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FEATURED Q&A

What Will Result From Cuba's Terror Sponsor Listing?



Just before leaving office, former U.S. President Donald Trump's administration designated Cuba a state sponsor of terrorism. Cuba's Capitolio is pictured above. // File Photo: Radio Taíno.

Q In its waning days in power, the administration of U.S. President Donald Trump returned Cuba to the U.S. government's list of state sponsors of terrorism, reversing an action that former President Barack Obama took in 2015. Was the Trump administration's decision a wise move, and why did it take this action now? What practical effects will that designation have for Cuba and its relations with the United States? To what extent will the designation complicate efforts by new U.S. President Joe Biden toward normalizing relations with Cuba?

A Otto Reich, president of Otto Reich Associates LLC and former assistant secretary of state for Western Hemisphere affairs under President George W. Bush: "The Obama administration's decision to remove Cuba in 2015 from the U.S. State Department list of state sponsors of terrorism was a short-sighted political decision not made in the best interests of the United States but of the president's legacy. Cuba had been on the list since 1982 because of a documented history of support for terrorism in dozens of countries in three continents. It was removed from the list because Gen. Raúl Castro demanded it as a condition for accepting Obama's 'rapprochement.' The State Department's recent action returning Cuba to the list is justified. Havana continues to collaborate with terrorist groups and countries, harbors terrorists on the island, trains and commands torture and assassination forces in Venezuela, and collaborates with other terrorist states. Some examples: Cuba refuses to honor Colombia's extradition request of Hava-

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TODAY'S NEWS

POLITICAL

Maduro Sent Letter to Iran's Leader Accrediting Businessman

Colombian businessman Alex Saab, who was detained last year on a U.S. warrant in Cape Verde, was carrying a letter from Venezuelan President Nicolás Maduro accrediting him to Iran's leader, according to a court filing.

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POLITICAL

Two Million Covid Vaccine Doses Heading to Brazil

A shipment of two million doses of the Oxford/AstraZeneca Covid-19 vaccine are due to arrive today in Brazil.

Page 2

ECONOMIC

Mexican Gov't Working on Bank Bill Alternative

Mexico's government is working on an alternative to controversial legislation that calls for making the central bank a buyer of last resort for dollars, said Finance Minister Arturo Herrera.

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Herrera // File Photo: Mexican Government.

POLITICAL NEWS

Maduro Sent Letter Accrediting Saab to Iran's Leader: Filing

Colombian businessman Alex Saab, who was detained on a U.S. warrant last year, was carrying a letter from Venezuelan President Nicolás Maduro accrediting Saab to Iran's supreme leader when he was detained, according to a new court filing, the Associated Press reported today. Attorneys for Saab made the filing in Miami federal court on Thursday in the politically charged corruption case. Saab, who is wanted in the United States on charges of money laundering, was arrested in Cape Verde last June when his plane stopped to refuel on its way to Tehran. He was allegedly traveling to Iran to negotiate deals to exchange Venezuelan gold for Iranian gasoline, the AP reported. A court in the African nation on Thursday granted him house arrest while he fights extradition to the United States, Reuters reported. "We look forward to [Saab] now being able to receive the specialist medical attention he needs as well as being able to engage with all his defense, his family as well as access to Venezuela consular officials," Saab's lawyer said in a statement. U.S. authorities allege Saab knows

in detail how Maduro, his family and top aides purportedly siphoned off millions of dollars in government contracts, the AP reported.

Two Million Doses of Covid-19 Vaccine Heading to Brazil

A shipment of two million doses of the Covid-19 vaccine developed by Oxford University and AstraZeneca are being shipped to Brazil, the country's health ministry announced Thursday, the Associated Press reported. The shipment is coming from India and is expected to clear Brazilian customs today in São Paulo before being flown to Rio de Janeiro, the location of the government-run Fiocruz Institute, the wire service reported, citing the health ministry. Fiocruz has partnered with Oxford and AstraZeneca for the distribution and production of the vaccine. Last week, the vaccine was supposed to have been flown to Brazil from India, but the flight was delayed, leading Brazil to start vaccinations instead with the CoronaVac inoculation developed by Chinese biopharmaceutical company Sinovac. Brazil's Butantan Institute has a deal with Sinovac for a supply of its vaccine. Neither Fiocruz nor the Butantan Institute have the needed technology to produce the vaccines in Brazil, so they must

NEWS BRIEFS

Bermuda Charges Former Premier Brown With Graft

Bermuda has charged former Premier Ewart Brown with 13 counts of corruption in connection with an alleged multimillion-dollar scheme involving a U.S.-based hospital, the Associated Press reported Thursday. Brown, who led the British territory from 2006 to 2010, will plead not guilty, according to his attorney. Local prosecutors have accused Brown of illegally receiving millions of dollars via Massachusetts-based hospital Lahey Clinic, in addition to more than \$350,000 in donations for the Progressive Labor Party and the Bermuda Health Foundation. Brown has called the case a "witch hunt."

