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## FEATURED Q&A

# Will El Salvador's Next President Bring Big Changes?



Nayib Bukele, 37, who campaigned on vows to bring change to El Salvador's traditional politics, takes office as the country's president on June 1. // File Photo: Bukele Campaign.

**Q** **Nayib Bukele will take office as El Salvador's president on June 1. Bukele, who has visited the United States twice since his election in February, did not invite the presidents of Venezuela, Nicaragua and Honduras to his inauguration. Meanwhile, current Salvadoran President Salvador Sánchez Cerén says street gangs have been attacking police in an attempt to force the incoming administration to negotiate with them. How will Bukele deal with the country's powerful gangs and rampant insecurity? What can be expected of his foreign policy priorities? What are the biggest challenges that Bukele will face, and which issues will he focus on as El Salvador's president? What do Bukele's cabinet selections thus far say about the direction of his government?**

**A** **Mari Carmen Aponte, former U.S. ambassador to El Salvador and former assistant acting secretary of state for Western Hemisphere affairs:** "As President-elect Bukele takes office, El Salvador faces multiple important challenges that require boldness and imagination from the president and a strong, experienced and effective cabinet. From low investment to job creation, none of the issues are uncomplicated. Indisputably, however, the greatest challenge is citizen security and dealing with the country's gangs. It is still unclear how the new president will handle this thorny task. This is concerning, but we can look to his past record for some indications. As mayor of San Salvador, he appeared to have antipathy for 'mano dura' or militaristic types of measures. On the contrary, he seemed to favor socially mindful approaches, such as programs addressing poverty alleviation and lack

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## TODAY'S NEWS

### POLITICAL

## U.S. Eyes Charges Over Venezuela Food-Aid Program

U.S. authorities are reportedly preparing criminal charges targeting people involved in Venezuela's emergency food-aid program. Authorities plan to accuse officials and private contractors of laundering billions of dollars in public money meant for the program.

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### BUSINESS

## Caixa Offers Discounts for Paying Off Delinquent Loans

Caixa Econômica Federal will give discounts of as much as 90 percent to clients to pay off delinquent loans, said the CEO of the Brazilian state-owned bank.

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### POLITICAL

## Corruption Trial Begins Against Ex-Argentine Leader

The corruption trial of former Argentine President and current Senator Cristina Fernández de Kirchner began in Buenos Aires.

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Fernández // Photo: Argentine Government.

## POLITICAL NEWS

## U.S. Eyes Charges Over Venezuela Food-Aid Program

As part of a large-scale investigation into alleged money laundering, the United States is preparing criminal charges and sanctions against people involved in Venezuela's emergency food program, which the South American country's military runs, The Wall Street Journal reported Tuesday, citing unnamed U.S. officials. The charges and sanctions are expected to be announced in coming months in connection with the U.S.-backed push to force President Nicolás Maduro from power. The administration of U.S. President Donald Trump plans to accuse Venezuelan officials and private contractors of laundering billions of dollars in public money that had been intended for the emergency food program and other public uses, sources told The Wall Street Journal. Some of the people alleged to have been involved accumulated large amounts of money in overseas accounts and also used the funds to buy yachts, airplanes and real estate in the United States, according to a senior official at the U.S. Treasury Department. The United States has imposed several rounds of sanctions on Venezuelan officials and entities, which Maduro has blasted. "The U.S. thinks it will bring us to our knees with attacks, threats and coups," Maduro said in a speech last month. "But we will never surrender." Maduro's office has called investigations of the emergency food program an attempt to prevent Venezuela from importing food. In addition to the investigation and sanctions related to the food-aid program, U.S. authorities are also taking actions against what they say are moves to siphon billions of dollars away from Venezuelan state-run entities, including oil, gold-mining and currency-trading operations, sources told The Wall Street Journal. Several U.S. government agencies are involved in the investigation centering on the food-aid program, including the National Security Council, the Treasury Department and the Justice Department,

sources told Reuters. Millions of Venezuelans are suffering from shortages of food, medicine and other basic goods in Venezuela amid the country's economic collapse. Last October, the International Monetary Fund said inflation will reach 10 million percent in the Andean nation this year.

