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FEATURED Q&A

Will a U.S. Border Wall & Immigration Reform Happen?



U.S. Customs and Border Protection unveiled prototypes in October for a wall along the country's border with Mexico, a signature campaign promise of President Donald Trump. // File Photo: U.S. Customs and Border Protection.

Q U.S. President Donald Trump on Dec. 11 told top Democratic lawmakers that he would be "proud to" shut down the government if Congress doesn't approve billions of dollars for his proposed wall along the U.S.-Mexico border. On Tuesday, White House Press Secretary Sarah Huckabee Sanders said "at the end of the day, we don't want to shut down the government." And on Wednesday, congressional leaders agreed on a deal to keep the government open until Feb. 8. Is Trump's wall proposal dead if it isn't funded before Democrats take control of the House of Representatives in January? What types of U.S. immigration reforms, if any, have a chance at becoming law in the coming year, and how would they affect border security proposals?

A Jim Kolbe, senior transatlantic fellow at the German Marshall Fund of the United States and former Republican member of the U.S. House of Representatives from Arizona: "Despite the widely known inconsistencies and frequent changes in his positions on various issues, President Trump has maintained an unwavering insistence that the building of the 'wall' between Mexico and the United States is a cornerstone of his policy agenda. He has quietly abandoned the notion that the wall will be paid for by Mexico and has claimed—falsely—that the wall will be paid for by higher tariffs on Mexican products. He has said part of the construction is completed, though this is not true. Despite these claims, the vast majority of Americans, including core Trump supporters, do not believe building the wall should be a priority. When translated into congressional action, there

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TODAY'S NEWS

ECONOMIC

Colombia's Congress OKs Tax Reform

Lawmakers approved a watered-down tax reform that cuts the government's original revenue target for next year almost in half. The reform includes increased income taxes for high-earners.

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BUSINESS

BRF Sells Argentina's Avex for \$50 Million

The Brazilian meat company sold Argentina-based chicken and margarine producer Avex to Granja Tres Arroyos e Fríbel as part of its restructuring plans.

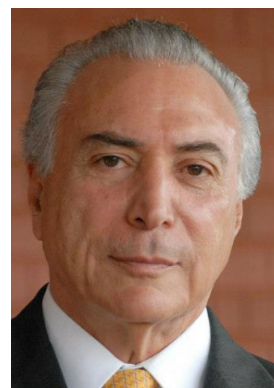
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POLITICAL

Brazil's Temer Indicted on Graft Charges

Brazil's prosecutor general filed charges against President Michel Temer, accusing him of pocketing bribes in connection with the awarding of port contracts. Temer, who leaves office Jan. 1, denies wrongdoing.

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Temer // File Photo: Brazilian Government.

POLITICAL NEWS

Brazil's Temer Indicted on Graft Charges

Brazil's prosecutor general on Wednesday indicted President Michel Temer on charges of corruption and money laundering in connection with an investigation revolving around port concessions, O Estado de S.Paulo reported. The action by Prosecutor General Raquel Dodge was the third such complaint filed against Temer since he took office in 2016. In addition to the complaint against the president, Dodge also filed charges against João Baptista

The charges stem from port concessions that Temer approved last year.

Lima Filho, a personal friend of the president, Carlos Alberto Costa, an associate of Lima, former legislator Rodrigo Rocha Loures, and businessmen Antônio Grecco and Ricardo Mesquita, the newspaper reported. Temer, who leaves office on Jan. 1, has been under investigation amid allegations that he accepted bribes in exchange for a decree that he issued last year that allowed for the extensions of two port contracts for as long as 70 years, Reuters reported. In a statement, Temer's office said that the president will prove that there were no irregularities surrounding the contracts and that no company benefited illicitly, the wire service reported. Temer could only be put on trial if the lower chamber of Brazil's Congress votes to allow a trial to proceed. Such a move is unlikely before he leaves office in less than two weeks. However, Temer will likely have to face the charges after he leaves office, Reuters reported. In both of the other cases in which Temer was charged with wrongdoing, the lower

house of Congress refused to lift his immunity from prosecution. He loses that immunity when Jair Bolsonaro succeeds him as president on New Year's Day.

