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## FEATURED Q&A

# Which President Will Take Hold as Venezuela's Leader?



Several countries have recognized Juan Guaidó, the leader of Venezuela's National Assembly, as the country's legitimate president. // File Photo: Venezuelan National Assembly.

**Q** More than a dozen countries have rejected Venezuelan leader Nicolás Maduro as the country's president since he was sworn in for a second term this month, instead recognizing Juan Guaidó, the head of Venezuela's National Assembly, who on Jan. 23 proclaimed himself interim president of the country while free and fair elections are organized. Who is Guaidó, and does he have a legitimate claim to the presidency? What sorts of implications does a dual government scenario have for the country? How likely is it that Venezuela will hold elections in the near future and, if arranged, is the Venezuelan opposition unified enough to win?

**A** Laura Chinchilla, former president of Costa Rica and co-chair of the Inter American Dialogue's Board of Directors: "Juan Guaidó burst onto the stage of Venezuela's dramatic politics in the most surprising way and when he was most needed. His very assumption as president of the National Assembly was accidental and by default. The position belonged to his party, Voluntad Popular, by process of rotation, and the party's main leaders are imprisoned or in exile. Only five days after his appointment, Maduro was sworn in as president for a second term after being re-elected in a vote plagued by irregularities. With Maduro's legitimacy in question, the constitutional mechanism that establishes the head of the National Assembly as the country's interim president in the absence of a president was put in motion. But Guaidó's swearing-in was more than just a simple application of the Constitution—it was also the result of a dizzying process of popular support forged after his visits to several town councils, which projected

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## TODAY'S NEWS

### POLITICAL

## Mexico Won't Take Minors Awaiting Asylum Claims

Mexico will not accept migrants younger than 18 as they await the resolution of their asylum claims in the United States, said the head of Mexico's migration agency.

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### ECONOMIC

## Mexico Registers Highest Trade Surplus on Record

The country registered its highest trade surplus in December, reaching \$37.5 billion in total exports, while imports totaled \$35.7 billion, the country's statistics agency said.

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### BUSINESS

## U.S. Imposes New Sanctions on PDVSA

U.S. officials announced new sanctions against Venezuelan state oil company PDVSA as part of its efforts to pressure President Nicolás Maduro to step down. Proceeds from sales of Venezuelan oil to U.S. companies will be placed into a blocked account.

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Maduro // File Photo: Venezuelan Government.

## POLITICAL NEWS

## Mexico Won't Accept Minors Awaiting U.S. Asylum Claims

Mexico will not accept returning migrants younger than 18 as they await the resolution of their U.S. asylum claims, the head of Mexico's migration agency said Monday, Telemundo reported. The agency's commissioner, Tonatiuh Guillén, added that Mexico's policy for returning migrants will be applied to only one border crossing, the El Chaparral crossing in Tijuana. The United States had wanted to expand the



Guillén // File Photo: Notimex.

"remain in Mexico" policy to other crossings, but Mexico will only allow asylum seekers between ages 18 and 60 at El Chaparral, the Associated Press reported. Additionally, Mexico will only allow migrants from Guatemala, Honduras and El Salvador to remain in the country, said Guillén, who added that the Central American migrants will be given four-month visas. Since Dec. 1, Mexico has issued 3,983 transit visas to Central American migrants, the majority of whom have been seeking to enter the United States. In addition, Mexico will be extending programs that allow Central American migrants to have work visas to additional Mexican states, the AP reported, adding that migrants from additional Central American countries will also be eligible for the work visas. Under the "remain in Mexico" program, U.S. authorities plan to bus migrants seeking asylum back and forth between the border and court hearings in downtown San Diego. Under the U.S. policy, officials purportedly hope to discourage immigrants from making

asylum claims in the hopes of being allowed to remain in the United States while their claims are being decided, a process that can take years, the wire service reported.

## BUSINESS NEWS

## U.S. Imposes New Sanctions on Venezuela's PDVSA

The United States is imposing new sanctions on Venezuelan state oil company PDVSA, escalating efforts to pressure President Nicolás Maduro to step down, the government announced Monday, the Financial Times reported. All of PDVSA's assets subject to U.S. jurisdiction were blocked, and U.S. individuals and companies were "generally prohibited from engaging in transactions with them," the U.S. Treasury said in a statement. The sanctions do not ban American companies, including PDVSA U.S.-based refiner Citgo, from buying Venezuelan oil, but proceeds will be put in a blocked, interest-bearing account in the United States.

