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## FEATURED Q&A

# What Factors Will Shape Uruguay's Presidential Race?



Uruguayans will go to the polls a year from now, in October 2019, to select their president. Among the hopefuls is Montevideo Mayor Daniel Martínez. // File Photo: Uruguayan Government.

**Q** With a year to go before Uruguay's presidential election, the country's central bank chief, Mario Bergara, resigned earlier this month as he prepares to face at least four others, including Montevideo Mayor Daniel Martínez, for the ruling Frente Amplio party's presidential nomination. Primary elections are scheduled for next June. How is the presidential race in Uruguay shaping up? How likely is it that the Frente Amplio's candidate will be elected, and how could current President Tabaré Vázquez's policies influence the contest? Which issues will take center stage ahead of the country's primaries, and what other factors will be important as the general election approaches?

**A** Caio Pizetta Torres, political risk analyst for Brazil and the Southern Cone in Control Risks' global risks analysis practice in São Paulo: "The spike in violence levels has become the main topic in the national conversation in Uruguay, a country otherwise known for being one of the safest in Latin America. This is very likely to be the main issue in the 2019 presidential elections. Statistics show that this year will go down in history as one of Uruguay's most violent years (although still low by Latin American standards), and Uruguayans widely share the sentiment that the current administration's security policies have failed, which has been reflected in recent polls. Compounded by a sluggish economy, President Vázquez's popularity has reached its nadir, while other parties, particularly the Partido Nacional (PN), have registered significant popularity bumps. Luis Lacalle Pou, the

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## Guatemalan Lawmakers Seek Restrictions on Political Speech

Newly introduced legislation would outlaw some types of speech against politicians and candidates for office, an attempt that has been criticized as unconstitutional.

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## Bolsonaro Calls for Passage of Pension Reform

Brazilian President-elect Jair Bolsonaro called on current President Michel Temer's government to seek passage of a pension reform before Bolsonaro takes office Jan. 1.

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### POLITICAL

## Judge Rejects Assange's Lawsuit Against Ecuador

WikiLeaks founder Julian Assange, who has lived in Ecuador's London embassy since 2012, had argued Ecuador violated his rights in imposing new house rules.

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Assange // File Photo: Ecuadorean Government.

## POLITICAL NEWS

## Lawmakers Seek to Outlaw Some Speech in Guatemala

A group of Guatemalan lawmakers has introduced a measure that would outlaw some kinds of political speech in the country, a move critics have blasted as an unconstitutional attempt to stifle free speech, *Diario de los Altos* reported Tuesday. The measure, sponsored by five members of Congress, would allow for jail sentences of two to three years against individuals convicted of some types of criticism against elected officials and candidates. The measure would target “those who make acts of pressure, persecution and harassment” against politicians “in any medium of diffusion and/or on digital platforms, with the end of impeding the exercise of their political rights,” the Associated Press reported. A supporter of the measure, lawmaker Eva Monte said the legislation is an effort to fight defamation and denied that it was an effort to crack down on free speech. “This will serve to punish, for example, when a candidate or politician is linked to cases of corruption but in reality is not being investigated or accused,” she said, the AP reported. “That would be a kind of coercion

and should be punished.” Monte, a supporter of President Jimmy Morales, added, “This also seeks to protect lawmakers, the vice president and the president.” Morales has been accused of taking illegal campaign contributions, an accusation that he denies. Congress has rejected efforts to strip him of his immunity from prosecution. Human rights prosecutor Jordán Rodas criticized the legislation as unconstitutional. “It goes against the free expression of thought,” said Rodas. “Politicians should mind their actions to avoid criticism.” A congressional commission is expected to analyze the bill’s constitutionality before it can go to the full Congress for consideration.

## ECONOMIC NEWS

## Brazil’s Bolsonaro Calls on Gov’t to Push Pension Reform

Brazilian President-elect Jair Bolsonaro on Tuesday called on the current administration to revisit the stalled overhaul of the pension system before he takes office on Jan. 1, *The Wall Street Journal* reported. Bolsonaro, who won 55 percent of the vote against Workers’ Party candidate Fernando Haddad in Sunday’s

## NEWS BRIEFS

## Migrants in Caravan Rest in Mexico, Plan to Seek Mass Transportation

Thousands of Central American migrants traveling across Mexico toward the United States plan to rest at least a day in the southeast city of Juchitán beginning today, hoping to organize mass transport by bus to arrive in Mexico City soon, the Associated Press reported. A second, smaller group of roughly 1,000 migrants is several miles behind in the city of Tapachula. On Monday, Mexico deployed hundreds of police, helicopters and boats to its border with Guatemala to restrict migrants from entering the country illegally, *The Hill* reported.