## U.S. Caucus Demands Probe of Migrant Children's Deaths

The U.S. Congressional Hispanic Caucus on Tuesday demanded that Congress and the Justice Department launch an investigation following the death of a Guatemalan child in U.S. custody earlier this week, the fifth such death in six months, the Dallas News reported. On Monday morning, Carlos Gregorio Hernández Vásquez, a 16-year-old who had been apprehended near the Hidalgo port of entry along the U.S.-Mexico border on May 13 after crossing into Texas illegally, died at the Weslaco Border Patrol Station, according to Customs and Border Protection, or CBP. He had been held for six days, twice as long as federal law generally permits, before being transferred to the facility, the Associated Press reported. Hernández was unaccompanied by a parent or legal guardian, which means he should have been transferred within three days to a facility managed by the U.S. Department of Health and Services, according to CBP guidelines. He had been diagnosed with the flu a day before his death. "This episode in our nation's history will be looked upon as a stain on our nation," said Rep. Joaquin Castro (D-Tex.), who chairs the Congressional Hispanic Caucus, on Tuesday. John Sanders, CBP's acting commissioner, said in a statement that the agency was "saddened by the tragic loss of this young man," adding that "CPB is committed to the health, safety and human treatment of those in our custody," the AP reported. Last week, a two-year-old Guatemalan boy died from pneumonia at a hospital in El Paso. In April, a 16-year-old Guatemalan boy died days after being hospitalized in intensive care when officials noticed he was sick. Two other children in U.S. custody died in

## NEWS BRIEFS

## Corruption Trial Opens Against Former Argentine President Fernández

The corruption trial of Cristina Fernández de Kirchner began Tuesday in Buenos Aires, with the former president and current senator listening to the charges against her, Agence France-Presse reported. Fernández, who was in office from 2007-2015, stands accused of favoring a businessman friend for lucrative road construction projects. She denies wrongdoing.

## El Salvador's Competition Authority Blocks Slim's Bid for Telefónica Unit

El Salvador's competition authority has blocked América Móvil's bid to acquire a local unit of Spain's Telefónica, but owners of the Mexican telecommunications provider have said they will try again, Reuters reported Tuesday. El Salvador's Superintendence of Competition said Tuesday the bid was "inadmissible," adding that América Móvil, which is owned by the family of Mexican billionaire Carlos Slim, later signaled it would soon begin a new attempt to gain approval for the acquisition. Telefónica has said the Salvadoran unit is valued at roughly \$309 million.

## Brazil's Caixa to Offer Borrowers Discounts to Pay Off Delinquent Loans

Brazilian state-owned lender Caixa Econômica Federal will give discounts of between 40 percent and 90 percent to indebted retail clients on their delinquent loans, CEO Pedro Guimarães told reporters on Tuesday, Reuters reported. The move seeks to raise as much as 4 billion reais, or roughly \$990 million. Guimarães added that the measure would raise additional revenue, as such loans had already been written off, and allow the bank to offer new products and services to clients after they pay off their loans.

December due to complications of a bacterial infection.

## BUSINESS NEWS

# Spain's Repsol to Withdraw From Venezuela

Spanish oil company Repsol is leaving crisis-stricken Venezuela amid pressure from U.S. sanctions and continuing unrest in the country, the Voice of America reported Tuesday. Repsol's investments in Venezuela have fallen 70 percent over the past year, from roughly \$1.7 billion in 2017, according to the company's annual report, which also notes that Repsol will continue winding down its operations in Venezuela in the coming months. Spanish oil companies are maintaining "certain activity" in the South American country, Spanish Foreign Minister Josep Borrell said last month after meeting with U.S. Secretary Mike Pompeo in Washington, something he said might "pose a problem" with the United States. Pompeo asked Spain to "apply all possible financial and political pressures" on the Maduro regime, according to Borrell. The prime minister said Spain would act within the framework of the European Union, which has not yet imposed any economic sanctions. Repsol earlier this year had defied U.S. sanctions by maintaining a program with Venezuelan state oil company PDVSA, Reuters reported, but it is now reportedly negotiating the reduction of its Venezuelan businesses with the State Department, according to U.S. diplomatic sources. The administration of U.S. President Donald Trump has in recent months toughened sanctions against Venezuela's oil sector, in an effort to increase pressure on President Nicolás Maduro to step down. The United States and some 50 countries dispute Maduro's re-election a year ago, calling it fraudulent, and instead recognize opposition leader Juan Guaidó as Venezuela's legitimate acting president. [Editor's note: See related [Q&A](#) in the Feb. 1 issue of the Energy Advisor.]