Brazil's Bank Lending Grew 15.4% Last Year

Brazil's level of bank lending grew 15.4 percent last year, marking its fastest acceleration since 2012, bank lobbying association Febraban said Thursday, Reuters reported. Loans to cash-starved companies facing the economic crisis stemming from the Covid-19 pandemic drove the lending, Febraban said. Corporate loans grew 21.7 percent last year, while loans to individuals grew 10.8 percent. The survey covered 68 percent of Brazil's lending, the wire service reported.

Ambev to Add 1,000 Electric Vehicles to Fleet

Brazilian beermaker Ambev will add 1,000 electric vehicles, including vans and trucks, to its fleet, the company told Reuters on Thursday. Start-up FNM and truckmaker Agrale will supply the vehicles. Ambev is planning to convert its entire fleet, currently one of Brazil's largest at 5,300 trucks, to clean energy. The company hopes to have at least half of its truck fleet operating on clean energy by 2023. Ambev did not disclose the value of the agreement with FNM and Agrale.

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na-based members of the ELN armed force, which has been internationally designated a terrorist organization and in 2019 bombed the Colombian Police Academy, resulting in 21 dead and dozens wounded. Cuba refuses to repatriate about 70 U.S. fugitives, some of whom murdered American police officers and are on the FBI's Most Wanted list. Cuba collaborates with state sponsors of terrorism (Iran, North Korea and Syria), and with Russia and China to undermine U.S. interests. The biggest violation of United Nations sanctions against Pyongyang involved a Korean ship discovered in the Panama Canal in 2014 carrying weapons,

including missiles and jet fighters, hidden under sacks of sugar. The cargoes were loaded in Mariel, Cuba. During President Clinton's administration, Cuba conducted a sophisticated espionage operation against the United States culminating in downing two unarmed propeller planes over international waters, resulting in three U.S. citizens and one lawful resident killed. Cuban spies provided information to the Cuban Air Force MiGs that vaporized the defenseless planes, but also surveilled U.S. military installations. Too many other examples to mention here amply validate Cuba's continued listing as a state sponsor of terrorism."

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rely on imports. Some experts in Brazil said the expected supply of the vaccines in Brazil is too small to vaccinate the country's 210 million people. "Counting doses from Butantan and those from India, there isn't enough vaccine and there is no certainty about when Brazil will have more, or how much," Mário Scheffer, professor of preventive medicine at the University of São Paulo, told the AP. "It will interfere with our capacity in the near-term to reach collective immunity." The Butantan Institute imported six million doses of CoronaVac in order to begin immunizations, and it bottled an additional 4.8 million doses with materials Brazil imported from China. Brazil has more than 8.6 million recorded cases of Covid-19 and more than 214,000 reported deaths from the disease, according to Johns Hopkins University. [Editor's note: See related [Q&A](#) in the Jan. 12 issue of the Advisor.]

ECONOMIC NEWS

Mexican Gov't Preparing Alternative to Central Bank Bill

Mexico's government is working on a banking product intended to help people change dollars and other foreign currencies into pesos as an alternative to controversial legislation that would require the central bank to take the excess cash, The Wall Street Journal reported. Last month, Mexico's Senate passed legislation that would compel the central bank to accept dollars and other currencies that commercial banks are unable to return to the financial system. However, the proposal sparked criticism that it would violate the autonomy of the central bank. Amid the criticism, the lower house of Congress postponed a vote on the legislation. Under efforts to fight money laundering, Mexico limits the amount of foreign cash that businesses and individuals can deposit. Supporters of the bill that the Senate passed say the bill would help people who receive remittances or cash from tourists in Mexico and are unable to convert them to pesos, or must do so at poor rates. However, critics of the leg-

THE DIALOGUE CONTINUES

Can Biden Rebuild U.S. Credibility in Latin America?

Q **Joe Biden took office Wednesday as president of the United States. His inauguration followed tense weeks in Washington surrounding a Jan. 6 riot in which supporters of then-President Donald Trump violently burst into the U.S. Capitol in a deadly insurrection that Trump is accused of inciting. How has the riot at the U.S. Capitol been seen in Latin America and the Caribbean, and to what extent does the civil unrest shake confidence in U.S. leadership and credibility? What effects will Trump's actions as president have on elections and democratic institutions in the region? What must Biden do in order to effectively engage with Latin America on issues such as democratic norms and the rule of law following Trump's presidency?**

