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### FEATURED Q&A

#### Will Public-Private Partnerships Aid Agribusiness in the Region?

**Q** While high agricultural commodity prices have benefitted some Latin American countries, especially Brazil and Argentina, others have seen their agriculture sectors disrupted by things like narcotics crops replacing food crops, low-income farm workers immigrating to places with better pay and new trade agreements that have removed protections that previously supported them. Against that backdrop, the Inter-American Development Bank announced last month that it is partnering with private sector companies to spur social and economic growth in 26 countries across Latin America and the Caribbean, including through agricultural programs which directly connect corporations to small farmers. Why have farmers in some countries of the region done better managing change than others? What benefits do public-private partnerships play in aiding economic development in Latin America's agribusiness communities? Who is responsible—government, business, NGOs—for addressing this situation?

**A** Donna Hrinak, member of the Advisor board and vice president of global public policy and government affairs at PepsiCo in Purchase, N.Y.: "What could be simpler than tilling the land to produce food? What could be more complicated than modern agriculture, linking health, gender, global trade, climate change, energy, food security

and, of course, poverty? Clearly, no one sector alone can be responsible for such a complex of issues; they require an all-of-society approach. Partnerships that bring the public and business sectors together with civil society are essential, as is an authentic opportunity for the farmers themselves to be heard. This is the kind of collaboration which the IDB is promoting in the hemisphere, one 'my' company, PepsiCo, is proud to join with our recent announcement of a five-year partnership with the bank. As anyone who's worked

*Continued on page 3*



#### Cuba Releases Last Dissidents Jailed in 2003 Crackdown

The government of Raúl Castro has released the final two dissidents jailed in the country's 2003 crackdown. The majority of the 75 jailed in the crackdown are now living in exile in Spain. See story on page 2.

*File Photo: Radio Angulo.*

### Inside This Issue

FEATURED Q&A: Will Public-Private Partnerships Aid Agribusiness in the Region?..1	Repsol Raises \$1.07 Billion in Partial Sale of YPF Stake .....2
Cuba Releases Last Dissidents Jailed in 2003 'Black Spring' Crackdown.....2	Obama Ends Latin American Trip .....2
Slim Investment in U.S. Oil Driller More Than Triples in Nine Months .....2	Bradesco Asset Management Boosting Staff on Growing Demand. ....3

## NEWS BRIEFS

**Obama Ends Latin American Trip**

U.S. President Barack Obama returned to Washington Wednesday, ending his five-day Latin American trip, which took him to three countries. Obama shortened his trip by a couple hours, missing a planned visit to Mayan ruins, in order to have a conference with aides about U.S. military operations in Libya, Agence France-Presse reported. During the trip, Obama signed open-skies and trade agreements with Brazil, nuclear-cooperation and education pacts with Chile and security pacts with El Salvador.

**Telefónica to Invest \$14.6 Billion in Brazil Over Four Years**

Spain's **Telefónica** announced Wednesday that it would invest \$14.6 billion in its Brazilian operations from 2011 to 2014, 52 percent greater than its previous four-year cycle, the Financial Times reported. The investments will go toward modernizing and expanding the company's telecoms network and providing new fixed line, mobile phone and cable television services, said chairman César Alierta after meeting President Dilma Rousseff.

**Uruguay Raises Interest Rate Amid Rising Inflation**

The central bank of Uruguay raised its benchmark interest rate by one percentage point to 7.5 percent, higher than expected, Bloomberg News reports. According to a statement from the bank, policymakers are "concerns about the risk implied by the evolution of inflation, in a context of elevated growth." Inflation stood at 7.67 percent in February, a jump from 7.27 percent the month prior. The bank's target inflation range is 4 to 6 percent for 2011.

## Political News

**Cuba Releases Last Dissidents Jailed in 2003 'Black Spring' Crackdown**

Cuba's government on Wednesday released the final two dissidents of the group of 75 who were jailed in a March 2003 crackdown known as "Black Spring," Reuters reported. Félix Navarro Rodríguez and José Daniel Ferrer García were allowed to return to their homes after spending the past eight years in prison for taking part in what Cuba has considered subversion inspired by the United States. They had been sentenced to 25 years behind bars. In a deal arranged by the Catholic Church, Cuban President Raúl Castro agreed last July to release the 52 dissidents who remained imprisoned after the crackdown. The release of the last two prisoners was "a step in the right direction for human rights in Cuba," but the country's communist government must now allow activists work for human rights "without fear of threats, harassment, further arrests or unfair trials," Amnesty International said in a statement. Most of the 52 remaining dissidents had been released into exile in Spain. However, a dozen had refused to leave Cuba, delaying their release. From his home in Perico, about 100 miles east of Havana, Navarro, 57, told Reuters he would continue a "peaceful" struggle for democracy on the island nation. "The fight now will be with greater vehemence, but also greater maturity," he told the wire service. About 100 other political prisoners remain jailed in Cuba, according to opposition groups, according to BBC News.

