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FEATURED Q&A

Did Peru Make the Right Call by Excluding Maduro?



Host country Peru disinvited Venezuelan President Nicolás Maduro from the Summit of the Americas, but Maduro has vowed to attend anyway. // File Photo: Venezuelan Government.

Q Peru's government on Feb. 13 withdrew its invitation to Venezuelan President Nicolás Maduro to attend the Summit of the Americas in April. Peru's move followed Venezuela's decision to schedule a presidential election on April 22 without first reaching an agreement with the country's opposition on how to conduct the vote freely and fairly. Did Peru make the right decision in withdrawing Maduro's invitation? How might Venezuela's absence from the summit change the event? Is any progress on solving Venezuela's political and economic crises likely to come out of the Summit of the Americas?

A Mariano de Alba, associate director of the Adrienne Arsht Latin America Center at the Atlantic Council: "The Peruvian government made the right decision. For a long time, Latin American countries have been trying to engage with the Maduro regime, promoting a negotiated solution. But there is no will to provide the guarantees for the Venezuelan people to decide under fair conditions. There is also no will to accept international aid to help the many who are suffering from the lack of food and medicine. What happened in the Dominican Republic negotiation was the latest example. So there is no option but to take measures that demonstrate the government that its authoritarian drift will have repercussions in the international sphere. The withdrawal of the invitation by Peru, discussed within the Lima Group, is one of those consequences. Now the Venezuelan government will be absent, but its crisis still will be under discussion, at least informally. Increasingly, Latin American countries are feeling the effects

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Brazil's Jobless Rate Increases in January

The country's unemployment rate ticked up to 12.5 percent in January, a level higher than analysts had expected.

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Bank of Nova Scotia said it had earned a record \$571 million from its international unit in its fiscal first quarter.

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Falcón to Challenge Maduro in Venezuela's Presidential Race

Henri Falcón, a former governor of Venezuela's Lara State, announced he would challenge President Nicolás Maduro in the country's April presidential election. His move defies the main opposition alliance, which is boycotting the vote, saying it will be rigged.

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Falcón // File Photo: Venezuelan Government.

POLITICAL NEWS

Falcón to Run Against Maduro, Defying Opposition

Henri Falcón, a former governor of Venezuela's Lara State, on Tuesday defied his own opposition coalition by announcing he would run against President Nicolás Maduro in the country's presidential election, planned for April, *El Universal* reported. The Democratic Unity Roundtable, or MUD, opposition alliance previously announced it would boycott the election, saying it would be rigged. In a statement Tuesday, it blasted Falcón's decision to enter the race. "We can not validate a fraudulent electoral system," the opposition alliance said in a tweet. In announcing his candidacy, Falcón called Maduro the "hunger candidate," referring to the severe economic problems, including shortages of basic foods and medicines, that have worsened during Maduro's presidency. "The government promised a paradise to millions of Venezuelans, but they gave them a hell," Falcón told reporters, *Reuters* reported.

U.S. Lawmakers Seek Probe of DEA Actions in Mexico, Honduras

U.S. Rep. Eliot Engel (N.Y.) on Tuesday led a group of Democratic lawmakers calling for an investigation into alleged U.S. Drug Enforcement Administration actions in Mexico and Honduras in 2010 and 2011 that may have caused up to 300 civilian deaths. In a letter to the inspectors general of the Departments of Justice and State, the legislators urged the departments to open an investigation into operations carried out by DEA-trained and -funded units that were vetted in Mexico. "These operations raise serious questions about the practices of DEA-trained and funded Special Investigative Units and point to the need for greater accountability for these vetted units," the lawmakers wrote. The letter refers

to a ProPublica investigation into a 2011 massacre by the Zetas cartel in the Mexican state of Coahuila that was triggered after sensitive information that the DEA shared with a vetted police unit in Mexico wound up in the hands of cartel leaders, who ordered a wave of retaliation against suspected traitors. The letter also cited a 2010 incident in which Zetas members stormed a Holiday Inn in Monterrey and took hostage five individuals who have not been seen since. At the time, the DEA and Mexican agents were carrying out an operation from the hotel but switched to a different hotel the night before the attack. Four hotel guests and a hotel manager were reportedly mistaken as government agents and kidnapped.

