

## BOARD OF ADVISORS

### Diego Arria

Director, Columbus Group

### Devry Boughner Vorwerk

Corporate VP, Global Corporate Affairs  
Cargill

### Joyce Chang

Global Head of Research,  
JPMorgan Chase & Co.

### Dirk Donath

Senior Partner,  
Catterton Aimara

### Marlene Fernández

Corporate Vice President for  
Government Relations,  
Arcos Dorados

### Peter Hakim

President Emeritus,  
Inter-American Dialogue

### Donna Hrinak

President, Boeing Latin America

### Jon Huenemann

Vice President, U.S. & Int'l Affairs,  
Philip Morris International

### James R. Jones

Chairman,  
Monarch Global Strategies

### Craig A. Kelly

Director, Americas International  
Gov't Relations, Exxon Mobil

### John Maisto

Director, U.S. Education  
Finance Group

### Nicolás Mariscal

Chairman,  
Grupo Marhnos

### Thomas F. McLarty III

Chairman,  
McLarty Associates

### Carl Meacham

Associate VP for Latin America  
Int'l Advocacy Division, PhRMA

### Carlos Paz-Soldan

Partner,  
DTB Associates, LLP

### Beatrice Rangel

Director,  
AMLA Consulting LLC

### Gustavo Roosen

Chairman of the Board,  
Envases Venezolanos

### Andrés Rozental

President, Rozental &  
Asociados and Senior  
Policy Advisor, Chatham House

### Roberto Sifon-Arevalo

Managing Director, Americas  
Sovereign & Public Finance Ratings,  
Standard & Poor's

## FEATURED Q&A

# What Does Allowing 'El Bronco' to Run Mean for Mexico?



Earlier this month, Mexico's top electoral court allowed Jaime "El Bronco" Rodríguez, who was elected governor of Nuevo León State in 2015, to appear on the presidential ballot. // File Photo: Rodríguez Campaign.

**Q** Mexico's top electoral court on April 10 reversed an earlier decision and ordered that a fifth candidate be added to the July 1 presidential ballot. Jaime "El Bronco" Rodríguez, the first independent candidate to become governor of a Mexican state when he won election in Nuevo León, had been kept off the ballot last month because officials declared he had not collected enough legitimate signatures. Rodríguez successfully argued that he did not have enough time to contest the signatures in question. Supporters of other disqualified independent candidates cried foul, however, saying the process does not treat all candidates fairly. Is Mexico's electoral court fair and transparent? What does the inclusion of "El Bronco" on the official ballot mean for Mexico's election outlook? What are the biggest factors that will determine who is Mexico's next president?

**A** Andrés Rozental, member of the Advisor board, president of Rozental & Asociados in Mexico City and senior policy advisor at Chatham House: "The surprise decision by Mexico's electoral tribunal to allow Jaime Rodríguez to be added to the presidential ballot for the July 1 elections has raised a storm of protest from all corners of the country's political and social establishment. Although it was a 5-4 decision, the magistrates who voted in favor of the action have tried to justify their position by saying that 'El Bronco' was denied a right of review of the million and a half signatures that he presented to the National Electoral Institute (INE), more than half of which were declared ineligible. Rodríguez has thus joined Margarita Zavala as the second independent candidate on the ballot for the presidential

Continued on page 3

## TODAY'S NEWS

### ECONOMIC

## E.U., Mexico Reach Deal to Revise Trade Agreement

The European Union and Mexico announced that they had reached a deal to revise their nearly two-decade-old trade accord. The agreement could end Mexican tariffs on European food and beverages.

Page 2

### ECONOMIC

## Ortega Cancels Pension Reform Amid Nicaragua Protests

Nicaraguan President Daniel Ortega's move came amid protests that have left dozens dead.

Page 3

### POLITICAL

## Ruling Party's Abdo Wins Paraguayan Presidential Vote

Ruling party candidate Mario Abdo Benítez, pictured casting his vote on Sunday, won the country's presidential election. The margin was much smaller than polls had predicted.

