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THEDIALOGUE

FEATURED Q&A

Will Brazil Be Able to Keep the Olympics Safe?

Speaking to reporters on July 6, Brazilian Defense Minister Raul Jungmann would not rule out the possibility of terrorist threats during the Rio Olympics, but he added that police and military forces will be ready to provide security at the Games. // Photo: Brazilian Defense Ministry.

Q Brazilian security and intelligence agents have begun to monitor an undisclosed number of Brazilians and foreigners living in Brazil who may be sympathetic to terrorist organizations, following digital propaganda postings from the Islamic State in Portuguese, which indicate an apparent threat to public safety just weeks ahead of the Rio de Janeiro Olympic Games. In light of recent threats in Brazil, as well as attacks in the United States and Europe either inspired by or conducted by the Islamic State, how prepared is Brazil and other Latin American countries to face domestic terrorism? Which countries and communities in Latin America are most vulnerable to attacks by the Islamic State or other organizations known for conducting terrorist attacks? What intelligence systems does the region have in place for sharing information and coordinating counter-terrorism strategy internationally?

A Douglas Fraser, retired U.S. Air Force general and former commander of the U.S. Southern Command: "Despite recent articles discussing problems with Brazilian preparations for the Olympic Games, I think the threat of a terrorist incident is low. The Islamic State only recently indicated it has an eye on the Games, but there have not yet been signs of increased planning. However, the threat from street crime remains high. The Brazilian government is taking a very focused approach to security. The organizers of the Rio Olympics sought advice from the hosts of previous Olympic Games, including London, Sochi and Vancouver, to learn security lessons. To meet their security situation, for example, the Brazilians plan to deploy 85,000

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ICSID Rules for Uruguay in Dispute With Philip Morris

ICSID rejected the tobacco company's demand that it be excepted from anti-smoking measures adopted in 2006.

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ECONOMIC

Some 35,000 Venezuelans Flock to Colombia to Buy Food, Medicine

Venezuelans streamed into Colombia after Venezuela's government opened the countries' shared borders for 12 hours on Sunday. Venezuelan President Nicolás Maduro had closed the border last August.

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POLITICAL

Zavala Named Peru's Next Prime Minister

President-elect Pedro Pablo Kuczynski named Fernando Zavala, a beer company executive and former finance minister, as his prime minister.

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Zavala // File Photo: Peruvian Government.

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POLITICAL NEWS

Peru's Kuczynski to Name Zavala Prime Minister

Peruvian President-elect Pedro Pablo Kuczynski said Sunday that he will name Fernando Zavala, a beer company executive and former finance minister, as his prime minister, The Wall Street Journal reported. "He is a person with a lot of knowledge of what is going on in Peru and of public administration," Kuczynski, who takes office on July 28, told RPP Noticias radio.

> **"He's seen as objective and I think his presence is going to be very positive."**
>
> **— Pedro Pablo Kuczynski**

"He's seen as objective and I think his presence is going to be very positive." Zavala served as Peru's deputy economy minister at the same time that Kuczynski was finance minister during the administration of then-President Alejandro Toledo. After Kuczynski became prime minister in 2005, Zavala was named finance minister. Zavala left the government in 2006 and began working for subsidiaries of SABMiller. He was named president of the brewer's Panamanian unit, Cerveceria Nacional, in 2009 and then became CEO of SABMiller's Unión de Cervecerías Peruanas Backus y Johnston, Peru's largest beer producer. The company controls 95 percent of the South American country's beer market, Bloomberg News reported. An economist, Zavala has a master's of business administration degree from Britain's University of Birmingham. In a posting on Twitter, Zavala said he was "honored" by being named prime minister, adding that he would be "committed to work for a better Peru," The Wall Street Journal reported. As prime minister, Zavala will coordinate the administration's policymaking and also present Kuczynski's legislative proposals to Congress. Kuczynski has also named economist Alfredo Thorne, who worked for JPMorgan-Chase and the World Bank, as his finance minister. The incoming president has said that he will name the rest of his cabinet on July 15. [Editor's note: See **Q&A** on the challenges facing Kuczynski in the June 16 issue of the Advisor.]

