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FEATURED Q&A

What Did Brazil's President Achieve on His Foreign Trips?



Among the officials with whom Brazilian President Jair Bolsonaro met on his recent trip to the Middle East was Saudi King Salman Bin Abdulaziz Al Saud. // Photo: Brazilian Government.

Q Over the past weeks, Brazilian President Jair Bolsonaro made foreign trips to China and to the Middle East, where he visited the United Arab Emirates, Qatar and Saudi Arabia. In China, Bolsonaro secured a government promise for more agricultural and industrial imports to China from Brazil. In the Middle East, Bolsonaro met with heads of state and business groups in Doha and Riyadh. What did Bolsonaro, who at home has criticized Chinese involvement in his country and espoused a "Brazil First" policy, accomplish on the trips? How will China and the Gulf states benefit from their relationship with Brazil? To what extent will Bolsonaro's engagement with China affect Brazil's warming relations with the United States?

A Welber Barral, senior consultant at BMJ Consultores Associados and former Brazilian foreign trade secretary: "The Brazilian government is promoting an ambitious program of privatization and concessions, and the Chinese are potential investors. Bolsonaro's criticisms regarding China during the electoral campaign were appeased by the pragmatic conclusion that Chinese investments are necessary to modernize Brazil's infrastructure. China also has a strategic interest in investing in Latin America's largest economy, while securing access to minerals and grains. China is Brazil's main trading partner. Brazil provides iron ore and soybeans for the growing Chinese market, while Brazil imports industrial goods from China. The Arab countries are also important clients of Brazilian foodstuffs (curiously, Brazil is the world's largest exporter of Halal food). Also, large investments (especially from the UAE) have been floating to Brazil in recent years in

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TODAY'S NEWS

POLITICAL

Bolivia's Morales Granted Asylum in Mexico

Evo Morales, who resigned Sunday as Bolivia's president, left Monday for Mexico, which granted him asylum. Meantime, police and protesters clashed in the streets of Bolivia in ongoing protests following the country's disputed Oct. 20 election.

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ECONOMIC

Brazil's Bolsonaro Launches New Jobs Program

Brazilian President Jair Bolsonaro launched a program that the government hopes will put 12 million people to work.

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POLITICAL

Chilean Gov't Pledges Rewrite of Constitution

Chile's government vowed a rewrite of the country's dictatorship-era constitution in an effort to quell violent protests. Interior Minister Gonzalo Blumel said Congress would rewrite the charter.

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Blumel // File Photo: Chilean Government.

POLITICAL NEWS

Bolivia's Morales Departs for Mexico, Receives Asylum

Evo Morales, who resigned Sunday as president of Bolivia, departed Monday for Mexico, which granted him asylum, The Wall Street Journal reported. "It pains me to leave the country for political reasons but ... I will be back soon with more force and energy," Morales said in a tweet just before boarding a Mexican government plane in the Bolivian town of Chimoré, where he had been since stepping down as president. Mexican Foreign Minister Marcelo Ebrard said his country granted Morales asylum after the former Bolivian president requested it in a



Morales draped himself in the Mexican flag as he departed Bolivia on Monday. // Photo: @m_ebrard via Twitter.

phone call. Ebrard said Mexico granted the request "for humanitarian reasons, and given the urgent situation faced in Bolivia." Ebrard tweeted a photo of Morales on the plane, draped in the Mexican flag. "The Mexican Air Force plane has already taken off with Evo Morales on board," Ebrard said in the tweet. "In accordance with current international conventions, he is under the protection of Mexico. His life and integrity are safe." Morales resigned suddenly on Sunday amid widespread protests over the country's Oct. 20 presidential election, which international observers have said was marred by fraud. In the days following the election, in which Morales ran against challenger and former President Carlos Mesa, election officials named Morales the winner, saying he edged out Mesa by just enough votes to win the election outright. In office since 2006, Morales' depar-

ture left the country with no president and a power vacuum. On Monday, lawmakers failed to name a new president and police officers clashed in the streets with pro-Morales mobs and looters, The Wall Street Journal reported. On Monday night, Bolivia's military said it had started patrolling the streets alongside police in an effort to restore order in La Paz and elsewhere. Violence in the streets, roadblocks and canceled flights kept legislators away from the capital, where they had planned a vote on accepting Morales' resignation and naming an interim president. However, not enough lawmakers were able to reach La Paz, leaving the Legislative Assembly without a quorum and unable to take action. Jeanine Áñez, vice chair of Bolivia's Senate was next in line to assume the presidency after the resignations of Morales, his vice president and the leaders of both chambers of the Legislative Assembly. Áñez, a lawmaker from northern Beni state, arrived Monday in La Paz and said she wanted a new presidential election that impartial officials would oversee. "This is simply an issue of a transition," Áñez said on the steps of the legislative palace, holding a Bolivian flag. "We want what is best for all Bolivians." On Monday, Morales lashed out at opposition leaders, saying they instigated a coup against him. "[They] lie and try to blame us for the chaos and violence that they provoked," Morales said, The Guardian reported. However, a top U.S. official said Monday that the United States did not consider Morales' resignation a coup, saying that "the Bolivian people have simply had enough of a government ignoring the will of its voters." [Editor's note: See related [Q&A](#) in the Oct. 23 issue of the Advisor.]

