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FEATURED Q&A

Is Argentina's Cristina Fernández a Shoo-in for Re-election?

Q **Mauricio Macri announced earlier this month that he would run for a second term as the mayor of Buenos Aires. The decision confirms that he will not run against President Cristina Fernández de Kirchner, who has not declared her candidacy but is widely expected to run, in the country's Oct. 23 presidential election. Is Fernández a shoo-in for re-election? Will the opposition rally around Ricardo Alfonsín, son of late president Raúl Alfonsín? What issues do Argentine voters care most about? What role will the administration's economic policies play in the election?**

this has proven very difficult in past elections. There is some negative baggage associated with the name, and Alfonsín will have to be careful when the assessment of the way the Radicals have run the government in the past becomes an issue in the campaign. The other wildcard is Elisa Carrió, who has already come out in stern opposition to an Alfonsín candidacy. Carrió finished second in 2007 and may feel that her presence on the ticket will be more attractive than Alfonsín's."

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A **Mario Canseco, vice president of Angus Reid Public Opinion:** "The main challenge for the opposition will be to counter the newfound popularity of Cristina Kirchner. Right now, depending on the survey, she can count on the support of anywhere from 40 percent to 50 percent of voters. This high level of voter support would have seemed impossible to fathom a couple of years ago. However, the demise of Néstor Kirchner has led to a different appreciation of the current president. She may be benefitting from a bit of a sympathy bounce, which may not last all the way to election day. However, her approval rating right now is above the 50 percent mark. This is the perfect position to start a re-election campaign. Ricardo Alfonsín may benefit if the opposition decides to coalesce around a single candidate, but



Costa Rican Leader Discusses Investment, Energy in U.S. Visit

Costa Rican President Laura Chinchilla met Tuesday with former U.S. Secretary of State Condoleezza Rice (L-R) during her visit to the United States, where she discussed investment and energy cooperation. See brief on page 2.

Photo: Costa Rican Government.

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NEWS BRIEFS

Costa Rican President Promoting Investment During U.S. Visit

Costa Rican President Laura Chinchilla, who is in the middle of a week-long visit to the United States, on Tuesday discussed investment by U.S. companies in the Central American country with former U.S. Secretary of State Condoleezza Rice, the *Tico Times* reported. During her stop on the West Coast, Chinchilla also visited the University of California at Berkeley and said Costa Rica wants to explore cooperation in clean energy. Today, Chinchilla heads to Washington where she will give a commencement speech at Georgetown University.

Argentine, Brazilian Officials to Meet to Resolve Trade Dispute

Officials from Argentina and Brazil will begin talks next week to end a trade dispute, Reuters reported, citing an Argentine government statement. In a move to protect local industry, a recent Brazilian measure delays import licenses for foreign-made cars, meaning the process may now take up to two months. According to Argentine media, about 3,000 vehicles have been stranded at border crossings as a result.

Venezuelan Economy Grew 4.5 Percent in First Quarter

The Venezuelan economy grew by 4.5 percent in the first quarter compared to the year prior, officials said Tuesday, Reuters reported. The oil sector shrank 1.8 percent, while non-oil GDP increased by 5.2 percent from last year. Though government officials claimed that the country has turned a corner, some analysts have claimed that growth should have been stronger given higher oil prices.

Political News**Mexican Authorities Find 513 Migrants Smuggled in Two Trucks**

Police in Mexico's Chiapas state on Tuesday found 513 migrants crammed inside of two trailer trucks headed for the United States, the Associated Press reported. Officers in the southern Mexican state discovered the migrants in the dangerously crowded conditions while using X-rays to examine the contents of trucks near the city of Tuxtla Gutiérrez. Some of the migrants were dehydrated after traveling for hours, clinging to ropes strung inside the trucks. Air holes had been punched into the tops of the trailers, but migrants told authorities they did not have adequate air and water. The migrants were headed for the Mexican city of Puebla, where they were told they would be transferred to other vehicles for the trip to the United States. "We were suffering, it was very hot and we were clinging to the

ropes," Mario, a 23-year-old Honduran migrant identified only by his first name, told the AP. More than 400 of the migrants were from Guatemala, while others were from El Salvador, Ecuador, India, Nepal, China, Japan, the Dominican Republic and Honduras. Migrants said smugglers

The incident was the largest migrant smuggling operation discovered in Mexico in recent years.