Page 2



Abdo // File Photo: Abdo Campaign.

## POLITICAL NEWS

## Ruling Party's Abdo Wins Paraguayan Presidential Vote

Mario Abdo Benítez, a conservative former senator and the candidate of Paraguay's ruling Colorado Party, on Sunday won the country's presidential race, defeating rival Efraín Alegre Sasiain. With 99.7 percent of the votes counted, Abdo garnered 46.4 percent, while Alegre

“We hope to be the true protagonists of a democracy that is more and more solid every day.”

— Mario Abdo Benítez

had 42.7 percent, according to the electoral authority. Eight other candidates won less than one percent each. The result was much closer than opinion polls had predicted. Some surveys leading up to the election had given Abdo a lead of 20 percentage points ahead of Alegre. The electoral commission said Sunday night that Abdo's lead was “irreversible,” but Alegre did not concede and said he would not until all the ballots were tallied and confirmed, Reuters reported. Abdo did deliver a victory speech, however, in Asunción. “We hope to be the true protagonists of a democracy that is more and more solid every day,” Abdo told his supporters. He also struck a conciliatory tone, vowing to win over voters who cast ballots for his opponent. “My administration will be committed to gaining the confidence of those who did not accompany us,” Abdo said, Reuters reported. A construction executive who was educated in the United States, Abdo is the son of a late top aide to former Paraguayan dictator Alfredo Stroessner, who ruled Paraguay for 35 years

before being forced into exile in Brazil in 1989. However, Abdo has distanced himself from Stroessner's legacy and has vowed to support democracy and human rights, the Los Angeles Times reported. Abdo has also voiced support for the country's current economic agenda, which focuses on low taxes and emphasis on the country's export market. The opposition has called for higher taxes.

## ECONOMIC NEWS

## European Union, Mexico Reach Deal to Revise Trade Accord

The European Union and Mexico announced Saturday they had reached an agreement in principle to revise their nearly two-decade old trade deal, The New York Times reported. The new agreement could end Mexican tariffs on European food and beverages and allow the bloc to sell more services in Mexico. Mexico has requested more flexibility from the European Union in accepting imported cars that were only partly produced in Mexico, while Europe has wanted more access for its dairy products in Mexico. Officials said they aimed to ensure nearly all goods traded between the



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

European Union and Mexico will be duty-free. In related news, negotiators from Mexico, Canada and the United States extended talks through the weekend over the North American Free Trade Agreement, or NAFTA, with plans to reconvene at the ministerial level on Tuesday, the Canadian Press reported. “You can call this a perpetual negotiating round,” Canadian

## NEWS BRIEFS

## Chile Offers to Mediate Talks Between Colombia, ELN Rebels

On Sunday, the Chilean Foreign Ministry offered to mediate peace talks between Colombia and the country's National Liberation Army, or ELN, rebel group. The move came after Ecuador, the official guarantor and host for the renewed talks, suspended its role after Ecuadorean President Lenín Moreno alleged continued “terrorist” attacks by the group. Chile's Foreign Ministry said it hopes to reach a deal “as quickly as possible.”

## AMLO Faces Attacks in Mexican Presidential Race's First Debate

Mexico's leading presidential candidate, Andrés Manuel López Obrador, accused his opponents of “ganging up on” him in the country's first televised debate on Sunday, Reuters reported. The vigorous debate featured no fewer than 50 attacks on López Obrador, the leftist former mayor of Mexico City, Reforma reported. The latest poll shows him 22 points ahead of Ricardo Anaya, candidate for the left-right “For Mexico in Front” alliance and his nearest rival. The country is set to hold national elections on July 1.

## Canada-Based Canpotex Expected to Announce First Brazil Office

Potash exporter Canpotex is expected to announce today the opening of its first office in Brazil, The Globe and Mail reported Sunday. The company, based in the Canadian city of Saskatoon, sells potash from 10 mines in Saskatchewan to farmers around the world. The opening of its Brazil office is part of an effort to better position it as a dominant supplier of fertilizer in the South American nation, the company's CEO, Ken Steitz, told the newspaper in an interview.

