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## FEATURED Q&A

# Are Amazon Nations Prepared to Fight Forest Fires?



The number of fires in the Amazon rain forest has swelled this year, leading to international concern and a meeting of South American leaders last week in Colombia. // Photo: Brazilian Government.

**Q** South American leaders met in Colombia on Sept. 6 to discuss common policy efforts in defense of the Amazon rain forest, where fires have been burning in higher numbers than in the recent past. Brazilian President Jair Bolsonaro, whose environmental policies have been widely criticized in light of the fires, did not attend the meeting for medical reasons, though he did address the summit via video conference and sent Foreign Minister Ernesto Araújo to attend in person. What were the most important actions at the meeting? What are South American countries already doing to protect the Amazon, and how else can they cooperate? To what extent are regional governments' policies to blame for the fires in the rain forest, and what's behind Brazil's reluctance to accept foreign aid to support its efforts to put the fires out?

**A** Leila Salazar-López, executive director of Amazon Watch: "It is a positive sign that Amazonian governments met, but they failed to truly address the Amazon fire emergency and the direct causes of deforestation and degradation—industrial development projects, extraction of fossil fuels and minerals and the expansion of agribusiness. The Amazon rain forest is already 20 percent deforested and 20 percent degraded. Since Jair Bolsonaro became president, deforestation has risen 67 percent, and fires have increased by 84 percent, as compared to last year. More than 74,000 fires have raged across Brazil this year alone. This devastation is directly related to President Bolsonaro's anti-environment rhetoric, which erroneously frames forest protections and human rights as impediments to Brazil's economic

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## TODAY'S NEWS

### POLITICAL

## Some 2,500 Reported Missing in Bahamas After Hurricane

Approximately 2,500 people have been reported missing after Hurricane Dorian struck the Bahamas nearly two weeks ago. However, the government said names of the missing must still be checked against those who evacuated or sought shelter.

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### ECONOMIC

## Argentine Central Bank Imposes New Currency Controls

The new rules require anyone buying foreign currency to vow not to use it to purchase bonds for at least five days.

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### BUSINESS

## Mexican Gov't to Provide Pemex With \$5 Billion Injection

Mexican President Andrés Manuel López Obrador has sought to allocate more funding to the indebted state oil company.

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López Obrador // File Photo: Mexican Government.

## POLITICAL NEWS

## Some 2,500 Reported Missing in Bahamas Following Hurricane

Approximately 2,500 people have been reported missing in the Bahamas, nearly two weeks after Hurricane Dorian pummeled the Caribbean nation, the government announced Wednesday, The New York Times reported. The list still must be checked for the names of people who were evacuated or sought shelter, the government added. "As we are able to cross-reference our data sets, we will be able to inform family members and reunite survivors with loved ones," said Carl Smith of the Bahamas' National Emergency Management agency, CNN reported. Smith said the government is building a database with names of the missing, The New York Times reported. The number of confirmed dead following the powerful hurricane remained at 50 on Wednesday, but government officials have said that figure is sure to rise. This week, the Bahamas Defense Forces posted photos online of soldiers in hazardous materials suits collecting corpses and loading them into pickup trucks. "No living Bahamian has ever seen anything like this in their lifetime," Prime Minister Hubert Minnis said late Wednesday in a televised address. "But as horrible and vicious as Hurricane Dorian was, the bravery and resilience of the Bahamian people is even more powerful." Minnis added that his administration was "aggressively shredding the red tape" to improve its recovery efforts, and he acknowledged public frustration with some of those efforts. The government's attempts to count the number of missing have been stymied by the ways in which survivors scattered. More than 2,000 people are in government-operated shelters in Nassau, while 4,000 others had left the country and entered the United States as of Monday, according to U.S. immigration authorities. Dorian, which struck the Bahamas on Sept. 1, was the most powerful hurricane ever to make landfall there. [Editor's note: See related [Q&A](#) in the July 15 issue of the Advisor.]

## U.S. Supreme Court Sides With Trump on Asylum Claims

U.S. President Donald Trump's administration can deny asylum claims from migrants at the southern border who traveled through Mexico or another country without requesting protection there first, the Supreme Court ruled on Wednesday, The Washington Post reported. The high court lifted an injunction from lower courts in California that blocked the new rule pending additional legal action, with a district judge there saying the new policy likely violated a federal statute and administrative law requirements. The justices decided that the measure could take effect while challenges to its legality are heard, a process that could take as long as a year, the Financial Times reported. "BIG United States Supreme Court WIN for the Border on Asylum!" Trump tweeted after the ruling. Two Supreme Court judges, Ruth Bader Ginsburg and Sonia Sotomayor, dissented from the order, with Sotomayor saying the administration's new policy "seeks to upend longstanding practices regarding refugees who seek shelter from persecution," the Financial Times reported. The issue is likely to return to the Supreme Court when the ongoing legal challenges have been presented in lower courts. The measure mostly affects Central American migrants on their way to the United States, most of whom have to travel through other countries such as Mexico and Guatemala to reach the U.S. southern border.

