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## FEATURED Q&A

# What Will Follow the Clashes Over Aid in Venezuela?



Venezuelan opposition leader Juan Guaidó (c) met with the Lima Group of countries in Colombia on Monday to discuss options after a failed attempt to bring international aid into the country last weekend. // Photo: @jguaido via Twitter.

**Q** Venezuelan security forces and paramilitary groups loyal to President Nicolás Maduro last weekend turned back opposition efforts to get international donations of food and medicine across the borders of Colombia and Brazil. Soldiers opened fire on civilians, leaving at least four dead and more than 300 wounded. Two aid trucks were burned. For the first time, Venezuela's opposition called on the international community to consider the use of military force to unseat Maduro, and U.S. Sen. Marco Rubio (R-Fla.) said Maduro had "opened the door to various potential multilateral actions not on the table just 24 hours ago." Where does Saturday's failed bid to get aid into the country leave the opposition? What have the weekend's dramatic developments, including the reported defection of more than a 150 Venezuelan rank-and-file troops, meant for Maduro? What options does the international community have left at its disposal, and what will most likely happen next?

**A** Frank O. Mora, former U.S. deputy assistant secretary of defense for the Western Hemisphere and director of the Kimberly Green Latin American and Caribbean Center at Florida International University: "The opposition's objective to get aid into the country may have failed, but the images of violence, repression and the scorching of humanitarian aid by the Venezuelan regime clearly exposed Nicolás Maduro and his cohorts' brutality and viciousness. Maduro's hold on power remains tenuous as pressure intensifies and the humanitarian crisis deepens. However, every day the regime survives, especially when confronting a major political push by the

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## U.S. Calls for Unity Against Maduro, Imposes Sanctions

U.S. Vice President Mike Pence called for regional unity against Venezuelan President Nicolás Maduro at a meeting of the Lima Group countries in Bogotá, while the U.S. Treasury announced it blacklisted four Venezuelan state governors.

Page 2

### ECONOMIC

## Mexico Economic Growth Slows in Fourth Quarter

Mexico's economic growth slowed in the fourth quarter of last year amid a decline in industrial output.

Page 2

### POLITICAL

## Fernández de Kirchner Appears in Argentina Court

Former Argentine President Cristina Fernández de Kirchner appeared in a Buenos Aires court on Monday in connection to the so-called "notebooks" corruption scandal. She stands accused of pocketing millions of dollars.

Page 2



Fernández // File Photo: Argentine Government.

## POLITICAL NEWS

## U.S. Imposes New Sanctions, Calls for Unity Against Maduro

The U.S. government announced a new round of sanctions on allies of Venezuelan President Nicolás Maduro on Monday, as Vice President Mike Pence called for regional unity while playing down the possibility of military intervention during a visit to Colombia, The Wall Street Journal reported. The U.S. Treasury added four Venezuelan state governors to a list of almost 70 officials who have had their U.S. assets frozen. Two of them govern states bordering



**There can be no bystanders in Venezuela's struggle for freedom."**

— Mike Pence

Colombia, and another, Rafael Lacava, had served as an intermediary for Maduro, the Treasury said. Meanwhile, in a meeting of the so-called Lima Group in Bogotá, Pence called on member countries to restrict visas for Maduro's inner circle and follow the United States' lead in freezing assets of state oil company PDVSA. "There can be no bystanders in Venezuela's struggle for freedom," Pence said in a speech. After the meeting, which Colombian President Iván Duque also attended, 11 of the group's members issued a statement calling Maduro's "illegal regime" an "unprecedented threat to the security, peace, freedom and prosperity of the whole region." The statement didn't specify steps to take in support of opposition leader Juan Guaidó, whom more than 50 countries recognize as Venezuela's interim president and who was also present at the meeting. Pence also said he reassured Guaidó that all options remained on the table, but that the hope was for a peaceful transition, The Wall Street Journal reported. Venezuela's opposition had called on the international community to consider the

use of military force on Sunday after soldiers opened fire on civilians and Maduro loyalists set trucks carrying humanitarian aid on fire over the weekend. Also on Monday, Univisión anchor Jorge Ramos and five other journalists were detained while interviewing Maduro at the Miraflores presidential palace in Caracas. Maduro reportedly demanded the interview end after Ramos showed him a video of children rummaging through a trash truck looking for food, Ramos said. Officials confiscated the journalists' equipment and cellphones. The team was released roughly three hours later.

