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FEATURED Q&A

Are Local Victories a Sign of Approval for López Obrador?



The Morena party of Mexican President Andrés Manuel López Obrador extended its reach in last week's local elections. // File Photo: Mexican Government.

Q Mexicans on June 2 went to the polls for local elections in six of the country's states, with the ruling Morena party picking up two governorships, two legislative majorities and numerous mayoral races. The elections had been widely regarded as a referendum on President Andrés Manuel López Obrador's first six months in office. To what extent are the results a reflection of satisfaction with López Obrador? How well has the president handled Mexico's internal affairs, and which areas has he struggled with the most domestically? How has the rise of the Morena movement, which didn't even exist as a party six years ago, changed Mexican politics?

A Lorena Becerra, political analyst and head of polling at Grupo Reforma: "López Obrador has registered historically high levels of popularity during his first months in office. This, however, did not guarantee landslide or unlimited victories for his party in the first local elections. The net balance of June 2 begs the underlying question: what do the numbers tell us in terms of the president? Morena has proven to be a useful tool for punishing corrupt and bad governments, as the cases of Baja California and Quintana Roo demonstrate. Thanks to this, López Obrador's young party now controls its first governorship in the north and two more local congresses. The case of Puebla, a centric and essential state in Mexican politics, also speaks to a certain degree of voter punishment in the polls. However, even though the Morena candidate—Miguel Barbosa—won the gubernatorial race by a two-point margin, he lost the metropolitan area of the

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TODAY'S NEWS

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General Strike Closes Schools, Businesses in Haiti

The two-day strike, which began Monday, followed violent anti-government protests over the weekend. Protesters want President Jovenel Moïse to resign.

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ECONOMIC

Venezuela's Rate of Inflation Falls Below 1 Million Percent: Assembly

The country's rate of inflation totaled 815,194 percent, according to the National Assembly.

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POLITICAL

Brazilian Bar Association Seeks Moro's Suspension

The Brazilian Bar Association called for the suspension of Justice Minister Sérgio Moro following reports claiming that the former judge coordinated with prosecutors in the case against former President Luiz Inácio Lula da Silva. Moro denied wrongdoing.

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Moro // File Photo: Brazilian Government.

POLITICAL NEWS

Brazilian Bar Calls for Suspension of Justice Minister

The Brazilian Bar Association on Monday called for the suspension of Justice Minister Sérgio Moro following reports claiming that he coordinated with prosecutors as a judge in the case that led to the conviction and imprisonment of former President Luiz Inácio Lula da Silva, the Associated Press reported. The group also called for the removal of all prosecutors involved “so that the investigation can run without any suspicions,” according to the report. Online news magazine The Intercept on Sunday published a series of articles revealing private messages between Moro and the task force of the massive Lava Jato, or Car Wash, corruption probe. The messages suggest Moro, who led Operation Car Wash before taking office as justice minister, consulted with and advised federal prosecutors on the strategy they took to build the case against Lula and other political figures, The New York Times reported. Moro convicted Lula of corruption and money laundering in 2017, which made Lula ineligible to run in last year’s presidential election. Members of Lula’s Workers’ Party have long

alleged the case against the former president was politically motivated. Moro denied wrongdoing, saying the messages did not show any abnormality and that he “lamented” that The Intercept had used an anonymous source. A spokesman for President Jair Bolsonaro told reporters that the president would meet with Moro today to discuss the leaked messages. The federal prosecutor’s office on Monday said that federal prosecutors had been the target of hackers but did not confirm the veracity of the published messages. “If these messages are proven to be true, there was partiality from the judge in Lula’s conviction,” João de Martinelli, a criminal lawyer and professor at the Institute of Public Law of São Paulo, told the AP. “A judge driving the prosecution is a grave violation of the constitution of human rights,” he added.

Mexico to Deploy National Guard to Guatemalan Border

This week, Mexico’s government is to deploy members of its newly created National Guard to the country’s southern border with Guatemala as part of the agreement that it reached in order to avoid punitive U.S. tariffs, The Washington Post reported Monday. The force will eventually consist of 6,000 troops. However,

NEWS BRIEFS

General Strike Closes Schools, Businesses, Gov’t Offices in Port-au-Prince

A two-day strike organized by opposition leaders in Haiti began on Monday, paralyzing Port-au-Prince as protesters continue to demand the resignation of President Jovenel Moïse amid corruption allegations, the Associated Press reported. Schools, businesses and government offices were shut down, and demonstrators set fire to piles of tires, as well as cars belonging to a local radio station. Protesters accuse the news media of working for the government. On Sunday, thousands of demonstrators clashed with police, with two people reportedly killed and five injured.

