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FEATURED Q&A

Is Vizcarra Stronger After His Standoff With Congress?



Peruvian President Martín Vizcarra won a victory last month after Peru's Congress renewed its confidence in his cabinet. // File Photo: TV Perú.

Q Peruvian President Martín Vizcarra on Sept. 19 won a standoff with the country's Congress when it voted to renew confidence in his cabinet after he threatened to dissolve the body and call new legislative elections if it didn't. The vote paves the way for a referendum on anti-corruption measures that Vizcarra has been pushing. To what extent does the confidence vote strengthen Vizcarra's hand, not only with the anti-graft proposals, but also with other parts of his agenda? What does the episode say about Vizcarra's ability to work with lawmakers? How well is Vizcarra leading the country, more than six months into his presidency?

A Cynthia McClintock, professor of political science and international affairs at The George Washington University: "President Martín Vizcarra has achieved a jump in his approval rating to almost 50 percent—in the stratosphere for a Peruvian president at six months. In an explosive June corruption scandal, audiotapes showed that members of Peru's National Council of the Magistrature (CNM), which appoints Peru's judges, prosecutors and electoral authorities, were guilty of influence-peddling. Keiko Fujimori, the leader of the opposition party Popular Force, was implicated; her approval rating is down from about 40 percent in mid-2016 to about 15 percent. Approval ratings of the Congress, dominated by Popular Force, also plummeted. As a result, given that a no-confidence vote would have triggered a new legislative election, Vizcarra had a trump card, and he used it. Vizcarra's political-reform proposals enjoy strong popular support.

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TODAY'S NEWS

POLITICAL

U.S. Senate Committee Chair to Visit Venezuela

Bob Corker (R-Tenn.), the chairman of the U.S. Senate Foreign Relations Committee, is to visit Venezuela where he plans to meet with U.S. and Venezuelan officials, as well as members of the opposition.

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BUSINESS

Chilean Court Clears Tianqi's Purchase of SQM Stake

The ruling will allow the Chinese company to become the second-largest shareholder of Chile's top lithium producer.

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POLITICAL

Bolsonaro Widens Lead as Brazilians Prepare to Vote

Far-right presidential candidate Jair Bolsonaro widened his lead in the latest poll ahead of Sunday's presidential election in Brazil. Support for his nearest rival, Fernando Haddad, remained steady.

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Bolsonaro // File Photo: Bolsonaro Campaign.

POLITICAL NEWS

Bolsonaro Widens Lead as Brazilians Prepare to Vote

Far-right presidential candidate Jair Bolsonaro widened his lead ahead of Fernando Haddad of the leftist Workers' Party ahead of Sunday's first round of Brazil's presidential election, a new poll showed. In the Datafolha survey, Bolsonaro had 35 percent support, a three percentage point rise since Tuesday, Reuters reported. Haddad, who became the candidate of the Workers' Party after former President Luiz Inácio Lula da Silva was forced to withdraw because of his corruption conviction and imprisonment, maintained 22 percent support in the poll. Bolsonaro's rise opens the possi-

bility that he could win the election outright without the need for a runoff. A candidate would have to receive more than half the votes on Sunday to be elected president and avoid a second round on Oct. 28. In a runoff scenario, the latest Datafolha poll showed Bolsonaro and Haddad in a dead heat. Bolsonaro skipped a televised debate of presidential candidates on Thursday night, citing doctor's orders. He was stabbed and seriously wounded during a campaign event on Sept. 6 and was hospitalized until last Saturday. Instead, he gave an interview to the Rede Record television network, which is owned by an evangelical bishop who has backed Bolsonaro's candidacy. The interview ran at the same time as the debate featuring the other candidates and led to criticism from some of them that Bolsonaro was dodging discussion and not suited to lead the country, Reuters reported. "This is wrong. Bolsonaro is avoiding his duty to the population. Anyone who hides from debate and does not show up lacks the qualities needed to govern a country," said Henrique Meirelles, a former finance minister and candidate of the ruling MDB party. During the interview, Bolsonaro slammed Haddad, calling him a "puppet" of Lula. Earlier, in a live speech transmitted via Facebook, Bolsonaro rejected accusations that

SUBSCRIBER NOTICE

The Latin America Advisor will not be published on Monday, Oct. 8 in observance of the Columbus Day holiday in the United States. We will resume publishing on Tuesday, Oct. 9.

