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FEATURED Q&A

Who Has the Upper Hand in Venezuela Now?



Anti-government protesters filled the streets in Venezuela on April 30, but opposition leader Juan Guaidó's call to topple President Nicolás Maduro did not dislodge him from power. // File Photo: @jguaido via Twitter.

Q Thousands of Venezuelans, including a number of junior military leaders, took to the streets last week in clashes against pro-government forces following a call by opposition leader Juan Guaidó to overthrow President Nicolás Maduro's government. Reports say the uprising had been planned for a later date, but that Guaidó acted earlier in fear of being arrested. Meanwhile, U.S. Secretary of State Mike Pompeo said Maduro had been preparing to step down and flee to Havana, but that Russia convinced him to stay, and U.S. President Donald Trump threatened to impose a "full and complete embargo" on Cuba if it did not immediately end its support of Maduro's government. What happened April 30, and who was strengthened or weakened as a result? Are the two sides closer to a negotiated transition, or is armed conflict imminent? Have the events changed the dynamics of international support, and what are the implications of Trump's threats to Cuba?

A Steve Ellner, associate managing editor of *Latin American Perspectives* and former professor of economic history and political science at Universidad Oriente in Venezuela: "The spin that the Venezuelan opposition and the Trump administration have put on the events of April 30 are designed to save face. Opposition leaders deny April 30 constituted a coup attempt and instead claim it was part of an ongoing process that achieved at least one objective: liberating Leopoldo López from house arrest. By alleging that Maduro was about to flee the country and that Defense Minister Vladimir Padrino López had virtually defected, the Trump administration

Continued on page 3

TODAY'S NEWS

ECONOMIC

Peru, Chile Keep Benchmark Interest Rates Unchanged

Peru's central bank voted to keep its key interest rate steady at 2.75 percent, while Chile's held its rate at 3 percent.

Page 2

BUSINESS

Pemex to Proceed With Refinery Plans

The Mexican state oil company will proceed with the construction plan even after bids came in above budget, said President Andrés Manuel López Obrador.

Page 3

POLITICAL

Opposition Members Take Refuge in Caracas Embassies

At least three opposition lawmakers took refuge in foreign embassies after the Supreme Court stripped them of their legislative immunity. Among them is Mariela Magallanes, who entered Italy's mission.

Page 2



Magallanes // File Photo: Venezuelan Government.

POLITICAL NEWS

Opposition Members Take Refuge in Caracas Embassies

At least three opposition members of Venezuela's National Assembly have taken refuge in foreign embassies in Caracas after the country's Supreme Court stripped them of their immunity from prosecution, BBC News reported Thursday. The Supreme Court, which is loyal to President Nicolás Maduro, said the opposition politicians should be investigated



De Grazia // File Photo: Venezuelan Government.

for conspiracy, treason and rebellion. Lawmakers Américo de Grazia and Mariela Magallanes took refuge in Italy's embassy, while Richard Blanco went into the Argentine embassy. The Italian foreign ministry said Magallanes, who is married to an Italian, had applied for citizenship and would "be extended all possible protection and hospitality" at the embassy. Italian officials also confirmed that de Grazia was in their embassy in Caracas, and while de Grazia tweeted his thanks to Italy, he did not say he was inside. Blanco told the *El Nacional* newspaper that he was seeking refuge in Argentina's embassy and accused Maduro of unleashing a "wave of persecution." Blanco said he had entered the Argentine embassy after Venezuelan intelligence officers arrested National Assembly Vice President Édgar Zambrano on Wednesday night. Agents surrounded Zambrano's car after he had left his party's headquarters in Caracas, and when Zambrano refused to leave his car, the agents towed the vehicle away with him still in it. For more than a week, prominent opposition member Leopoldo

López has taken refuge in the Spanish embassy in Caracas after escaping from house arrest. The latest developments follow Maduro's vow to pursue opponents following opposition leader Juan Guaidó's call for a military uprising to overthrow Maduro. Thousands of Venezuelans filled the streets in anti-government protests, but Maduro has remained in power. More than 50 nations recognize Guaidó as Venezuela's legitimate acting president, but Maduro still has the support of the top ranks of Venezuela's military as well as some allies abroad, including China and Russia. Guaidó has called on Venezuelans to again take to the streets in protest on Saturday.

