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FEATURED Q&A

What Will Bachelet Achieve in Her Final Year in Office?



Michelle Bachelet concludes her second term as Chile's president next March. // File Photo: Chilean Government.

Q Chilean President Michelle Bachelet on June 1 gave her final state-of-the-union address as president, saying she plans to build new infrastructure, including an underground railway line in Santiago and a copper smelter, as well push for legislation that would legalize same-sex marriage. How successful has Bachelet been during her second term as president in implementing her policy goals? What have been her biggest achievements and failures as president? How likely is Bachelet to accomplish the goals she set out for her final year in office?

A Rossana Castiglioni, associate professor of political science at the Universidad Diego Portales in Chile: "Bachelet's second term has seen highs and lows in terms of implementing her policy goals. During the presidential campaign, Bachelet promised reforms in three areas: taxation, education and the Constitution. Although she was able to get the necessary support to pass the tax reform, the road to education reform has been quite bumpy, particularly in terms of higher education. The government has been unable to pass a structural reform (as initially expected), and there is some uncertainty when a new government takes over. Constitutional reform will not be attained during her tenure, although the constitutional debate has been important throughout her administration. Perhaps her biggest achievement has been to expand the scope of the policy options and debates in Chile. Before her administration, some topics were virtually barred from the agenda. In incorporating new topics, she was also able to respond to some of the demands of a changing society that seems to be increas-

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U.S. Vice President Mike Pence will travel to Colombia, Argentina, Chile and Panama as part of an effort to strengthen bilateral ties.

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Spain's Telepizza to Expand Into Mexico

The pizza delivery company said Mexico could eventually become its second-largest market after its home market, Spain. The company sells some 60 million pizzas a year.

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Trump to Roll Back Parts of Obama's Opening With Cuba

During a speech today in Miami, U.S. President Donald Trump is expected to announce changes, including an elimination of loosened travel restrictions that had allowed virtually anyone to travel from the United States to Cuba.

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Trump // File Photo: U.S. State Department.

POLITICAL NEWS

Trump to Roll Back Parts of Obama's Opening With Cuba

In a speech today in Miami, President Donald Trump is expected to announce a rollback of some of the U.S. opening with Cuba that was instituted by his predecessor, Barack Obama. Trump will direct the Commerce and Treasury departments to ban direct financial transactions with Cuba's military and intelligence services, White House officials said Thursday, The Wall Street Journal reported. The directive will provide for exceptions for airlines and cruise

Trump's orders are likely to eliminate loosened travel restrictions for Americans.

lines and will not seek to disrupt their current business operations, administration officials said. The directive may mean that Americans would be barred from staying in many hotels in Cuba and using several Cuban tour services because Grupo de Administración Empresarial, or GAESA, the business division of Cuba's military, controls much of the country's tourist industry, including the majority of its foreign-run hotels, Politico reported. Trump's orders are also likely to eliminate loosened travel restrictions for Americans. While Americans' travel to Cuba strictly for tourism has officially remained banned, new rules implemented during the Obama administration allowed virtually anyone to travel from the United States to Cuba as long as they declared that the visit was aimed at engagement with Cubans, The Wall Street Journal reported. The shift is also likely to affect companies that have been considering business opportunities on the island. "It's freezing the ability to do future deals," James Williams, president of Engage Cuba, which works with businesses and supports normalization of U.S.-Cuba relations, told the newspaper. White

House officials said the administration hopes the changes will push the Cuban government to move toward allowing free elections, free political prisoners and make other changes. "It's very much the hope of the administration that the Cuban regime will see this as an opportunity to implement reforms that they paid lip service to a couple of years ago," a White House official told reporters. Trump's announcement today will trigger a 30-day process during which the Treasury and Commerce departments will write new regulations. The changes will not take effect until that process is completed, administration officials told reporters Thursday. The officials did not say when that process is likely to be completed.

