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THEDIALOGUE

FEATURED Q&A

What Will Trump's Presidency Mean for Central America?

The foreign ministers of Honduras, Mexico, Guatemala and El Salvador (L-R) met Nov. 21 in Guatemala to discuss their countries' cooperation following the election of Donald Trump as U.S. president. // Photo: Mexican Government.

Q Honduras, Guatemala and El Salvador plan to join forces and ask for Mexico's help in forming a strategy to respond to Donald Trump's election as U.S. president, El Salvador's foreign minister told Reuters Nov. 16. What should the Central American countries do in order to protect their interests during the upcoming Trump administration? To what extent does Trump pose a threat to Central America? After Trump takes office, how well will the United States be able to work with Central American countries in areas such as security and combating drug trafficking?

A Francisco Villagrán de León, visiting scholar at the George Washington University Elliott School of International Affairs and former ambassador of Guatemala to the United States: "El Salvador, Guatemala and Honduras are understandably anxious about the uncertainties of a Trump administration. They can be certain, however, that the main issues in U.S.-Central American relations will continue to be immigration, trade, security and the rule of law, since the intersection of these issues will continue to make Central America a strategic U.S. concern. On immigration, there is little the three countries can do besides brace themselves for increased deportations and appeal to the Trump administration to coordinate that process with them and ensure it is humane. On the issue of trade, Central America's business sector actually seems optimistic, believing that a Trump government might lighten up on enforcement of labor provisions in the Central American Free Trade Agreement (CAFTA) that business leaders consider a nuisance. In the case of Guatemala, its private sector hopes that the Trump

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TODAY'S NEWS

POLITICAL

Tens of Thousands Protest in Brazil

Brazilians marched in cities including São Paulo, Rio de Janeiro and Brasília in protest of corruption and legislation passed by the lower house of Congress that would restrict prosecutors' ability to pursue corruption cases.

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BUSINESS

Low-Cost Airlines Launch Routes in Costa Rica

Mexican carrier Volaris and Colombia-based Wingo are offering new service from San José. The new flights started last week.

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POLITICAL

Jamaica's Simpson Miller Stepping Down as Party Chief

Former Jamaican Prime Minister Portia Simpson Miller said she would step down as president of the People's National Party by the time her mandate ends next September. Party sources say she may leave earlier, however.

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Simpson Miller // File Photo: Jamaican Government.

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POLITICAL NEWS

Tens of Thousands Protest in Brazil

Tens of thousands of Brazilians took to the streets Sunday in protest of federal legislation that they say threatens the investigation into the massive corruption case at state-run oil company Petrobras, BBC News reported. Police estimated that some 60,000 protesters participated in the demonstrations, the largest of which happened in São Paulo's business district and along Copacabana Beach in Rio de Janeiro. Protesters also marched Sunday in Brasília and more than 20 Brazilian states. Demonstrators were angered by the Chamber of Deputies' passage of a measure last week that could restrict the ability of prosecutors and judges to prosecute corrupt politicians. The legislation, which now faces debate in the Senate, would allow defendants to sue judicial authorities for abuse of power. In Sunday's demonstrations, marchers carried signs in support of Judge Sérgio Moro and the prosecutorial team leading the Petrobras investigation, Reuters reported. Brazilian President Michel Temer, whose government has seen four cabinet members step down due to graft allegations, praised the protesters, saying the demonstrations showed the "force and vitality" of the country's democracy. Opponents of Moro have accused him and other prosecutors involved in the Petrobras case of partisanship and unfairly targeting members of the Workers' Party of former Presidents Dilma Rousseff and Luis Inácio Lula da Silva. On Friday, Transparency International grated its annual anti-corruption award to the Brazilian prosecutors leading the Petrobras investigation, known as Operation Car Wash.

Demonstrators gathered in locations including Brasília on Sunday to protest corruption. // Photo: Agência Brasil.

Jamaica's Simpson Miller Stepping Down as Party Chief

Former Jamaican Prime Minister and President of the People's National Party, or PNP, Portia Simpson Miller said Sunday that she would step down from her position as a the party's president by the time her mandate ends in September, though party sources say she could leave office as soon as March, The Jamaica Gleaner reported. "The party president is likely to provide a clearer timetable of her departure at the next meeting of officers, which normally takes place on the second Tuesday of each month," an unnamed PNP source said. The announcement came ahead of an expected leadership contest between long-time aspirant of the position Peter Phillips against Peter Bunting, who earlier this year pulled back from challenging Simpson Miller. "A leadership contest could take place as early as February," said the source. "She is concerned that a drawn-out campaign could split the party apart, and, as she indicated, she doesn't want that to happen." PNP sources do expect Simpson Miller to show her preference for Phillips as her predecessor, even if she does not openly endorse him. "Her support will be clear," the source said. Simpson Miller has for months faced pressure to step down from her position as party president so that the PNP could renew itself after a narrow defeat in February's general election.