ECONOMIC NEWS

Peru, Chile Keep Benchmark Interest Rates Unchanged

Peru and Chile have both decided to keep their benchmark interest rates unchanged, Bloomberg News reported. The Peruvian central bank on Thursday voted to keep the benchmark lending rate at 2.75 percent for the 14th consecutive month, in line with economists' expectations, according to a Bloomberg survey. Borrowing costs were maintained at an eight-year low, as Peru's economic growth continues to lag below potential, the bank's board said in a statement. Risks to global growth remain, it said, though it mentioned that sectors of the Peruvian economy linked to internal demand continue to show signs of dynamism. Growth slowed in the first two months in part because of swings in copper production and public works, but Finance Minister Carlos Oliva said this week that growth is expected to accelerate in the coming months, Bloomberg News reported. April registered a jump in Peru's annual inflation rate, up to a 19-month high of 2.59 percent, but the hike was within the central bank's expectations. Also on Thursday, the board of Chile's central bank held borrowing costs at 3 percent for the second consecutive meeting, in line with economists' expectations, according

NEWS BRIEFS

Argentine Congressman Wounded, Provincial Official Killed in Attack

A member of the lower house of Argentina's Congress was seriously wounded, and a provincial official was killed Thursday in a shooting near the Congress building in Buenos Aires, *The Guardian* reported. Héctor Olivares, a representative from La Rioja Province, was hospitalized with gunshot wounds. Miguel Marcelo Yadón, who works for the province, was reportedly killed. The men were reportedly friends since childhood.

Mexico City Bans Single-Use Plastics

Mexico City lawmakers have passed a measure that bans plastic bags, utensils and other disposable plastic items, the Associated Press reported Thursday. The ban on plastic bags would take effect in December 2020, while restrictions on straws, utensils, balloons and other single-use items would begin in January 2021. A statement from the city's lawmakers did not mention the penalties for noncompliance.

Belize to Seek Decision From United Nations on Guatemala Border Dispute

With 55.4 percent of the vote in a referendum held on Wednesday, Belizeans voted to ask the United Nations' International Court of Justice, or ICJ, to decide Guatemala's claim that it is the rightful owner of half of Belize's territory, according to results published by Belize's elections and boundaries department, Reuters reported. Guatemala's government celebrated the result in a statement, saying it would immediately contact Belize's foreign ministry to agree on next steps to take. In April of last year, Guatemalans had overwhelmingly voted to send the issue to the ICJ.

to a Bloomberg survey. The central bank board said in a statement that last month's economic indicators did not substantially modify its evaluation, adding that it's willing to act with flexibility in order to reach an inflation target of 3 percent in two years. Chile's government last month cut its 2019 growth forecast.

BUSINESS NEWS

Pemex to Proceed With Refinery Plans: López Obrador

Mexican state oil company Pemex is set to move forward with plans to build an oil refinery, even after bids by private companies came in above the government's \$8 billion budget, President Andrés Manuel López Obrador said Thursday, *Animal Político* reported. The government in March had invited four private companies, including a joint venture between Bechtel Group and industrial manufacturer Techint, to submit bids to manage the project. Energy Minister Rocío Nahle said that one firm, France's Technip, had declined to participate and that the proposals had not met the government's requirements, *The Wall Street Journal* reported. López Obrador said on Thursday that the bidding process was voided because proposals were in the range of \$10 billion to \$12 billion, exceeding his administration's budget, and because the earliest offer had an end date scheduled for 2023, and another until 2025. "We're not going to start any work we can't finish in my term," said López Obrador, whose six-year term started last December. He added that Pemex will start the job on June 2, and that the refinery is expected to be ready in May 2022. Parts of the project would still be put out for bids, he said. Some energy analysts have said the government's objective of building the refinery at its targeted cost and time is likely unrealistic. The refining unit is to be built in the southern state of Tabasco with an expected capacity to process more than 300,000 barrels of crude per day.

FEATURED Q&A / Continued from page 1

appeared to be attempting to demonstrate that, far from being a half-baked scheme, the April 30 action almost succeeded. However, regime change efforts of this type, like the four-month protests of 2014 and 2017, create great expectations among the anti-Maduro rank and file, which then turn into a sense of resignation, while the opposition ends up losing its mobilization capacity. Juan Guaidó's call last week for Maduro's overthrow was the third of its kind in just over three months (the others having occurred on Jan. 23 and Feb. 23). In each case, people were led to believe that Maduro was on the verge of being ousted. The end result is a loss of credibility. Shortly after April 30, Carlos Raúl Hernández—a veteran political analyst and activist associated with *Acción Democrática*—voiced the belief of many in the opposition when he told *Le Figaro* that Juan Guaidó may be charismatic but lacks political ability. Guaidó's failures may strengthen the hands of opposition parties that have been ambivalent about his schemes and are more open to negotiations with the government. While the demand for new elections represents a major hurdle in any negotiation process, proposals to overcome the pressing problems of hyperinflation, corruption and insecurity are not necessarily specific to any particular ideology. Surveys indicate that these problems, and not regime change, are foremost on the minds of most Venezuelans."