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The reforms include: 1.) the dissolution of the CNM and its selection through a public competition based on merit; 2.) a ban on congressional re-election; 3.) the restoration of a bicameral Congress; and 4.) the prohibition of corporate finance in elections. Vizcarra's premier, César Villanueva, has been negotiating specific provisions with legislators prior to a referendum scheduled for Dec. 9. As Vizcarra is perceived as steadfast against corruption and his government as stable (and interested in the development of Peru's outlying regions, where Vizcarra travels regularly), investment has trended up; Peru's 2018 economic growth appears likely to reach 4 percent. Regional and municipal elections will be held Oct. 7 and, to date, the process has been without unhappy surpris-

es. In the race for mayor of Lima, the candidate for the long-standing Popular Action party, another long-standing political leader, and a right-wing populist are in a three-way tie. Especially for an unexpected president, Vizcarra gets a high grade."



José E. Gonzáles, managing partner of GCG Advisors: "Since the 2016 presidential election, when Pedro Pablo Kuczynski won by a slight margin against Keiko Fujimori, whose 'Fuerza Popular' party won a majority in Congress, Fujimori and the 'fujimoristas' exerted power over the executive branch, checking and blocking the former president whose political mishandling of the legislature and his conflicts of interest as an

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NEWS BRIEFS

U.S. Senate Foreign Relations Committee Chair to Visit Venezuela

The chairman of the U.S. Senate's Foreign Relations Committee, Bob Corker (R-Tenn.), will travel to Venezuela "to assess the current situation," a spokeswoman said Thursday, Reuters reported. Corker will meet with U.S. and Venezuelan officials, representatives from the opposition and members of the National Assembly and civil society groups.

Federal Judge Blocks Trump Administration From Ending TPS

A U.S. federal judge has temporarily blocked the Trump administration from ending Temporary Protected Status, known as TPS, for more than 300,000 migrants from Haiti, El Salvador, Nicaragua and Sudan, The Washington Post reported. U.S. District Judge Edward Chen in San Francisco issued the decision late Wednesday, saying the administration lacked "any explanation or justification" to end TPS for those immigrants. Chen added that there were "serious questions as to whether a discriminatory purpose was a motivating factor" in the administration's decision.

Mexico's Central Bank Keeps Key Interest Rate Unchanged

Mexico's central bank today kept its key lending rate unchanged at 7.75 percent, the highest level in nine years, in line with market expectations of a "hawkish hold" despite the U.S. Federal Reserve's increases, the Financial Times reported. Banxico has not changed its key policy rate since June, following 13 increases since the start of 2016. Andrés Manuel López Obrador's presidential victory in July and the USMCA deal reached Sunday have resolved much of the uncertainty pressuring the peso, the newspaper reported.

he is racist, homophobic and sexist. He has faced charges of hate speech. His previous comments include statements that he would prefer a dead son to a gay one, and he once called a female legislator not attractive enough to rape. [Editor's note: See related [Q&A](#) in the Sept. 13 issue of the Advisor.]

Front-Runner in Lima Race Cleared of Journalist's Murder

Peru's National Criminal Chamber on Thursday acquitted the front-running candidate in Lima's mayoral race of murder charges dating to the 1980s, just a few days ahead of Sunday's vote, La República reported. Daniel Urresti was found not guilty of killing war correspondent Hugo Bustíos in 1988, allowing him to continue in the running to become mayor of Lima. "The law has declared me innocent, it's time to do the job of turning Lima into the city we deserve," Urresti said on Twitter. The Bustíos family said they would appeal, according to a statement by the Committee to Protect Journalists.

BUSINESS NEWS

Chilean Court Clears Tianqi Lithium's Buy of SQM Stake

China's Tianqi Lithium won a court ruling on Thursday that will allow it to become the second-largest shareholder of Chile's top lithium producer, Sociedad Química y Minera de Chile, or SQM, La Tercera reported. A Chilean court, known as Tribunal de la Libre Competencia, or TDLC, approved an agreement between Tianqi and Chile's competition regulator signed last month that allows Tianqi to buy a 24-percent stake in SQM from Canadian fertilizer Nutrien for \$4.1 billion. The deal establishes certain limits to the amount of influence Tianqi can have in the Chilean lithium company, including restrictions on who it can name to SQM's

THE DIALOGUE CONTINUES

What Did Leaders Accomplish at the United Nations?

Q World leaders gathered last week in New York for the U.N. General Assembly meeting, which included a surprise appearance by Venezuelan President Nicolás Maduro who blasted the United States, saying it "wants to continue giving orders to the world." Also during the meeting, U.S. President Donald Trump echoed his "America First" policy and on the sidelines said Maduro could be easily toppled in a coup. Meantime, Cuban President Miguel Díaz-Canel made his first speech to the General Assembly, siding with Venezuela, denouncing the U.S. trade embargo against the island and saying the world's problems are the fault of capitalism, not socialism. What was accomplished at the General Assembly meeting? Will the speeches extend beyond discourse and lead to concrete actions in the region? What was the significance of Maduro's and Díaz-Canel's participation?