Chilean Government Pledges to Rewrite Constitution

The Chilean government has pledged to move forward with a plan to rewrite the country's dictatorship-era constitution to include a new social contract, in a bid to quell weeks-long protests, The Wall Street Journal reported Monday. Interior Minister Gonzalo Blumel said

NEWS BRIEFS

Mexican Authorities Make Arrests in Massacre of Mormon Family Members

Mexico has arrested an unspecified number of suspects in connection with last week's massacre of three women and six children, members of a Mormon family with dual U.S.-Mexican nationality, in Sonora state, Security Minister Alfonso Durazo said on Monday, Reuters reported. "There have been arrests, but it's not up to us to give information," he added. Durazo said prosecutors in Sonora, as well as at the federal level, were in charge of the probe. The Mexican government has said it asked the FBI to participate in the investigation.

Remittances to Guatemala Grow 13.8% in October

Family remittances to Guatemala grew by nearly \$1 billion in October, or 13.8 percent as compared to the same month last year, according to data from the Guatemalan central bank, Diario de Centro América reported Monday. In the first 10 months of the year, remittances to Guatemala totaled nearly \$9 billion, up from about \$7.7 billion last year.

Marriott International Acquires Barbados' Elegant Hotels Group

Marriott International has acquired Barbados-based Elegant Hotels Group for \$130 million, Top Hotel News reported today. Elegant Hotels Group owns and operates seven hotels with a collective 588 rooms, according to the report. Six of the properties are on Barbados' west coast, and most of them operate as all-inclusive resorts. Marriott said the deal was reached on "the terms of a recommended all-cash offer for Elegant." It added, "Under the terms of the offer, each Elegant shareholder would be entitled to receive 110 pence per Elegant share."

Congress, rather than a new, elected constituent assembly that protesters are demanding, would write the new charter. It would then need to be approved in a referendum, the minister added. "We've agreed to start the process to advance toward a new constitution," Blumel told reporters after President Sebastián Piñera met with members of his center-right coalition, Vamos Chile. "Above all, we need to reconfigure the social pact, which has recently become a fundamental demand of citizens," Blumel said. According to a new survey from pollster Cadem, 52 percent of Chileans want a rewrite of the constitution, which bans public workers from striking and includes strong protections for private property, including of water from rivers and other waterways. However, drafting a new constitution would take months, and analysts are skeptical as to whether the move would quell the ongoing protests, The Wall Street Journal reported. Supporters of the current market-friendly constitution, enacted in 1980, argue that it has been the basis for Chile's robust economic growth during the last 30 years. The country's S&P Ipsi benchmark index dropped on the news, ending 1.5 percent lower on Monday, the Financial Times reported. [Editor's note: See the Advisor's latest [video](#) on protests in Chile and elsewhere in the region.]

Felipe Begins First State Visit by a Spanish King to Cuba

Spain's King Felipe and his wife, Queen Letizia, arrived in Cuba late on Monday, marking the first visit by a Spanish monarch to the communist island nation, Reuters reported. The king and queen are to visit Cuba for three days and are scheduled to lay flowers today at the monument to Cuban national hero José Martí. Economic relations between Cuba and Spain have strengthened since Cuba started opening up its economy in the 1990s. The European nation is now among Cuba's top investors and its third-largest trading partner. [Editor's note: See related [Q&A](#) in the Sept. 19 issue of the Advisor.]

ECONOMIC NEWS

Brazil's Bolsonaro Seeks to Employ 12 Mn With Jobs Plan

Brazilian President Jair Bolsonaro on Monday launched a jobs program in a bid to put more than 12 million people back to work, Globo reported. The country's pension and labor secretary said the administration seeks to create 1.8 million jobs for people within the 18-29 age bracket and almost one million other jobs by the end of 2022. The jobs package,

which largely depends on tax reductions for employers, comes as Brazil's unemployment remains stagnated in double-digit figures and violent protests sparked partially by economic frustration rage elsewhere in South America, including Chile, the Associated Press reported. The Brazilian economy, the largest in Latin America, is set to expand just 1 percent this year, its third consecutive year of barely any growth following two years of deep recession. "People between 18 and 29 have double the [average] unemployment rate. That is why we chose them to be beneficiaries," Labor Secretary Rogério Marinho said, the AP reported. The new measures are already in effect, but Brazil's Congress must ratify them.

