**Conference notes IRRI-KIIB**

Breakfast meeting chaired by François-Xavier de Donnea**,** Minister of State, Belgium

***"South American community of nations"***

**H.E. Mr. Alejandro Toledo**  
President of the Republic of Peru  
Brussels, 13 October 2005

Summary. This is not an official record of proceedings and specific remarks are not necessarily attributable.

President Toledo presented the current political and economic situation of Peru, a country in transition from dictatorship to democracy. It is going through a process of decentralisation and at the same time, it is involved in the South American integration process.

The president hopes to benefit from the open markets, the free trade talks with the US and the EU. He made a clear case that the next president will have the opportunity to harvest. At the end, the next president will receive a country that will be more diversified. Peru will have a great internal economic growth, a good investment climate, a changed social picture, a grown income. According to President Toledo’s message, extreme poverty was reduced from 24 % to about 19 % in three years and Peru is now the fasted growing economy in the region in terms of production, income, jobs etc. He mentioned the increasing export of gas and the added value of infrastructure projects in Peru that enables the country to sell products to new markets.

He stressed that his priority is the fight against poverty, because poverty is the real enemy in Latin America. He believes in the importance of private investment. He added that investment in the minds of people, investment in nutrition, health and education are needed to develop a country. He referred to the EU, USA, Japan and Israel as examples of good investments.

Democracy is not an abstract concept. “Freedom and democracy are not something you vote in one election day”. There is no democracy if millions of people do not have chance to choose. President Toledo declared that he is the first president of Peru democratically elected in 500 years. He also commented that there are still a lot of challenges.

He pointed out that “Peru has an economic and legal stability that enabled his country to continue private investments and to enjoy economic growth”. But cooperation with the region is necessary. You have to look at the South American Community of Nations (CSN).

He elaborated then more on the regional integration process and the CSN. The South American Community of Nations is founded in December 2004 at Cuzco. It is an effort to integrate South America and convert it into a competitive free trade zone. According to President Toledo, the intention is to conquer the world market. It would be a new unity that would one day be similar to the European Union.

The CSN – twelve nations – represents the fourth market in the world, measured in terms of potential demand, the fifth worldwide economy with a GDP of one million two hundred billion dollars. It also represents 25% of fresh water reserves, 9% of world oil reserves and 4% of worldwide gas reserves.

The constitution of the CSN will face challenges. “Road and economic integration are needed”. One common enemy is poverty that should be addressed through nutrition, health and education. He promoted private investment and called for a commitment to invest in the infrastructure projects, the CSN. He expressed his dream of one single flag.

More information:

- on: The South American Community of Nations: <http://en.wikipedia.org/wiki/South_American_Community_of_Nations>

- on: The Cusco Declaration on the South American Community of Nations  
Third South American Presidential Summit - Cusco, December 8, 2004: <http://www.comunidadandina.org/ingles/document/cusco8-12-04.htm>

-on: the Andean Community: [www.comunidadandina.org](http://www.comunidadandina.org/)

-on: ASOCIACIÓN LATINOAMERICANA DE INTEGRACIÓN  
ASSOCIAÇÃO LATINO-AMERICANA DE INTEGRAÇÃO: [www.aladi.org](http://www.aladi.org/)

- on Mercosur: [www.mercosur.org.uy](http://www.mercosur.org.uy/)

news article:

- South American leaders call for integration process: <http://news.xinhuanet.com/english/2005-10/01/content_3571141.htm>   
www.chinaview.cn 2005-10-01