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FEATURED Q&A

Who Is Positioned to be Paraguay's Next President?



Mario Abdo Benítez is the frontrunner ahead of Paraguay's presidential election next month. // File Photo: Abdo Campaign.

Q Voters in Paraguay will choose a new president in a national election scheduled for April 22. Senator Mario Abdo Benítez, who won the ruling Colorado Party's presidential primary in December over the preferred candidate of President Horacio Cartes, the party's flagbearer, is campaigning against left-leaning Efraín Alegre, who is running with the newly formed GANAR alliance. Alegre trails Abdo in recent polls by a wide margin but is generally considered to be ahead of eight other candidates on the ballot. Who is best positioned to be Paraguay's next president? Would either candidate take the country in a dramatically different direction from the Cartes administration? What other contests or trends in Paraguay's April election bear watching?

A R. Andrew Nickson, honorary reader in public management and Latin American studies at the University of Birmingham in England: "Mario Abdo Benítez is way ahead of Efraín Alegre in the polls, and it is hard to see how Alegre could overcome this wide margin. The Colorado Party has a deep-rooted tradition of burying its factional differences at election time, so Abdo can count on the Cartes faction's support. In contrast, Alegre cannot count on the active support of the leading opposing faction inside his Partido Liberal Radical Auténtico (PLRA). Furthermore, active support from the left-wing Guasú Front (FG), his partner in the GANAR alliance, is also likely to be lukewarm. FG activists cannot forgive Alegre for the support that he gave to the express impeachment that removed their leader, Fernando Lugo, from the presidency. Unlike in recent presidential elections, there is

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TODAY'S NEWS

POLITICAL

Trump Ousts Tillerson as Secretary of State

U.S. President Donald Trump has ousted Rex Tillerson as secretary of state and is replacing him with CIA Director Mike Pompeo.

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ECONOMIC

Chile, Ecuador to Jointly Develop Copper Mine

Chile's state-run mining company, Codelco, and Ecuadorean officials signed an agreement to develop the Llurimagua copper project near Quito. The project could become the first that Codelco, the world's largest copper miner, operates outside of Chile.

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POLITICAL

Colombia to Restart Peace Talks With ELN

Colombian President Juan Manuel Santos announced in a televised address that he would send his negotiators back to the table to resume talks with the National Liberation Army, or ELN, rebel group.

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Santos // File Photo: Colombian Government.

POLITICAL NEWS

Colombia to Restart Peace Talks With ELN: Santos

Colombia's government will restart peace talks with the National Liberation Army, or ELN, rebels, President Juan Manuel Santos announced Monday, Colombian daily newspaper *El Tiempo* reported. Santos said he made the decision "thinking about life, about saving lives, about achieving a complete peace for Colombia." The announcement also came a day after

“ Since the bilateral cease-fire ended, there have been too many deaths on both sides...”

— Juan Manuel Santos

legislative elections in Colombia, which Santos said were “the most peaceful and transparent elections in more than half a century” in which the FARC, which has transitioned from a rebel group to a political party, “exchanged bullets for votes, violence for democracy.” Santos had suspended peace talks with the ELN in late January after the group perpetrated a series of bombings in which eight police officers were killed and dozens of others were wounded. The attacks happened immediately after the expiration of the first-ever cease-fire that had been called between the government and the ELN. “Since the bilateral cease-fire ended, there have been too many deaths on both sides, too many wounded, too many victims—this is what we must stop,” Santos said Monday in his televised address, Reuters reported. “And that can only be achieved by talking.” Santos also applauded the ELN for observing a unilateral cease-fire during Sunday's legislative elections. The president did not say exactly when the peace talks would resume, but he said government negotiators will return to Quito, where previous rounds of talks between the government and

the ELN have been held. Since the bilateral cease-fire expired on Jan. 9, Colombian forces have killed 34 rebels, and the ELN has killed 19 members of the armed forces and have also attacked oil pipelines, halting some transportation of crude. Following Santos' announcement on Monday, the ELN issued a statement in support of the talks and reiterated its call for another bilateral cease-fire. “We join President Santos' call to restart talks, with the conviction that it is better to have dialogue in the midst of a bilateral cease-fire,” the ELN said. [Editor's note: See related [Q&A](#) in the Jan. 29 issue of the Advisor.]

