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FEATURED Q&A

What Issues Are Driving Argentina's Legislative Elections?

Q Candidates are jockeying for position ahead of Argentina's August primaries and the October midterm elections. Which races are shaping up to be the most important? What issues are driving the campaigns? How might the midterm election results affect President Cristina Fernández de Kirchner over her remaining two years in office?

A Gonzalo Paz, visiting researcher at the Center for Latin American Studies at Georgetown University: "If the Oct. 27 midterm elections held were today, the government would receive substantial support in many provinces, however it would probably be defeated in many major districts: the city of Buenos Aires, Santa Fe, Córdoba, and Mendoza. So the district that would probably tip the balance is the province of Buenos Aires, the biggest of all, and in it, specifically the highly populated belt surrounding the city of Buenos Aires. The groundbreaking news is that the young and popular mayor of the town of Tigre, Sergio Massa, will compete as a candidate for representative, which might split the government's supporters in the area. Former President Néstor Kirchner was defeated while running as a candidate for representative of this province in the midterm elections of 2009, but his wife Cristina scored a great victory and was elected president two years later. It is important to stress that there isn't a unified opposition, thus the government would still be the most important political force. So far, the real political issue in the campaign is the possibility of the president aspiring to a third term in 2015, something that is currently not allowed by the Constitution. In order to reform the Constitution, the Congress must have a two-thirds majority to declare the need for reform, specify the parts to be reformed and call a reforming convention. According to the results of the election, the government will decide to go ahead in one way or another or will abandon the project."

Continued on page 3

Mexico's PAN to Present Measure to End Oil Monopoly

Mexico's opposition National Action Party, or PAN, will propose a measure to end Pemex's oil monopoly in the country, party spokesman Juan Molinar Horcasitas (pictured) said Tuesday. See story on page 2.

File Photo: Mexican Government.

Inside This Issue

FEATURED Q&A: What Issues Are Driving Argentina's Legislative Elections? 1

Mexico's PAN to Propose Ending Pemex Oil Monopoly.....2

Snowden Hasn't Accepted Venezuela's Asylum Offer: WikiLeaks 2

Cocaine Production in Andes Falls 10 Percent: U.S. Report.....2

Tropical Storm Chantal Takes Aim at Dominican Republic, Haiti.....2

Cuba's Economic Reforms Entering Crucial Phase: Official 3

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NEWS BRIEFS

Cocaine Production in Andes Falls 10 Percent: U.S. Report

Production of cocaine in the Andes declined 10 percent last year amid stronger law enforcement and eradication efforts, according to a U.S. government report released Tuesday, Bloomberg News reported. Output of pure cocaine in Bolivia dropped 18 percent to 155 metric tons in 2012, according to the White House Office of National Drug Control Policy. Production slid 7.9 percent in Colombia to 175 metric tons and Peru's production fell 4.9 percent to 290 metric tons, the report added.

Tropical Storm Chantal Takes Aim at Dominican Republic, Haiti

Tropical Storm Chantal is expected to make landfall over the Dominican Republic and Haiti this afternoon and evening, bringing possible heavy flooding and landslides, reported the Associated Press. Officials in the two countries have warned residents of low-lying areas to evacuate, as the island of Hispanola could get up to 10 inches of rain. Turks and Caicos, the Bahamas, and Puerto Rico are also under a tropical storm warning and preparing for possible flooding.

Colombia Extradites Reputed Drug Lord to United States

Colombia has extradited reputed drug lord Daniel Barrera, known as "El Loco," to the United States, BBC News reported Tuesday. Barrera was wanted in the United States for charges of drug trafficking and money laundering. During his height of power, it is believed that he transported hundreds of metric tons of cocaine and controlled drug routes that ran through Colombia, Venezuela, Central American countries and to the United States. Authorities arrested Barrera last September in Venezuela.