ECONOMIC NEWS

Venezuelans Flock to Colombia as Border Temporarily Opens

Approximately 35,000 people crossed into Colombia on Sunday after Venezuela temporarily opened the countries' common border to allow Venezuelans to buy food and medicine, BBC News reported Sunday. The border, which Venezuelan President Nicolás Maduro closed last August as part of a crackdown on crime, was open for 12 hours. The opening followed

Maduro // File Photo: Venezuelan Government.

an incident earlier last week where 500 Venezuelan women pushed past border guards to cross into Colombia in search of food. Venezuela is facing a severe economic crisis, and many of the country's residents are suffering from a lack of access to food, medicine and other basic goods. Colombian supermarkets were crowded on the day of the border opening, with Venezuelans buying basic supplies such as rice, oil, flour and sugar, which are scarce and expensive in their home country. As the shortages get worse, more Venezuelans are expected to cross the border illegally. Currently,

NEWS BRIEFS

United Nations, European Union Condemn Killing of Honduran Activist

The United Nations and the European Union have condemned the murder of environmental activist Lesbia Yaneth Uruquía, who was killed in Honduras four months after award-winning environmental activist Berta Cáceres was murdered, United Press International reported Sunday. The two women had worked together to protest a giant dam for years, a project which had caused the deaths of nearly 100 people in five years. The two also fought against mining, logging and other destructive agricultural projects, human rights groups say.

Isabel Allende Eyeing Run for Chilean Presidency

Isabel Allende, the daughter of deposed former President Salvador Allende and a current ruling-party senator, told a Chilean newspaper that she is considering a run for president next year. Allende told El Mercurio that Chileans have been encouraging her to run to succeed President Michelle Bachelet. Allende's comments came a day after former President Ricardo Lagos said he was also considering a run for president next year, Reuters reported.

Owner of Guatemalan Hotel Chain Arrested on Tax Fraud Charges

Guatemalan police arrested Carlos Enrique Monteros Castillo, owner of one of the country's biggest hotel chains, the local Camino Real chain, on suspicion of tax fraud, prosecutors said Sunday, Reuters reported. Monteros Castillo was arrested at the Guatemala City airport late Saturday, while another executive from the hotel chain was detained in a house raid, the attorney general's office said. The arrests are part of a wider effort to root out corruption. Neither man was immediately available for comment.

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law enforcement and military personnel to secure the Rio Olympic Games, which is twice the number of security personnel used in London. The Brazilians benefited from hosting the 2014 World Cup, which presented a difficult security problem in protecting disparate venues across the country. They are also working with a broad international network of intelligence and law enforcement organizations to anticipate potential security problems. From Europe, the United States, Russia, China, South Africa, Latin America and others, Brazil is gathering information to help provide warnings of potential security concerns. Using this broad network, Brazilian success will depend on the country's ability to analyze the large amount of intelligence information it receives to find key warning signs and its ability to effectively integrate and command a complex, multi-agency response to one or several incidents at once. I'm confident the Brazilians are working hard in both areas."

Melvyn Levitsky, professor of international policy and practice at the University of Michigan's Gerald R. Ford School of Public Policy and former U.S. ambassador to Brazil: "Two years ago before the World Cup, I was confident that the Brazilians would get their act together, finish construction on stadiums and infrastructure, and deal effectively with the threat of crime and violence. This time I'm not so sure. Terrorism is much more difficult to detect and contain than domestic crime. The terrorist threat does not come from domestic criminal groups in the favelas where the potential actors are well-known to the local and federal police. With half a million tourists from all over the world expected, monitoring for potential terrorists will be a daunting task for the authorities. In addition, a number of Shia and Sunni terrorist groups have a presence in the Tri-Border Area of Brazil, Argentina and Paraguay. Finally, the disruption of the Brazilian government caused by the Petrobras scandal and President Rousseff's impeachment and her pending trial by the Senate, along with a dissatisfied–and apparently unpaid—local police, a cash-strapped local government and the possibility of street protests have enriched the environment for possible terrorist acts. On the brighter side, the federal government has promised increased funding for security, the involvement of the Brazilian military and the deployment of close to 100,000 security personnel around the Olympic areas. Brazil's federal police force is a highly professional and well-trained group. I am confident as well that Brazilian intelligence is working closely with the United States and other counterpart agencies to identify potential threats from outside Brazil. Overall, I believe Brazil will devote all its resources to securing the Olympics, but the terrorist threat is real and worrisome."

Maria Velez de Berliner, president of Latin Intelligence Corporation: "Territorial losses and recent 'lone-pack' attacks seem to indicate ISIS is moving toward a radicalizing minds tactic, encouraging terrorism worldwide. If so, neither Brazil nor the rest of Latin America is immune to ISIS, especially given the region's large Middle East diasporas, and groups of disaffected, educated, middle class youth, both of which ISIS' radical jihadists and proxies typically recruit. ISIS terrorism means any large urban center or critical infrastructure, such as Itaipu Dam, is a potential target for ISIS' proxies or martyrs. Rio and Barra de Tijuca will be covered by 47,000 intelligence and security professionals and 38,000 armed forces. This means intelligence and security personnel will transfer from cities, such as Sâo Paulo, Salvador, Manaus and Porto Alegre, leaving them with reduced protection for their plentiful soft targets. Brazil's Integrated Anti-Terrorist Center, encompassing federal police, law enforcement, intelligence officers and foreign countries, is tasked to its limits. Add the presence of the Moshen Rabbani

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Venezuelans who want to enter parts of Colombia where the border is closed need to acquire a special permit in order to do so.

