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FEATURED Q&A

Will Fujimori Be Able to Overtake Castillo in Peru?



Peruvian presidential candidate Pedro Castillo (pictured) is leading polls ahead of the country's June 6 runoff, but his rival, conservative Keiko Fujimori, has been gaining ground. // File Photo: Castillo Campaign.

Q Polls ahead of the June 6 runoff in Peru's presidential race show a narrowing gap between leftist front-runner Pedro Castillo and his rival, right-wing former legislator Keiko Fujimori. An Ipsos Perú voter simulation published Sunday in *El Comercio* showed Castillo with 51.1 percent support and Fujimori with 48.9 percent, within the 2.8-point margin of error. Recent polls have also shown double-digit percentages of voters who are undecided or would vote blank. What accounts for the shrinking gap between Castillo and Fujimori, and with less than a month until the election, is that trend likely to continue? What is driving support for each candidate? To what extent, and in what ways, have the candidates shifted their positions toward the center in an attempt to capture undecided voters, and what might this mean for the winner's mandate?

A Jo-Marie Burt, senior fellow at the Washington Office on Latin America: "Castillo continues to lead the polls in Peru, but his advantage has narrowed considerably, from 20 points in the immediate aftermath of the April 11 first-round vote to two to six points, depending on the poll consulted. This is surprising given that Keiko Fujimori has a very high rejection rating. The race has evolved to be defined by those who favor the current political and economic model, and those who oppose it. Castillo won in the first round because he successfully channeled popular discontent with the existing neoliberal model, whose limitations have been on full display amid Covid-19. (Peru continues to have among the world's highest per-capita fatality rates.)

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TODAY'S NEWS

POLITICAL

Independents Win Most Seats on Constitutional Body in Chile

Independent candidates won the most votes in Sunday's election for the members of the assembly that will draft a new constitution for Chile. The results were a major setback for President Sebastián Piñera's coalition.

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IN FOCUS

Infrastructure, Vaccines Will Drive Panama's Recovery: Cortizo

An infrastructure plan and the rollout of vaccines will be key to Panama's economic recovery, said President Laurentino Cortizo.

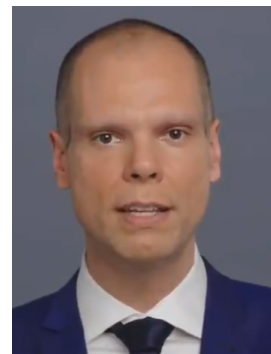
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POLITICAL

São Paulo Mayor Bruno Covas Dies of Cancer at 41

São Paulo Mayor Bruno Covas died Sunday at age 41. He became the city's youngest mayor when he was elected in 2018.

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Covas // File Photo: @brunocovas via Twitter.

POLITICAL NEWS

São Paulo Mayor Bruno Covas Dies of Cancer at 41

Following a two-year battle with cancer, São Paulo Mayor Bruno Covas died Sunday at age 41, the city's press office announced. Covas, who was divorced and is survived by a 15-year-old son, Tomás, had been hospitalized at the Sírio-Libanês Hospital in São Paulo since May 2. Covas' doctors first discovered cancer in his digestive system in 2019, and the disease later spread to his bones. Covas was elected São Paulo's vice mayor in 2016 and became the city's youngest mayor in 2018 after his predecessor, João Doria, stepped down to run for governor of São Paulo state. Covas was re-elected last year with nearly 60 percent of the vote. With Covas' death, the city's vice mayor, Ricardo Nunes, becomes mayor.

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He promised to change the constitution and tackle inequality, which has worsened despite years of high economic growth. Despite her obvious flaws as a candidate—her continued vindication of her father's corruption and abusive government, her obstructionist tactics since 2016, and a criminal accusation against her for money laundering and leading a criminal organization—Keiko has managed to narrow the distance in the polls by positioning herself as the defender of the existing 'model.' She has done this not by outlining concrete policy differences, but rather by mobilizing a brutal but effective red-baiting campaign that has eroded support for Castillo and boosted her own numbers. The media blitz includes frequent appearances by Keiko and her allies on mainstream media, WhatsApp chats, dozens of Facebook accounts (many of which have been canceled for not meeting Facebook's standards) and billboards that have popped up throughout Lima and elsewhere, all

