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FEATURED Q&A

What Will Result From Haiti's Political Crisis?



Haitians have taken to the streets for months to demand President Jovenel Moïse's resignation. A protest earlier this year in Port-au-Prince is pictured above. // Photo: Voice of America.

Q Nearly two months of protests in Haiti are bringing the country, already struggling with basic functions, to a state of paralysis. Protesters have taken to the streets every day to demand the resignation of President Jovenel Moïse, who has so far not shown any intention of stepping down. Beyond corruption, what are the opposition and protesters' concerns about Moïse and his government? What steps need to be taken to resolve the political crisis? What role can the United States, the United Nations and other stakeholders have in bringing about a solution, and should they play a more active part?

A Simon Desras, former president of the Haitian Senate, and Evallière Beauplan, chairman of the Haitian Senate Commission of Foreign Affairs: "The protesters and the opposition are concerned about the inflation rate and the significant rise in food and fuel prices overall. The economic factor is the major reasoning for the concerns around Mr. Moïse and his government. When you have public-sector employees who are already underpaid and have not received compensation and are owed more than three months' pay, due to negligence by the current government, this is all-inclusive of the reasoning to request for his departure or his stepping down. The insecurity within the last two years has become unbearable for all Haitians. For several months, the country has been paralyzed by gang leaders, who in broad daylight overpowered Haiti's police force. The successful transition of Mr. Moïse and his government is the first step in helping resolve the crisis. He is unable to lead and has demonstrated this throughout his

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TODAY'S NEWS

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Oil Majors Snub Second Brazil Oil Auction

Major global oil firms declined to participate in a second consecutive tender for offshore oil blocks. Four blocks up for auction received no bids.

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POLITICAL

U.S. Sanctions Three Nicaraguan Officials

The U.S. Treasury Department accused the individuals of involvement in human rights abuses, election fraud and corruption.

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POLITICAL

Brazil's Supreme Court Issues Ruling That Could Free Lula

Brazil's Supreme Court ruled that defendants cannot be imprisoned before their appeals are exhausted, a decision that could lead to the release of dozens of people, including former President Luiz Inácio Lula da Silva. Lula has been jailed since April 2018.

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Lula // File Photo: Lula Institute.

POLITICAL NEWS

Brazilian Supreme Court Issues Ruling That Could Free Lula

In a 6-5 decision, Brazil's Supreme Court on Thursday ruled that defendants cannot be imprisoned before their appeals are completely exhausted, a sweeping decision that could lead to the release of dozens of people who are currently jailed, including former President Luiz Inácio Lula de Silva, The Wall Street Journal reported. The ruling reverses a policy that was adopted in 2016. Lawyers for Lula, who has been imprisoned since April 2018 after being convicted of taking bribes, said they will

“This is a big loss for efforts to fight corruption.”

— Edson Fachin

meet with the former president this morning and immediately seek his release under the high court's ruling. In issuing the decision, the Supreme Court said local judges are free to decide whether to release people currently jailed based on the decision. Some defendants could remain imprisoned if they are too dangerous to release or if they are considered to be a flight risk, said Celso de Mello, the most senior justice of the Supreme Court, who sided with the majority. However, Justice Edson Fachin, who sided with the minority, told reporters that the ruling was a step backward. “This is a big loss for efforts to fight corruption,” he told reporters. The rule allowing people to be jailed before the exhaustion of their appeals had been seen as contributing to the success of so-called Operation Car Wash, which led to the imprisonment of dozens of politicians and businesspeople on corruption charges. The possibility of having to go to prison following their first loss on appeal encouraged defendants to strike plea deals with prosecutors, through which they gained information to pursue convictions against others.

Mayor of Bolivian Town Attacked, Doused With Paint

In the latest incident of violence following Bolivia's disputed presidential election, protesters on Wednesday kidnapped the mayor of the town of Vinto, forcibly cut her hair, doused her with red paint and marched her barefoot through the streets, The New York Times reported. The demonstrators accused the mayor, Patricia Arce, of organizing a pro-government mob that had tried to disrupt an anti-government blockade. The clash resulted in the death of a protester. Arce, a member of President Evo Morales' party, denied the accusation and was ultimately rescued by police.