## ECONOMIC NEWS

## Mexico Growth Slows in Fourth Quarter

Mexico's economic growth slowed in the fourth quarter of last year amid a decline in industrial output, which offset increases in agricultural production and services, the country's National Statistics Institute announced Monday, The Wall Street Journal reported. In the quarter, gross domestic product grew a seasonally adjusted 0.2 percent as compared to the previous three-month period. Industrial output declined 1.2 percent, as agricultural production grew 2.2 percent and services rose 0.7 percent. Overall, GDP grew 1.7 percent as compared to the same quarter a year earlier. For the full year, Mexico's economy grew 2 percent in 2018, as compared to 2.1 percent in 2017. "The late 2018 and early 2019 growth momentum has been weaker than expected across a number of the large economies—Brazil, Mexico and Argentina—and inflation somewhat more benign than expected in Brazil, Chile, Colombia and Mexico," Goldman Sachs said Monday in a note to clients informing that the investment bank had lowered its 2019 growth outlook for Mexico by 20 basis points to 1.5 percent. Last Friday, Mexico's statistics institute said the country's annual rate of inflation slowed to 3.89 percent in the first half of February, its lowest level in more than two years. In its note Monday, Goldman Sachs said it expects Mexico's central bank to "gradually prepare the ground

## NEWS BRIEFS

## Telefónica to Improve Rural Service in Peru

Telefónica announced Monday that it is rolling out open-access wholesale broadband Internet access for mobile devices in Peru, Reuters reported. The Spanish telecommunications service provider said the move is an effort to increase coverage in rural areas. 'Internet para Todos Perú,' or 'Internet for all of Peru,' has backing from Facebook, the CAF - Development Bank of Latin America and the investment arm of the Inter-American Development Bank, Telefónica said.

## Argentina's Fernández Appears in Court

Former Argentine President Cristina Fernández de Kirchner appeared in a Buenos Aires court Monday for the third time in connection to the so-called "notebooks" scandal, Agence France-Presse reported. During the court appearance, Fernández refused to answer the judge's questions, but submitted written statements. Fernández has said she is a victim of "persecution and cruelty that only totalitarian governments dared to pursue at a time when the rule of law was suspended." She stands accused of pocketing tens of millions of dollars in bribes in the case, which she denies.

## Bolivian Economy to Grow 4.5 Percent in 2019: Gov't

Bolivia's economy is expected to grow by 4.5 percent in 2019, according to the country's financial fiscal report, which was jointly produced by the economy ministry and the central bank and announced Monday, El País reported. Economic growth will be driven by the expansion of the public services sector, as well as restaurant and hotel services, agriculture, and real estate and business services, according to Economy Minister Luis Arce. The minerals sector, as well as the crude oil and natural gas sector, will experience the slowest growth.

for more moderate rate cuts” during the second half of this year. Goldman added that it expects the Bank of Mexico to cut interest rates three times later this year, by a quarter percentage point each time, driving the policy rate to “a still above neutral” 7.5 percent. On Feb. 7, the central bank kept the benchmark interest rate unchanged at a 10-year high of 8.25 percent.

## BUSINESS NEWS

### Brazil’s BTG Pactual Sees Income Fall 4.4 Percent

Brazil-based BTG Pactual on Monday reported recurring net income of 711 million reais (\$189.77 million) for the fourth quarter, a 4.4 percent decline from 744 million reais for the same period a year earlier, the investment bank said Monday. The decrease in recurring profit for the fourth quarter came as the bank saw higher expenses that offset rising revenues, Reuters reported. Total revenues for the fourth quarter of 2018 amounted to 1.55 billion reais, a 13 percent year-over-year increase, said the bank, which is headquartered in São Paulo. “We are delighted to report solid results for our shareholders. Our asset and wealth management businesses had record inflows, and investment banking posted its best performance since our IPO, underscoring our leadership in Latin America,” said BTG Pactual’s chief executive officer, Roberto Sallouti. “Our bank is well capitalized, and we are seeing the benefits of the investments in innovation we have undertaken as part of our long-term growth strategy.” For the full year, BTG Pactual’s revenue totaled 5.35 billion reais, while adjusted net income was 2.74 billion reais. The investment bank added that its total assets under management and administration increased to 207.5 billion reais in last year’s fourth quarter, a 43 percent year-on-year increase. Record net inflows were partially responsible for the increase. In the fourth quarter, BTG Pactual also recorded “solid revenue contributions” from all of its business units, the bank said in a statement.

## FEATURED Q&A / Continued from page 1

opposition, Maduro will consider it a victory. The Venezuelan military remains key to the regime’s survival. Defections to date are problematic for the regime, but it will take much more, such as a defection of a military commander and his troops, for the regime’s power dynamics within to change. The international community has additional economic tools to pressure the Venezuelan regime. It must continue to impose diplomatic and economic pressures. The United States announced additional sanctions on Monday during Vice President Mike Pence’s visit to Bogotá for the Lima Group meeting. These pressures are critical but not enough. In the end, a solution will come from the Venezuelan people’s persistent struggle to push back against the regime, by not only taking over the streets (as they have done in the past), but also the physical and symbolic centers of power, such as the Miraflores presidential palace. This may be the only way of restoring peace and democracy.”

**A Gustavo Roosen, president of IESA in Caracas:** “The impossibility of transporting humanitarian aid across the Venezuelan border was a predictable scenario. The opposition, headed by Juan Guaidó, should be prepared to interpret Saturday’s attempt to do so as the first of many. It was a limited volume of aid, and therefore, symbolic. But it was useful to demonstrate to the international community the extreme and irreducible position of Nicolás Maduro’s government toward one of many problems that Venezuelans face. Humanitarian aid will succeed and will be meaningful once a transitional government that controls the executive branch exists and can effectively use institutions to implement it. Maduro’s attitude over the weekend made media headlines around the world. The international community has already identified him as an irritable despot, capable of using any means to keep

himself in power. To have highlighted this to all nations of the world is a success that is only attributable to those who put this plan into operation. As to what can occur in the future, it’s important to note that the international community has a very powerful tool at hand: continued sanctions on each of the main actors of Nicolás Maduro’s usurper government, which will undoubtedly provoke his weakening and global isolation. This will take time, but will produce results.”

