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FEATURED Q&A

Is Bolsonaro the Candidate to Beat in Brazil?



Right-wing candidate Jair Bolsonaro has been topping opinion polls ahead of Brazil's presidential race. // File Photo: Bolsonaro Campaign.

Q Brazilian President Michel Temer on May 22 withdrew from the country's presidential race and endorsed his former finance minister, Henrique Meirelles. Recent polls show right-wing candidate Jair Bolsonaro in the lead with 18.3 percent support, and environmentalist Marina Silva and leftist Ciro Gomes battling for second place with 11.2 percent and 9 percent, respectively. Former president Luiz Inácio Lula da Silva has been the race's front-runner, but he was jailed in April and has been all but formally barred from running. With four months until election day on Oct. 7, how is Brazil's presidential race shaping up? Will Bolsonaro maintain his lead? Which factors will most affect the race between now and October?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "The truckers' strike, the government's inept response and the public reaction to both have increased the prospect that extreme right-wing populist Jair Bolsonaro will be Brazil's next president. Once again, Brazilians are showing how little they trust the country's leadership. Despite its brutal economic damage and disruption, polls report that nine in 10 Brazilians think the strike is justified. The same percentage feel the official response was bungled. The now frighteningly commonplace calls for military intervention also points to the mounting scorn for politics and politicians. Brazil's political center continues to shrink. The center's prime representative in this October's election, former São Paulo Governor Geraldo Alckmin, is the preferred candidate of only 5 to 8 percent of voters in

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TODAY'S NEWS

ECONOMIC

Trump Slaps Tariffs on Mexico, Canada, E.U.

U.S. President Donald Trump's administration removed exemptions for Mexico, Canada and the European Union that had shielded them from steel and aluminum tariffs. Officials in the countries affected vowed to retaliate.

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BUSINESS

Colombia Investigating Top Ecopetrol Officials

Colombian prosecutors are investigating the CEO and other top officials of state oil company Ecopetrol on allegations of neglect following an oil spill last March.

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POLITICAL

Assange Can Stay in Embassy With Rules: Moreno

Ecuadorian President Lenín Moreno said WikiLeaks founder Julian Assange can remain in the country's embassy in London as long as he adheres to the conditions of his asylum.

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Assange // File Photo: Ecuadorian Government.

ECONOMIC NEWS

Trump Slaps Tariffs on Mexico, Canada, European Union

Effective today, the administration of U.S. President Donald Trump has removed an exemption that had shielded allies Canada, Mexico and the European Union from 25 percent tariffs on steel imports and 10 percent tariffs on aluminum imports, the Associated Press reported. U.S. Commerce Secretary Wilbur Ross, who as a businessman in the early 2000s purchased and then sold distressed U.S. steel companies, said the United States will place quotas or volume limits instead of tariffs on other countries such as Argentina, Australia, Brazil and South Korea, CNBC reported. As the peso fell to its lowest level in almost 15 months Thursday on the news, Mexican officials vowed to retaliate

with their own tariffs on U.S. products including pork bellies, grapes, apples and flat steel, Reuters reported. Canada's list of countermeasures would include tariffs on U.S. metals and food products such as yogurt, pizza and cu-



Trump // File Photo: White House.

cumbers, as well as household products such as mattresses and refrigerators. The United States argues that protecting the steel industry is in the country's national security interest, a classification that World Trade Organization rules allow member countries to determine for themselves. "The WTO language is pretty

NEWS BRIEFS

Strikes by Brazilian Oil Workers, Truckers Wind Down

After 11 days of paralyzing transportation blockades and fresh oil worker strikes this week, Brazil showed signs of returning to normal on Thursday, Reuters reported. The oil workers union, FUP, unexpectedly called off a 72-hour strike it began on Wednesday after defying a court order against it. Meanwhile, Brazil's minister of institutional security, Sérgio Etchegoyen, said all roadblocks put up by truckers seeking lower diesel fuel prices from the government had been removed. Only isolated groups of truckers were still causing problems, according to the report.

Thousands Still Without Power in Puerto Rico as Hurricane Season Begins

Hurricane season begins today, and more than 11,000 people are still without power in Puerto Rico, more than eight months after Hurricane Maria pummeled the U.S. territory, CBS News reported. It could still take another two months before electricity is completely restored, according to the Puerto Rico Electric Power Authority. In the municipality of Yabucoa, where Maria made landfall, 38 percent of residents still remain without electricity.

Expelled Venezuelan Diplomat Still in U.S.