ECONOMIC NEWS

Oil Majors Snub Second Consecutive Brazil Oil Auction

Major global oil firms decided against participating in a second Brazilian oil auction in a row, making no bids for offshore blocks on Thursday after snubbing another tender a day earlier, Reuters reported. The only block awarded in Thursday's bidding went to Brazilian state oil company Petrobras and Chinese firm CNODC, a unit of China National Petroleum Corp., which offered a minimum bid. Four other blocks up for sale received no bids. Poor participation in that auction followed a highly anticipated tender on Wednesday of four oil blocks in the so-called transfer of rights area, in which only Petrobras and two Chinese firms submitted bids. In Wednesday's auction, Brazil raised just \$17 billion, far below the nearly \$26 billion the government had expected, and two out of the four blocks up for bids did not receive any, the Financial Times reported. The disappointing auction rounds have served as a wake-up call for Brazilian authorities, forcing them to rethink a bidding system that favors Petrobras' posi-

NEWS BRIEFS

U.S. Sanctions Three Nicaraguan Officials

The administration of U.S. President Donald Trump on Thursday sanctioned three Nicaraguan government officials, in a move to add pressure to the leftist government of President Daniel Ortega, who has been accused of undermining democratic institutions following a crackdown on anti-government protesters last year, Reuters reported. The Treasury Department accused the individuals of involvement in human rights abuses, election fraud and corruption. Ortega has called previous U.S. sanctions a continuation of “imperial” measures. The sanctioned officials are acting Nicaraguan Supreme Electoral Council President Lumberto Ignacio Campbell Hooker, National Police Deputy Director General Ramón Antonio Avellán Medal and Social Security Institute Director Roberto José López Gómez.

FBI Arrests Puerto Rico Senator, Seven Others in Corruption Case

FBI agents have arrested Puerto Rico Sen. Abel Nazario and seven other people as part of a corruption probe linked to Nazario's senatorial campaign, CBS News reported Thursday. The U.S. Attorney's Office said suspects include former municipal workers who were indicted on one count of alleged theft or bribery in connection with programs that receive federal funds. Nazario has said he is innocent.

Peru's Central Bank Cuts Key Interest Rate by Quarter Percentage Point

Peru's central bank on Thursday cut its benchmark interest rate to 2.25 percent, down from 2.5 percent, the bank said, Reuters reported. It was the second rate cut this year, after another 25-basis point cut in August. The central bank said the move comes amid growing expectations for an economic slowdown.

tion, Reuters reported. “We undertook an enormous challenge to, in the end, sell to ourselves. We spent five years talking about it. We made a spectacular effort, studying, debating—and in the end it was a no-show,” Economy Minister Paulo Guedes told an audience in Brasília on Thursday, Reuters reported.

BUSINESS NEWS

BBVA Argentina Reports 63.8% Rise in Net Income for Q3

BBVA Argentina on Thursday reported a \$11.1 billion in net income for the third quarter, a 63.8 percent rise as compared to the second quarter and an increase of 264.6 percent as compared to the third quarter of last year. For this year’s third quarter, BBVA Argentina posted an average return on assets of 11 percent and an average return on equity of 81.3 percent. The bank said its consolidated financing to the private sector amounted to \$211.8 billion, an increase of \$27.1 billion, or 14.7 percent, as compared to the second quarter and an increase of \$38.9 billion, or 22.5 percent, as compared to the third quarter of 2018.

UBS, Banco do Brasil to Form Investment Banking Venture

UBS Group and Banco do Brasil have agreed to form a joint venture to provide investment-banking and institutional brokerage services in South America, Bloomberg News reported Thursday. Zurich-based UBS will control the venture with a 50.01 percent stake, while state-owned Banco do Brasil will control the rest. UBS’ control of the venture will allow it to avoid some requirements that Brazil places on government-owned entities, including restrictions on hiring and bonuses, Bloomberg News reported. The venture is subject to regulatory approval and is planned

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two-year tenure in power, through the La Saline massacre and the failure to uphold timely elections. He has failed to support Haiti’s business communities, which has led to economic paralysis. Mr. Moïse has never demonstrated any good faith or willingness to engage in a meaningful dialogue. The stakeholders have always played an active role in Haiti. The stakeholders should help facilitate the transition of Mr. Moïse and his government and abide by the Haitian Constitution. Haiti is under siege with a lawless government.”