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real estate, infrastructure and mining. Brazil has historically adopted a neutral position over the clashes among world powers. Its economic interests recommend keeping a close relationship both with China and the United States. However, there are growing frustrations, even among Bolsonaro's closest advisors, with Trump's unfulfilled promises, such as the support for OECD accession or market access for Brazilian beef."

A Carolina Costa Hurtado, regional director for Latin America at McLarty Associates: "President Bolsonaro's frequently outlandish political opinions, including favoring a 'Brazil First' policy framework, helped bring him from Congress to the Planalto Palace. But once in office, his need to moderate his political rhetoric in order to successfully support Brazilian businesses and their commercial interests abroad became clear. The outcomes of the official visit to China and the Middle East indicate the Brazilian administration is focused on developing an agenda for smart commercial diplomacy that can enhance Brazil's position in global markets. In China, President Bolsonaro and President Xi Jinping signed eight trade and cooperation agreements, covering a broad

set of commercial interests, from the meat industry to renewable energy. But from a Chinese perspective, the fact that Brazil did not make a clear commitment to sign up to China's Belt and Road Initiative may be viewed

“The indication is that smart commercial diplomacy and economic pragmatism are likely to serve as the guiding principles for Bolsonaro's foreign policy agenda.”

— Carolina Costa Hurtado

as a shortcoming of the visit. And while visiting Qatar, the UAE and Saudi Arabia, President Bolsonaro highlighted investment opportunities available in Brazil, particularly for concessions and privatizations under the Investment Partnership Program (PPI). Moreover, the administration seized the visit to the Gulf states to improve relationships following last year's diplomatic rift with Arab nations over an announcement that Brazil would relocate its embassy in Israel from Tel Aviv to Jerusalem. Considering these out-

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comes, the indication is that smart commercial diplomacy and economic pragmatism are likely to serve as the guiding principles for Bolsonaro's foreign policy agenda."

A Melvyn Levitsky, professor of international policy and practice at the University of Michigan's Gerald R. Ford School of Public

Policy and former U.S. ambassador to Brazil: "Bolsonaro's long trip to China and the Middle East had both economic and political purposes. China is Brazil's biggest trade partner. Brazil has huge benefits to be gained in sales to China and investments from China, particularly if U.S.-China trade talks falter. For example, Brazilian exports of soybeans to China would increase greatly during a trade war between the two major powers. Additionally, Bolsonaro made some negative comments about China during his campaign; the visit was designed to shore up some of the damage. Similarly, Brazilian exports of poultry and beef to the Gulf states are important to Brazil's economy. The visit had a similar goal of mitigating the damage caused by Bolsonaro's pledge to move the Brazilian Embassy in Israel to Jerusalem. Finally, the recent decision by the United States not to remove the ban on Brazilian beef imports may have convinced Bolsonaro that his relationship with the United States would not be as cozy as he thought, causing him to try to improve his personal relations with other international partners."

A Gene M. Smith, president and CEO of Smith Brandon International: "Many agenda items were apparent in president Bolsonaro's recent travel to Japan, China and the Middle East. But trade talks were clearly the focus, as Bolsonaro seeks to exploit the raucous trade war between the United States and China. Brazil is a top 10 global economy (number 9, with an estimated GDP of about \$1.9 trillion). China is currently Brazil's leading trade partner, with significant Brazilian

exports to China, including agricultural products (soybeans, sugar), commodities (iron ore, oil) and manufactured goods (cars). Japan has a special relationship with Brazil, as Brazil is home to the largest community of Japanese émigrés in the world. The Middle East is a substantial consumer of Brazilian agricultural products (specifically chicken),

“ [Bolsonaro] could use some success stories, such as confirmation of the rail project from the Brazilian interior to the coast of Brazil funded in part by the UAE.”

— Gene M. Smith

arms and Embraer jets. President Bolsonaro is fighting declining overall approval ratings in opinion polls at home, after close to 50 percent approval ratings and less than 20 percent 'strong disapproval' ratings in early 2019, now down to 33 percent approval ratings and 38 percent 'strong disapproval' ratings in October. He could use some success stories, such as confirmation of the rail project from the Brazilian interior to the coast of Brazil funded in part by the UAE. As Brazil continues to slog its way out of its most recent recession (2014-2016), it is also pushing toward long-needed reforms in its 'ease-of-doing-business' bureaucracy and tax reforms. Waving the Brazilian flag abroad by Bolsonaro looks like a practical economic move after his anti-China and isolationist campaign rhetoric. He could also use a distraction from the recent, very disappointing Petrobras offshore oil auctions that attracted some Chinese interest but basically no other major foreign players."

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

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