## Company News

**Slim Investment in U.S. Oil Driller More Than Triples in Nine Months**

Mexican billionaire Carlos Slim has seen his investment in a U.S.-based oil driller triple over the past nine months, a significant boost as Slim adds to his investments in the energy sector, Bloomberg News reported Wednesday. Shares of **Bronco Drilling Co.**, based in Edmond,

Okl., increased 66 cents, or 6.5 percent Wednesday to \$10.90. That price is more than three times the level at which shares were trading on June 29. Slim, the world's richest man according to *Forbes* magazine, has a joint venture in Mexico with Bronco and is entering the oil market in Colombia through a separate acquisition. Slim's 15 percent stake in Bronco makes him the company's second-largest share-

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*At the end of trading  
Wednesday, Slim's stake in Bronco  
was valued at \$46 million.*

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holder after **Third Avenue Management**. Slim also has warrants that could increase his stake in the company by 20 percent. Rising oil prices as well as Bronco's efforts to sell rigs that use older technology, prepare more modern rigs and reduce debt levels have helped the company, Brian Uhlmer, analyst at **Global Hunter Securities** in Houston told Bloomberg News in an interview. "People started paying attention to it," said Uhlmer. "They figured out that management had transformed the company from a bunch of nonperforming assets." At the end of the trading day Wednesday, Slim had a \$46 million stake in Bronco, Bloomberg reported. Slim's **Grupo Carso** holds his Colombian investment, a stake in **Geoprocesados SA's Tabasco Oil Co.** In February, Slim said he expects commodities to increase because of rising demand from growing economies including China and India. Crude for May delivery increased 1.7 percent to \$105.75 a barrel Wednesday on the New York Mercantile Exchange, its highest level since September 2008.

**Repsol Raises \$1.07 Billion in Partial Sale of YPF Stake**

**Repsol** said Wednesday that it has raised \$1.07 billion by selling 26.2 million

shares in its YPF unit in Argentina, Reuters reported. The Spanish oil and gas company, which has been working to reduce its holdings in South America, said it sold the shares for \$41 apiece in Argentina through a public share offering. Repsol recently received \$42.40 per share in a recent sale of YPF stock to institutions. The company has said it wants to reduce its stake in YPF to slightly over 50 percent. The new sale of YPF shares is Repsol's latest effort to reduce its exposure in the region. In October, the company sold 40 percent of its upstream assets in Brazil to China's Sinopec.

### Bradesco Asset Management Boosting Staff on Growing Demand

**Bradesco Asset Management** is planning to hire more money managers and salespeople as demand grows for Brazilian stocks and bonds, Bloomberg News reported Wednesday. The bank's asset-management unit, known as BRAM, will add 25 people to its staff of 125 as it works to increase its assets under man-

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“Companies are really fighting for experienced professionals.”

— Ricardo Amatto

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agement by 15 percent this year from 197.5 billion reais (\$120 billion) last year, BRAM's superintendent-director, Denise Pavarina told the news service. The unit started an international expansion last year and has hired 26 people since then, said Pavarina. BRAM's assets increased 13 percent last year while the number of funds it manages grew to 539 from 495. "Real talent is always hard to find, and it's more challenging now, when there is more demand for financial market professionals," Pavarina told Bloomberg

News earlier this week in an interview. "There are many new entrants in the market looking to hire, and the firms that are already established want to strengthen their teams because Brazil is so hot right now." Strong credit expansion and employment levels in Brazil have led to the country's best economic growth in more than 20 years. That in turn has boosted demand from investors who want to take advantage of that growth. Brazil's gross domestic product last year grew 7.5 percent, the quickest growth since 1986, according to the national sta-

#### Featured Q&A

*Continued from page 1*

with the IDB knows, the bank has long been involved with agriculture projects as a key component of regional development. Its willingness to engage the private sector in its efforts, as well as to design creative financing options for small farmers, demonstrates its important role not just as a financial institution, but as a convener of relevant players to address challenges. Still, no matter how well-crafted, projects cannot be sustainable unless accompanied by a supportive policy environment. And as the private sector and multilateral institutions listen to those who make their living from the land, we also have a responsibility to give voice to their concerns. In March, as we mark International Women's Day, it's worthwhile to remember that many of these voices are female: According to the Inter-American Institute for Cooperation on Agriculture, in Latin America and the Caribbean, 45 percent of the food consumed at home is produced by rural women."