ECONOMIC NEWS

Brazil's Jobless Rate Increases in January

Brazil's unemployment rate stood at 12.2 percent in the quarter from November to January, state statistics agency IBGE said Tuesday. There are now 12.7 million idle workers in Brazil, down slightly from 12.9 million people in the same quarter last year. The figure was stable as compared to the previous quarter, but January saw unemployment tick up slightly to 12.5 percent, a rate higher than market analysts had expected, according to a research note this morning from Goldman Sachs. The firm also pointed out that the composition of job growth deteriorated somewhat in the most recent quarter, with formal salaried employment in the private sector contracting 1.7 percent, while employment in the informal private sector increased. Average real wages rose by 1.6 percent in January, year-on-year. Economic activity in Brazil expanded at a faster-than-expected pace in December, capping the first annual increase in four years following the deepest recession in decades. On Tuesday, Brazilian Finance Minister Henrique Meirelles said the country's economy would grow by more than the 2.8 percent rate currently forecast by economists, also predicting 2019 growth would be greater than 2.5 percent, *Reuters* reported.

NEWS BRIEFS

'Dirty War' General Menéndez Dies at 90

Former Argentine General Luciano Benjamín Menéndez, who had been sentenced to 13 life prison terms for crimes against humanity, stemming from the country's "Dirty War," died Tuesday at age 90, *Clarín* reported. Menéndez was the military commander of 10 provinces in Argentina between 1975 and 1979. Menéndez, who had served time in prison and was most recently on house arrest, died in the city of Córdoba.

U.S. Ambassador to U.N. Pledges More Focus on Drug Trafficking

Nikki Haley, the U.S. ambassador to the United Nations, vowed Tuesday while visiting Honduras to place more focus on the issue of drug trafficking, *Reuters* reported. "It is a conversation that needs to be taking place internationally," Haley said in Tegucigalpa, where she met with President Juan Orlando Hernández. "We can't just focus on the countries producing it, we do have to focus on the countries moving it and are we doing enough in the international community to stop it." Haley's trip to the region this week also includes a stop in Guatemala.

Grupo Sura Reports 13% Decline in Net Profit

Colombian holding company Grupo Sura on Tuesday said its net profit fell 13 percent in 2017 as compared to the year before, to \$508.7 million, *Reuters* reported. The company cited higher interest charges, nonrecurring costs and exchange rate variations for the drop, according to a regulatory filing. Total income rose 12 percent, while costs grew 14.5 percent. The company posted stronger fourth quarter results, however, with net profit more than doubling. Headquartered in Medellín, Sura generates more than \$23 billion in annual revenues.

BUSINESS NEWS

Scotiabank Sees Record Earnings From Int'l Unit

Canada's Bank of Nova Scotia on Tuesday announced it had earned a record \$571 million from its international unit in its first fiscal quarter, up 14 percent from a year earlier, Bloomberg News reported. Net income overall at the bank, which operates in 50 countries, rose 16 percent. "The strong momentum in our business was driven by double-digit growth in loans in the Pacific Alliance countries, positive operating leverage and good credit quality," chief executive Brian Porter said in an earnings release, referring to holdings in Mexico, Peru, Chile and Colombia. "Growing our market presence in Chile and Colombia, and building out our asset and wealth management capabilities here in Canada, will provide a stronger platform to grow and expand our business," he said. Scotiabank recently acquired a controlling stake in Spain's BBVA unit in Chile for \$2.9 bil-



Porter // Photo: Scotiabank.

lion, and in a separate deal bought Citigroup's consumer and small business operations in Colombia. At home, the bank's Canadian business reported a strong quarter with earnings exceeding \$1 billion. Porter was also upbeat about the bank's outlook in Mexico. In spite of uncertainty about the tense negotiations underway over the North American Free Trade Agreement, or NAFTA, he said that Mexico's other trade relationships leave the country "well positioned to adjust to any NAFTA outcome," *The Globe & Mail* reported.

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of what is happening, primarily because of migration. So there is a need to think about what can be done. Moreover, Venezuela's absence decreases the possibility of diplomatic confrontations, allowing Peru to promote its anti-corruption agenda more comfortably.