ECONOMIC NEWS

Chile, Ecuador to Jointly Develop Copper Mine

Chilean state-run mining company Codelco on Saturday signed a deal with Ecuador to jointly develop the Llurimagua copper project near Quito, Reuters reported. The project could become the first mine Codelco, the world's largest copper producer, operates abroad in a longstanding bid to tap new sources of ore. Ecuador's state-owned miner, Enami EP, will own



Moreno // File Photo: Ecuadorean Government.

a 51 percent stake in Llurimagua, and Codelco will hold 49 percent. At a ceremony to sign the deal, Ecuadorean President Lenín Moreno said his Andean nation could contain up to 15 percent of the world's copper, but it required Chile's mining expertise and technology to develop that potential, Platts reported. Nearby communities and international environmental

NEWS BRIEFS

Trump Ousts Tillerson as U.S. Secretary of State, Taps Pompeo for Role

U.S. President Donald Trump has ousted Secretary of State Rex Tillerson and replaced him with the director of the Central Intelligence Agency, Mike Pompeo, *The Washington Post* reported today. Tillerson, who had been at odds with Trump over several major policy initiatives, cut short his trip to Africa on Monday to return to Washington. Trump had asked Tillerson to resign last Friday, the newspaper reported. Gina Hapsel, the deputy director at the CIA, will succeed Pompeo at the CIA, becoming the first woman to run the spy agency, if confirmed.

First Mapuche Women Take Seats in Chile's Lower House

Emilia Nuyado of the Socialist Party and Aracely Leuquén of the National Renovation Party on Sunday became the first indigenous Mapuche women to assume office and vote as members of Chile's Chamber of Deputies, *Teletrece* reported. Indigenous communities of south-central Chile have had increased conflict in recent years with state officials and private companies they accuse of taking their ancestral land.

Paper Excellence Makes Bid for Brazil's Fibria Celulose

Netherlands-based wood pulp producer Paper Excellence has made a formal bid to acquire Brazil's Fibria Celulose for more than \$12 billion, Reuters reported Monday, citing three people with direct knowledge of the matter. Local newspaper *Valor Econômico* first reported the potential bid over the weekend. Suzano Papel e Celulose, a Brazilian pulpmaker, has also been in talks to take over Fibria, along with Chile's Arauco, a subsidiary of industrial conglomerate Empresas Copec, as well as Finland's UPM.

advocates for years have protested against the project over fears of pollution. Critics of the project say the geography of the Llurimagua site, located in a cloud forest, is more biodiverse and sensitive to damage, as compared to most of Codelco's mines in the dry Atacama Desert. Since taking office last year, the Moreno government has ramped up expectations for mining sector investment. Last week, Ecuador's mining minister, Rebeca Illescas, courted investors in Canada.

BUSINESS NEWS

Repsol, Other Companies to Open Mexico Gas Stations

Spanish oil company Repsol announced on Monday it would open 200 gasoline stations in Mexico this year, Reuters reported. The company has set a goal to capture 10 percent market share within five years, according to Maria Victoria Zingoni, Repsol's downstream director. Repsol will invest some \$430 million building new fuel stations and infrastructure. Mexico opened its energy sector to more competition in a 2013 constitutional overhaul. Last week, Britain's BP announced plans to have 1,500 branded gas stations in Mexico by 2021 with a goal of capturing 15 percent of the country's retail gasoline market, Platts reported. BP's fuel director, Álvaro Granada, told reporters at the inauguration of the 160th BP-branded station in Mexico on Friday that the company has not yet committed itself to a single source of fuel for the stations, which could involve buying gas from state oil company Pemex or an independent company, or by importing its own fuel. Royal Dutch Shell, Chevron, Total and ExxonMobil are also moving ahead with plans to open gas stations in Mexico, among others. Meanwhile, Pemex has been testing the United States market for its branded gas stations. "It's not a plan yet. We are opening some in Houston, some in California. We are testing the market," Pemex chief executive Carlos Treviño told the Houston Chronicle earlier this month.

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now no longer any significant third party that could make inroads into the Colorado vote. So, in spite of the alliance between the PLRA and FG, the Colorado candidate is likely to come out on top. Neither candidate is likely to introduce any significant shift away from the exclusionary style of development that has characterized the Cartes presidency, with high priority given to foreign direct investment, especially from Brazil, and a deepening dependence on an economic model based on the export of soybean and meat products to the exclusion of any serious industrialization program. The FG has decided not to run its own candidate for the presidency, instead accepting the vice-presidential post (Leo Rubin, a relatively unknown environmental activist) on the ticket with Alegre. Instead, its focus will be on increasing its representation in Congress, building on the widespread support for ex-President Lugo, especially in rural areas. Lugo will head the FG party list for the Senate. FG activists will mainly campaign for their congressional candidates, to the detriment of active support for the presidential race. In the long-run, the FG aims to displace the PLRA as the country's second-largest party. Given the PLRA's lack of any clear programmatic content, and the deep personal differences among its faction leaders, increased FG representation in the incoming Congress is a likely prospect."