**A Aviva Chomsky, professor of history and coordinator of Latin American Studies at Salem State University:** “Let’s be clear. The elected government of Venezuela is not rejecting ‘international aid.’ In fact, international agencies including U.N. bodies and the Red Cross have been providing aid to Venezuela. What the Maduro government is rejecting is donations from USAID that are explicitly aimed at intervening in Venezuela’s domestic politics. The United States has openly called for Maduro to be overthrown, and as part of its campaign, has imposed and tightened economic sanctions that are a major contributor to Venezuela’s economic crisis. Now, the United States is channeling aid not to ‘Venezuela,’ but rather to Juan Guaidó, the opposition figure who has, with full U.S. backing, declared himself the new president and who requested this aid precisely to legitimize his bid for power. This is not the first time that the United States has used economic sabotage to try to undermine a Latin American government and dangled the promise of economic ‘aid’ to try to promote regime change. Ask the people of Cuba, Haiti, Chile or Nicaragua. Earlier this month, Mexico, Uruguay and the Caribbean nations proposed a negotiated path to resolve Venezuela’s political crisis. A poll in November showed that Venezuelans overwhelmingly oppose any foreign intervention in their country, and they

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

support a negotiated solution. Over half of Venezuelans also oppose the U.S. sanctions. If the United States really cared about the will of the Venezuelan people, it would withdraw the sanctions and stop pushing for a confrontation that will only exacerbate the humanitarian crisis in their country."

**A** **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc.:** "Maduro showed the scorched-earth tactics he will use in case of an 'invasion' to install Juan Guaidó as Venezuela's legitimate president in advance of national elections. Maduro's actions gave pause to calls for military action by the United States, supported by Colombia. Despite Guaidó's calls for such an intervention, a consensus formed, so far, among the Lima Group countries to increase economic pressures to starve Maduro of all available cash, without which he and his criminal coterie cannot survive for long. Absent a collective desertion of Venezuela's armed forces, police, special operation forces and other 'Madurista' groups, these might help expedite Maduro's exit: 1) Depoliticize humanitarian aid—their donors are fooling no one; 2) Guaidó must return to Venezuela—he cannot maintain the perception of being president in exile, under the protection of the United States and Colombia; 3) Negotiate the nonextradition to the United States of Vladimir Padrino and Diosdado Cabello—once both believe they are 'safe' from United States' justice, Maduro will topple because they are his puppeteers; 4) Convince educated, influential, capable, competent Venezuelans in exile to return to serve their country, without corruption or collusion; 5) Press multilateral financial institutions to lend in generous terms to rebuild Venezuela's infrastructure from the ground up and diversify the economy from oil into other sectors; 6) Declare PDVSA and 'Arco Minero' special investment zones to attract foreign capital, technical skills and expertise; and 7) Guaidó must demonstrate that he will remain the courageous, astute,

politically savvy leader he appears to be and not the spearhead of a group that is seizing its opportunity at a corrupt public trough, as has been the history of regime change in Venezuela."

**A** **Michael Camilleri, director of the Peter D. Bell Rule of Law program at the Inter-American Dialogue:** "The events of Feb. 23 demonstrated the courage of many Venezuelans willing to risk life and limb to rescue their country from privation and repression. They also revealed the continuing, cruel indifference of Nicolás Maduro to the plight of his sick and starving people. But for Juan Guaidó and his loyalists, the day's developments also revealed some harsh truths: Maduro maintains a significant hold on security and paramilitary forces; at least some members of these forces are willing to shoot innocent Venezuelans on his command; and the effort to dislodge Maduro through an overwhelming surge of economic, diplomatic and street pressure has not gone as quickly or smoothly as his opponents had hoped. If Plan B was foreign military intervention, as statements by Guaidó and Julio Borges seemed to suggest, the subsequent meeting of the Lima Group and the United States poured cold water on the idea—at least for now. Guaidó, his supporters and his international backers will need to regroup and recover their momentum by expanding protests, sustaining efforts to deliver humanitarian aid, closing off financial lifelines for Maduro and his cronies, and continuing to encourage Venezuelan military defectors. As U.S. oil sanctions begin to bite, the current standoff will tend toward escalation. The challenge for those who seek a democratic transition in Venezuela is to remain united and maintain efforts to asphyxiate Maduro, rather than lurch toward an ill-conceived military option."

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

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**Erik Brand**  
Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**  
Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Anastasia Chacón González**  
Reporter  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)



**Michael Shifter**, President

**Genaro Arriagada**, Nonresident Senior Fellow

**Sergio Bitar**, Nonresident Senior Fellow

**Joan Caivano**, Director, Special Projects

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