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## FEATURED Q&A

# What Can Be Done About Venezuela's Migrant Crisis?



As many as two million Venezuelans may leave their country this year, Francisco Márquez Lara says below. Above, Venezuelan migrants are pictured crossing the Simón Bolívar International Bridge into Colombia last year. // File Photo: Colombian Government.

**Q** Brazil's government is declaring an emergency in Roraima, in order to allocate funding and troops to the northern border state to help control a flood of Venezuelan refugees in the area, Brazil's defense minister said this month. Approximately 40,000 Venezuelans now inhabit the state capital, Boa Vista, representing about 10 percent of the city's population. Meantime, Colombian President Juan Manuel Santos has tightened border controls and heightened security in border cities that have been hardest-hit by the Venezuelan refugee crisis. How well have both countries' governments been handling the influx of Venezuelans? What security issues are most pressing for border areas in Colombia and Brazil? How much assistance will the regional and national governments need to deal with the crisis, and what more can be done as Venezuela's outlook worsens?

**A** Francisco Márquez Lara, executive director of the Visión Democrática Foundation: "The collapse of Venezuela is a problem not just for Venezuelans but for all of Latin America. Different estimates range between one to two million Venezuelans will be migrating in 2018. Not all of them will leave the country under the same conditions; some will leave under very precarious terms. In almost all scenarios, the situation in Venezuela gets worse, and most people who leave under precarious situations go through Colombia. However, they are also arriving in big numbers in small countries like Panama and Trinidad and Tobago. Regional and international support is needed; Colombia by itself is not equipped to handle this massive exodus. In the

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## TODAY'S NEWS

### POLITICAL

## Plans for Peña Nieto to Visit White House Derailed After Testy Call

There had been tentative plans for Mexican President Enrique Peña Nieto to visit the White House this month or in March, but a testy call between him and U.S. President Donald Trump scuttled the trip.

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### BUSINESS

## Zurich Insurance Buying QBE's Latin America Operations

The Swiss insurance provider reached a deal to buy the Australian company's operations in Latin America for some \$400 million.

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### ECONOMIC

## AMLO Would Halt Auction of Oil Blocks: Advisor

Presidential candidate Andres Manuel López Obrador wants to reassess the liberalization of Mexico's energy sector, an advisor said.

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López Obrador // File Photo: López Obrador Campaign.

## POLITICAL NEWS

## Plans for Peña Nieto to Visit White House Derailed After Call

A tentative plan for Mexican President Enrique Peña Nieto to visit the White House were derailed following a tense phone call last week between him and U.S. President Donald Trump, The Washington Post reported Saturday. The Mexican president had been considering his first trip to Washington since Trump took office more than a year ago, but the plans were shelved after Trump refused to publicly affirm Mexico's refusal to pay for the multi-billion-dollar border wall that he has vowed to build between the two countries, the newspaper reported, citing unnamed U.S. and Mexican officials. In the roughly 50-minute phone call, which happened last Tuesday, Trump and Peña Nieto spoke at length about the proposed border wall, and neither agreed to compromise. A Mexican official said Trump "lost his temper," but U.S. officials described the exchange as Trump being frustrated at Peña Nieto for expecting him to back away from a

central campaign promise of building a border wall and forcing Mexico to pay for it. After the call, Jared Kushner, Trump's son-in-law and top advisor, called Peña Nieto, and the two agreed to continue working together on areas where there is agreement, The New York Times reported. A meeting between Trump and Peña Nieto remains on the table, but there are no plans for its timing or venue, the newspaper reported, citing U.S. and Mexican officials.

## ECONOMIC NEWS

## Mexico's AMLO Would Halt Auction of Oil Blocks: Advisor

Andrés Manuel López Obrador, the front-runner ahead of Mexico's July presidential election, would temporarily freeze the auction of oil blocks in order to reassess the historic liberalization of Mexico's energy sector that began in 2015, The Wall Street Journal reported Friday, citing a campaign advisor. In an interview, Congresswoman Rocío Nahle, the candidate's choice to become energy minister in a future

## NEWS BRIEFS

## Petro Leads Poll Ahead of Colombia's Presidential Election

Former Bogotá Mayor Gustavo Petro leads polling ahead of Colombia's presidential election in May, according to a survey released Friday by the National Consulting Center, Reuters reported. Petro, a leftist, had 22 percent support in the poll, which was conducted between Feb. 19 and 21. Petro leads Sergio Fajardo, a former mayor of Medellín, who had 16 percent support, and Iván Duque, a conservative who has not yet officially received the backing of the Center Democratic party, with 15 percent.

