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## FEATURED Q&A

# Does Ortega's New Amnesty Law Bring Peace Any Closer?



Under a new amnesty law, Nicaragua has freed several anti-government protesters who had been jailed. But government opponents say the law can also lead to impunity for government forces. An anti-government protest last July is pictured. // File Photo: Civil Alliance.

**Q Under a new amnesty law, Nicaragua's government in recent days has freed more than 100 people who were arrested in anti-government demonstrations that erupted last year in the Central American country. The law also protects police officers and other government agents who violently cracked down on protesters. What led to the creation of the amnesty law, and who will it benefit the most? How will the law affect future protests in Nicaragua and authorities' reaction to them? What are U.S. sanctions targeting Nicaraguan President Daniel Ortega's government accomplishing, and should they be expanded?**

**A Mario Arana, president of AmCham Nicaragua and member of the negotiating team of the Civic Alliance:** "The Civic Alliance for Justice and Democracy (ACJD), an organization made up of students, peasants, civil society and business organizations, initially formed by the Catholic Church to negotiate with the government a way out of the current crisis, calls this technique used to free political prisoners a self-amnesty. It is a well-articulated trick. First you imprison innocents, then you negotiate their way out with an amnesty that is really to protect the paramilitary forces that were used to repress social unrest. In this case, the unrest resulted from long-unmet demands for freedom and democracy, as well as the fraudulent elections and unilateral social security reforms. It is also a conditioned amnesty, as freed political prisoners are not supposed to protest again, or they risk going back to jail. Whether they will comply is hard to say since they are

Continued on page 2

## TODAY'S NEWS

### POLITICAL

## Mexico Deploys Nearly 15,000 Troops to Northern Border

Mexico deployed the troops as part of its efforts to stem the flow of migrants headed to the United States, said Defense Minister Luis Cresencio Sandoval.

Page 2

### BUSINESS

## Brazil's Caixa Reports 23% Rise in Net Income

Caixa Econômica Federal reported \$1.03 billion in net income for the first quarter. The state-run bank is the country's largest by number of clients.

Page 3

### POLITICAL

## Peru's Defense Minister Dies of Heart Attack

Peruvian Defense Minister José Huerta, 71, collapsed as he was boarding a helicopter during a visit to military bases in the country's Amazonas region. His remains were flown back to Lima with full military honors.

Page 2



Huerta // File Photo: Peruvian Defense Ministry.

## POLITICAL NEWS

## Mexico Deploys Nearly 15,000 Troops to Northern Border

Mexico's government has deployed almost 15,000 soldiers and National Guard troops to its northern border in an effort to prevent migrants from crossing into the United States, Defense Minister Luis Cresencio Sandoval told reporters Monday, Agence France-Presse reported. "Given that [undocumented] migration is not a crime but rather an administrative violation, we simply detain them and turn them over to the authorities," Sandoval said at the news conference, alongside President Andrés Manuel López Obrador. Mexico is under heavy pressure from U.S. President Donald Trump to stem the flow of migrants traveling toward the United States. Mexico's government has also faced criticism about detaining migrants near the U.S. border after an incident in which heavily armed National Guard troops in Ciudad Juárez forcefully prevented two women and a young girl from crossing the Rio Grande into the United States. Earlier this month, Trump

backed off a threat to slap imports from Mexico with new tariffs after Mexico agreed to toughen security at its southern border with Guatemala to halt migrants headed north. Mexico also agreed to expand a policy to keep migrants in Mexico while their asylum claims are processed in the United States.

## ECONOMIC NEWS

## 'Gray List' Inclusion Will Hurt Panama: Banking Association

The return of Panama to the Financial Action Task Force's so-called gray list brings "discouragement" and generates "negative effects" for the Central American nation, Panama's banking association said Monday, EFE reported. Panama's finance minister announced last week that the financial watchdog, known as FATF, had reincluded Panama on its list, which identifies countries that struggle to prevent money laundering and terrorist financing. "Despite recognizing the progress made by Panama and its political commitment at the highest level,

## NEWS BRIEFS

## Peruvian Defense Minister Dies of Heart Attack

Peruvian Defense Minister José Huerta, 71, died of a heart attack Monday during a trip to visit military bases, Agence France-Presse reported. Huerta collapsed as he was boarding a helicopter in the town of Santa María de Nieva in the country's Amazonas region, according to state media. President Martín Vizcarra called Huerta's death "painful" and declared two days of official mourning. Huerta took office just nine days after Vizcarra assumed the presidency in March of last year.