were charging each of them approximately \$7,000 to transport them to the United States. None would say whether drug gangs were involved in the scheme. The incident was the largest migrant smuggling operation discovered in recent years. In January, authorities in Chiapas found 219 migrants, mostly from Central America, crammed into a trailer truck. In connection with the scheme, police also

Featured Q&A

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A Graciela C. Römer, director of Graciela Römer & Asociados in Buenos Aires: "Macri's recent decision not to compete in the presidential election has had a strong impact not only on the opposition's building process but is also relevant for the long-term political system, because that implies a vacancy in the right-center, a space clearly vital to give the Argentine political system a modern and republican central-right political party. On the other hand, Alfonsín is creating a unique leadership at the national level that is bringing together many of the opponents of kirchnerism. So the electoral map is becoming like a dichotomist frame, with two leading forces, which orbits around the re-election of Cristina Kirchner—clearly first in the polls—and the alliance of progressive parties that gather around Alfonsín and radicalism. With less electoral weight, there is also the coalition led by Carrió and the Federal Peronism, in which con-

verge leaders such as Duhalde or Sola, both representatives of non-Kirchnerist Peronism. If the election were today, Cristina Kirchner would be re-elected in a first round, without the need for a runoff. If this scenario were confirmed, the electoral competition would offer an atypical situation: A peronism candidate—with a clear center-left profile—would compete with another progressive candidate, such as Alfonsín, with social-democratic ideas. To conclude, it is important to say that the campaign agenda will probably be less focused on the contents of the policies than the styles of government. The economy, distribution of wealth and institutional quality will be the main axes. President Kirchner will probably focus on her best position to sustain the favorable winds that drive the economy and the ability to sustain governance. The opposition will probably focus on institutional quality issues and the effectiveness of policies to decrease the poverty."

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arrested four people, from Central and South America and Asia. The alleged smugglers tried to flee, but police captured them, according to prosecutors.

Economic News

Next IMF Head Should Be From Emerging Market: Brazilian Official

The next leader of the International Monetary Fund should be from a large emerging market, a senior Brazilian official told Reuters Tuesday. The unnamed official said Brazil will not campaign actively for an emerging-market IMF head because Europe will likely keep its "stranglehold" on the position. "We think it would be appropriate to have someone from emerging countries," said the official. "We believe India and Brazil would be good options. But we also believe that



Strauss-Kahn

File Photo: IMF.

Europe is likely to keep its deep stranglehold on the position, and so we're not planning to push very hard on this issue for now." The comments came after Saturday's arrest of IMF chief Dominique Strauss-Kahn on charges of sexually assaulting a maid in a New York hotel. Strauss-Kahn's lawyers have said the Frenchman will plead not guilty. He has not resigned from his post, but the IMF has named first deputy managing director John Lipsky, an American, as the organization's acting managing director.

Company News

América Móvil Reviewing Spending Plan After Regulatory Decisions

Telecommunications giant América Móvil is reviewing its spending plan in Mexico after regulatory decisions reduced the fees the company receives from competitors, Chief Financial Officer Carlos García Moreno told Bloomberg News Tuesday. The company will not cut its

The Dialogue Continues

How Will U.S.-Cuba Intellectual Property Disputes Play Out?

Q Cuba's government last month condemned a ruling by the U.S. Court of Appeals that upholds a Treasury Department decision preventing Cubaexport from renewing the "Havana Club" trademark which it had, at one time, registered in the United States. Cuba says it owns the trademark and has given the French beverage giant Pernod Ricard the rights to commercialize it globally. Competitor Bacardi, which also asserts ownership of the Havana Club name and currently uses it in the United States for rum produced in Puerto Rico, hailed the decision, however. The dispute over U.S. rights to the Havana Club name is one of several that will need to be worked out before the longstanding U.S. embargo against Cuba can be lifted in a functional way, some experts have said. What is the state of intellectual property disputes between the United States and Cuba? How do these disputes relate to unresolved expropriation claims, and how will they likely play out? How might they affect efforts to further moderate, or to remove, the Cuba embargo?