**All of PDVSA's assets subject to U.S. jurisdiction were blocked.**

"If the people in Venezuela want to continue to sell us oil, as long as the money goes into blocked accounts, we will continue to take it," Treasury Secretary Steven Mnuchin said at a White House briefing, Reuters reported. "Otherwise, we will not be buying it." The sanctions will force PDVSA to find other markets for its oil and different routes into the United States, and U.S. refining companies that had been buying Venezuelan crude will have to find other sources of heavy oil, the Financial Times reported. The United States bought roughly 500,000 barrels a day of crude from Venezuela

## NEWS BRIEFS

## At Least Three Killed as Rare Tornado Hits Havana

At least three people were killed and 172 injured, 12 critically, as the strongest tornado in 80 years hit Cuba on Monday, officials said, the Associated Press reported. The tornado touched down in eastern Havana with estimated winds of 200 miles per hour, leaving 90 homes crumbled and one-fourth of Havana's two million people without power. More than 200,000 people also lost water service.

## Brazil to Pursue Criminal Charges Against Vale Execs After Dam Collapse

Brazilian Prosecutor General Raquel Dodge said Monday that the government would pursue criminal charges against executives of mining company Vale following Friday's collapse of a dam that killed at least 65 people, The Wall Street Journal reported. The collapse of the Brumadinho dam in the southeastern state of Minas Gerais also left 279 people missing, and the death toll could rise "exponentially," officials said, the Associated Press reported. The incident may become the most deadly mining disaster of its kind in more than 50 years, The Wall Street Journal reported. It happened just three years after the deadly collapse of the Samarco dam, which Vale co-owned through a joint venture with BHP Billiton.

## Ecuador's Gov't Issues \$1 Billion in 10-Year Bonds

Ecuador on Monday issued \$1 billion of 10-year bonds with an interest rate of 10.75 percent, the Financial Times reported. The placement was well received, but the government is still considering "other potential sources of financing such as international institutions and China," the finance ministry said in a statement. President Lenín Moreno's government aims to raise a total of \$8 billion this year. [Editor's note: See related [Q&A](#) in Monday's Advisor.]

in the first 10 months of last year. Minutes before the U.S. government announced the new sanctions, Juan Guaidó, the head of Venezuela's National Assembly who proclaimed himself interim president last week with U.S. support, said Congress would name new boards of directors to PDVSA and Citgo, Reuters reported. In a live national broadcast on Monday, Maduro accused the United States of trying to steal Citgo, adding that Venezuela would take legal actions in response.

## ECONOMIC NEWS

# Mexico Registers Highest Trade Surplus on Record

Mexico registered its highest trade surplus on record in December despite efforts by U.S. President Donald Trump to curb Mexican exports to the United States by redrafting the North American Free Trade Agreement, or NAFTA, Bloomberg News reported Monday. Total exports amounted to \$37.5 billion in the last month of 2018, while imports totaled \$35.7 billion, resulting in a trade surplus of \$1.8 billion, according to Mexican statistics agency INEGI, *El Economista* reported. The figure is the highest trade surplus for any month since data collection started in 1999. Automotive exports grew by 7.4 percent as compared to the same month a year ago, reaching \$11.5 billion, while oil-product imports fell 15.5 percent to \$1.38 billion. "Car production and demand have recovered amid less uncertainty over NAFTA," Marco Oviedo, chief Mexico economist at Barclays, told Bloomberg News. "It seems that the new deal implies business as usual and that car exports should continue to be an important component of trade between the U.S. and Mexico." After more than year of talks, Mexico, the United States and Canada signed their new deal, USMCA, in November. The agreement is still up for ratification in all three countries. [Editor's note: See related [Q&A](#) in the Oct. 11 issue of the Advisor.]

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him as a reliable politician, with a simple and familiar speech, before a people thirsty for hope and leadership. Time is passing quickly, in favor of Guaidó and against Maduro. In addition to the recognition of several countries' governments, other signs weigh on the worn-out madurista regime, among them the actions of bondholders against the regime and the impediment to withdrawing gold deposits from the Bank of England, as well as the Inter-American Development Bank's support for Guaidó. The stars have never aligned in favor of a transition in Venezuela as they have today: an alert and active international community, a unified political opposition and a leader that has been able to re-sow hope in his people. However, a defining ingredient is missing: the armed forces, on which the survival of the Nicolás Maduro regime entirely depends today."