## Man Freed by Ecuador in Facebook Case Again a Fugitive: U.S. Prosecutors

U.S. prosecutors said Monday that Paul Ceglia, the New York man charged with attempting to defraud Facebook founder Mark Zuckerberg, is again a fugitive after Ecuadorean President Lenín Moreno blocked the United States' request to extradite him, Reuters reported. Ecuadorean authorities released Ceglia earlier this month, almost 10 months after his arrest. Ceglia is charged with mail fraud and wire fraud for doctoring a contract claiming Zuckerberg had agreed to give him half of Facebook.

## Former Venezuelan Oil Minister Asks U.S. Judge to Set Aside \$1.4 Bn Verdict

Former Venezuelan Oil Minister Rafael Ramírez on Monday asked a federal judge in Houston to set aside a \$1.4 billion default verdict against him in a fraud case brought by defunct oil company Harvest Natural Resources, Reuters reported, citing court documents. He argued that the Houston-based energy company had failed to properly serve him notice of the lawsuit. Ramírez was Venezuela's oil minister for 12 years and later served as the country's foreign minister and U.N. ambassador.

## FEATURED Q&amp;A / Continued from page 1

more combative than before, and the country is getting more uneasy about where things stand, the lack of progress toward a political agreement and a deteriorating economic situation. Sanctions will be difficult to avoid under this environment in which the Nicaraguan government is not addressing the real concerns of the international community. The expectation is that the pressure on individual sanctions will generate a rupture within the regime, as the cost to hold on to power is not worth the personal losses sanctions will bring. It is too early to say whether this or a sense of responsibility for Ortega's historical legacy in the end will move him to make the right decisions and accept electoral reforms and early elections. Ortega usually acts only under pressure, and this time it will probably be no different."

**A** **John Maisto, member of the Advisor board and former ambassador to Nicaragua, Venezuela and the Organization of**

**American States:** "Any conversation about the Nicaragua impasse must begin with the understanding that only Nicaraguans can resolve it, and foreigners cannot, though they can help. The release of political prisoners is a welcome step forward, but the amnesty law is divisive. Much more is needed, as Nicaraguans continue to dialogue, suspend, resume, plan next moves, factor in the dire economic fallout, scheme, look for international support for their side and deal with the devastating economic impact in one of the poorest countries in the hemisphere. The agenda for resolution continues to be what the OAS and its human rights commis-

Continued on page 4

the FATF plenary held this week approved that Panama be included [on the list]," said Minister Eyda Varela on Friday, Agence France-Presse reported. Panama had been placed on the gray list in 2014 after the FATF identified significant flaws in the country's financial practices, but it was removed in 2016 following changes to its legal and regulatory frameworks. Varela said that Panama had applied 35 of the 40 FATF recommendations, which means it complies with 87 percent of them, as compared to 8 percent in 2014. The Banking Association of Panama, or ABP, said that among the negative effects of the country's return to the list are a damaged reputation, the discouragement of foreign investment and a hit to confidence in the international financing system, EFE reported. [Editor's note: See related [Q&A](#) in the May 9-22 issue of the Financial Services Advisor.]

## BUSINESS NEWS

# Brazil's Caixa Reports 23 Percent Rise in Net Income

Brazil's Caixa Econômica Federal on Monday reported 3.9 billion reais (\$1.03 billion) in net income for the first quarter, a 23 percent rise from the same quarter last year. The largest bank in Brazil by number of clients, Caixa said its revenue growth in the first quarter was largely due to higher revenue from services, a 24.4 percent reduction in expenses with allowance for loan losses and a stable financial margin. The lender said its revenue from services rose 2.3 percent in the 12-month period through March, reaching 6.5 billion reais. The bank's revenues were aided by a 19.8 percent increase in services from investment funds and an 8.5 percent rise in revenue from banking fees and agreements. Caixa added that its return on average equity amounted to 15.8 percent in March, a stable level as compared to the same month last year. In addition, the state-controlled bank said its loan book shrank 1.2 percent in the first quarter to 685.8 billion reais because of a contraction in individual and corporate loans, Reuters reported.

## IN PROFILE

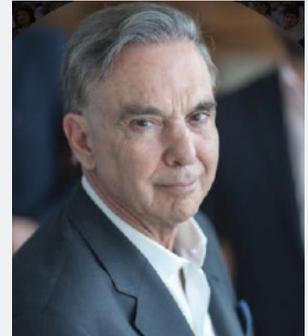
# Miguel Ángel Pichetto, President Mauricio Macri's Running Mate

### Name:

Miguel Ángel Pichetto

### In the News:

Argentine President Mauricio Macri announced June 11 that Pichetto would be his running mate in his bid for re-election in the country's October presidential vote. Pichetto currently serves as a senator, heading the opposition Justicialist Party, the largest component of the Peronist movement, and representing Río Negro Province.