Peru Declares Health Emergency Amid Guillain-Barré Outbreak

Peru has declared a 90-day health emergency in five regions, including Lima, after the deaths of at least four people with links to Guillain-Barré syndrome, an autoimmune disorder that attacks the nervous system, Agence France-Press reported Monday. In addition to the deaths, there are currently 206 cases of the disease in Peru, according to Health Minister Zulema Tomás. Research suggests the syndrome is “strongly associated” with the mosquito-borne Zika virus, according to the U.S. Centers for Disease Control and Prevention.

Avianca Argentina Suspends Flights

Avianca Argentina is suspending its commercial activities, the airline announced, news site Aerotime reported Monday. The announcement came two weeks after the airline’s sister company in Brazil announced that it was halting all of its commercial activities. Avianca Argentina said it is suspending flights as it restructures its network and business model. The suspension is to last 90 days.

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state, including the capital. This had a lot to do with the poor performance and unpopularity of the new Morena mayor, Claudia Rivera. Keeping in mind that López Obrador kept himself and his government out of the electoral processes, we can conclude that Morena is subject to voter retaliation as much as any other party. If it fails to present good candidates and, more importantly, if it exhibits bad governments, its authorities will be voted out. Hence, Morena’s challenge is keeping up with López Obrador. Finally, the opposition has to produce candidates who can fill the voids Morena leaves open, and they must include credible options with clear agendas.”

A **Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico**
City: “President Andrés Manuel

López Obrador extended his influence on June 2 as his party picked up two governorships, Baja California and Puebla, and more seats in local elections. However, in comparison to the crushing victory of last year, Morena lost votes and power. In Baja California, in the 2018 elections, the party gathered more than 575,000 votes, whereas this year the tally decreased to 284,000. In Puebla, Morena went from one million to 413,000 votes. Despite winning in both states, the electoral turnout and the trends

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the National Guard has not been trained as a border patrol agency, is not formally connected to Mexico's migration authority, and it has never been presented to Mexicans as a tool for enforcing the country's migration laws, the newspaper reported. Instead, it was designed to provide internal security amid the country's often-corrupt local police departments. Mexican President Andrés Manuel López Obrador announced the National Guard's creation earlier this year, saying it was needed for public safety. In their deployment to Mexico's southern border, National Guard troops will focus on 11 municipalities, said Foreign Minister Marcelo Ebrard, who added that the idea of using the National Guard to enforce migration laws was not new. "This was already planned," he told reporters Monday. "We agreed to deploy them faster, that's all." Mexico is under heavy pressure from U.S. President Donald Trump, who threatened to slap Mexican imports with tariffs that were to have gone into effect Monday if Mexico did not take immediate steps to reduce the number of migrants heading north to the United States. Trump announced Friday that the two countries had reached a deal. U.S. officials said Monday that migration numbers would be reviewed after 45 days and again after 90 days, The New York Times reported.

ECONOMIC NEWS

Venezuela's Inflation Falls Below 1 Million Percent: Assembly

Venezuela's annual inflation totaled 815,194 percent in May, dropping below one million percent for the first time since last year, the opposition-run National Assembly said on Monday, Reuters reported. Annual inflation was 1.3 million percent in April, and consumer prices rose 906 percent in the first five months of the year, it said. The central bank's regulations requiring banks to keep a greater percentage of the bolívar currency in reserve and the fact that the bank is issuing fewer new bolívares than in the past have led to the slowdown, according to the report.

COMINGS & GOINGS

Richard Fogarty Joins Alvarez & Marsal

Richard Fogarty has joined Alvarez & Marsal as the managing director of the firm's dispute and investigations, financial crimes and Latin America practices. Fogarty, who has more than 20 years of experience in disputes, investigations and financial crimes, previously served as examining attorney and investigator with the New York City Department of Investigation, according to the firm. He has also led several investigations for international corporations and law firms in Latin America and the Caribbean, as well as Europe, Asia, the Middle East and the United States.