A Eva Golinger, attorney, author and former advisor to late Venezuelan President Hugo Chávez: "The annual U.N. General Assembly meeting provides world leaders from all nations the opportunity to have their voices heard before the international community. Cuba has long understood the importance of this arena of international diplomacy in the face of a brutally debilitating economic blockade that Washington has imposed for more than half a century. This year was the first visit by Cuban President Miguel Díaz-Canel, as well as his first trip ever to the

board. SQM had previously claimed the deal did not provide enough protection from a main competitor such as Tianqi becoming a major shareholder in the company and had asked TDLC to reject it. The court said the agreement was "proportional and sufficient to mitigate" risks of Tianqi's acquisition of the stake, The

United States, and he did not disappoint. In addition to his firebrand speech before the United Nations with the usual denunciations of U.S. foreign policy, Díaz-Canel courted U.S. businesses, tech companies, members of Congress, religious leaders and members of the New York City community. He was cordial and inviting, thoughtful and strategic: a perfect statist seeking to improve relations with an adversarial nation. In sharp contrast, Venezuelan President Nicolás Maduro made a surprise and impulsive visit to New York just hours after U.S. President Trump casually remarked to press at the United Nations that he would consider meeting with the embattled Venezuelan leader if he were there. In the same breath, Trump implied he was still considering a military 'option' to resolve the crisis in Venezuela. Maduro, desperate to meet with Trump to gain legitimacy for his presidency, jumped on a plane and flew to New York. But no meeting took place. Instead, Maduro had spur of the moment bilateral meetings with Russia and Iran, spoke to a half-empty General Assembly and then crashed the Cuban president's meticulously-planned public event in Harlem. Díaz-Canel's visit to New York was no doubt a great success, while Maduro's was, well, underwhelming."

EDITOR'S NOTE: The comment above is a continuation of the [Q&A](#) published in Wednesday's issue of the Advisor.

Wall Street Journal reported. "We are confident that all stakeholders will benefit from Tianqi's contributions to SQM's long-term development," Tianqi said in a statement following the court's decision, the newspaper reported. The Chinese company expects the acquisition of the SQM stake to close by the end of this year.

FEATURED Q&A / Continued from page 2

investment banker, involved with advisory work for Odebrecht, forced his resignation amid a population exhausted with corruption. Fujimori and her legislative majority believed that they could co-opt Kuczynski's successor, President Martín Vizcarra, to a sort of co-government. However, this underestimated Vizcarra's political cleverness, as

“He decided to confront the fujimorista coalition, taking advantage of a series of scandals in the judicial system...”

— Francisco Durand

he seized the opportunity of a journalistic 'scoop' that revealed the depth of corruption in the judicial branch and its relationship with 'fujimorismo' to force his victory on the standoff with Congress amid Fujimori's depressing popularity ratings. Such cunning has revealed a facet in Vizcarra's character that few suspected or attributed to him, but one that could be suspected in Peru's proverbial provincial forbearance, characterized by low-profile, even-tempered and abundant patience. In lieu of an intolerant opposition, the president has very few alternatives than to co-opt the legislature into reforms it does not want, supported by a population that is, again, exhausted with corruption. As for leading the country, Vizcarra is doing better than well, considering the circumstances. With only the reforms going through, his legacy will be worth enough in a country whose

economic progress seems to be almost on automatic pilot.”

A Francisco Durand, professor of political science at the Catholic University of Peru: “Vizcarra, an accidental president with no social bases of support, has been able to force a Congress led by a fujimorista-APRA coalition to discuss (reluctantly) four constitutional changes to be decided in a referendum Dec. 9. The outcome indicates Vizcarra's surprising ability to position himself as the leader of anti-corruption reforms and proposals to change the Congress (bicameralism, party finances and no re-election for members of Congress). He decided to confront the fujimorista coalition, taking advantage of a series of scandals in the judicial system that Congress proved unwilling to investigate in order to protect Keiko Fujimori and Alan García. Vizcarra won the day, and public opinion is now backing the president and condemning Congress and its ruling coalition. So far, so good for Vizcarra. However, the devil is in the details. As I write, only one referendum question is approved (changes in the judicial system to appoint judges). There is little time to have the other three ready and to call a referendum. And even if approved, given the time constraints, there is little chance the reforms will be well designed. Peru is moving toward a more difficult scenario: 'the system' fails, political uncertainty increases and public opinion may shift in a more radical direction.”

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