Political News

Mexico's PAN to Propose Ending Pemex Oil Monopoly

Mexico's opposition National Action Party, or PAN, said Tuesday that it will propose a constitutional change that would end **Pemex**'s monopoly in the country's oil sector, Bloomberg News reported. The proposal is nearly ready to be presented, but the party has not yet decided whether to propose it on its own or as part of the multi-party "Pact for Mexico" with the government of President Enrique Peña Nieto, PAN spokesman Juan Molinar Horcasitas told Bloomberg News in a telephone interview. The amendment would allow private companies to share the country's oil output risk, said Molinar. Peña Nieto expressed confidence last month that the Pact for Mexico accord would lead lawmakers to end Pemex's monopoly this year. He has said that he plans to send Congress an energy reform bill in September. The opposition PAN appears to be in favor of a "much more market-friendly" bill than what Peña Nieto's Institutional Revolutionary Party, or PRI, would present, Benito Berber, a strategist at Nomura Holdings in New York, told Bloomberg News in an email. "What is interesting about the PAN's energy bill proposal is that together with the PRI, these two parties will have enough votes in Congress to pass any reform they want" even if it is a constitutional reform, said Berber. "It does not matter what the PRD ... party says or does. Also it does not matter if the Pact for Mexico survives or not." The proposal is also likely to boost the peso, Berber added. Former Mexico City Mayor Marcelo Ebrard, a member of the opposition PRD, has said that the party should "strongly" oppose Peña Nieto's oil industry reform plan. The PAN "is in favor of real reform," said Molinar, adding that with no spreading of risk, "there won't be investment."

Peña Nieto

File Photo: Mexican Government.

Snowden Hasn't Accepted Venezuela's Asylum Offer: WikiLeaks

Former U.S. National Security Agency contractor Edward Snowden, wanted in the United States for revealing government secrets, has not accepted Venezuela's offer of asylum, whistleblower organization WikiLeaks said Tuesday, Reuters reported. WikiLeaks made the statement after a lawmaker in Russia, where Snowden is holed up, said on Twitter that Snowden had accepted the offer from the government of Venezuelan President Nicolás Maduro. Governments that are considering asylum requests from Snowden "will make the announcement if and when the appropriate time comes," WikiLeaks said in its own Twitter posting. The anti-secrecy organization later tweeted, "Tomorrow the first phase of Edward Snowden's 'Flight of Liberty' campaign will be launched. Follow for further details." Snowden stands charged with espionage in the United States after revealing information about secret U.S. government surveillance programs. After fleeing to Hong Kong, he went to Russia

There are no direct flights between Moscow and Venezuela, Nicaragua or Bolivia.

June 23 and since then is believed to be in limbo in the transit area of a Moscow airport. On Friday, Maduro said that his government had offered asylum to Snowden, but officials said they have not heard back from the 30-year-old American. "He has to be on Venezuelan territory," Venezuelan Foreign Minister Elias Jaua said Tuesday in Caracas. "The reality is that he is trapped in the airport's transit zone." The governments of Nicaragua and Bolivia have also said they would grant asylum to Snowden, who has sought the protection from about 20 countries. Russian President Vladimir Putin has said Snowden should choose a destination quickly, but it is not clear how he would travel to any of the countries in

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Latin America that have agreed to take him in. There are no direct flights between Moscow and Venezuela, Nicaragua or Bolivia, and U.S. authorities have urged other countries not to allow Snowden refuge. "Mr. Snowden ought to be returned to the United States where he is wanted on felony charges," White House spokesman Jay Carney said Tuesday, Reuters reported. "He should not be permitted to engage in further international travel beyond the travel necessary to return to the United States." Bolivia's government has accused Spain, France, Italy and Portugal of barring President Evo Morales' plane from using their airspace after they believed Snowden was on board.

Economic News

Cuba's Economic Reforms Entering Crucial Phase: Official

Economic reforms taken on by Cuban President Raúl Castro's government are entering a crucial phase, the communist island's economic czar said Tuesday, the Associated Press reported. Cuba has made some limited openings for private entrepreneurs and relaxed some restrictions. Over the next year and a half, the government will take on the "most complex" part of its reforms which involve improving businesses' efficiency and allowing successful ones to keep more of the profit they have earned, said the economic official, Marino Murillo. "The first stage of the reforms has so far, fundamentally, been the elimination of prohibitions in society," Murillo told reporters in his second face-to-face interview since gaining prominence three years ago. "During what remains of the year 2013 and in 2014, we will work on ... the most profound transformations." The economic reforms began in 2010 and aim to revive the island nation's sputtering economy.

Castro

File Photo: Cuban Government.