A career Venezuelan diplomat who was expelled last week from the United States following Venezuelan President Nicolás Maduro's move to expel the top U.S. diplomat in Caracas is still in the United States even though he had been given 48 hours to leave, the Associated Press reported. Jarlet Sánchez, who had been Venezuela's deputy consul general in Houston, is attempting to seek legal permanent residency under a provision that some Eastern Bloc diplomats used during the Cold War to defect.

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recent polls, compared to nearly 20 percent for Bolsonaro. Alckmin's badly divided party has been shamed by revelations of extensive corruption, just like most other parties. Another centrist candidate is Henrique Meirelles, who until last month served as Brazil's very capable finance minister and is trying to run on his record. But the economic continuity is not an attractive electoral platform these days. Without currently jailed Luiz Inácio Lula da Silva, who will almost certainly be declared ineligible to run, Bolsonaro leads in every poll, but Marina Silva and Ciro Gomes are within striking distance. Both are experienced in politics. They have each held high office and have sought the presidency before, although neither has won enough votes to participate in the runoff stage. Their political parties are small and weak, although Ciro is in position to gain Lula's support, which could give him a potentially important boost. The major liability of both Marina and Ciro, however, is that Brazilian voters are unlikely to see either as having the capacity or will to challenge and

upend Brazil's political system. This is what Bolsonaro represents. This is his declared ambition—an ambition which Brazilians these days are demonstrating an escalating readiness to support."

A **João Feres Júnior, director of the Institute of Social and Political Studies (IESP) of the State University of Rio de Janeiro:**

"This election so far has been the most unpredictable in the last four decades. This is mostly due to the devaluation of politics and political institutions produced by their unrelenting association with corruption. Brazilian big media has played a major role in this process, lambasting the elected powers (legislative and executive) while glorifying the judicial branches of government (judiciary and prosecutor general). As a result, established parties and politicians are having trouble increasing their electoral base for the presidential race. In this scenario, candidates who present themselves as outsiders have an advantage. This is

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clear that on issues of national security; it's up to each member to decide," former General Electric trade attorney R. Michael Gadbaw told NPR this week. Other countries affected said Thursday they are planning retaliatory tariffs on U.S. goods, as well.

POLITICAL NEWS

Assange Can Remain in Embassy With Conditions: Moreno

WikiLeaks founder Julian Assange can remain in Ecuador's embassy in London as long as he adheres to the conditions on his asylum there, which include Assange not using Twitter to voice his political views, Ecuadorean President Lenín Moreno told German broadcaster Deutsche Welle in an interview. The asylum of Assange, who has lived in the embassy since 2012, "continues being a problem, but Ecuador will respect his right to asylum if Assange respects the limits," said Moreno. "Don't forget that a condition of his asylum is that he not talk about politics or intervene in the politics of friendly countries. This is why we have cut off his communication." If Assange violates the terms of his asylum in the embassy, "At that moment, we will make a decision," Moreno added. In March, Ecuador cut off Assange's Internet access, saying he had put at risk the "good relations" Ecuador maintains with the United Kingdom and other countries. Ecuador made the move after Assange posted a tweet questioning an accusation by Britain that Russia was to blame for the poisoning of a Russian former double agent and his daughter earlier in March in the English city of Salisbury, The Guardian reported. Over more than five years, Ecuador spent at least \$5 million on a secret intelligence budget to protect him. However, Moreno last month withdrew additional security at the embassy. In his interview with Deutsche Welle, Moreno said the decision to grant Assange Ecuadorean citizenship last December was the idea of Foreign Minister María Fernanda Espinosa. He said he had delegated decisions related to the Assange case to her.

A year ago, Swedish prosecutors dropped their investigation into rape allegations against Assange; however, he would still likely be arrested if he leaves the embassy and could be extradited to the United States to face charges over the release of classified documents through WikiLeaks.

BUSINESS NEWS

Colombia Probing Top Ecopetrol Officials Over Spill

Colombia's attorney general on Thursday opened a disciplinary investigation targeting a dozen officials at state oil company Ecopetrol and the National Hydrocarbons Agency, or

ANH, over a March oil spill, El Tiempo reported. More than 500 barrels of oil spilled into local rivers from the Lizama field in Barrancabermeja, polluting 24 kilometers of waterways, displacing 23 families and killing 2,000 animals. Felipe Bayón Pardo, who has been Ecopetrol's top executive since last September, and his predecessor, Juan Carlos Echeverry, are among the 12 under investigation. Investigators allege the company failed to carry out standard maintenance procedures and took weeks to respond to the spill. Company executives allegedly lied to the public about controlling the oil spill one day after a pipe broke on an abandoned project on March 3, according to Colombia Reports. The investigation will determine the degree of responsibility among the individuals, as well as who could be dismissed from their job and even disqualified from holding public office. Echeverry had served as Colombia's finance minister from 2010-12.