A Manuel A. Gómez, associate professor at Florida International University College of Law in Miami:

"The most recent court action in a longtime controversy between Cubaexport and the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) represents yet another

layer in the complicated history of the U.S. embargo on Cuba and will likely play a role in the way the Obama administration directs its policy toward the Caribbean island. On March 29, the U.S. Court of Appeals for the District of Columbia Circuit, by a majority decision, affirmed the judgment of the District Court against Cubaexport and established that the aforementioned Cuban government-owned entity had no vested right to perpetual renewal of the Havana Club trademark in the United States. This litigation arises out of a suit filed by Cubaexport as a result of OFAC's decision not to accept its 1996 application for renewal of the Havana Club trademark. OFAC based its decision on an interpretation of a 1998 statute through which Congress modified the Cuban Assets Control Regulations of 1963. Cubaexport had originally registered this and other trademarks with the U.S. Patent and Trademark Office in the 1960s pursuant to a general exception carved out in the rules. In his dissenting opinion Judge Silberman insisted that Section 211 of the 1998 statute should have been presumed to apply only to transactions occurred after the statute's passage, which would have excluded Cubaexport's application for renewal of its previously granted trademark."

Editor's note: The above is a continuation of a Q&A published in the May 6 issue of the Advisor.

overall network investment in Mexico, but it might trim funding to projects that will be less lucrative following the regulatory decisions, said García Moreno. "We're reviewing whether to change the destination of the funds to invest less in areas that are less profitable and more in areas that are more profitable," he said. "We're going to optimize the investments." Mexico's

Federal Telecommunications Commission earlier this year cut the fees América Móvil wanted to charge competitors for connecting calls to its customers by more than half. The Mexico City-based company had wanted to charge rivals 95 centavos a minute for calls to its customers, but the commission set the rate at 39 centavos.

Featured Q&A*Continued from page 2*

A **Maria Victoria Murillo, associate professor of political science at Columbia University:** "Cristina Fernández de Kirchner is very likely to run for president again. The widely held perception is that she is a 'shoo-in' and therefore several potential presidential candidates decided not to run, including Mauricio Macri and Fernando 'Pino' Solanas, both of whom decided to run for mayor in the city of Buenos Aires (Macri running for re-election). The opposition seems to be rallying around Ricardo Alfonsín since he is the candidate of the UCR and has gained the support of the Socialists and

“Voters care about the economy and crime but the strong economic performance of country will be very beneficial for the government.”

— *Maria Victoria Murillo*

other groups, such as center-right Francisco de Narváez, who headed the most-voted list in the midterm elections in the province of Buenos Aires (the largest electoral district in the country). Voters care about the economy and crime but the strong economic performance of country will be very beneficial for the government. Argentina has been growing at record levels since 2003 (with a slowdown in 2008), has low unemployment, increased formal employment and real wages. The government is running high expenditures on subsidies for consumers (mainly energy and transportation) while expanding the coverage of social security and passing a program that gives a subsidy for children. Even though inflation is higher than admitted, the comparison to the years of the economic crisis should favor the government electorally. Crime is the only concern but the main rise is on attacks to property rather than homicides so it is

still not as urgent a concern as in many other Latin American countries."

A **Bret Rosen, Latin America sovereign-debt strategist at Standard Chartered:** "Should she choose to run for re-election, President Kirchner is the favorite to win. We expect an official announcement in the next month or so from President Kirchner, who, in a speech last week, created some doubts regarding her intentions. According to the most recent Poliarquía polls, 55 percent of the population views her image as positive, versus 24 percent negative. While a positive image does not necessarily translate into votes, her positive image is ahead of any other potential candidates at this juncture. Macri had appeared to be a potentially strong rival of President Kirchner; the measure of voter intentions for him, along with those for Alfonsín, was the highest among opposition candidates. With him out of the race, along with other notable names such as Vice President Julio Cobos and Ernesto Sanz, Alfonsín is viewed as the strongest opposition name; however, there are doubts regarding his ability to form a coalition with other parties, especially since Macri's PRO party is considered ideologically different from the Radical party. Furthermore, some segment of the population will resist voting for a Radical, given that a Radical governed Argentina during the debt-default saga in 2001. If President Kirchner runs for re-election, Alfonsín, or some other opposition candidates, will have to form a coalition with other parties; otherwise, President Kirchner will be the overwhelming favorite because of the continued economic expansion, employment generation and the massive increase in current expenditure. Notably, inflation is not necessarily a major topic in the eyes of most voters, who are more concerned with crime and the internal security situation."

The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.

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Erik Brand

General Manager, Publishing
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Rachel Sadon

Reporter, Assistant Editor
rsadon@thedialogue.org

Inter-American Dialogue

Michael Shifter, President

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Subscription Inquiries are welcomed at fretrial@thedialogue.org

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