## Judge Rejects Assange’s Lawsuit Against Ecuador

A judge in Ecuador ruled against WikiLeaks founder Julian Assange, who had sued the Ecuadorean government for imposing rules, which he argued violated his “fundamental rights and freedoms,” at the country’s London embassy, where Assange has taken refuge for the past six years, *BBC News* reported Tuesday. The judge said the rules, which included requiring Assange to pay for Internet use and clean up after his cat, did not violate his right to asylum. Assange claims Ecuador is seeking to end his asylum.

## Julius Baer Opening New Office in Mexico

Private bank Julius Baer is opening a new office in Mexico and is hiring an executive who was formerly with HSBC to run it, *International Investment* reported Tuesday. Manuel Torroella Velázquez, who spent 12 years as the head of private banking in Mexico at HSBC and most recently worked at Monex Grupo Financiero, will lead the new division. The announcement followed Julius Baer’s decision to close its Panama and Peru offices as part of a restructuring plan.

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PN’s prospective presidential candidate (the party has not conducted its primaries yet) has been looking to capitalize on the deterioration of the security environment and recently presented a campaign platform promising tougher enforcement, which will likely be popular with the electorate. Unlike previous elections when the Frente Amplio (FA) entered the campaign with a comfortable lead in the polls, next year it will face a tighter race, which is likely to be decided by a runoff vote. The opposition will have its best opportunity in years to win back power. However, while the Vázquez administration frustrated many FA supporters by failing

to keep several of its promises, of which containing violence is only one example, the legacy of its 13 years in power will resonate with voters and boost its chances of winning the runoff.”

**A** **Francisco Panizza, Uruguayan professor of Latin American and comparative politics at the London School of Economics and Political Science:** “Is the Frente Amplio (FA)’s run of three consecutive electoral victories likely to come to an end when elections take place in Uruguay, a year from now, in October 2019? The FA remains ahead

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runoff, plans to start talks with current President Michel Temer next week in an effort to pass the pension reform plan by the end of the year. "Any step taken now could help us next year," Bolsonaro said in an interview with local station Bandnews TV. Officials in Temer's government said the president-elect's team has not yet contacted them to discuss the pension bill. Brazil has a \$73 billion annual social security deficit. Earlier this week, incoming Economy Minister Paulo Guedes said the reform will be "the most important and quick" measure the new administration will take on in order to cut public spending, Folha de S.Paulo reported.

## BUSINESS NEWS

### Brazil Gains Help Boost Profits of Spain's Santander

Santander reported a profit rise for the third quarter on Wednesday, with a strong performance in Brazil offsetting weaknesses in Argentina and the United Kingdom, the Financial Times reported. The Spanish bank registered a net profit of nearly two billion euros, roughly \$2.3 billion, for the July-September period, slightly higher than Refinitiv analysts' expectations of around 1.98 billion euros, CNBC



Botín // File Photo: Santander.

reported. Net profit rose 36 percent compared to the same period a year ago, when several one-off charges led to a net profit of some 1.5 billion euros. High inflation in Argentina prompted a capital loss of 169 million euros in the lender's operations in the country. Brazil, which accounts for more than a quarter of Santander's profits, helped turned the loss

## THE DIALOGUE CONTINUES

### Should Central America Do More to Curb Migration?

**Q** A group of as many as 3,000 Honduran migrants heading to the United States entered Mexico earlier this month, prompting U.S. President Donald Trump to threaten cutting aid to Honduras, Guatemala and El Salvador if authorities in Central America failed to stop the group from moving ahead. In response, the foreign ministry of Honduras urged the country's citizens not to join the group, and Guatemalan authorities detained the migrants' organizer. Why do Central American migrants continue to seek entry into the United States despite Trump's warnings? What are Northern Triangle countries doing to curb migration, and is it enough? How can the United States work with them more effectively to reduce the number of migrants fleeing north?