THE DIALOGUE CONTINUES

Will Chile Be Latin America's First Developed Country?

Q Chile's economic activity rose 4.6 percent in March, year-over-year, the sharpest gain in five years. Rising consumption and a stronger mining sector helped boost growth, the central bank said. Are conditions right for Chile's economy to surge ahead? What tailwinds support the administration of Sebastián Piñera, who took office in March, and what challenges lie ahead? Is Chile on track to become Latin America's first developed country by 2025, as Piñera told Miami Herald columnist Andrés Oppenheimer earlier this year?

A Luis E. Gonzales Carrasco, senior economist at Clapes UC in Santiago: "The new administration in Chile is taking the challenge in the correct way. First, it is ordering and strengthening fiscal policy after a significant expansion of spending, which

generated a fiscal deficit of more than \$5 billion. Second, in the political economy, the government is looking for agreements across the spectrum of political parties, trying to build consensus and obtaining approval for new decrees and laws that allow the government to increase economic efficiency and productivity and increase society's welfare. Finally, in order to achieve these goals, the government is trying a mix of policies between austerity and greater levels of economic growth. In sum, if the government can maintain these objectives, it is probable that Chile will experience growth and remain among Latin America's most developed countries by 2025."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the May 25 issue of the Advisor.

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the case of Bolsonaro and Marina Silva. However, electoral politics is not only about image but also about party structure, and those outsiders are in very small parties with almost no machine, resources or TV time (in Brazil free campaign advertising is mandatory and allotted according to the number of members each party has in Congress). Bolsonaro has the added problem of being too far on the extreme right and thus incapable of attracting enough votes necessary to win the election. He might be able to make it to the second round if he is able and lucky enough to avoid grave mistakes during the campaign. But in the runoff, he will most likely lose to any contender. So, we are left with Alckmin, the candidate of the center-right (PSDB) and Ciro Gomes, who is placing himself quite well on the center-left, waiting for a massive transfer of voters from the Workers' Party electorate, after Lula, a political prisoner, is definitively barred from running by Brazil's corrupted judiciary."

A **Jana Nelson, former Brazil desk officer at the U.S. Department of State:** "Not unlike other elections this year, Brazil's presidential race is shaping up to be polarizing and about wedge issues. The front-runner, Jair Bolsonaro, has been campaigning informally for more than a year and has built a name for himself. Thirty percent of the population is still undecided, a number that should decrease over the next four months. Bolsonaro's 18.3 percent support might grow enough to get him to the second round, but he is unlikely to win the election. Those who support his brash ways and controversial positions are a larger group than originally expected, but not yet half the population. A few months ago, the challenge in Brazil was a lack of candidates. Now, although none galvanize the population nor engender much passion on the part of the voter, at least there are a few options beyond Bolsonaro. Of all the candidates, according to the latest CNT/MDA poll, Marina Silva has the

highest rejection rates, followed by Alckmin, meaning their electoral support is unlikely to grow. Both the leftist Ciro Gomes—a recurring figure in the last several elections—and Henrique Meirelles, a relative newcomer to electoral politics, could surface as viable opposition to Bolsonaro if they denounce corruption, promise to return to Lula-era social policies, and come off as intelligent, policy-minded and stable individuals."

A **Gilberto M. A. Rodrigues, professor of international relations at the Federal University of ABC in Brazil:** "President Temer did not have any chance to be a competitive candidate, due to his very low support, and neither will his candidate, Henrique Meirelles. But it seems that the government needs to have someone running on its behalf in order to defend its projects and legacy. The successful, huge national transportation strike severely weakened the credibility of Temer's government. The electoral race remains very unpredictable. Lula still retains considerable electoral capital, despite the fact that he is in prison and his political future is still unclear. Ciro Gomes is maneuvering to have Lula's blessing, offering to elect a Workers' Party candidate in Ceará State, where Gomes has had political control over the last years. This could guarantee a state governor for the Workers' Party, which is at risk of losing political support without Lula in the race. Gomes is trying to build a left-wing coalition with other parties, having Fernando Haddad as a potential candidate for vice president and assembling a good team of collaborators. While the picture today shows that Bolsonaro may have oxygen to go to the second round, even he could lose backing if another centrist candidate captures people's support, something that could still happen in such a volatile scenario."

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