A **Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City:** "The insurrection at the U.S. Capitol will have rippling internal and external effects. The protesters violently interrupted a protocolary and constitutional tradition of the U.S. electoral process, which the incumbent president's false allegations of fraud had already hampered. On top of provoking civil unrest, efforts to overturn the results have fragmented the Republican Party and polarized public opinion. Objections in the certification process

isolation, including the central bank, have said the measure could put the Bank of Mexico's \$195 billion in foreign reserves at risk because it could lead it to unwittingly buy dollars from sources that are illicit. The measure could make Mexico a magnet for illicit money "from all the oligarchs of the world," Sergio Luna, a former chief economist at Citibanamex, told Bloomberg News last month. A new banking product could help migrants to exchange cash

have undermined the value and integrity of democratic institutions, and even those were completely overshadowed by an incident that led to five deaths and numerous arrests. The country regarded as the beacon of democracy is enduring a turbulent presidential transition. Trump's legacy, ideology and principles will transcend, resounding across the continent. Often, political trends in the United States trickle down to Latin America. The rise of populist regimes in the region was somehow influenced by Trump's arrival to the presidency. Many leaders, such as Bolsonaro and López Obrador, have enacted policies and shown personality traits aligned with the Trump administration. In that sense, Joe Biden faces considerable challenges in his approach to Latin America. A more ambitious agenda on multilateral platforms, climate change, sustainable development and migration will entail a drastic transformation of regional interactions and the bilateral relations with each country, particularly Mexico. The counterparts will have to decide whether to resist this change or embrace the opportunity of jointly addressing shared problems."

EDITOR'S NOTE: The comment above is a continuation of the [Q&A](#) published in Wednesday's issue of the Advisor.

while also protecting the autonomy of the central bank, Finance Minister Arturo Herrera told The Wall Street Journal. "The bill is in the lower house but it is still pending, and we think that it isn't necessary if we can come up with the right solution," he said. The alternative would allow migrants in the United States to convert dollars to pesos at Banco del Bienestar, a state development bank that serves lower-income sectors of the population, Herrera told the newspaper.

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A **Jonathan Benjamin-Alvarado, assistant vice chancellor for student affairs and professor of political science at the University of Nebraska Omaha:** “I would argue that the decision was a last-ditch effort by a desperate administration to save face and to deliver on ‘promises’ made during the past four years. This is similar to President Trump’s visit to the border wall in South Texas. In both cases, these are meaningless but not without consequence. The challenge of erasing the executive orders and the partial closing of the door on U.S.-Cuba relations has now been made more difficult. The designation forces the Biden administration to reverse the Trump decision and gives credence to an argument that Biden is ‘soft’ on socialism and kowtows to dictators. More likely than not, that was the point of making that decision. While there is no credible evidence of Cuba providing support for terrorism today, the narrative lives and resonates with Trump-supporting constituents in Florida and Texas. For the hardliners in Cuba, it provides them with support for the contention that the United States cannot be trusted to advance relations. This is a recurring theme in U.S.-Cuba relations. I was on a webinar recently where former U.S. Ambassador Barbara Bodine lamented that our relations with other countries are hindered by a constant starting and stopping and reversals in policy from administration to administration. In other words, we do not have foreign policies; what we have are Republican and Democratic policies playing to particular constituencies and not to the countries in question. Trump’s gutting of the State Department, and our capacity to conduct foreign policy, will have a significant short-term negative impact, but I do believe that Biden can place trusted foreign policy veterans of U.S.-Cuba relations into positions where they can engender a modicum of trust in our words and actions moving forward, and work to reinstitutionalize the professional foreign service as a backstop

against what has occurred over the past four years.”

A **Angela Mariana Freyre, former general counsel of the U.S. Export-Import Bank and former special advisor for Cuba policy at the National Security Council:** “In the last days of the Trump administration, we saw an unusually large number of aggressive foreign policy measures and substantive changes in policy covering a broad range of countries and policies. The designation of Cuba again as a state sponsor of terrorism (ironically just days after a stunning act of domestic terrorism at the U.S. Capitol) is just one of many recent policy measures and changes made in an endeavor to both make the work of the incoming administration more difficult and to appeal to the South Florida electoral base. As with other policy measures, the determination reportedly did not follow procedure or customary consultation and used false bases (the Cuban and Norwegian governments are both guarantors of the Colombian protocols, which permit the members of the ELN to continue residing in Cuba). Both undermine the strength and effectiveness of the designation. Although the effects of the determination are symbolic because the embargo already imposes extensive limitations on Cuba (including with respect to arms sales, foreign assistance and multilateral financing), it creates additional uncertainty with respect to Cuba and could place companies doing business with Cuba under greater unnecessary scrutiny. Today we look back with disbelief on the wasteland created by Trump administration policies in Cuba, which added to the misery of the Cuban people. At the same time, we look forward with hope that the new Biden-Harris administration will reverse these counterproductive policies and pursue a smart and humanitarian policy of engagement that benefits the United States and the Cuban people.”

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