Independents Win Most Votes for Chile Constitutional Body

With 90 percent of the ballots counted from Sunday's election, independent candidates picked up the most votes to make up Chile's constituent assembly, which will draft a new constitution, Reuters reported. Meanwhile, the ruling, right-leaning coalition, known as Chile Vamos, suffered a dramatic loss, garnering just one-fifth of the votes. Proposals reviewed by the 155-member constituent assembly will require two-thirds approval. Without a third of the members, current results would leave Chile Vamos unable to block radical changes to the constitution unless it realigns itself with new allies, according to the report. Chilean President Sebastián Piñera said his government and other traditional political parties should take notice of the "loud and clear" message that they had failed to respond to citizens' needs.

peddling a consistent message: Keiko is the only thing that stands between Peru and 'communism.' It seems grossly anachronistic that such red baiting has become a driving force in an election campaign in 2021, but Castillo's inability to articulate a clear, viable government plan favors Fujimori in the end. The demons of Peru's past continue to dominate its politics. What remains to be seen is whether the anti-Fujimori coalitions that prevented a Keiko victory in 2011 and 2016 will manage to play such a role this time around."

A **María Amparo Cruz-Saco, economics professor at Connecticut College and research associate at Universidad del Pacífico:** "Eighteen candidates participated in Peru's presidential election on April 11. Pedro Castillo, representing left-wing party Perú Libre, won 18.9 percent of the votes. Keiko Fujimori of Fuerza Popular, the

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NEWS BRIEFS

Indigenous Representative Llori Elected Head of Ecuador's Nat'l Assembly

Ecuadorian legislators on Saturday elected Guadalupe Llori, a representative from the Indigenous Pachakutik party, as the new head of the National Assembly, with support from allies of conservative President-elect Guillermo Lasso, Reuters reported. Llori won the legislature's presidency with 71 votes in the 137-chamber. The alliance between Lasso's party, CREO, and Pachakutik sidelined the left-wing party of former President Rafael Correa, UNES, which won the most seats in the assembly earlier this year but failed to secure an outright majority.

U.S. Seeks Extradition of Former Head of Honduras' National Police

The United States has requested the extradition of Juan Carlos Bonilla Valladares, the former head of Honduras' National Police, on weapon charges, the Associated Press reported, citing an unnamed Honduran government official. Honduras' Supreme Court confirmed receiving the request but declined to name the target of the request. U.S. prosecutors last year announced drug charges against Bonilla, who has denied wrongdoing.

Brazil's Petrobras to Keep Fuel Pricing Policy

Brazilian state oil company Petrobras will not change its fuel pricing policy, a company executive said Friday, Reuters reported. The move gives Petrobras ample flexibility to avoid international market volatility when setting fuel prices. Last year, the company extended from three months to one year the period for which it calculates the international price parity of the fuels it sells. The decision means that the median local fuel price must be on par with the international median fuel price, in addition to import costs, over the course of 12 months.

CNN Chile projected independents would win 45 seats, while Chile Vamos would gain 39, the center-left 25, the far-left 28 and a small coalition would win one seat. In addition, 17 seats are reserved for members of Chile's Indigenous communities. Gabriel Boric, a leading member of far-left coalition Broad Front, said the results will lead to major changes in Chile. "We are looking for a new treaty for our Indigenous populations, to recover natural resources, build a state that guarantees universal rights," he said. "We're going to start from scratch and build a new Chile."

