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Remarks
Jeff Moseley
President and CEO
Greater Houston Partnership

"The Economic Outlook for Greater Houston"

Thanks very much for having me here this morning.

One of my objectives today is to try to put a whole lot of information into context. These days it seems that whenever you pick up the paper or watch the news, you'll see self-styled experts using all kinds of facts and figures to interpret the economy in all kinds of ways. And while that may have some value, it rarely provides a clear picture of what you're looking at.

What I want to do is look at a broad range of trends, statistics and challenges – then lay a little strategy on top of that – and give you a kind of 360-degree view of where we are, where we're going and why I think we are in a strong, strong position to build upon our standing as a region of endless opportunity.

Of course, I'm an economic developer, and a huge proponent of the Houston region. So when I say that we're the market maker when it comes to turning potential into possibility, you might be tempted to say, well, that's his job.

And you'd be right. But the fact is, I'm not the only one saying it.

- *Fortune* magazine has rated us the nation's No. 1 region for fastest-growing companies.

- According to the U.S. Bureau of Labor Statistics, we're routinely at or near the top in job growth.

- *Forbes* says we're the third-best metropolitan area for business and careers.

- We have 23 Fortune 500 companies with headquarters here – the fourth-highest in the country – and 13 of Fortune's 100 fastest-growing companies are headquartered in the region.

- *Expansion Management* puts us at No. 5 for best business opportunities.

- *Site Selection* ranks us No. 7 for new and expanded facilities.

All of this underscores my belief that we live in a region that gives us a chance not only to achieve, but to achieve greatly. Our obligation as business leaders is to ensure we stay that way – a sponsor of progress and innovation, a creator of wealth and prosperity, and a champion of growth and opportunity.

At the Partnership, we have a plan to promote that kind of success, and I will discuss it in a moment. But first, I'd like to give you a snapshot of the economy today, and a glimpse into where we're likely to be in the future.

In a pair of economic updates released in November and December, the Federal Reserve Bank of Dallas made these assessments about the Houston MSA:

- While we're still adding jobs, the rate of growth is slowing. However, the report also states that data finalized in February could show that growth in 2007 approached 4 percent. That translates to 100,000 new jobs. And that, by any standard, is a significant performance.

- Like every place else in the country, we've been affected by the housing market downturn. But the Fed says, "The impact of weaker housing demand has so far been mitigated in Houston."

- Non-residential permits in the City of Houston were up 25 percent in the first 10 months of this year, and strong job growth is driving demand for apartments and office space.

- As you might expect during a period when the oil and gas sector is so robust, energy-related jobs continue to grow.

- And despite reduced domestic petrochemical demand, exports have largely filled the gap. The Fed cites three reasons for this: growing international demand, a weak dollar, and favorable feedstock prices.

So, once again, the picture that's starting to take shape is pretty positive. And, once again, I'm not the source of the good news – just the humble messenger.

That last point, about the role exports have played in the petrochemical sector, raises an interesting issue regarding how our regional economy is tied to the national economy. Let me take a moment to discuss that further and examine three important ways they're connected. It will provide yet another reason to be optimistic about our economy – now and in the future – and demonstrate why, even in uncertain times, we continue to thrive.

Typically, real growth in the U.S. Gross Domestic Product of at least 3 percent is necessary to stimulate this region's economy. But there's every indication that we're going to fall short of that – perhaps significantly so:

- The National Association for Business Economics says real GDP growth in 2007 will be 2.1 percent, rising to 2.5 percent next year.

- The Fed predicts growth of 1.8 percent to 2.5 percent in 2008.

- The bottom 10 projections included in the Blue Chip survey – which covers 50 private sector forecasts – suggest 1.9 percent growth in real GDP over the next 12 months.

Given all that, I think we can say with some confidence that the U.S. economy is not going to be our strongest ally in the near term – particularly when it comes to job creation.

The second connect point is oil prices. When they're high, there is an increase in the demand for exploration and production and for oilfield services. That translates into more jobs for the region.

Finally, there is the strength of the dollar – which in November was running about 12 percent lower against major currencies than it was at the beginning of the year. That has a lot of ramifications – not all of them necessarily good. But for Houston, the most important may be this:

A weaker dollar stimulates exports of domestic goods and services; as you'll recall, it is export activity that is keeping the petrochemical sector strong.

Given that our regional economy has a healthy trade base – the annual value of exports worldwide at the Port of Houston, for example, is about $42 billion – we may be immune to this kind of currency issue.