## ECONOMIC NEWS

## Argentine Central Bank Imposes New Currency Controls

Argentina's central bank late on Wednesday announced a new round of currency controls, as it seeks to quell speculation and stem a debt crisis in Latin America's third-largest economy,

## NEWS BRIEFS

## Brazil Not to Blame for Amazon Fires: Foreign Minister

Brazil is not the "culprit" for the fires raging in the Amazon, Brazilian Foreign Minister Ernesto Araújo said Wednesday in a speech at the Heritage Foundation in Washington. "Brazil is not burning the forest," he said, adding that "it doesn't seem like a climate catastrophe to me ... But from the debate that is going on, it would seem that the world is ending." Araújo, who has previously said climate change is a "Marxist plot," also accused other countries and activists of trying to "invade Brazil" using climate change as justification.

## El Salvador Deploying at Least 800 Police to Borders to Block Migrants

El Salvador's government announced Wednesday that it would deploy at least 800 police officers to the country's borders with Guatemala and Honduras in an effort to block migrants from heading toward the United States, Reuters reported. Some 350 immigration officials will also be deployed to check immigration documents.

## Chilean Authorities Rehearse Evacuation Plans as Active Volcano Rumbles

Chilean authorities in the south have begun rehearsing evacuation plans in preparation for an active volcano's potential eruption "within days," Reuters reported Wednesday. The National Geology and Mining Service, or SERNAGEOMIN, placed Villarrica Volcano, located near the popular Pucón tourist resort, under "amber alert" after it began rumbling and shooting lava late on Tuesday. The amber alert implies a "significant" increase in activity. The volcano could erupt within "days or weeks," said Álvaro Amigo, the head of the national network of volcano vigilance for SERNAGEOMIN.

Reuters reported. The new regulation requires anyone purchasing foreign currency to present a sworn oath vowing to wait at least five days before using it to purchase bonds. Previously, a buyer could use foreign currency to purchase a bond and then immediately sell it at a more favorable exchange rate, a move traders said would turn a quick profit of between 5 percent and 7 percent, Reuters reported. [Editor's note: See related [Q&A](#) in the Sept. 3 issue of the Advisor.]

## BUSINESS NEWS

# Mexican Gov't to Inject \$5 Billion Into State-Run Pemex

Mexico's Pemex announced Wednesday that the country's government plans to inject \$5 billion into the state-run oil firm in an effort to bolster its finances, Reuters reported. Pemex is planning to use the cash injection to prepay bonds that mature next year and in 2023, the wire service reported. The oil company also plans to refinance short-term debt by issuing new bonds that mature in seven, 10 and 30 years. "Proceeds from this transaction will be used to ensure a reduction in the outstanding balance of Pemex's debt," the company said in a statement. This week, Mexican President Andrés Manuel López Obrador expressed optimism about Pemex's future as the company's oil production stabilizes. In his 2020 budget, López Obrador has cut the funding of other government agencies in order to free up more cash for Pemex, the Financial Times reported. The government's budget includes \$4.4 billion in cash and tax breaks for the heavily indebted company. Ratings agencies have warned that Pemex is in danger of being downgraded, and the firm has launched a bond swap in an effort to prevent debt downgrades. The \$5 billion cash injection will be funded through unspecified "financial assets deposited in the federal treasury," Mexico's Finance Ministry said Wednesday. The aid will not affect the country's net level of debt, the ministry added.

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growth. Farmers and ranchers have understood the president's message as a license to commit arson in order to aggressively expand their operations into the rain forest. But it's not only Brazil. More than 900,000 hectares of rain forest have burned in Bolivia, also primarily a result of arson emboldened by those who want to expand or extract into the Amazon. And in Ecuador and Peru, governments and corporations propose oil and mining concessions without the free, prior and informed consent of indigenous peoples who are defending their rights and territories as they have for thousands of years. The Leticia Pact acknowledges and expands upon previous agreements to protect the Amazon. However, it fails to acknowledge the adoption of the U.N. Declaration on the Rights of Indigenous Peoples and that indigenous peoples' rights and territories need to be respected and protected in order to truly protect the Amazon. Indigenous peoples are resisting, and we will stand with them in solidarity to ensure that governments, corporations and financiers who are driving this destruction are held accountable."