## Talks Between Ecuador, Britain Over Assange Break Down

Talks between the governments of Ecuador and the United Kingdom over the future of Wikileaks founder Julian Assange have broken down, The Guardian reported Saturday. Assange has lived in Ecuador's embassy in London since 2012. He is currently seeking to avoid extradition to the United States. Ecuadorian Foreign Minister Maria Fernanda Espinosa said Britain has been unwilling to negotiate Assange's possible release.

## Zurich Insurance Buying QBE's Latin America Operations for \$400 Mn

Switzerland's Zurich Insurance said Sunday it had reached a deal to buy Australian insurer QBE's Latin America operations for about \$400 million, the Associated Press reported. The move would make Zurich among the biggest insurers in Argentina and provide a strong presence in Ecuador, as well as footholds in Brazil, Colombia and Mexico. QBE said last month it had forecast a loss of approximately \$1.2 billion for last year, in part due to "the particularly disappointing deterioration in our emerging markets businesses," said CEO Patrick Regan.

## FEATURED Q&amp;A / Continued from page 1

border areas, trafficking of drugs, arms and people are huge concerns. One of the most profitable illicit activities is the smuggling of gasoline from Venezuela to Colombia. It is estimated to earn between \$1 billion and \$2 billion a year, and it is distributed between military mafias and guerrilla groups along the borders. The international response is a key factor in not only addressing the humanitarian situation, but also thinking about tackling how these mafias operate. They cause havoc at the border, increase crime and cause a collapse in overall governance. Furthermore, neighboring countries should consider granting refugee status to arriving Venezuelans. According to a new report published by the Inter-American Commission on Human Rights, the massive exodus of

Venezuelans under the current deteriorating circumstances constitutes one of the criteria for officially declaring a refugee crisis. Unfortunately, it will only deteriorate further and could even become one of the worst in Latin America's history."

**A** **Geoff Ramsey, assistant director for Venezuela at WOLA: Advocacy for Human Rights in the Americas:**

"Responding to Venezuela's migration crisis will require the international community to increase funding for humanitarian responses, and to refrain from worsening the crisis by supporting sanctions on Venezuela's oil sector. Civil society organizations responding to the migration flow have criticized the lack of a mean-

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cabinet, told the newspaper that some “successful” results need to be seen from the first exploration and production blocks tendered in 2015 in order to continue with new auctions, according to the report. Nahle added that the contracts already awarded would be reviewed but not canceled, unless some irregularity is found. “Investors can be calm, we’ll respect the law,” she said.

## BUSINESS NEWS

### Arca Continental Reports 120 Percent Rise in Profit in Q4

Mexico-based Arca Continental, the second-largest Coca-Cola bottler in Latin America, on Friday said its revenue in 2017 increased 46 percent as compared to the previous year, to 137 billion pesos (\$7.39 billion). In the fourth quarter, net sales increased 53 percent when compared to the same quarter the previous year, reaching 38 billion pesos. Net income rose 120 percent in the quarter. “We were able to once again double our revenues in five years in a profitable and sustainable manner,” chief executive Francisco Garza Egloff said in an earnings release. Last November, the company bought Connecticut-based Deep River Snacks, saying the deal diversifies its portfolio targeting U.S. consumers. Deep River has annual sales of about \$45 million, according to Food Business News. Arca Continental says it now serves a population of more than 118 million people in the northern and western parts of Mexico as well as Ecuador, Peru, the northern region of Argentina and the southwestern United States. In Mexico, the company’s largest market, an 8 percent tax on high-calorie snacks was implemented in 2014. The tax has reduced some food purchases, but only by a small amount and only among poor and middle-class households, according to a 2016 study in the online journal PLOS-Medicine, which showed an average reduction of 5.1 percent in purchases of items subject to the tax, the Associated Press reported.

## COMINGS & GOINGS

### Molina Named Head of DR’s Telecom Regulator

The Dominican Republic’s president, Danilo Medina, last week appointed Luis Henry Molina as the new head of Indotel, the country’s telecommunications regulator, Listín Diario reported. Molina replaces José Del Castillo, who had been in the post since August 2016. Molina was previously director of the country’s export and investment center. Among Molina’s top tasks will be continuing the migration to digital terrestrial television, scheduled to end in 2021, and completing the auction of 30 megahertz of spectrum in the 1700-2100MHz (AWS) band, according to Telecompaper.