So while we're not going to get much help from the national economy, high oil prices and a lower dollar value overseas are not going to be drags on our economy. In fact, the converse may be true. So in terms of jobs and economic growth, we can reasonably expect the Houston region's economy to outperform that of the nation as a whole.

This view is supported by Ray Perryman, one of the state's most influential, innovative, and respected economists, who heads The Perryman Group in Waco. In an economic forecast released last month, Dr. Perryman said that the overall economy in the Houston MSA "is anticipated to generally continue to exceed the national growth patterns." As might be expected, he attributes this in part to the strength of the energy industry but predicts that our economy will continue to diversify. "Job creation," he concludes, "is expected to remain relatively robust."

That positive outlook extends to his more specific projections for the next five years, too.

- The metro area's real gross product – our total economic output – is forecast to rise 22 percent from 2007 to 2012 – a compound annual growth rate of 4.1 percent.

- Output growth exceeding 4 percent per year is seen for eight major metro- area industry sectors, including services and mining – an important point that I'll get back to in a moment.

- Real personal income – that is, not of inflation – is expected to go up 4.4 percent per year.

- More than 230,000 new payroll jobs are predicted for the metro area.

Our ability to withstand some of the pressures affecting other regions – and to keep growing and prospering – is a product of factors that include, but don't stop, with those that I just mentioned. Some are concrete, backed up by facts and figures that have us at or near the top of everyone's list of preferred business locations. Others are more subjective.

A few of these factors:

- We have a skilled, diverse workforce – 2.6 million men and women that provide the products and services that build wealth in our community.

- Government at every level understands the value of business. It sees private enterprise as an ally, not an adversary, and recognizes that we are the backbone of the region's economic well-being.

- There is a sense of entrepreneurialism here that inspires innovative thinking and visionary action.

- And we have great individual and institutional contributors like the Texas Medical Center, The Port, Johnson Space Center, the energy industry – all of which serve as magnets for jobs and beacons of opportunity.

Regarding the intangibles, I think you can sum it up in one phrase: "can-do attitude."

Our people, our leaders, our businesses, our entrepreneurs – everyone believes that anything is possible. When we want something to happen, we make it happen. When opportunity knocks, we don't ask who's there, we just answer the door.

But that kind of spirit is in our blood. Let's not forget that back in the 1840s, the area's business leaders came up with the strange idea to turn Houston – 53 miles inland – into a port city. Clearly, "impossibility" is not part of our collective vocabulary.

Those attributes are not going to change, either. They have been the common denominators of our progress. When businesses come here, that's what they expect – and we have consistently delivered. Our ability to keep doing so is a competitive advantage that will serve us well into the future.

Now, a lot of people would look at all of this – our rankings, our growth projections, our regional assets – and they might say, "Well, Houston has arrived." And, to some extent, there's probably some truth to that.

But, as Shakespeare has written, the past is prologue. Everything we've done to this point, all that we've accomplished today, is a starting point for where we need to be in the future. And the Greater Houston Partnership has developed a roadmap – or, perhaps better stated, a North Star – that will shape the future of economic growth in this region.

In 2005, we created a 10-year Strategic Plan whose goal is to make sure the region continues to pursue a path that encourages our growth, expands our opportunities, and enhances our lifestyle.

Daniel Burnham, the noted architect whose creations include the Flatiron Building in New York and Washington, D.C.'s Union Station, once said, "Make no little plans; they have no magic to stir men's blood."

Well, our plan is big, it's bold, and it's going to stir the lifeblood of our economy – job creation, capital investment, business prosperity and international trade.

To begin with, it sets some clear targets for the coming years: 600,000 net new jobs, $60 billion in new capital investment, and $120 billion in new foreign trade.

It also identifies multiple industry clusters that will be the focus of our efforts to achieve those targets:

- Aerospace and aviation;
- Medical and biotechnology;
- Energy and petrochemicals;
- Information technology; and
- Nanotechnology.

While we're on the subject of these industry sectors, let me go back to Dr. Perryman's report for just a moment. If you look at some of the areas he identifies as high-growth, they line up pretty well with our plan. For example, he says "services" industries, which currently provide over 39 percent of the region's jobs, will account for 53 percent of the MSA's employment growth through 2012. That includes aviation and aerospace; the work being done at the Johnson Space Center; and research and development in the medical and biotech clusters.

The economic output of the Mining sector – which includes the energy industry – is expected to increase by about 23 percent, in the next five years.