Foreign Affairs Minister Chrystia Freeland told reporters Friday. Moises Kalach, a senior representative of the Mexican private sector at the talks, on Friday said he believed the sides were perhaps “a couple of weeks away” from a deal, Reuters reported. [Editor’s note: See [Q&A](#) on the NAFTA negotiations in the Feb. 13 issue of the Advisor.]

## Nicaragua’s Ortega Cancels Pension Reforms Amid Deadly Protests

Nicaraguan President Daniel Ortega on Sunday retracted controversial pension reform legislation that had provoked deadly protests in the country over the last five days, Nicaraguan newspaper *Confidencial* reported. His announcement came after as many as 26 people were killed during the unrest, according to Nicaraguan Human rights organization *Cenidh*. *Confidencial* reported that authorities had responded violently to peaceful protests on Thursday, with several reports of brutality emerging. The following days saw widespread looting in Managua, the country’s capital, as protests continued and descended into violence, *The Wall Street Journal* reported. In a televised address, Ortega said he was retracting two bills that were set to slash social security benefits and added that he would begin a period of negotiation with business leaders and officials from the Catholic Church. The groups said they would only participate in such a dialogue if the government freed peaceful demonstrators, stopped repressing protests and protected freedom of speech. The government had also ordered off the air several television stations that had been covering the protests. The International Monetary Fund warned recently that Nicaragua’s social security fund, or INSS, was set to run out of money in 2019. Opponents alleged that Ortega had used the INSS as a source of funding for political allies and pet projects, *The Wall Street Journal* reported.

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

election, and it’s entirely possible that a third candidate, Armando Ríos Piter, might also be allowed after an appeal. Observers in Mexico have seen the tribunal’s decision as a blatant ploy by the PRI and the current government to eat into Andrés Manuel López Obrador’s lead in the polls and to favor José Antonio Meade. The reality is that all the independent candidates massively cheated in submitting hundreds of thousands of ineligible or fraudulent signatures to the INE in order to get on the ballot. Accepting any of them as presidential candidates—given their evident flouting of the requirements set by Mexico’s electoral legislation—is a travesty of the system and an action that has seriously delegitimized the country’s electoral institutions. Close elections in July will most probably end up being adjudicated by the tribunal, and its bizarre decision in this case will undoubtedly cast doubt on any rulings that are made in the future.”

**A** **Nicolás Mariscal, member of the Advisor Board and chairman of Grupo Marhnos in Mexico:** “The electoral tribunal’s decision to include Jaime ‘El Bronco’ Rodríguez was very controversial, and it undermines the tribunal’s credibility. Rodríguez’s inclusion will further divide the electorate, which already seemed very fragmented. This has been one of the most complicated electoral processes that Mexico has had. Mexican society thirsts for change, as it is fed up with corruption and abuse of power. For many, the most radical option for change is on the left, despite the fact that it has not yet convinced many that it is an option that promotes prosperity and development. At the same time, the public’s disillusionment with politics means people are assuming more responsibility and have more hope that they can change their own futures as opposed to relying on politicians. Each candidate’s platform, as well as their ability to communicate and promote it, will play an important role as the campaigns develop. The presidential debates will be

decisive, along with the actions of the media and social networks, which will play a particularly important role among those younger than 30, who represent 29 percent of potential voters.”