A **Juan Francisco Facetti, professor and researcher at the Universidad Nacional de Asunción and consultant on governance:** "Without a doubt, Mario Abdo Benítez is best positioned to be Paraguay's next president. Recent polls, taken just 50 days before the election by the country's most well-known and credible pollster, showed Abdo with a more than 30 percent-age-point lead over his closest opponent, Efraín Alegre. Business leaders and foreign observers are expecting Abdo to become the country's next president. Since the first day

of the campaign, Abdo has said his priority if elected would be restoring the institutions of the republic and promotion of independent judicial institutions. Additionally, his agenda calls for major reforms in health, education and security. Regarding the economy, he is seeking a higher rate of growth, as well as a strengthening of macroeconomic indicators and greater inclusion. One of his obsessions is job creation and the fight against poverty. The macroeconomic anchors will be: a prudent fiscal policy and respect for the fiscal responsibility law, which is aimed at careful spending and expanding the tax base; a monetary policy that is focused on inflation goals and an exchange rate that fluctuates along with the market. The congressional elections will be fundamental for the next government. The Colorado Party is facing a strong challenge from the pro-bolivarian Guasú Front, which is led by Fernando Lugo. An opposition majority in Congress would block Horacio Cartes and Nicanor Duarte from being sworn in as future senators, while a friendly Congress would be fundamental in promoting the next president's agenda."

A **Sebastián Acha, executive director of PRO Desarrollo Paraguay:** "The presidency of Horacio Cartes has considerably diminished the institutionality that was built over the past 12 years. During his term, Congress, the judiciary and public institutions (such as the central bank and finance ministry) suffered not only the usual political stress, but also pressure from powerful economic groups connected to this president. Still, the Colorado Party appears to be the favorite to win the election. However, according to the latest polls, Congress will be more independent. This will be especially true in the Senate, where the ruling party apparently will lose at least four seats. However, this doesn't mean there will be a governance problem. On the contrary, it would be healthier for the political system, after there has

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been almost no opposition from Congress during this presidential term. It's also remarkable that former President Fernando Lugo is running as a favorite for Senate. It means that the leftist parties could increase their representation in Congress. Finally, the most serious issue to fight is corruption, especially the debauchery that has permeated the judiciary. The scale of corruption during this administration is simply shameful."

A **Brian Turner, professor and chair of the Department of Political Science at Randolph-Macon College:** "The recent poll by First Análisis reports Alegre trailing 'Marito' Abdo Benítez by more than 30 points in the presidential race. Abdo has the advantage of having defeated Cartes' candidate in the primary, and as a critic of Cartes he is not burdened by the president's low public approval. The fact that his father, also Mario Abdo Benítez, was Alfredo Stroessner's private secretary seems irrelevant to the news media. Alegre attempted to unite the opposition, but even his own Liberal Party (PLRA) remains deeply divided, and the alliance with former president and current Senator Fernando Lugo's Broad Front (Frente Guasú) will not likely earn many votes for the presidential ticket. The same poll surprisingly shows the Colorados losing

rather badly in the Senate, with Senator Lugo's list leading with just 23.5 percent. With 45 seats distributed by proportional representation, as many as eight parties and movements will likely win at least one seat. The Colorados are burdened by Senate

“**Abdo has the advantage of having defeated Cartes' candidate in the primary..”**

— Brian Turner

candidates accused of influence peddling and other crimes. The constitutionality of the candidacies of President Cartes and former President Nicanor Duarte is dubious, although the Supreme Court seems unwilling to rule on this question. These elections will not change the patrimonialism and a general crisis of representation in Paraguayan politics. The continuing decline in support for the two traditional parties (Colorado and Liberal) may be the most important result, but no renovating force has yet emerged to challenge these parties' control of political institutions."

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Brazil's Election and Latin America's Volatile Politics

An Inter-American Dialogue Discussion with
Brian Winter, Americas Quarterly
Monica de Bolle, Peterson Institute for Int'l Economics
Roberto Simon, FTI Consulting

View a webcast of the Feb. 27 discussion.

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