Manufacturing real gross product is forecast to rise more than $11 25 percent. This covers nanotech, biotech, and aviation.

My point is this: We have targeted clusters whose continued, sustained growth will bring new jobs, establish new areas of economic leadership, and attract new talent. This will enable us to capitalize on our core strengths and resources, and drive prosperity throughout the region.

The plan also commits us to taking a proactive, substantive role in the public policy process.

I'm not talking about just being "a" voice on issues that affect business and the economy. I'm talking about being "the" voice – the leading advocate for legislation, initiatives, and programs that foster economic growth and position our business community as a national and global leader.

Of course, leadership is about translating vision into results. Anybody can take a position. Leaders take action. And our actions are already beginning to speak loudly about the Partnership's commitment to meeting our strategic goals.

Let's talk about employment first. In the two years since we introduced our plan, we have exceeded our targets on an annualized basis. Houston is adding jobs at a rate twice that of the national average. And if the Fed does, in fact, adjust its estimates upward in February, and our 2007 job growth hits 100,000, it will further demonstrate that for all its ambition, this is a plan whose strategies are actionable and whose goals are achievable.

We're also advancing toward the plan's global trade objectives:

- Last month, we met with business leaders in Mexico – our largest trade partner, with $17.98 billion in activity in 2006 – and have participated in similarly successful missions to China and India.

- We recently announced new air cargo service to Taiwan, which will further strengthen our ties to the Pacific Rim – this region's second-largest trading partner.

- The "Lucy" exhibit at the Houston Museum of Natural Science not only brought a 3.2 million-year-old anthropological sensation to Houston, but also built upon a $40 million-per-year economic relationship with Ethiopia.

- And we actively supported the Port of Houston's successful $250 million bond campaign – which we expect will add to the more than $82 billion in trade that already goes through the facility every year.

On the policy side, the results to date have been just as significant. For example, when Gov. Perry and the Sharp Commission laid out their plan to fix a broken tax code, the Partnership was the first large chamber in the state to back it. We were the most consistent, most aggressive, most vocal advocate of the proposal, and it paid off. The plan overhauled the school finance system, cut taxes, and raised teacher salaries. It's expected to create 50,000 jobs, increase personal income by $2 billion and boost retail spending by $1.6 billion.

In other words, the Partnership led an effort that resulted in a package that was good for business, good for schools, and good for taxpayers. In terms of public policy, it doesn't get much better than that.

Next February, our advocacy will move to the national stage when Houston and the Partnership host a presidential summit on “America’s Energy Future.” More of a dialogue than a debate, this event is designed to give top-tier White House candidates a chance to discuss their energy platforms and policies with the country. At the same time, it will put Houston at the center of the national policy discussion – and further cement our position as the energy capital of the world.

As part of this public advocacy role, we have also committed ourselves to pursuing “quality of place” initiatives that enhance our life and lifestyles – and help us attract top talent. One component of this is a focus on Green Building. Environmentally sensitive green buildings reduce energy and water consumption, cut utility infrastructure expenditures, and provide safer, more comfortable working conditions. That, in turn, translates to lower operating costs, higher property values, greater productivity and enhanced profits.

In other words, green buildings are better for our environment, better for our companies, and better for our employees – all of which makes us better and more competitive in the economic development marketplace.

They’re smart business, too. According to McGraw-Hill, the value of green building construction starts is expected to surpass $12 billion this year. Green building construction is predicted to represent 5 to 10 percent of the non-residential market in 2010 – a market variously estimated at anywhere between $10.2 billion and $20.5 billion. And green buildings have potentially higher net operating incomes and appraised values.

The Partnership has recognized these advantages – not just in our Strategic Plan, but also in our operations. We have established a Green Building Committee that consists of architects, developers, engineers, City of Houston building experts, and financial professionals. They focus on increasing the development of environmentally sensitive buildings in the region, and generally fostering a climate that makes the concept of “green” a permanent part of our culture. In doing so, they are helping to ensure that we can maximize the economic, environmental, and quality-of-life benefits of green building.

Clearly, we’ve had some successes. We’ve made the necessary decisions today to prepare us for the potential challenges and uncertainties of tomorrow. But keep in mind that we’re barely two years into the plan. Early achievement does not necessarily translate to lasting achievement. Still, I am confident that we are well positioned to come out on top in the long run, too.

Last year, we launched a program called *Opportunity Houston*[SM]. It’s a $40 million fundraising initiative designed to generate leads, create jobs, and help spread the word – nationally and internationally – about everything this region has to offer. Led by Astros' owner Drayton McLane, it is nearing $30 million in committed funds and has 145 investors.