**A** **Charles Shapiro, former U.S. ambassador to Venezuela and president of the World Affairs Council of Atlanta:** "Nicolás Maduro's fraudulent election last May and his Potemkin village inauguration provided the opportunity for the international democratic community to try to restore democracy in Venezuela. National Assembly President Juan Guaidó is a new face—young, relatively unknown and free of the internecine battles of the opposition. Internationally, the Lima Group has been working for months to bring about change in Venezuela. OAS Secretary General Almagro is a fierce advocate for democracy. Canadian Foreign Minister Chrystia Freeland played a key role behind the scenes. Brazil and Colombia elected presidents more willing to take action against Maduro. The Europeans are fed up with Maduro, both for the humanitarian crisis and for his evolution from elected autocrat to outright dictator. The European Union, Spain, Germany, France and the United Kingdom will withdraw recognition from the Maduro regime if elections aren't called this week. The Trump administration is more

willing to lead an effort to resolve the crisis in Venezuela than its predecessor. AMLO's election in Mexico had the opposite effect, and Mexico is conspicuous by its absence. Conversely, authoritarian governments around the world support Maduro. Russia

**“There's a hint that Maduro just might blink.”**

— Charles Shapiro

and China blocked U.N. Security Council action against the Venezuelan government. Maduro has dug in and will remain defiant so long as the military backs him. So far, the military high command is firm in its support. Nonetheless, Maduro must be looking over his shoulder. The economy is collapsing, and the families of junior officers and enlisted troops are suffering like other Venezuelans. Maduro spent Sunday haranguing the troops and appealing to their patriotism. There's a hint that Maduro just might blink. He backed off his demand that U.S. diplomats depart the country in 72 hours. Perhaps the military or the Cubans advised him to do so. One hopes there is contact off-line between the United States and Maduro, perhaps through an intermediary. Maduro must recognize that his internal support is quickly eroding. Russia lacks the ability, and China lacks the will to prop up the Venezuelan economy. It's time for Maduro to consider his options."

**A** **Eva Golinger, attorney, author and former advisor to late Venezuelan President Hugo Chávez:** "The situation in Venezuela is very volatile and unpredictable. While the opposition made a bold move, encouraged and supported by the United States, Guaidó's proclamation sets a dangerous precedent

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of a parallel state within a state. Maduro has shown no sign of weakening, and though there was ambiguity in the armed forces during the first 24 hours after Guaidó proclaimed himself 'interim president,' they since have come out backing Maduro and rejecting any unconstitutional attempt to oust him or violate Venezuela's sovereignty. The world is clearly divided. It's become a

“**Guaidó's proclamation sets a dangerous precedent of a parallel state within a state.**”

— Eva Golinger

geopolitical battlefield. The West mainly supports the opposition, with Trump as its biggest cheerleader. Russia, China, Iran, South Africa, Turkey, Syria, Bolivia, Cuba and some of the Caribbean, among others, support Maduro. Most countries wish for a peaceful solution to Venezuela's conflict, through dialogue and negotiation and a path to a free and fair electoral process. The Trump administration, by naming Elliott Abrams— notoriously known for his unsavory role in the 'dirty wars' in Central America during the 1980s—appears on the brink of military action. Trump has not kept his desire for possible military force in Venezuela a secret. This prospect only rallies Maduro's hardcore anti-imperialist support base and the military and makes the possibility of a nonviolent way out of this crisis unlikely. It's a legally and politically risky move to establish a 'dual government,' one with power domestically, and one supported internationally. It also makes any thought of free and fair elections nearly impossible. If Maduro continues to dig in deeper, Trump's threat of military force will probably come to fruition, spiraling Venezuela and the region into further crisis.”

**A Luis Vicente León, president of Datanálisis in Caracas:**

“The likelihood of a transition depends on, first, maximizing the cost of repression, and second, minimizing the cost of exit. Until now, the cost of maintaining Maduro has risen substantially. That is a positive change. The international community is exercising important pressure. However, the key lies inside the country. There has been a loss of chavista mobilization, and the activation of the opposition, revived by Guaidó's symbolic leadership, generates hope, but mobilization is intermittent and has become expectant of international actions. Moreover, we must look at the damage-control strategies of the revolution. It's clear they no longer need much money to survive. The needs of a primitive country are reduced, and import agreements with Russia, Turkey, India and Mexico will help mitigate, albeit partially, the impact of sanctions. Finally, the reduction of exit costs is key. If those who defect feel protected, there could be an implosion. The amnesty law goes in that direction, but the forgiveness proposals are weak if they don't successfully generate individual confidence. That is complicated as the debate against forgiveness begins, restricting the crimes susceptible to amnesty and keeping the risk alive for would-be defectors. The opposition has gotten further than at any other moment. Maduro has partially lost internal control. The international community is active and pressuring. Chavismo is demobilized, and the crisis raises the risks of protest. But in a conflict of powers, he who has kinetic, executable force wins—and it all goes back to the military and its possible defection, a black box subject to many hypotheses, but with little real information.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gene.kuleta@thedialogue.org](mailto:gene.kuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2019

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**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

ISSN 2163-7962

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