Featured Q&A

Continued from page 1

A Luigi Manzetti, Colin Powell fellow at the John G. Tower Center for Political Studies at Southern Methodist University: "In October, Argentina will have congressional elections to elect half of the members of the Chamber of Deputies and a third of the Senate. For the Chamber of Deputies, the most important races are in the province of Buenos Aires, the Federal District and to a lesser extent Córdoba, Santa Fe, and Mendoza. President Cristina Fernández de Kirchner's own left-wing faction of the Peronist Party, the Frente Para la Victoria (FpV), and minor parties allied to it currently hold a comfortable majority in the Senate, which is not at risk. In the Chamber of Deputies, the FpV has 116 deputies supported by an additional 17 from minor parties. Of the seats up for renewal, about one-third belong to government supporters. Unlike the opposition, which is very fragmented, the FpV has a strong and well-financed party machine nationally that can turn out the vote. The FpV's strongholds are in small and cash-starved provinces, which have disproportionally benefitted from Kirchner's largesse in terms of discretional federal transfers and anti-poverty programs. The biggest challenge to Kirchner remains the Federal District and the province of Buenos Aires, where disaffected Peronist factions led by Sergio Massa and Francisco De Narváez will lure votes away from her support base, particularly middle-class voters. The latest projections see Massa's party ahead of the FpV. Córdoba, Santa Fe and Mendoza also lean toward opposition candidates from other parties. Kirchner is asking voters to renew their support for her income distribution policies favoring the lower classes and her plans to 'democratize' the judiciary and bring it under political control. Her opponents instead are capitalizing on her administration's deficiencies in addressing what polls show as most pressing issues: crime, inflation, unemployment and low salaries. If she retains a majority in both houses of Congress, she will mount a final assault against the independence of the judiciary and the media conglomerates critical of her policies. If she loses control of the Chamber of Deputies, and refuses to compromise with dissident Peronists, she may become a lame-duck president, plunging the country into further polarization and economic instability."

A Carlos Gervasoni, professor in the department of political science and international studies at the Universidad Torcuato Di Tella in Argentina: "In a campaign marked by an ideologically diffuse kirchnerismo-antikirchnerismo split, the key race will take place in the province of Buenos Aires: it elects the most deputies (about 27 percent of all seats) and, more importantly, two dissident Peronist groups are running against the list supported by President Cristina Kirchner. One of these comes directly from within her administration. It is headed by the popular former chief of cabinet (2008-2009), Sergio Massa, and it has a good chance of winning. The second is led by tycoon Francisco de Narváez (who defeated Néstor Kirchner in the 2009 midterm elections). The radical-based list headed by Margarita Stolbizer and Ricardo Alfonsín is also a significant contender. In such a competitive environment and with several visible issues hurting the incumbent (low growth, high inflation and an ongoing corruption scandal involving the late Néstor Kirchner), there is a good chance that the FpV will be defeated. Its prospects are worse in the next four largest districts (the Federal District, Córdoba, Santa Fe and Mendoza), although it will probably do well in the over-represented and traditionally Peronist smaller provinces. All in all, the FpV might repeat the rather weak showing it had in the 2009 midterm elections: enough to keep its current plurality in the Chamber of Deputies and in the Senate, but far short of the two-thirds majority required for a constitutional reform. Thus, Cristina

Continued on page 4

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Featured Q&A

Continued from page 3

will be a lame-duck president, weaker than in any of her previous six years."

Julio Burdman, president of the Observatorio Electoral Latinoamericano and director of the School of International Relations at the University of Belgrano in Argentina: "This mid-term election in Argentina, like others in the past, has its eye on the presidential election that will be held within two years. Following the decision of the Supreme Court to suspend the popular election of members of the Council of Magistrates (which had it gone into effect, would have also occurred in August, along with the primaries), the election of legislative positions will have a more local flavor. In the province of Buenos Aires, the most important because almost 40 percent of Argentines vote there, there are two salient occurrences. The first is the rise of young mayors to the national political arena. Martín Insaurralde, Sergio Massa, Dario Giustozzi and other community leaders seeking seats in the Chamber of Deputies are the new protagonists of an important political renewal. The other is the launch of the Frente Renovador Bonaerense, led by Massa and Giustozzi. The fact that the main electoral competition is between the official Frente Para la Victoria and the semi-opposition Frente Renovador (its members say that Kirchner's Argentina is 'neither heaven nor hell,') produces another political debate for the years to come. The axis already does not seem to be kirchnerismo-antikirchnerismo, but rather a discussion that accepts kirchnerismo as reality and asks what will come next. Massa and Giustozzi do not reject Cristina Kirchner, but look to succeed her. In the current scenario, it is difficult for the ruling party to lose seats in Congress, and its ability to govern is not threatened, but the discussion about post-kirchnerismo is moving forward. The principal electoral issue in Argentina today is the fight between hard-line kirchnerismo that wants to influence future policy and the moderate post-kirchners who want themselves to be the protagonists."

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

Megan Cook
Reporter, Assistant Editor
mcook@thedialogue.org

Inter-American Dialogue

Michael Shifter, President

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Genaro Arriagada, Nonresident Senior Fellow

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Subscription Inquiries are welcomed at freetrial@thedialogue.org

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