BUSINESS NEWS

ICSID Rules for Uruguay in Dispute With Philip Morris

The World Bank's International Centre for Settlement of Investment Disputes, or ICSID, on Friday ruled in Uruguay's favor in a long-running dispute with tobacco giant Philip Morris, Reuters reported. In 2006, the South American country implemented a ban on smoking in public places and also hiked taxes on tobacco products and required tobacco companies to place large health warnings and graphic images of diseased lungs and teeth on cigarette packaging. The government also banned the use of the terms "light" and "mild" from cigarette packs in order to dispel the belief that such terms mean safer products. Philip Morris International had argued that the measures harmed its intellectual property rights and sales and also violated a bilateral treaty, the Associated Press reported. The company had sought for it to be excepted from the rules or that it instead be paid $22 million in damages, Reuters reported. ICSID rejected Phillip Morris' demand and instead ordered the company to pay Uruguay's government $7 million and also to cover "all the fees and expenses of the Tribunal and ICSID's administrative fees and expenses." President Tabaré Vázquez, an oncologist, welcomed the ruling in a televised speech. "The health measures we implemented for controlling tobacco usage and for protecting the health of our people have been expressly recognized as legitimate and also adopted as part of the sovereign power of our republic," he said. Philip Morris said it respected the decision. "We've never questioned Uruguay's authority to protect public health, and this case wasn't about broad issues of tobacco policy," said Marc Firestone, the company's international senior vice president and general counsel.

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Network and of the Barakat Clan in the Tri-Border Area (Brazil, Argentina, Paraguay), two organizations linked to terrorist groups in the Middle East, and Brazil's and Latin America's vulnerability to ISIS' inroads increase. Brazil's openness, friendliness, generosity and its quintessential characteristic, dar un jeito (roll with the punches), makes it an attractive target for ISIS or anyone with murderous and/or criminal intentions. Brazil, despite having large intelligence and security communities, and all Latin American countries are unprepared for today's terrorist attacks. Although they share intelligence and some security capabilities, mainly with the United States, the effectiveness of such collaboration is undermined by corruption and collusion, making these countries vulnerable to penetration by radicalized actors."

Jean-Paul Rouiller, co-founder of Expect Consulting and former Swiss counter-terrorism agent: "Brazil is as well prepared as any other big nation about to receive an event of the magnitude of the Olympic Games. The country began to prepare itself a long time ago, and I do remember one conference I attended a couple of years ago regarding Syria and foreign fighters. In preparation for the coming Games, Brazil had sent a delegation. We can therefore assume that Brazil has visited with all major actors involved in the global fight on terrorism. Law enforcement agencies and forces of countries involved in similar past events have shared best practices and lessons learned with Brazil. The term domestic terrorism can be fully applied in Europe and the United States. Considering jihadism only, I am not sure it can be fully applied to Brazil. Neither Brazil, nor South America, are in the actual situation as natural targets for attacks of the magnitude, size and reach of those as seen in Paris last November or in Brussels last March. But operations inspired by the Orlando shooting can happen in South America at any time. Even the best prepared country has very little ability to prevent such an act. Theoretically speaking, jihadists could strike any country or community in Latin America. But considering the facts and evidence at hand, the country with the highest number of foreign fighters, and/or the country with the most robust salafi-jihadi communities and networks is the most likely to be targeted by groups like IS or al-Qa'eda. Brazil is part of all international intelligence-sharing structures. In the case of the IS, Interpol has been—and still is—a useful and knowledgeable partner on the subject."

María Teresa Romero, political science professor at the Universidad Central de Venezuela and journalist: "Brazil has done everything possible to successfully host the Olympic Games. For example, the country's Congress passed a bill that penalizes terrorism in that country, and the government has mounted the largest security operation in Brazilian history, where a total of 85,000 members of the forces of public security, national defense and the Brazilian intelligence services work jointly. It has also put into operation joint work with the Brazilian society of gathering information, in cooperation with foreign intelligence agencies. However, Brazil is still vulnerable to a terrorist attack sponsored by Muslim extremists, especially those of the IS through so-called 'lone wolves.' This is mainly due to the rise of radicalism among Brazilians. There is also a public security crisis, linked to the financial crisis that lives throughout the country. But compared to the rest of Latin American countries, Brazil is the best prepared. Prevention of and relief efforts after public disasters of any kind have a long way to go in the region. The most vulnerable countries in the region are those with weak democratic institutions, those that reject foreign collaboration and those that think they are immune to terrorist attacks because they are 'progressive.' These are the cases of the so-called 'Socialist countries of the 21st century,' in particular Venezuela, whose intense crisis is conducive to terrorism."

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