I can't overstate the importance of this effort – both to the region and to our business community. The economic development marketplace is tough. We're going head to head with other countries, regions, states and metro areas that are offering hundreds of millions of dollars in tax breaks as an incentive to attract investment. They're willing to slash property and corporate taxes, pay thousands for every job created, and in some cases give companies a blank check – literally – to locate in their area.

On top of that, regions we see as our primary competitors have taken their game up a notch or two and are going after the same kinds of business – nationally and globally – that we are.

- Phoenix, for example, has a strategy that focuses on aerospace, bioscience, and technology companies – all of which are clusters targeted in our Strategic Plan.

- Miami-Dade County is positioning itself as a "Global Gateway." Already, 60 percent of all U.S. trade with Central America flows through Miami, as does 46 percent of Caribbean trade and 27 percent of South American trade. And the area recently added Poland, the Czech Republic, and Turkey to its investment "hit list."

- A Google search shows that places as diverse as Qatar, Dubai, Russia, Aberdeen, Oklahoma, and various regions of Canada have described themselves or been described as the "energy capital of the world," or a "world hub" or "world leader" for the oil, gas and petrochemical industries.

That's what the playing field looks like. And the key to success is not simply having the "will to win"; most of us have that. The key is being "prepared to win."

With this Strategic Plan, supported by *Opportunity Houston*^{SM}, we are. We will be one of America's Top 4 locations for business growth, capital investment, and job creation.

So far, I've painted picture that's pretty rosy. It goes without saying, however, that an outlook this good naturally comes with a "but." Something to the effect of: “Yes, we’re on the right course for a future of growth and prosperity, but there are some challenges ahead.”

Four challenges, to be exact. And they demand our attention, advocacy and action.

I’ll start with is probably the most visible: Immigration. Undocumented workers contribute about $27.3 billion to our Gross Regional Product – that’s more than 8 percent of total GRP. They are represented in 16 different economic sectors, including high-growth areas such as construction, professional services, accommodation and food services, and healthcare. Statewide, the Comptroller’s office estimates that without these workers, the Texas labor force would shrink by 6.1 percent.

The fact is immigrants are essential to our current and future economy. We cannot afford policies that force them into the shadows or push them underground. And the idea that overnight we can somehow send millions of people back to their country of origin is logistically impossible and economically unsound. But if you listen to the debate, that’s where the trend is heading – and that is absolutely counterproductive. So it is imperative that we stop the heated rhetoric and steer the dialogue back onto a common-sense path – one that ensures genuine immigration reform and creates an efficient temporary worker program that supports the regional economy.

Certainly, this should provide for the safety and security of our borders. But at the same time, it should allow employers to recruit skilled and unskilled immigrant workers when there’s a labor shortage, and offer legal status for qualified, screened undocumented workers who are already here.

To that end, we have already taken a number of policy-related steps:

- The Partnership Board has passed a resolution that calls for a rational, pro-business, pro-growth plan for immigration reform.

- We formed a national coalition – Americans for Immigration Reform – to advocate the positions of the region’s business community.

- And we joined in lawsuits seeking to prevent the government from sending “no match” letters that threaten actions against employers who do not resolve workers’ mismatched Social Security numbers. These letters amount to a weapon against undocumented workers, while imposing unreasonable regulatory burdens and unfair costs on businesses. Under pressure like this, the Department of Homeland

Security last month abandoned its efforts to enforce the no-match regulation.

Before leaving this subject, I'd like to say one other thing. We are among the most diverse metropolitan areas in the country. All of our ethnic communities are "minorities," and if you look at what the Census Bureau says America will look like in 2060, you'll pretty much see what we look like now. Beyond that, we're also known as an open and "welcoming" region, with a willingness to embrace new people and cultures. We are connected to the world in ways that go beyond our economy alone. And we have always believed all people deserve a chance to elevate their lives through conscious endeavor. Any policy that substantially erodes this tradition also erodes the core and the character of who we are.

The second challenge is actually the flip side of a positive factor I spoke of earlier: The high price of oil. Let me say it again: We benefit greatly from a robust energy sector. Energy companies account for 47 percent of our economic base employment. In the 12 months that ended in October, we had the third highest rate of job growth among the country's dozen largest metropolitan areas. A strong performance in the upstream energy and oil and gas extraction segments drove the increase.