Pence to Visit Central, South America in August

U.S. Vice President Mike Pence said Thursday in Miami that he would visit Central and South America in August as part of an effort to strengthen bilateral ties, including trade, investment and security relations. The trip will happen from Aug. 13-18 and will include stops in Colombia, Argentina, Chile and Panama, the White House said in a statement. "At the president's direction, I'll be traveling to Central and South America later this year, to continue to build on the good work that is being done at this conference," said Pence. The vice president made the comments at the Conference on Prosperity and Security in Central America, during which he and other administration officials, including Secretary of State Rex Tillerson, Homeland Security Secretary John Kelly and Treasury Secretary Steven Mnuchin met with top Mexican officials as well as the presidents of Guatemala, Honduras and El Salvador. During the conference, the Trump administration officials stressed the need to fight violence and bolster the economies of Central America. "A flourishing economy gives people a reason, a reason to put down roots in the land of their birth and to grow, rather than fleeing to the north," Pence said, the Associated Press reported. The administration has also faced

NEWS BRIEFS

Protesters Decry Lack of Progress in Probe of Mexican Reporter's Killing

Hundreds of journalists and activists marched through Culiacán, Mexico City and other cities across Mexico, condemning the lack of progress the government has made in finding the killer of slain journalist Javier Valdez, Agence France-Presse reported. The widow and children of Valdez led the march through Culiacán, the capital of Sinaloa State, where Valdez was fatally shot in broad daylight outside the offices of Riodoce, the newspaper he co-founded. Valdez was a high-profile reporter on drug trafficking and organized crime, and his death sparked international condemnation. No arrests have been made in connection with his killing.

Honduran Journalist Running for Office Fatally Shot

A Honduran journalist who was running for a seat in the country's Congress was shot and killed Thursday outside his home in the coastal city of La Ceiba, the Associated Press reported. The assailant shot Victor Funez before dawn as he was entering his home, Honduras' security minister said.

Chilean Central Bank Holds Key Interest Rate Unchanged

Chile's central bank held its key interest rate at 2.5 percent on Thursday after a continuous string of cuts to the rate since March, the Financial Times reported. Policymakers said Chile's annual inflation stood at 2.6 percent and that inflation expectations "remain near the target" of 3 percent. The bank also said in a statement that international indicators pointed to positive financial conditions for the country, despite some uncertainty surrounding commodities prices.

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ingly detached from the political elite and the representative institutions. Her biggest failure was that, politically, her response to the CAVAL case (the case compromising her daughter-in-law and son) was slow and hesitant. Although (from a personal level) one might perfectly understand her vacillation, politically, her response affected her credibility. Credibility was her main attribute and capital before the CAVAL affair. As a result, a case that could have been minor and isolated ended up eroding her main political capital. And at this point in time, the closer we get to election day, the less likely it is that she will accomplish the goals she set out to do."

A **Claudia Heiss, assistant professor at the University of Chile, researcher at the Center for Social Conflict and Cohesion Studies and member of the Observatory of the Constituent Process in Chile:** "President Michelle Bachelet's second term has been more successful in implementing policy goals than one would deduce from approval ratings. According to the NGO Ciudadano Inteligente, her government implemented 58 percent of the campaign promises in its first three years (2015-2017). Health and energy appear as the most successful areas, with 100 percent success. Environment, transportation, justice and human rights, and the economy come second, with 70 percent each. Approval rates, on the other hand, are around 30 percent at best. This could mean that people reject the reforms, as argued by the right, or that the reforms are still too timid, as argued by those to the left of the government. No one, however, fails to acknowledge the scope of the transformations carried out, including tax reform and a new proportional electoral system to replace the Pinochet-imposed 'binomial' system. Education has been a major headache. The government met only half its promises in this area, and the debate about public and private roles in education exposed deep

disagreement within the Nueva Mayoría coalition. In the end, these differences, also present in discussions about same-sex marriage or the legalization of abortion, proved insuperable, and led the Christian Democrats to run outside the pact for the November

Education has been a major headache."