### Warner Music Taps Vaccari for Latin America Role

Warner Music has named Marcela Vaccari its vice president for business development in Latin America and Spain, MusicWeek reported last week. She joined the company in 2007 as a new media and business assistant in Argentina. In 2012, Vaccari became new media and business manager for the Southern Cone. She reports to Iñigo Zabala, the president of Warner Music Latin America and Iberia.

### Telefónica Names Hernández New CEO for Colombia

Telefónica last month appointed Fabián Hernández, who has handled regulatory matters at the company since 2006, as its new CEO in Colombia. He replaces Alfonso Gómez Palacio, who has been promoted to director of Telefónica Hispam Norte, one of the company’s newly-created Latin American units. Gómez is now overseeing the company’s businesses in Mexico, Central America, Colombia, Ecuador and Venezuela.

### Almeida Takes Board Seat at U.S.-Based Tupl

Bellevue, Wash.-based Tupl last week announced that Armando Almeida has joined the company’s board of directors. He previously served as CEO of Portugal Telecom, the largest communications service provider in Portugal. Before that he worked in executive roles at Nokia Siemens, including vice president for the Latin America region. He has also worked at Hewlett Packard and Compaq. Tupl, which provides solutions in artificial intelligence and machine learning for wireless and wireline network operators, has a presence in Spain, Mexico and Japan, with plans to expand into other international markets.

### Elrick to Direct Harvard’s Latin America Center

Harvard University this month named Andrew Elrick to be the new executive director of the David Rockefeller Center for Latin American Studies. He most recently served as the director of administration of the global initiative at the Harvard Business School.

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ingful humanitarian response. Venezuelan migrants and refugees face major obstacles in accessing food, medicines, housing, education for children and employment. This is particularly true in Colombia, Brazil and the Caribbean, which are primary destinations of the poorest Venezuelans who lack the means to travel further. The United Nations High Commissioner for Refugees estimates that as many as 750,000 Venezuelans have fled to these three destinations. The United States can play an important role in address-

“The response from the Trump administration has been inadequate.”

— Geoff Ramsey

ing the situation, and in encouraging other actors in the international donor community to do their part. But the response from the Trump administration has been inadequate. So far, the administration has only signaled a willingness to shift a portion of assistance to civil society in Venezuela (for which the State Department requested \$9 million in the 2019 fiscal year) to address the needs of Venezuelans in Colombia. A humanitarian response in all affected countries will require a far more significant investment. Ensuring funding for these efforts may be difficult in today's polarized climate in Washington, but there is one way the Trump administration can address the situation without relying on Congress. Sanctions on either Venezuelan crude exports or imports of refined oil would inevitably worsen the already tragic toll of Venezuela's economic collapse, and would doubtlessly accelerate mass migration. For these reasons, an executive order to this effect must be avoided at all costs.”

**A** **Maria Velez de Berliner,** president of Latin Intelligence Corporation: “Willingness aside, neither Colombia nor Brazil has the overall resources to care for the hundreds of Venezuelans who pour across the countries' borders daily. Colombia issued one and a half million temporary border crossing cards to fleeing Venezuelans in 2017, and President Temer declared a state of social emergency in Roraima. The possibility of criminals and special-interest aliens crossing their borders is a security concern in both countries. Cúcuta in Colombia and Pacaraima in Brazil cannot ensure the institutional security along the borders, which both countries need. The Lima Group and international aid organizations are stuck at meetings, talking the ‘Maduro Problem’ to death, and nothing else. Controlling migration is the first step. But most effective would be to give Venezuelans already in Colombia and Brazil temporary work permits, to be renewed yearly. The Inter-American Development Bank and the CAF Development Bank of Latin America should establish a program that pairs Colombian and Brazilian entrepreneurs with Venezuelan refugees to create jobs suitable to the 21st century. Venezuelan refugees are educated and entrepreneurial. They can help raise the skills pool, create employment and contribute to the much-needed growth of the areas that receive them. Pairing Venezuelans with locals who work legally will prevent the criminality, racism and chauvinism that Venezuelans suffer now. Having a place to work will benefit refugees and host countries alike. Technology-based commercial activities will beat selling mangoes, cleaning windshields at street corners, narcomenudeo (the dealing of illegal drugs in small quantities), and petty crime to afford food in Bogotá, Cúcuta, Boa Vista, Medellín, and other cities. Enable Venezuelans to contribute work in their host countries, and everyone wins. Otherwise, the tragedy of Venezuela will become Brazil's tragedy. It is already a tragedy in Colombia.”

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