But higher oil prices can also have a chilling effect on the economy. They force people to make choices – a tank of gas, for example, a trip to the mall. They can hurt retail spending. There was an article in The Chronicle suggesting that as gas prices take a bigger bite out of household budgets, Americans could be forced to fall back on their credit cards and thus push consumer debt even higher.

It's easy to frame this issue in terms of oil company profits versus people. That's not just simplistic. It's flat wrong. The issue is energy security versus energy uncertainty, and supply versus demand.

Last year, the United States produced only 33 percent of the oil we need – down from 45 percent in 1996. Our net imports were bigger than the total combined production of Saudi Arabia and Kuwait. We use 10,000 gallons of oil per second. This growing reliance on costly imported oil reduces consumer savings rates, adds to inflation, worsens the trade deficit, and makes it tougher for the Federal Reserve Board to both fight inflation and sustain growth. What's the solution? I think the best one is probably the most obvious: Recognize that while we can never eliminate uncertainty, we can maximize the opportunities at hand to better control it.

John Hofmiester, the president of Shell and chairman of the Partnership Board, spoke in Fort Worth recently, and he laid out what sounds to me like a pretty good framework for doing just that. First, he said, we all need to get realistic about something. Even with an aggressive strategy over the next 45 or 50 years, the world is going to get about 20 percent or so of its energy from alternative sources – biomass, hydrogen, solar, and wind. That's not to say we shouldn't pursue those technologies. It is, however, to recognize that fossil fuels will continue to provide the large majority of global energy in the decades to come.

Given that fact, he recommended a strategy that includes more offshore drilling and development of unconventional petroleum deposits. The U.S. Outer Continental Shelf holds an estimated 110 billion barrels of oil – but 85 percent of it is off limits for exploration and production. Canadian oil sands and U.S. shale oil deposits are estimated at the equivalent of 2 trillion barrels. Altogether, that adds up to about 340 years of supply.

I don't think John is saying oil companies are the only solution; he also argued for a "culture of conservation" as well, which includes reducing energy usage and reassessing the efficiency and design of homes, offices, and appliances.

The point is this: If we're going to reverse the growing trend toward dependency on foreign oil, it is going to take a multifaceted approach. But practically speaking, oil should remain the centerpiece of the strategy, and we should pursue policies that encourage rather than impede the goal of energy security.

Earlier this year, when the bridge over the Mississippi River in Minneapolis collapsed, it put a spotlight on America's transportation infrastructure. What we saw was not comforting:

- 33 percent of major U.S. roads are in poor or mediocre condition.

- A quarter of our bridges are structurally deficient or functionally obsolete.

- Our interstate system, which handles 240 million vehicles traveling 3 trillion miles annually, has changed very little since its creation in 1956 – when it was designed to serve 65 million vehicles traveling 600 billion miles annually.

But the issue doesn't end with roads and bridges. U.S. airline delays are at their highest level in more than 10 years – and it is estimated that passenger traffic could hit 1 billion annually in the next decade.

There are predictions that by 2020, every major U.S. container port will at minimum – at minimum – double the volume of cargo it was designed to handle.

Railroads will need about $200 billion over the next 20 years to maintain their existing infrastructure and manage the projected growth in freight.

Clearly, a declining infrastructure – in some cases, a crumbling infrastructure – is a trend that we have to face. Because if we can't get people and products where they need to be, we will put the dream of future prosperity at severe risk.

Most of you probably know of Jesse Holman Jones. He was one of Houston's great businessmen and builders – the man largely responsible for securing funding for the Houston Ship Channel.

A report from the Harvard Business School said he was "responsible for the transformation of Houston into the most important city for international commerce in the South." The Saturday Evening Post wrote in 1940 that, "Next to the President, no man in the government and probably the United States wields greater powers."

But Jesse Jones was also responsible for what is widely believed to one of the greatest infrastructure-building programs in history. As head of the Reconstruction Finance Corporation, he oversaw a multi-billion-dollar effort from 1933 to 1939 that included construction of the Hoover and Grand Coulee dams; river diversion, flood control, levee, and irrigation projects; the Golden Gate Bridge; and the Pennsylvania Turnpike.

Given the current state of our infrastructure, we need to reinvestigate the RFC model. I'm certainly not advocating direct government involvement in business, nor am I suggesting we need the kind of massive job-creating public works programs that by necessity emerged from the Great Depression.

But let's face it: One of the reasons for the current infrastructure crisis is that the federal government has pretty much removed itself from the process. Here is a stunning fact: China spends 9 percent of its Gross Domestic Product on infrastructure, and India, 5 percent. Since 1980, America has spent, on average, less than 2 percent annually.