— Claudia Heiss

elections. Given the break of the coalition and the low support of the government, there is little expectation that Bachelet's last year in office will bring great achievements. Replacing the 1980 Constitution, the heart of the political and economic legacy of the dictatorship, would be the only way to implement a truly transformative project leading to a social state of rights. This goal has already been explicitly left for future governments to accomplish."

A **Aldo Cassinelli C., executive director of Instituto Libertad in Chile:** "Bachelet's second term was bad for Chile. There's no other way to look at the situation, no matter what factors you take into account. Based on the report that Instituto Libertad releases every year with regard to the president's addresses, last year she was able to implement 44 percent of the 59 measures she pledged to set out to achieve. In economic terms, Chile has reached four years of consecutive low growth with regard to investment in the country. GDP has fallen to 1.6 percent this year, and it's expected that in her four-year term, which began in 2014, it will culminate in an average of 1.7 percent. While the unemployment rate has indeed been maintained at about 6.7 percent, the quality of the jobs has significantly deteriorated, turning into a structure of low-quality jobs that don't

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criticism, however, for proposing a 30 percent cut in foreign aid for the three "Northern Triangle" countries of Central America.

BUSINESS NEWS

Spain's Telepizza Planning to Expand Into Mexico

Spanish pizza delivery company Telepizza is planning to open its first store in Mexico as the company looks to expand in what could become its second-largest market, Bloomberg News reported Friday. "We've spent more than a year studying the Mexican market and potential partners there," Telepizza Chief Executive Officer Pablo Juantegui said Thursday. "Entering Mexico is a project for 2018," he added. The company eventually plans to open as many as 500 stores in the country, which would make Mexico the second-largest market for Telepizza



Juantegui // File Photo: LinkedIn.

after Spain, which currently has 682 stores. Telepizza claims to be the largest pizza delivery company outside the United States, and it has been looking to expand beyond its home country, where the company sees two-thirds of its sales. Telepizza sells some 60 million pizzas a year, and is moving forward with plans to refurbish existing stores and add gourmet pizzas to its menu to help boost revenue. Sales in refurbished stores see as much as 6 percent higher revenue than similar non-refurbished ones. The company said in February that it expected to open between 60 and 80 stores this year.

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have contracts that guarantee pensions and health care. In the social sphere, Bachelet's government aimed to provide free higher education, which has not come to pass. She has eight months to achieve this goal. Still, there is legislation that provides, at the very least, free higher education for those in the lower income bracket, which is supported by a budgetary note that must be approved every year, and which translates to total insecurity for students and the universities. With regard to the new announcements, which are clearly a manifestation of interests, it will be very difficult in Bachelet's time remaining to realize these measures. Finally, her political legacy is a coalition that she brought to the government, which now is fractured and through which two candidates are competing for the presidency."

A **Guillermo Holzmann, professor at the University of Valparaíso in Chile and CEO of Analytika Consulting:** "The president's address was not exactly a public account of her management. On the one hand, she solidified her political legacy by recounting what had been accomplished during her presidency, but they are only partial achievements of what she had originally set out to do. Her speech emphasized in strategic themes for the country, establishing the issues that the country should address through future governments. That refers to infrastructure, social policy, the economy, natural resources, health, the political sys-

tem, inequality, diversity and sustainability, among others. On the other hand, the speech clearly defined that her administration laid the groundwork for change and a transformation of the neoliberal model and that it means advancement without regression, urging the progressive forces to continue on this path. This means a deepening of structural reforms: tax, educational, welfare, labor and constitutional. To do so, she has convened a new Congress, which will represent more than 20 political parties that will defend this transformation. With that, she leaves at the center of the political debate goals that have not yet been accomplished and establishes a programmatic imperative for all presidential candidates. With that, President Bachelet has assumed a leadership which defines the path of political, economic and social change, and leaves to the rest of the parties that are caught up in their political agenda and to Congress the responsibility to push forward and deepen the reforms initiated in her mandate. She will not achieve the pending duties, but she leaves the projects to Congress, and leaves an ideological and strategic footprint for the next government."

Editor's note: Michelle Bachelet is a former co-chair of the Inter-American Dialogue's board of directors.

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