ECONOMIC NEWS

Mexico Says it Has Support for Airport Bond Repurchase

Mexico's finance ministry said on Wednesday that it has received "overwhelming support" for a revised offer to repurchase bonds issued to fund its partly-built and now-abandoned airport project in Mexico City, Reuters reported. President Andrés Manuel López Obrador announced a few weeks before taking office this month that he would discontinue the \$13 billion airport project, citing cost overruns and lack of public support. The finance ministry



López Obrador // File Photo: Mexican Government.

then initiated a buyback offer for \$1.8 billion of \$6 billion in bonds issued to fund the project. But talks grew tense after a group of investors rejected the initial deal, leading the ministry to improve its offer on Dec. 11. In a statement, the ministry said the Mexico City Airport Trust, or MEXCAT, has received tenders and consents "from holders of a substantial majority of the principal amount of notes of each series" and that the new offer "has received overwhelming support from MEXCAT bondholders." The Mexican peso has climbed in early market trading today as investors grew confident that a standoff with bondholders has been averted, Bloomberg News reported. The peso gained 1.3 percent to 19.86 per U.S. dollar on Thurs-

NEWS BRIEFS

Cuba Drops Same-Sex Marriage Provision in Draft Constitution

Cuba's National Assembly said Tuesday it decided for now to drop a provision in the draft of its new constitution that would potentially legalize same-sex marriage, CNN reported. Legislators cited polls taken at community meetings indicating a majority of Cubans opposed same-sex marriage. Last summer, more than 600 legislators approved a draft of the new constitution with language that didn't specify the gender of individuals getting married. The final version of the proposed constitution must pass through a popular vote in 2019. [Editor's note: See related [Q&A](#) in the June 21 issue of the Advisor.]

Brazil Chief Justice Dashes Lula's Hopes for Release From Prison

Former Brazilian President Luiz Inácio Lula da Silva saw his hopes for release from jail dashed on Wednesday after Chief Justice José Antonio Dias Toffoli overturned a sweeping ruling by Justice Marco Aurélio Mello that a convicted criminal with a court appeal pending should be freed until the legal process has been exhausted, BBC News reported. Mello's decision would have applied to 1,500 prisoners, including Lula who has been in prison since April on corruption charges.

Iran Denies That Oil Exports to Chile Caused Noxious Fumes

The National Iranian Oil Company denied Wednesday that its crude exports to Chile may have been the source of noxious fumes that sickened hundreds of people in August, Reuters reported. More than 500 people, mostly children, were treated in Quintero and Puchuncavi. Chilean officials have identified Iranian crude as a potential source.

day. "It is a step in the right direction," Jan Dehn, the head of research at Ashmore Group in London, told the wire service.

Colombia's Congress Approves Watered-Down Tax Reform

Colombian lawmakers on Wednesday approved a weaker tax reform bill that cuts the government's original revenue target for next year nearly in half, Reuters reported. The lower house and the Senate agreed that the revenue goal to fund next year's budget will be 7.8 trillion pesos (\$2.4 billion). In October, the administration of President Iván Duque sent a bill to Congress with a 14 trillion peso revenue target for next year. While legislators passed revenue-generating measures that will increase the income tax on high earners, pressure from opposition leaders sank a proposal to tax basic foodstuffs, a cornerstone of Finance Minister Alberto Carrasquilla's plan to raise the bulk of the reform's revenue. The finance ministry will freeze 6.2 trillion pesos in 2019 spending as a result of the new revenue target, according to the report. Supporters of the compromise bill say new efforts to crack down on tax evasion will bear fruit and lead to higher state income over time. In a speech, Duque highlighted the administration's main challenges, citing "equity" among Colombians as his government's main objective. [Editor's note: See related Q&A in the Nov. 29 issue of the Advisor.]

BUSINESS NEWS

Brazil's BRF Sells Avex for \$50 Million

Brazilian meat producer BRF announced Wednesday that it has sold Avex, an Argentina-based chicken and margarine maker for \$50 million, Istoé reported. Under the deal, Granja Tres Arroyos e Fribel will take control of Avex, which has three plants in Argentina—in Llavalol,

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is little or no chance the additional \$5 billion Trump demands for the wall will be appropriated before the end of December while Republicans still control both the House and Senate. The prospect of comprehensive immigration reform is much more remote—almost to the point of invisibility. Congress has broken its pick on this issue numerous times and now there is little or no will to tackle the problem again. Even such obvious immigration 'fixes' as DACA, separation of family units and the clearly broken asylum system, has defied action in Congress. Look for much hot rhetoric and little or no action on immigration reform in the run-up to the next presidential campaign."