Pichetto // @MiguelPichetto via Twitter.

### Background:

Miguel Ángel Pichetto was born in Banfield, a city in Buenos Aires Province, in 1950. He became a lawyer in 1976, when he graduated from Universidad Nacional de La Plata, and entered politics in 1983 as a counselor for the Judicialist Party, or PJ, in Río Negro. Pichetto was the municipal mayor of Sierra Grande for the PJ from 1985 to 1987. He later served as a local legislator for two consecutive terms starting in 1987 before going on to become a national deputy in 1993, also for two terms, and then senator in 2001. Since 2004, he has led the PJ caucus, which holds a majority in the Senate. As a senator, Pichetto played a key role in helping Macri reach a deal with holders of Argentine sovereign bonds, an important step toward the opening of financial markets. Earlier this year, he had backed Roberto Lavagna for the presidency, criticizing Macri's handling of the economy.

### Of Note:

Pichetto was an ally of former President Cristina Fernández de Kirchner, who is also running for vice president, but has since broken ties with her. He leads a moderate faction of Argentina's Peronist movement. Pichetto has said the upcoming October election is a choice "between a capitalist model and one of interventionism of the past," referring to the past administrations of both Fernández and her late husband, Néstor Kirchner.

In a surprising turn last month, Fernández announced she would be the running mate of her former chief of staff, Alberto Fernández. She had been widely expected to run for the presidency herself. The Fernández-Fernández ticket seeks to garner support from the undecided political center amid the highly polarized presidential race, according to analysts. Macri's choice to include Pichetto also seems like a bid to capture the vote of moderate Peronists, analysts say.

Bond markets and traders reacted positively to Macri's announcement, with yields on the Argentine sovereign debt registering their biggest drop since August 2016, according to data collected by JPMorgan Chase. The bank's country risk index also fell 66 basis points on the news, reaching 866 points, its lowest level since April. [Editor's note: See related [Q&A](#) in the May 30 issue of the Advisor.]

Sources: *Clarín*; *Buenos Aires Times*; *Bloomberg News*; Miguel Ángel Pichetto's website, Reuters.

## FEATURED Q&amp;A / Continued from page 2

sion have just spelled out: full release of political prisoners, re-establishing rule of law and separation of powers, media freedom, respect for human rights and accountability for past violations. Resolution via elections requires negotiation on dates, rules, a new tribunal and international observation. The opposition and civil society will press, the Ortega government will resist and press back. However, with Nicaraguans' eyes on Venezuela, efforts among Nicaraguans will continue. Foreign support for the OAS, including Washington's, is still essential, and the diplomatic grind will go on. Sanctions may or may not have moved the Ortega political needle; more would likely cause the Ortega government to dig in deeper, stay its course and depend on traditional 30-40 percent Sandinista popular support it believes it has. The opposition needs to be united, negotiate smart and press on. It also must remember that when it unites, it wins elections; when divided, it loses. It will be tough going ahead for Nicaragua."

**A** Daniel Hellinger, professor emeritus of international relations at Webster University in St. Louis: "The imposition of sanctions on officials close to President Daniel Ortega owes more to the geopolitical and ideological agenda of the hawkish right in Trumpian Washington than to genuine commitment to democracy. One need only ask why sanctions are not levied against the equally violent and corrupt regime of neighboring Honduras. Ortega and Honduras' President Hernández both have fostered a symbiotic relationship between the government and tightly knit business sector, so why are sanctions aimed only at Nicaragua? The answer lies in Washington's real objective: reinforcement of U.S. hegemony and the neoliberal capitalist development model. Ortega's economic and political partner has

been COSEP (the Superior Council of Private Enterprise). That relationship has been strained since 2018, when COSEP endorsed street demonstrations against social security cuts (later rescinded) that resulted in hundreds of deaths and the imprisonment of

“ One need only ask why sanctions are not levied against the equally violent and corrupt regime of neighboring Honduras.”

— Daniel Hellinger

many (recently released) protesters. COSEP, which maintains an active lobby in Washington, seeks political 'regime change' before the social and economic crisis deepens toward more fundamental change. But Nicaragua needs a reorientation of its economy away from dependence on commodities exports and labor-intensive production in the global value chain, which largely serves COSEP and the Ortega family cabal. Though sanctions are aimed at the latter, they may, as in Venezuela, backfire. Ortega can use them to rally nationalist sentiment against U.S. imperialism. COSEP gains politically but will continue its corporatist relationship with the Ortega family regime. Right-wing hawks in Washington may savor another blow against a putative leftist regime, but the crisis will continue."

Editor's note: The Advisor requested a commentary for this issue from Nicaragua's ambassador to the United States but did not receive a reply.

*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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