Meanwhile, states, facing constrained budgets, have been left to their own devices and forced to make priority decisions among competing interests. And the demands of increased capacity keep growing year after year.

We're not immune to these problems here, either. If current spending levels remain constant, we'll have a $16 billion shortfall between now and 2025 for new transportation capacity in this region. We'll be able to fund just 40 percent of needed roadway improvements. That can only lead to more congestion, which will impact the operations of companies whose profits depend on continued over-the-road efficiency.

Money spent on transportation is money well spent, too:

- U.S. industries save 24 cents on production and distribution costs for every dollar put into in non-local road systems.

- A $2.75 billion public investment in freight railroad would save $10 billion in highway costs over the next two decades.

- And as the gateway to more than $136 billion per year in foreign trade, I don't need to remind anyone of how far a dollar invested in the Port of Houston goes.

In short, we need to build a 21st century infrastructure to support a 21st century economy. And we need to start now.

The last challenge I want to discuss is less controversial than immigration, less global than energy security, and less tangible than infrastructure. But is no less important than any of those issues.

I'm talking about our declining power in Washington.

We often speak of the "good old days," when Sam Rayburn was speaker of the House, and Lyndon Johnson was majority leader of the Senate, and Texas had more influence over more issues than any other state.

But let's not forget that as recently as 2005, we were in an equally strong position. We had the No. 2 and No. 3 leaders in the House. A Texan chaired the House Ways & Means Committee. And on the Senate side, we had the head of the appropriations subcommittee of the Commerce Committee.

What a difference a decade makes.

A president from Texas will be leaving office in a year. We've lost much of our seniority in Congress. And if reports are true, and Sen. Hutchison decides to leave Washington to run for state office, we're going to lose even more.

Let me say quickly that this is in no way a comment on the leadership of Senators Hutchison and Cornyn or our Congressional delegation. They have protected our interests, and ensured that liberty, opportunity, and possibility continue to be uniquely American possessions.

But the reality of politics is this: When you lose seniority, you lose clout; and when you lose clout, you lose money. It goes someplace else – to another program, in another district, in another state. So until time and the electoral calendar restore our seniority, we have some uncertain years ahead of us.

Perhaps nowhere will this have greater regional consequence than in the future of the Johnson Space Center. It's no secret that funding for NASA has been flat in recent years. A debate continues over whether the agency's money is better spent in space exploration or Earth observation. Questions have arisen about how NASA plans to proceed after the shuttle flights end in 2010.

One report stated flatly, "there is no obvious groundswell to give NASA more money." And according to the publication Space & Missile Defense Report, "Most presidential candidates have voiced no support for, or have outright opposed, President Bush's vision of manned missions to the moon, Mars and beyond."

I spoke a moment ago of how a willingness to accept people is part of our tradition. The space program is, too – and it's essential to our economy.

JSC has 17,000 employees, with annual expenditures in the neighborhood of $4 billion. If we're going to counteract the trend toward reduced Congressional influence, we're going to have to do whatever it takes – advocacy, increased awareness, public education, whatever – to make the case for JSC and other programs whose existence depends on a fair share of federal dollars.

Making predictions – whether they're about next week, next month, next year, or the next decade – is a risky proposition. Times change. Circumstances change. Perspectives change. Just look at how the world looked less than 10 years ago: Crude oil prices were down to $12 per barrel in the wake of the Asian currency crisis. We were in the middle of a dot-com boom. Microsoft bought a $150 million stake in a financially troubled little computer company called Apple.

It's going to look just as different 10 years from now, too. The issues and statistics I've discussed this morning will have given way to new issues and statistics, which in turn will have given way to new trends, new predictions, new possibilities, and, yes, new challenges. That's the natural cycle of events – how things flow.

But I'm not worried about that. I'm confident that we will succeed in the world that awaits us because we understand the imperatives of success. And if the region faces stumbling blocks to prosperity, and it will, we'll do what we do best: Turn them into stepping stones.

So while I do understand that one makes a prediction at his or her peril, I want to close by saying this: Our outlook is good. If you believe as I do, that tomorrow belongs to those who prepare for it today, then we are in the unique position to control our own destiny. Others may be satisfied to let the future happen. We are going to make it happen. And in doing so, we will once again prove that our enduring commitment to opportunity will forever have the power to transform us as a region, as businesses, and as people.

Thank you all very much.