A **Andrew Selee, president of the Migration Policy Institute:** "In a rational world, Republicans and Democrats, with White House support, would be negotiating a deal around funding for Donald Trump's wall in exchange for an immigration reform bill based on legalizing those now covered by DACA. There are plenty of models out there, several of which were voted on last year and two that almost passed the Senate. The best ones cover not just the Dreamers, but also those from El Salvador, Honduras and Haiti who are losing their Temporary Protected Status (TPS) after years in the United States. It's possible to legalize the million or so people covered by DACA and TPS in exchange for limits on sibling visas and perhaps the diversity visa and partial funding for a wall, a deal that seemed within reach only a few

months ago. But the political space for an agreement of this kind seems to have closed, at least for now. Democrats see no reason to give Trump his wall, even a few miles of it, and Trump sees no reason to back down from demanding a lot of wall, at least \$5 billion worth. And DACA seems to have subsided as a public issue since the courts put an injunction on the Trump administration ending the program—at least for now. But sometimes necessity is the mother of invention, so perhaps the pressure around a potential shutdown will lead to some creative thinking between the different sides that hasn't always been there before, thinking that allows them to legalize those covered by DACA and TPS and gives Trump some border funding for barriers and barricades."

A **Wolfram F. Schaffler Gonzalez, director of the Texas Center for Border Economic and Enterprise Development at Texas A&M International University:** "Closing the border for political and not real reasons can have a serious negative impact on the U.S. economy, mainly because trade between Mexico and the United States exceeds one million dollars a minute, and thousands of businesses and at least six million U.S. jobs depend on it. At the micro level in neighboring communities along the border, the effects of a prolonged closure would also have other consequences, especially in what relates to retail sales and cross-border relations. Cities on the U.S. border such as

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Villa Mercedes, and Rio Cuarto. Avex has a capacity of slaughtering 160,000 chickens per day and also processes 10,000 metric tons of products including margarine, olive oil, sauces and baking industry ingredients, FoodBev Media reported. BRF's announcement of the sale came a week after BRF struck a deal with Marfrig to sell its Quickfood subsidiary in Argentina for \$55 million. At the time, the companies announced that Marfrig would take over the

production at BRF's facility in Várzea Grande to produce beef patties and meatballs. Under that deal, valued at 100 million reais (\$25.6 million), Marfrig will provide BRF with products for five years. BRF has been restructuring and in July announced a plan to sell some of its units in Argentina, Europe and Thailand. The company is shedding non-operational assets as well as real estate and minority stakes in other companies.

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San Diego, El Paso, Laredo, McAllen and Brownsville have strong local economies that in one way or another rely on Mexican purchases. While Tijuana and Ciudad Juárez still have many Americans who cross into Mexico for business, tourism or shopping, which strengthens their local economies, the same does not happen so much anymore at the Texas border. Travel advisories from the State Department over several years have recommended that Americans not cross into Mexican border states, especially Tamaulipas. This has resulted in local economies that no longer rely on U.S. dollars. Cities like Nuevo Laredo, Reynosa and Matamoros have adapted. Locals still cross to Texas to shop, dine or travel, dividing dollars spent on both sides of the river, but if the border shuts down, that money will stay in Mexico. The reality of border communities with shared and interdependent economies, with or without a wall, is probably lost on those who politically gamble on their livelihood only to score a win."

A **Katja Hujo, senior research coordinator at the United Nations Research Institute for Social Development:** "A cornerstone of Trump's electoral campaign and identity, the wall represents more than just a huge infrastructure project that promises to enrich the construction industry while draining away taxpayers' money. It stands for a global epidemic of rising inequalities and fractures, which instead of being mended and bridged through inclusive and sustainable policies—of which the Sustainable Development Goals and the most recent migration and refugee compacts constitute important sign posts—are reproduced and reinforced by walling and fencing off migrants from nationals, the poor from the rich, the other

from us. Walls between countries do not only evoke associations with dictatorships and war; history has also proven that they do not address the root causes of problems and are therefore not transformative. To the contrary, they are predestined to disappear and remain in the collective memory of humanity as symbols of misguided power. Ironically, it was a U.S. president who in 1963 asked the citizens of Berlin 'to lift your eyes beyond the

“**The reality of border communities ... with or without a wall, is probably lost on those who politically gamble on their livelihood only to score a win.**”

— **Wolfram F. Schaffler Gonzalez**

dangers of today, to the hopes of tomorrow ... beyond the wall to the day of peace with justice, beyond yourselves and ourselves to all mankind.' It was that inspiring vision that made America great in the eyes of many, not a policy of deterring people who risk their lives to become part of the American dream, and who represent in many ways the true wealth of the country."

Editor's note: The commentaries above were submitted to the Advisor before U.S. congressional leaders on Wednesday agreed to a stopgap deal to keep the government open until Feb. 8.

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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