**A** Alexandra Délano Alonso, assistant professor and chair of global studies and faculty fellow at the Zolberg Institute on Migration and Mobility at The New School in New York: "Central American migrants continue to seek entry into the United States mainly because they are fleeing extreme conditions of poverty and violence. They are looking for safety and for opportunities to live and work with dignity. Despite the risks entailed in crossing the border into the United States under heightened conditions of enforcement and the threat of detention and deportation, individuals and families from Honduras, El Salvador and Guatemala weigh this against the reality of unemployment,

around. Net profit there was up by 24 percent in the third quarter compared to the same period last year. In the first nine months of this year, net profits in Latin America's largest economy were up 2 percent to 1.9 billion euros (\$2.2 billion). "In Brazil, Mexico and Spain we are building on the strong momentum we have

underemployment or the threats to their lives if they stay home or in neighboring countries with similar conditions. Moreover, many of them have relatives in the United States, who were born there or arrived in the country decades ago with the support of programs such as Temporary Protected Status offered by the U.S. government during times of war, violence or natural disasters in the region. Trump has threatened to cut aid to these countries if they do not strengthen border controls to prevent groups such as this one to leave the country. This is precisely the moment to consider what kinds of policies and particularly what forms of regional and national development programs are necessary to address the structural causes of migration in Central America, Mexico and the Caribbean. These must be developed through collaborations across countries and across sectors, including the voices of migrants and civil society organizations working with them to create programs that take into account their experiences and on-the-ground knowledge. The goal should be to address the conditions that force people to leave their countries, building toward a future where migration would not be the only choice, but rather one of many opportunities for the individuals and societies involved."

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

generated in recent quarters," said Ana Botín, Santander's executive chairman, the Financial Times reported. Through September, Brazil was the largest contributor to group earnings with 26 percent of total underlying profit, ahead of Spain and the United Kingdom, the newspaper reported.

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of its main rival, the center-right Partido Nacional (PN), in the opinion polls, but its support is lower than the combined figures for the opposition. Given that the presidential contest is held on a two-round basis, a joint candidacy of the opposition may have a good chance of winning a runoff, but there is still a lot to play for. The election will be decided on issues and candidates. Crime is at the top of the issues that make the FA electorally vulnerable. And although the economy is in better shape than in neighboring Argentina and Brazil, economic growth has slowed down considerably, while inflation, unemployment and the public-sector deficit are all relatively high. The choice of candidate may be crucial for the outcome of the election. The current front-runner is Montevideo Mayor Daniel Martínez of the Socialist Party. A moderate, he will appeal to disenchanted middle-class voters that the FA must keep on board in order to win the election. But he may face a contender from the more radical fractions of the FA, led by former President José Mujica, in the primary that will be held in June. While the electoral result is uncertain, one thing is already sure: The FA is facing its most difficult election since it first won an office in 2004.”

**A** **Charles H. Blake, professor of political sciences at James Madison University's School of Public & International Affairs:**

“Recent opinion polls in Uruguay indicate that next year's presidential election will likely generate a third consecutive runoff between the center-left Frente Amplio (FA) coalition and the center-right Partido Nacional (PN). In contrast to the prior two elections, the FA is not currently poised to approach a majority in the first-round presidential vote. Instead, tracking polls show both movements with roughly one-third

of the vote each. Senator Luis Lacalle Pou is the favorite to win the nomination again for the PN. In the FA, there is more uncertainty. Among the declared candidates, the mayor of Montevideo, Daniel Martínez, leads in the polls. Martínez is associated with President

“**Senator Luis Lacalle Pou is the favorite to win the nomination again for the PN. In the FA, there is more uncertainty.”**

— Charles H. Blake

Vázquez's sector in the FA. However, the largest FA sector, Movimiento de Participación Popular (MPP), has not yet declared its intentions for the 2019 presidential election. If the MPP puts forward its current leader, Vice President Lucía Topolansky, or if former President José Mujica were to decide to run, then the FA will hold a competitive primary. If, instead, the MPP comes to an accord to support Martínez, then he would likely become the FA's presidential candidate. Headed toward the general elections scheduled for next October, the FA faces the challenge of any movement that has led a government for 15 consecutive years: maintaining public support. The FA candidate will likely point to 16 years without a recessionary downturn—and projected growth of roughly 2 percent for 2019. Currently undecided voters will likely determine the outcome next year.”

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

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**Erik Brand**

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

**Gene Kuleta**

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

**Anastasia Chacón González**

Reporter  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)

 THE DIALOGUE

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