTY: Unsettled, yes. Mmm hmm.

Mr. President, I think unfortunately our time is drawing nigh. You have been very thoughtful and very generous to take time to visit with us today. I did not quite see the second overflow outside of our formal meeting room. I think it does show the interest in Argentina. But I think it also reflects the hope that people have, encouragement about your leadership. And I think the right subject or tone to include, you clearly refer repeatedly in your – in your responses to the citizens of Argentina, and how you were relating to them, whether they supported you or not, and how your changes are affecting them near term and long term. That's kind of the right track/wrong track poll that we use so – refer to so often in our country.

What is clear is you have instilled hope and a vision for the future for Argentina. And we wish you well on that very much. You honor us greatly. Thank you very much for coming.

PRESIDENT MACRI: Thank you much. (Applause.)

(END)