**A** **Gonzalo Escribano, the Director of Government Affairs at Spey-side Mexico:** “The decision to allow Jaime Rodríguez to compete in the presidential race was an unfortunate one that has called into question the electoral tribunal’s independence. As a result of the 2013 political reform, allowing independent candidates has had a positive effect on enriching Mexico’s democracy by creating competition against the established parties that receive considerable public funding. It is interesting to note that in some areas of the

“**The decision to allow Jaime Rodríguez to compete ... was an unfortunate one that has called into question the electoral tribunal’s independence.”**

— Gonzalo Escribano

country, independent candidacies have encouraged enthusiasm for civic participation, as in the case of Pedro Kumamoto in Jalisco. The decision to allow Margarita Zavala to compete as an independent presidential candidate after she made a concerted effort to obtain sufficient signatures, was generally well received. The recent about-face that led to the acceptance of Rodríguez’s candidacy based on a questionable technicality when so many of his signatures were falsified, has generated doubt as to whether there are political motives for wanting macho man ‘El Bronco’ on the ballot in order to take votes away from front-runner, Andrés Manuel López Obrador of the Morena party. If that

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

were the intention, the general disgust that this decision has caused may do just the opposite. Further, it does considerable harm by calling into question the independence of the election's arbiter, the tribunal itself. In the end, Rodríguez's participation will likely be irrelevant to the eventual outcome, as his support levels are around 3 percent nationally, and most will consider a vote for him as wasted. That said, if the election gets tighter in the next two months, the presence of two independent candidates could potentially tip the scales. Rodríguez's participation adds very little to the campaign season—he is a man of little substance—but it has damaged the credibility of the institution charged with making critical determinations related to the eventual electoral result."

**A** James Bosworth, founder of Hxagon, LLC and author of *Bloggings by Boz*: "The data show that Andrés Manuel López Obrador, or AMLO, is the clear front-runner and likely winner in July. Mexican voters want the ruling party out of office, and López Obrador has been the clear alternative and most viable candidate to do that for many months. It would take a significant set of mistakes by AMLO to lose this election. Rodríguez being on the ballot is likely to draw a few percentage points of support, but almost certainly less than López Obrador's margin of victory. A year ago, it looked like Rodríguez had the potential to be a fairly significant resurgent candidate. His successful

2015 run for governor included a promise to prosecute corrupt former officials of the PRI, something Mexican voters want but AMLO has avoided promising during his campaign. However, Rodríguez's campaign never caught national attention. While political

---

“It would take a significant set of mistakes by AMLO to lose this election.”  
— James Bosworth

---

pundits are very familiar with El Bronco, the controversy over his petition signatures is the first that many Mexican voters in the central and southern parts of the country have heard of Nuevo León's governor. That has left Rodríguez with a national negative approval nearly as bad as the PRI's and only half the name recognition of the other candidates. Meanwhile, AMLO's approval rating is nearly 50 percent with only a quarter of voters opposed to him, very strong numbers that show he is less polarizing to the electorate than he is sometimes portrayed to be in the local and international media."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2018

**Erik Brand**  
Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**  
Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)



**Michael Shifter**, President  
**Genaro Arriagada**, Nonresident Senior Fellow  
**Sergio Bitar**, Nonresident Senior Fellow  
**Joan Caivano**, Director, Special Projects  
**Michael Camilleri**, Director, Peter D. Bell Rule of Law Program  
**Kevin Casas-Zamora**, Nonresident Senior Fellow  
**Ariel Fiszbein**, Director, Education Program  
**Alejandro Ganimian**, Nonresident Fellow  
**Peter Hakim**, President Emeritus  
**Claudio Loser**, Senior Fellow  
**Nora Lustig**, Nonresident Senior Fellow  
**Margaret Myers**, Director, China and Latin America Program  
**Manuel Orozco**, Director, Migration, Remittances & Development  
**Jeffrey Puryear**, Senior Fellow  
**Tamar Solnik**, Director, Finance & Administration  
**Lisa Viscidi**, Director, Energy Program  
**Denisse Yanovich**, Director of Development and External Relations

**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

ISSN 2163-7962

Subscription inquiries are welcomed at [fretrial@thedialogue.org](mailto:fretrial@thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.

LATIN AMERICA ADVISOR

# Energy Advisor

The answers to questions that informed executives are asking ... every week.

SUBSCRIBE