“The Peruvian government made the right decision.”
— Mariano de Alba

But it is still unlikely that any real progress concerning Venezuela will emerge. The current scenario is still one under which it is difficult for members of the OAS to agree on joint measures, so the response to the Venezuelan crisis will keep coming from the Lima Group and the unilateral actions some countries could take.”

A Julia Buxton, professor of comparative politics at the School of Public Policy of Central European University in Budapest: “Peru's decision is regrettable. It adds to the litany of interventions (sanctions, high level criticism) that are intended to force Maduro down a consensual and democratic path, but which have had the opposite effect. The move plays to Maduro's unending themes of imperialism, U.S. interference and the hypocrisy of Venezuela's regional neighbors. Given the recent contentious pardon of former Peruvian President Alberto Fujimori, and the lack of OAS engagement with the situation in Honduras, these are unfortunately salient claims. Following on the heels of Rex Tillerson's multi-country tour and some of his contentious remarks, Peru's decision has the ring of a lap dog response, further inflaming suspicion of the OAS held by Venezuela and sympathetic countries. Venezuela's attendance could have been an opportunity for quiet diplomacy and 'behind

the scenes' discussions brokered by those countries that have a more neutral position than the crippling partiality of OAS head Luis Almagro. There are few venues for this kind of engagement with Venezuela, particularly since the breakdown of dialogue efforts in the Dominican Republic. The summit is unlikely to produce anything on Venezuela other than ongoing OAS hand-wringing and angry statements from Almagro, which does not concretely help Venezuelan residents. The summit may provide a (belated) logistical response to the exodus of Venezuelans and address impacts on neighboring countries. But that is an optimistic assumption. The OAS, the Lima Group and now Peru have shown a paucity of skill and capacity to handle this crisis, and this latest move indicates that is set to continue.”

A David Smilde, Charles A. and Leo M. Favrot Professor of Human Relations at Tulane University and senior fellow at the Washington Office on Latin America: “Peru's withdrawal of Venezuela's invitation to the summit is a stinging rebuke that clearly hurts the Maduro government. However, it also removes an important opportunity to engage Venezuela. Having the 14 countries involved in the Lima group publicly rebuke Venezuela would have been just as effective. While not all should be tolerated in multilateral institutions, there should be some sort of institutional and democratic process for excluding a country. Application of the Democratic Charter in the case of Venezuela failed because of the Caribbean countries' gratitude for Venezuela's support over the years, and their perception that it is being unfairly treated. That failure should have led to more negotiation, more diplomacy and ever more rigorous application of OAS standards. Instead, what we have seen is double standards. The November election in Honduras clearly did not meet acceptable standards, and the OAS secretary general appropriately demanded new elections.

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However, the United States recognized the election, and that undermined OAS efforts. And while Venezuela has been disinvited from the summit, Honduras is still welcome. The United States and other countries need to understand that this kind of hypocrisy undermines the effectiveness of pressure

“While Venezuela has been disinvited from the summit, Honduras is still welcome.”

— David Smilde

on Venezuela. Unsurprisingly, last week's effort to pass a resolution in the Permanent Council actually fared worse than a similar resolution in June 2017. Thus, disinviting Venezuela will provide a momentary rebuke, but will not likely contribute to what is needed: an ever-broader coalition to pressure and engage Venezuela.”

A James Bosworth, founder of Hxagon, LLC and author of *Bloggings by Boz*: “Whether or not Maduro attends doesn't really matter. This hemisphere wastes too much time every Summit of the Americas debating who is or isn't invited and not enough time talking substance. Attendance and a speech by Nicolás Maduro wouldn't legitimize his authoritarian rule or his undemocratic election plans. Peru's rescinding of the invitation doesn't feed any hungry Venezuelans, assist refugees or speed up a transition back to democracy. The summit should be discussing real measures to place pressure on Venezuela's undemocratic government and ease the largest humanitarian crisis in this hemisphere. Those measures should include more coordinated sanctions on individuals as well as aid delivery options that undermine the Venezuelan government's current blockade of food and medical assistance to its own population. On the issue of Venezuela and beyond, the summit's big challenge remains moving past arguing over symbolic initiatives to discussing and implementing real policies that affect the lives of people in this hemisphere.”

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