**A Henrique Rzezinski, member of the executive committee and former president of Amcham Rio and member of the board of the Council of Foreign Relations of Brazil (CEBRI):** "The Leticia Pact is South American countries' political response to the discussions about the fires in the Amazon, reassuring that they will take care of the problem and accept external help as long as it does not interfere in these countries' decision-making. It is necessary to separate the different agendas that are shaping the international discussion and press coverage of the Brazilian Amazon fires. The first has to do with the concrete importance of improving the strategy and actions to drastically reduce the fires in the Brazilian Amazon region as well as in other parts of the world. That kind of international and domestic pressure will probably improve the resources

to combat the fires as stated in the Leticia agreement. The second agenda item has to do with why the focus is on the Brazilian Amazon. There are different sub-dimensions to this agenda. Independently of supporting or opposing the Bolsonaro administration, we have to recognize that there are strong and ongoing domestic and international processes to destabilize his government due to his economic program and his conservative attitudes toward family and educational programs. Add to this the use of the fires by French President Emmanuel Macron to support his opposition to the E.U.-Mercosur free trade agreement, which has been under negotiations for the last 20 years, always with a strong opposition to the French agro-business sector. Add also the very strong support of the Bolsonaro administration vis-a-vis a strategic partnership with the United States and Israel. I could add more variables to this complex equation, but the ones I mentioned are sufficient to conclude that it is very important to push this administration to have more efficacy in fighting the fires, but it is also important to separate and understand the other variables that many actors want to keep behind the curtains in order to use the fires to accomplish different goals."

**A José Goldemberg, former Brazilian environment minister:** "The basic reason why fires have been burning in higher numbers than in the recent past in the Amazonia is the rhetoric of Bolsonaro's government which, in practice, encourages illegal deforestation. The new government tried initially to eliminate the Ministry of Environment. It backtracked on that, but the message was clear: a lower status to environmental protection. The government announced also that it was leaving the Paris Agreement and refused to hold in Brazil the 2019 U.N. climate summit, canceling the decision that the previous government had made. The new environment minister tried to

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change the use of the resources allocated to the Norway-endowed Amazonia Fund and reduce the participation of NGOs in the fund's governance. What experience shows is that illegal deforestation can only be reduced (as happened from 1990-1993 and 2004-2012) giving high priority to environmental matters and involving NGOs and civil society in general. The use of police actions and the armed forces is complementary and should be used to curb illegal activities. Loans and international resources are needed and should be encouraged and not demonized. They do not endanger national sovereignty. The Leticia Pact for the Amazonia is welcome but mostly rhetoric. Cooperation could be increased in monitoring fires and deforestation. Brazil could help significantly on that extending the excellent work done by the National Institute for Space Research to the other Amazonian countries."

**A** **Mark S. Langevin, director of BrazilWorks and senior advisor to Horizon Client Access:** "The meeting in Leticia demonstrated the ongoing efforts by the Amazon basin countries to protect the most valuable biome on the planet but also highlighted the Brazilian government's tone-deaf messaging and environmental policy neglect. Colombian President Iván Duque reaffirmed the urgency of the issue and rightly called for a regional response. Brazilian President Jair Bolsonaro's videotaped message emphasized national sovereignty, while his counterparts in the Amazon region embraced regional responsibility and agreed to deepen cooperation and seek pledges of international financial support to strengthen their capacity to defend the forest. The pact explicitly recognizes the value of fortifying the capacities and participation of indigenous and tribal peoples, but the Bolsonaro administration is eager to roll back indigenous reserves that have proven to be the most effective mechanism for defending the Amazon against illegal mining, logging activities and forest fires. The agreement is short on details be-

cause of Brazil's lack of leadership and the economic slowdown that restricts budgeting for climate change policies. Bolsonaro's personal response to the spike in Amazon fires, and the ensuing international crisis that erupted at the G7 summit, indicates that he continues to show more concern with pleasing his core political constituency than with leading a regional effort to address one of the most pressing environmental policy challenges on earth. However, the meeting did galvanize a regional consensus, minus Brazil, that cooperation and international financial support are vital to protecting the Amazon. The question is how much forest will be lost before Bolsonaro and Environment Minister Ricardo Salles realize that their position is indefensible."

**A** **Yolanda Kakabadse, senior advisor of Fundación Futuro Latinoamericano in Quito and former Ecuadorean environment minister:** "The resulting Leticia Pact needs a concrete action plan; otherwise it's just another empty declaration. The plan must reflect a shared long-term vision. The reality is that today's crisis is the reflection of short-term political and economic interests that threaten the sustainability of the Amazonian region, which plays a key role in stabilizing our global ecosystem. Several countries in the region suffer from two important deficiencies: political leadership and long-term vision, while the importance of land use planning has been forgotten. Forests have a role to play and are a priority to achieve economic, social and environmental goals. If all Amazonian countries don't agree to protect this rainforest, the region can become an additional climate threat, and the consequences—economic, social and environmental—will be irreversible for the region and the planet as a whole. Droughts, floods, water and food insecurity will increase. The most affected will be indigenous peoples, the most vulnerable population of the region, and biodiversity, the natural capital on which we all depend."

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