A Georges Fauriol, senior associate in the Americas program at the Center for Strategic and International Studies (CSIS):

“Haiti’s political crisis has hit a dangerous stalemate. Washington in recent weeks has made it clear that it does not look kindly on any chaotic ouster of the Jovenel Moïse government, and implicitly, notions of a breakdown of Haiti’s fragile constitutional order. Moïse’s opponents have interpreted this as that Washington has his back. But

to operate in Brazil, Argentina, Chile, Paraguay, Peru and Uruguay. Clients of Banco do Brasil will have access to the global trading, research and investment-banking services of UBS, while UBS will have access to corporate customers of Banco do Brasil and the bank’s transaction flows. “If I am a corporate client of Banco do Brasil, I will now have access to what UBS has in terms of its local and global capabilities,” Tom Naratil, the president for UBS Americas and co-president for global wealth management, told Bloomberg News in an interview. “If you look at our partnership, there is very little overlap of capabilities.” UBS and Banco do Brasil will each name three board members for the new entity, while Banco do Brasil will select the chairman. “This transaction captures a unique opportunity to combine two strong partners with complementary strengths,” said Sergio P. Ermotti, UBS’ chief executive officer, International Investment reported. UBS has been

this may also have had the unintended consequence of encouraging Moïse to resist notions of national dialogues intending, in effect, to end his presidency. Yet, in practice, all key actors, including the United

“Unless a consensus quickly emerges, the danger of transitioning into a full-blown politico-humanitarian crisis is real.”

— Georges Fauriol

States, have concluded that the government is on political life support—the real issue at hand is under what terms is an orderly transition possible. Originally linked to the Petrocaribe corruption scandal, and growing public dismissal of a government that is seemingly dysfunctional, recent protests have acquired overtones of gang violence and suspicions of political manipulation. A chaotic and generally unconstructive chorus

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making changes to its investment banking unit in order to increase earnings and also keep down costs amid struggles with lower levels of activity in global equity, debt and mergers and



Ermotti // File Photo: World Economic Forum.

acquisitions. Thirteen years ago, UBS bought Brazilian investment bank BTG Pactual for \$3.1 billion but later sold it back to the bank’s managing partners in 2009 in order to lower its risk and bolster its balance sheet amid the global financial crisis, Reuters reported.

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of parliamentary actors are vying to shape a post-Moïse scenario, overlapping in part with a politically more viable coalition from political parties, civil society, business sector and rural constituencies. Preferred proposals are probably those trying to align with a semblance of constitutional transition engaging the nation's highest court, as well as a form of transitional government led by a technocratic prime minister, jointly with Moïse. More complicated is the fact that when parliament reconvenes in January, only 20 senators will have legal mandates because last month's elections did not take place. Unless a consensus quickly emerges, the danger of transitioning into a full-blown politico-humanitarian crisis is real. The international community can prevent this outcome."

A **Cécile Accilien, director of the Institute of Haitian Studies at the University of Kansas:** "The protesters are accusing Moïse's government of being involved in a massacre in La Saline in November 2018 as a way of stopping anti-corruption demonstrations. Moreover, he is accused of contributing to Haiti's instability and repressing people's freedom of speech and basic human rights. His government is also accused of using excessive force against demonstrators. The protesters want protection for those who are investigating corruption allegations against his government. Two months of violence have crippled and paralyzed the country, especially economically and socially; various sectors including police officers and health care workers are protesting. The demonstrations are not merely about the opposition that wants power. It seems like the majority of the Haitian people now want Moïse to leave. They do not feel like Moïse heard them, or that he kept his promises. How

many lives should be lost in the name of power and greed? As Mahatma Gandhi said, 'The world has enough for everyone's need but not enough for everyone's greed.' Playing an 'active' part is relative, and we should be cautious about the different stakeholders' real agenda. Many people believe that

“Two months of violence have crippled and paralyzed the country, especially economically and socially.”

— Cécile Accilien

President Moïse is using the United States and the United Nations to ask for help to maintain his own power and security. Amnesty International published a report a few days ago confirming that the government has used unlawful and excessive force against protesters. They are asking for the Core Group that the United States is in charge of to respect the sovereignty of Haiti's internal affairs. There is a difference between support and interference, and sometimes the lines are very blurry. The various stakeholders should really listen to the Haitian people's voice, and if they are willing to help, they need to do so on the Haitian people's terms while respecting their dignity as human beings and citizens."

Editor's note: The Advisor requested commentaries for this issue from the office of Haiti's foreign minister and its ambassador to the United States but received no response.

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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