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of opportunity for youth. Because there were mixed results from some of these innovations, it will probably be important to build coalitions to support scaling any successful programs. By contrast, Bukele and his team have shown clarity, definition and focus in foreign policy. A clear pivot to revitalize and prioritize the relationship with the United States is taking place. Bukele himself has described the United States as El Salvador's 'best ally' and has expressed a clear desire for a better connection. Notwithstanding the sometimes-insensitive high-level rhetoric coming from Washington, the new administration seems determined to work in synchronization. A clear signal of this turn is the designation of Alexandra Hill as foreign minister. A wise, solid choice, this U.S.-trained diplomat should be able to guide Salvadoran foreign policy through choppy waters. It is fair to conclude from the five cabinet appointments Bukele has made to date—foreign minister, culture, housing and local development, and education—that this will be a nontraditional cabinet. The ministers named so far are all strong, competent women. In another good appointment, Bukele has also named Egriselda López as El Salvador's ambassador to the United Nations. Undeniably, this is a new day in El Salvador."

**A** **Celina de Sola, co-founder and vice president of programs at Glasswing:** "My understanding is that the incoming administration intends to invest in providing more educational, recreational and vocational opportunities for children and youth—particularly those living in communities that are marginalized and stigmatized—to deal with the country's gangs and insecurity. In terms of foreign policy, the incoming president seems to be taking a moderate and pragmatic approach, less focused on ideology. He also seems to understand the importance of negotiating and maintaining a strong relationship between El Salvador and the

United States. High rates of crime, violence and impunity continue to be among the most significant challenges, which disproportionately affect young men and women. The incoming administration has emphasized its intention to combat corruption. Although it is still early, Bukele seems to be reaching out to people from across the political spectrum, and several of the initial appointments have been women, which demonstrates an intention to diversify leadership roles."

**A** **Douglas Farah, president of IBI Consultants:** "Nayib Bukele will face multiple, simultaneous challenges with no articulated strategy to confront them. Domestically, he will inherit a stagnant economy from the deeply unpopular Sánchez Cerén administration. His most urgent challenge is confront-

**“** **Nayib Bukele will face multiple, simultaneous challenges with no articulated strategy to confront them.**

— Douglas Farah

ing widespread citizen insecurity driven by gang violence and regional cocaine trafficking organizations. Recent spikes in homicides, including the targeting of policemen and active-duty soldiers, shows that gangs maintain the capacity to directly confront the state with impunity and are seeking negotiations. While Bukele has publicly rejected talks, he has so far not offered a program that is distinguishable from past efforts. On the domestic front, rather than ushering in a new era of fresh ideas, most of Bukele's appointments so far are largely recycled from previous administrations, particularly from that of Antonio Saca (2004-2009), who is in prison after being convicted of stealing more than \$300 million as president. Bukele has not named most of his security team, slowed

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by intense political negotiations and competing pressures. On the international front, Bukele is promising his sharpest changes. He has aggressively sought good relations with Washington and promised to reverse the current administration's pro-Maduro and pro-Ortega stance. Bukele has also promised to review the August 2018 decision to cut ties with Taiwan and recognize the People's Republic of China, something that will meet strong resistance across the political spectrum but would please the Trump administration. So far, Bukele has proved willing to take risks on the international side while being far less willing to break with the past domestically."

**A Ricardo Cevallos, partner at BLP Abogados in El Salvador:** "For the first time since El Salvador's civil war ended, the presidential inauguration will be in a public square in downtown San Salvador, a decision that is aligned with Bukele's winning strategy to do things differently. The news coverage in El Salvador had been focused on the event, but there are serious concerns about the new cabinet. So far, he has named five women who will be heading the foreign relations, culture, housing, local development and education ministries. Some of them have never been directly involved in politics but

have worked closely with or for previous governments, NGOs and multinational agencies. But the population is concerned that, days before the inauguration, there is no news about the rest of the cabinet, including important ministries such as security, finance and economy. Bukele does not have an easy road ahead, with security and gang-related deaths increasing particularly in the numbers of police and army members. Security historically has been one of voters' top concerns. How Bukele will address the issue is uncertain. One clear sign he gave locally and internationally is that he will work to improve his government's relations with the United States, a move that has been well received, especially by the business community, which understands the commercial links with the United States. Politically, he has also distanced himself from Honduras, Nicaragua and Venezuela, considering them to be dictatorships. China was not invited to the inauguration, but Bukele has been cautious about how he will deal with the relations between the two countries. Bukele's government plan and future policies continue to be unclear, which brings unrest to the population and the international community."

*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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Robert Fatton Jr., University of Virginia  
Daniel Erikson, Blue Star Strategies

View a webcast of the May 6 discussion.

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