**A**sier Hernando, South America campaigns coordinator at Oxfam in La Paz, Bolivia: "South America is quickly becoming a powerhouse producer of food for the world. It is already one of the world's largest producers of meat, soy, basic grains and sugar, fulfilling high demand from Asia, particularly China. While private investment is playing an

important role in this growth, it's mostly a change in the public sector's role that has made it happen. Colombia increased investments in agriculture four-fold between 2003 and 2009. In Brazil, public investment in agro-industry is 10 times more than in family farming. Unfortunately, the increase in agricultural exports from South America is not generating much employment or reducing extreme poverty in the region, which remains prevalent in rural areas. But it is increasing pressure on natural resources. Even as global forest cover increased by 93 million hectares between 2000 and 2005, it actually decreased in Latin America by 24 million. Latin America has the most unequal land distribution in the world, which undermines small farmers' livelihoods and provokes displacement and ongoing rights violations. Meager investment in small farmers has meant that public spending in agriculture in South America has fallen to less than 3 percent of public spending nationally, four times less than the sector's contribution to national economies. As Brazilian President Dilma Rouseff says, 'A rich country is a country without poor people.' To this end, major improvements are needed in policies to reduce extreme poverty, particularly in rural areas, by investing more in small farmers, improving land redistribution policies and promoting programs that help small farmers adapt to climate change."

*Continued on page 4*

**Featured Q&A***Continued from page 3*

**A** **Timothy A. Wise, policy research director at the Global Development and Environment Institute at Tufts University in Medford., Mass.:** "In recent years, a wide range of institutions have documented the generalized neglect of small-scale agriculture since the early 1980s and the need to reinvest in these producers and reshape some of the policies that guide such investments. Many recommend increasing public-private partnerships and connecting smallholders with firms in other parts of the value chain. This can certainly be beneficial to smallholders and their communities, since such value chains—from supermarkets on down—favor large and uniform volumes and prefer to work with a small number of suppliers. But the weak link in public-private partnerships is not the private sector but rather the public sector. The same policies that justified divestment from public agricultural investment have over time weakened the capacity of national and local governments to manage agricultural trade, direct investment where it is most needed and provide the research and extension services that the private sector is unlikely to offer to smallholders. Our collaborative study, '[The Promise and the Perils of Agricultural Trade Liberalization](#),' documented this persistent problem in the region. Since prices spiked in 2008, the United States and

other developed nations have pledged to provide more than \$20 billion in new funding to improve agricultural and food productivity in developing nations. Very little of this money has been forthcoming. The most urgent need for funding is

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“The weak link in public-private partnerships is not the private sector but rather the public sector.”

— *Timothy A. Wise*

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in restoring the capacity of local and national governments to assess the needs of smallholders and respond to those needs, not just by facilitating partnerships with the private sector but by helping producers increase their productivity, organization, storage, marketing and ultimately, power, in the marketplace."

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*The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org) with comments.*

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**Erik Brand**

General Manager, Publishing  
[ebbrand@thedialogue.org](mailto:ebbrand@thedialogue.org)

**Gene Kuleta**

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

**Rachel Sadon**

Reporter, Assistant Editor  
[rsadon@thedialogue.org](mailto:rsadon@thedialogue.org)

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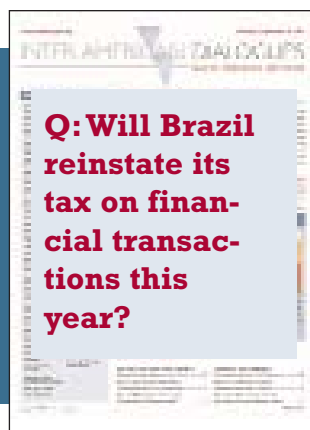
Jeffrey Puryear, Vice President, Social Policy

Viron Vaky, Senior Fellow

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

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