A Raúl Stolk, chief executive officer at Caracas Chronicles: "This is yet another example of the fragmentation of the regime. However, its greatest weakness is also its greatest strength. We have some sources that confirm the involvement of high-ranking Chavistas, such as General Padrino López, to have been engaged in these conversations to topple Maduro, but this doesn't mean it was a done deal. Venezuelan regime stakeholders are divided and subject to close surveillance. It is very hard for them to

form a bloc that is strong enough to make an important shift that will effect change. Also, there's a long history of failed negotiations with Chavismo; they tend to drag conversations eternally and execute little action—maybe some of these players never had the intention of betraying Maduro in the first place. There are a hundred things that may have gone wrong, but we don't think the involvement of Leopoldo López in the plot had anything to do with it failing. This is a convenient narrative for most stakeholders. We still believe Maduro comes out with the most damage, but we can expect extreme measures to show loyalty from high-ranking Chavistas in the coming days."

A Kevin Ivers, Latin America expert and vice president at DCI group: "The strategy to attack the legitimacy of Nicolás Maduro's government after his rigged re-election last year was the right one. It yielded important results, most clearly in how Juan Guaidó gained international recognition for his legitimate government. It was inevitable that Guaidó would make a move such as the one on April 30 and that the conditions would probably never be ideal. But those who have followed these events minute by minute, instead of looking at the big picture, are missing the story. It's not about Maduro being stronger on May 2 than he was on May 1; it's about Maduro being much weaker now than he was on April 29. His regime lacks legitimacy, and his actions to hold on to power only further limit his ability to regain it. Worse yet, it is now clear that no investment can return to Venezuela, and therefore oil production will not rebound so long as he is in power. Cash was already scarce, and it will get worse going forward if the United States further tightens the noose with more targeted sanctions. There will be less cash for the men he has depended on to keep him in power, and they are being offered more incentives to oust him. Russia and China cannot afford to fully subsidize the

Continued on page 4

FEATURED Q&A / Continued from page 3

country indefinitely. I don't see a scenario in which Maduro gets stronger from here, only weaker."

A **Betilde Muñoz-Pogossian, director of the Department of Social Inclusion at the Organization of American**

States: "Most of the world was expecting a democratic transition as they key outcome of the April 30 events. Although this was not achieved, the events put Venezuela in a different political moment, one in which the field was leveled a bit more in favor of the democratic forces of the country, led by interim President Guaidó. This is positive because more productive negotiations and sustainable outcomes are achieved when the ones who negotiate have relatively the same power and influence—and a negotiation will come. The events also revealed the international community's stand on the Venezuelan situation, as well as the community of democracies' willingness to avoid a military confrontation and actively promote a negotiated agreement. Whether this is possible is yet to be seen, as the deteriorating humanitarian conditions of the Venezuelan people are generating pressures on the countries of the region to get to a solution soon."

A **Jennifer McCoy, senior fellow at the Institute for Advanced Studies at Central European University in Budapest and professor of political science at Georgia State University:** "Though high dissatisfaction among the military's rank and file has been confirmed by defecting soldiers, the apparent unity of the upper command despite Guaidó's three visible calls since January to abandon Maduro raises signif-

icant questions about the reasons for his apparent overconfidence. Is it a lack of sufficiently credible incentives and guarantees that criminally-compromised commanders will be protected if they abandon Maduro? Is it duplicity by the regime members doing

“**Both sides should recognize that neither can vanquish the other, and concessions will have to be made to end the conflict.**”

— Jennifer McCoy

the negotiating? Or is it competing pressures within Guaidó's circle of domestic and international advisors leading to apparently premature moves? Maduro is weakened and should be shaken, unsure of whom to trust, but he is reacting initially with hardline repression. The opposition is putting on a brave face but is unable to mobilize an exhausted citizenry. Nevertheless, both sides should recognize that neither can vanquish the other, and concessions will have to be made to end the conflict. The reports that the opposition was willing to share power in an interim government are an encouraging sign of this recognition. The Maduro regime is still too much of a black box to discern such recognition. International actors will help prolong the conflict if they continue to give hope to their Venezuelan allies that they will be saved by outsiders—whether through military intervention by the United States, or financial or military support from Russia."

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Anastasia Chacón González
Reporter
achacon@thedialogue.org

 THE DIALOGUE

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