Simpson Miller could step down as early as March, according to party sources.

NEWS BRIEFS

Fidel Castro Laid to Rest in Santiago de Cuba

Fidel Castro's ashes were buried Sunday in the Cuban city of Santiago, nine days after his death at age 90, BBC News reported. "There were no speeches. It was very simple," France's representative, Environment Minister Segolene Royal, said afterwards. Castro's brother, President Raúl Castro, placed the urn holding the revolutionary's remains into the tomb. Santiago is known as the birthplace of the Cuban Revolution. In a family ceremony, Fidel's ashes were interred next to those of 19th Century Cuban independence figure José Martí.

Bolivia Files Criminal Complaint Following Colombia Plane Crash

Bolivian authorities filed a criminal complaint against a Bolivian airport official for allowing a charter plane to depart for Colombia, even though the charter's flight plan had violated international aviation standards, The Wall Street Journal reported Sunday. Bolivian airport authority Aasana filed the complaint against Celia Castedo, an Aasana employee who had reviewed the LaMia plane's flight plan. The flight crashed when it ran out of fuel near Medellín's airport. Seventy-one people, including much of Brazil's Chapecoense soccer team, were killed in the Nov. 28 crash.

Two Low-Cost Airlines Launch Flights in Costa Rica

Two low-cost airlines launched flights in Costa Rica last week, The Tico Times reported Friday. Mexican carrier Volaris launched flights on Nov. 30 with daily service between San José and Guatemala City. Volaris will use the San Jose airport as a hub. On Dec. 1, Colombian airline Wingo, a subsidiary of Copa Holding, began offering service between San José and cities in Guatemala and Panama.

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administration will limit U.S. involvement in efforts to root out corruption and strengthen the rule of law—efforts that have begun to target not just politicians and bureaucrats but also business people who have evaded taxes. As for the chances of Mexico helping Central America deal with Trump on immigration, that is unlikely. Mexico's relationship with the United States is different and more complex: there is a broader agenda, with closer cooperation on security issues; indeed, Mexico has coordinated with the United States to control the flow of Central American migrants. In any case, Mexico will have its hands full dealing with important bilateral issues, including the renegotiation of NAFTA, which in turn will have consequences for CAFTA."

Carlos Imendia, economic consultant based in San Francisco: "After years of Alliance for Prosperity and Millennium Challenge Account initiatives and poor results, the only way for Central American countries to advance their interests is to present a well-crafted plan, setting clear goals, a time frame and an explanation of the failures of the past. It's an approach beyond diplomacy; it requires hard data and commitment to set a path everybody can monitor. Mr. Trump and his administration already have plenty of hotspots around the world to deal with. He won't stop his agenda because of a surge in immigration or violence in the Northern Triangle. At most, Mr. Trump will give time for the Central Americans to come up with reasonable proposals to work with; his involvement with issues such as security and immigration will depend on results on the fight against corruption and illegal trade. There's no evidence whatsoever that Trump or his administration pose a threat to the region; the real enemy is the inability of the three governments to hit the roots of violence and drug trafficking. He will certainly walk away quickly from a negotiating table where those asking for concessions are those failing to achieve the agreed-upon goals. I'd say that Mr. Trump better understands facts than grandiloquent speeches."

Salvador Paiz, president of FunSEPA in Guatemala City: "Donald Trump was democratically elected president by the citizens of the United States. Therefore, it behooves the Northern Triangle countries to explore ways to establish a relationship with the incoming administration. The Northern Triangle of Central America plays a geostrategic role for the United States. It represents the entryway to NAFTA, and it stands as a choke point for licit as well as illicit transit flows. For the region, the United States represents its largest trading partner, the market to which large quantities of exports are destined and from which an even larger amount of goods are sourced. We export things like bananas and import medical devices. Beyond the political rhetoric, do we really represent a threat to employment in the United States? Whether we like it or not, the fates of our economies are all intertwined. Our proximity has allowed supply chains, both licit and illicit, to become quite sophisticated and to perform just-in-time. Deepening our relationship around impactful and transformational initiatives is the best, and probably the only, way to achieve the common objectives of regional development, reductions in migration and promoting job creation. The region is prepared to engage in the tough transformational initiatives and