El Salvador's Bukele Announces Cabinet Picks

Salvadoran President Nayib Bukele, who took office June 1, has announced the rest of his cabinet picks, El Diario de Hoy reported June 2. Nelson Fuentes has stayed on as the country's finance minister, a position he held in former President Salvador Sánchez Cerén's administration. María Luisa Hayem Brevóe was sworn in as economy minister. Hayem previously worked for the Inter-American Development Bank. Meanwhile, Mario Durán Gaviria is the country's new governance minister, and Rogelio Rivas is now serving as security minister. Many of Bukele's choices worked with him when he was mayor of San Salvador from 2015 to 2018. The new cabinet is composed of eight women and eight men.

Head of Energy Regulator Resigns in Mexico

Guillermo García Alcocer, who serves as the chief of Mexico's energy regulator, CRE, announced his resignation on June 3, following months of tensions with Mexican President Andrés Manuel López Obrador, the Mexico Daily News reported. In his resignation letter, which he sent to the Senate, García said the CRE's governing body "today has a new composition with a majority vision different to mine." In recent months he had criticized the president's candidates for the CRE's board, and López Obrador in February had accused García of being involved in a conflict of interest at the energy regulator in connection with a contract awarded to a company at which a family member of García works. García has denied wrongdoing. On June 4, López Obrador denied he had pressured García to quit. He will officially step down on June 15. [Editor's note: See related [Q&A](#) in the March 22 issue of the weekly Energy Advisor.]

Ines Bahachille Begins as Chief Legal Counsel for Mondelez Latin America

Ines Bahachille has been tapped as Mondelez Latin America's new chief legal counsel, according to her LinkedIn page. Bahachille previously worked as an associate general counsel for Latin America at Ingram Micro, a global information technology distributor. She was also a member of Ingram's executive board for the Americas and the global legal team. At Ingram, Bahachille led a team based in the United States and across the Western Hemisphere, including in Brazil, Mexico, Peru and Colombia. Bahachille is licensed to practice in New York and Venezuela.

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showcased a hit for Morena. The victories indicate that the party is still amassing a significant number of votes and extending its power across the nation. Nonetheless, regarding internal affairs, some issues arose after the new administration took office, and they require a more effective approach to be fully addressed. In particular, the spike in immigration flows from Central America to the United States even spurred President Trump to threaten the Mexican government with the imposition of a 5 percent tariff on all goods imported from Mexico. Fortunately, President López Obrador and the Mexican delegation managed to come to an agreement with the U.S. government to avoid that scenario, but now the immigration policy will undergo considerable modifications to fulfill Mexico's part. Morena definitely embodies a new chapter of Mexican politics, but so far, its triumph has rested mainly on aversion to pre-existing parties and a desire for change—the movement's model still has to prove itself. Effective results are required to consolidate the victory."

A Luis Carlos Ugalde, director general at Integralia Consultores in Mexico City: "Several election results did reflect the popularity of President López Obrador. This was especially the case in the states of Baja California and Puebla—where Morena won

the governorship in traditional bastions of the PAN—as well as in Quintana Roo (where a new Congress was elected). This election, however, also confirmed that local political dynamics also play a significant role. Thus, for example, in Aguascalientes—a state that has grown above the national average—the popularity of the incumbent PAN was a key explanatory factor. In Durango and Tamaulipas, the governing party, the PAN, had established a solid territorial political structure, which facilitated the mobilization of voters in a context of low voter turnout. Even though AMLO has few concrete public policy results to show in his first six months in office, voters continue to give him the benefit of the doubt and see favorably the idea of change that he embodies, as well as his image as a politician who is close to the common voter. The issue with which he has struggled most domestically is probably security. If indicators continue to deteriorate, this could affect his popularity. Morena is the most ascendant political force at the national level and the party to beat in future political contests. It has significantly transformed Mexican political discourse by focusing it more on social issues. This being said, the party is largely linked to AMLO's leadership—its consolidation will require its institutionalization and the emergence of new leaderships."

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Advisor Video

Deforestation in the Amazon: Drivers and Policy Solutions

An Inter-American Dialogue discussion with Thomas Lovejoy, George Mason University
Kristina McNeff, Gordon and Betty Moore Foundation
Rodrigo Botero, Fundación para la Conservación y el Desarrollo Sostenible

View a webcast of the May 29 discussion.

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