> **"Whether we like it or not, the fates of our economies are all intertwined."**
> **— Salvador Paiz**

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ECONOMIC NEWS

Venezuela Issuing Higher-Value Banknotes as Inflation Soars

Venezuela is issuing higher-denomination banknotes as inflation soars in the South American country, BBC News reported Sunday. Six new banknotes ranging from 500 to 20,000 bolivars will enter circulation on Dec. 15. Currently, the highest note in circulation is 100 bolivars, which is worth about two U.S. cents. The Venezuelan currency has fallen some 60 percent against the U.S. dollar on the black market, and Venezuelans often must carry large stacks of cash to pay for groceries or meals at restaurants. "[This] will make the payments system more efficient, facilitate commercial transactions and minimize the costs of production, replacement and transfer ... which will translate into benefits for banking, trade and the general population," the central bank said of the new larger-denomination banknotes. Venezuela's government last published inflation figures a year ago, in December 2015, saying inflation was at 180 percent. However, the International Monetary Fund has said the country's rate of inflation is expected to exceed 2,000 percent next year. Venezuela's economy has been hard-hit by the fall in the price of oil, it's main export. On Friday, Venezuela's credit card and cash machine systems froze, making businesses unable to process transactions.

Maduro // File Photo: Venezuelan Government.

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to assume its share of the burden. Joint projects are already underway to improve security, foster the rule of law, build critical infrastructure and drive employment. Drug trafficking, weapons smuggling and illegal migration flows will not be blocked by a literal wall; they will only be contained by an impenetrable barrier of collaboration."

Mario Arana, director of the Nicaraguan Foundation for Social and Economic Development and former Nicaraguan minister of finance and central bank president: "Last month in Antigua, Guatemala, business organizations from the region met to discuss their common agenda. A central topic of concern was the implications of potential policy changes on trade and immigration flows in Central American from the new U.S. administration as the region hears threats of massive deportations and a potential revision of CAFTA, as part of the incoming U.S. president's policy agenda. The tone of the discussions was serious and fearful of the grave consequences of these potential changes to an already precarious stability, particularly for the northern countries of Central America as they deal with high levels of criminality, gang violence, poverty and unequal income distribution, where remittances and development aid from the United States have been seen as part of the solution to those challenges. The underlying causes of Central American problems are complex and not easily solved in the short term. A new USAID package centered on security, justice and transparency, and targeted development assistance to support evidenced-based job training, job creation and education programs that focus on at-risk youth in targeted communities, were expected to help the region. However, these possibilities are now under a shadow of uncertainty and doubt with regard to the new U.S. administration's intentions. Central America is ready to engage in a constructive and balanced dialogue that seriously addresses the complexities and challenges that need to be confronted in the region, based on an approach that understands the links between development and long-term stability. Anything that complicates things more than they already are is useless and counterproductive for all parties involved."

James Meyer, partner at Harper Meyer in Miami: "More detrimental to Central America than any 'wall' in Mexico but somewhat related is Trump's promise and the U.S. Supreme Court's rulings to reverse President Obama's policies of Deferred Action for Children Arrivals and Deferred Action for Parents of Americans. Among other things, these were important tools of the Obama administration to deal with the 2014 U.S. border involving unaccompanied Central American minors. If and when these polices are no longer employed (formally or informally) one can speculate that the youth gangs in Central America will once again have a more fertile pool of minors to recruit from. From that, as well as the potentially huge collateral impact of a significant reduction in remittances from the United States, which represent a significant portion of the Central American economy, we can anticipate increased violence, political instability and drug trafficking to the United States. These problems prompted the United States in 2015 to fund $750 million in social and security programs and drug interdiction plans in Central America to combat these issues. If President-elect Trump implements the foregoing immigration policies, as well as his other foreign policy promises, including a possible withdrawal from CAFTA, not only will the United States need to honor its commitments to provide significant amounts of foreign aid to Central America, for its own national security, but also the United States will probably and eventually need to double down on those aid packages just to address the negative impact and consequences of the Trump plan."

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Nicole Wasson
Reporter, Assistant Editor
nwasson@thedialogue.org

THEDIALOGUE

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