ECONOMIC NEWS

Jamaica Microfinance Institutions Urged to Prepare for New Law

Jamaica's minister of state in the Ministry of Industry, Investment and Commerce, Norman Dunn, is urging the country's microfinance institutions to prepare for the July implementation of the Microcredit Act, the state-run Jamaica Information Service said May 14. The law, which was approved in January, seeks to license and regulate microcredit institutions that provide financing to individuals as well as to micro, small and medium-sized enterprises. Among other provisions, the law brings microfinance institutions under the regulatory supervision of the Caribbean nation's central bank, the Bank of Jamaica, or BOJ. "There is going to be a commencement date ... in July, but you will also have a 12-month transition period within which to submit applications for licensing to the BOJ," said Dunn. Proponents of the law also say it will protect consumers by discouraging microcredit providers from charging excessive interest rates. The measure also outlaws predatory lending practices. The government said the law also promotes transparency through the disclosure of lending rates and other loan terms. It also has provisions that seek to prevent money laundering, according to the Jamaica Information Service. Jamaica's government is planning a public education campaign to explain provisions of

IN FOCUS

Cortizo Bets on Vaccines, Infrastructure for Panama's Economic Recovery

By Diana Roy

WASHINGTON—Panamanian President Laurentino "Nito" Cortizo said Thursday that he expects the country to experience a strong economic recovery from the Covid-19 pandemic, in line with the World Bank's projection of 9.9 percent growth this year, after an 18 percent contraction last year.

The Covid-19 pandemic exacerbated Panama's financial problems, with the fiscal deficit rising to 10.1 percent last year and public debt growing to 69.8 percent of GDP.

To offset this, the government is implementing a 125-point plan that will boost the country's economic recovery, Cortizo said during an online event hosted by the Woodrow Wilson International Center for Scholars. The plan focuses heavily on public works, including a \$7.7 billion investment in infrastructure and a new \$2.8 billion monorail in Panama City.

Cortizo said any economic recovery plan depends on a strong rollout of Covid-19 vaccines. Panama, which has a population of approximately 4.4 million, currently has about 9.1 million vaccine doses, of which about seven million are Pfizer and the rest are AstraZeneca, Cortizo said. The country has already administered more than 834,000 doses of Covid-19 vaccines, or 20 per 100 people, according to The New York Times.

the law, said Dunn. He added that micro, small and medium-sized enterprises, which account for 90 percent of Jamaica's private sector, are an important part of the country's plans for economic growth. The measure has received

Additional aspects of Panama's recovery plan include bolstering small and medium-sized enterprises, focusing on infrastructure to create employment opportunities, generating resources for the financial sector and economic activities such as construction projects, as well as attracting more foreign direct investment, Cortizo said.



Cortizo // Photo: Wilson Center.

Migration and climate change present challenges to the country's economic recovery, said Cortizo. There has been a large increase in the number of migrants traveling

from Colombia to Panama over the past few years, the president said. While the Panamanian government is allocating part of its budget to "comply with the human rights that we should guarantee" to migrants, including housing, food and health care needs, paying for such necessities is costly for the government, said Cortizo.

Regarding climate change, big countries "are talking a lot, but doing very little," Cortizo said. "It worries us because we have been seeing, every year, the impact of drought on the Panama Canal," which then affects food production and economic growth, the president added. However, with the new Biden administration in the United States, Cortizo said, "we can have a world that acts on climate change."

support from Jamaican financial institutions. Gillian Hyde, the general manager of JN Small Business Loans, said last month that microfinance institutions are welcoming the law, the Jamaica Gleaner reported.

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daughter of authoritarian President Alberto Fujimori, won 13.4 percent. The election was extremely close, and both candidates were fortunate to reach the second round, though they collectively failed to capture a majority of the vote. Fujimori was especially lucky that an investigation into her involvement in a money laundering scandal moved slowly enough to allow her to run. Now, Peruvian citizens—the majority of whom voted for other candidates—must decide between two polarizing options. Opinion polls favored Castillo, who had a 20-point lead in the first weeks after the election. Traditionally marginalized people, especially in rural areas, have endorsed him. He proposes to structurally change the economic model of the country and is in favor of significant resource redistribution. His confrontational narrative, however, has softened in recent weeks. His change of tone contrasts with the anti-establishment rhetoric of his party's chief, Vladimir Cerrón. Though some question the sincerity of Castillo's move, he appears to be distancing himself from Cerrón to appeal to moderates. He has also secured the support of Verónica Mendoza, a moderate left-wing politician, and her cadre of progressive professionals with public policy experience. Fujimori, who lost in the 2011 and 2016 runoffs, seems to be implementing a pretty successful campaign. She is proposing populist policy offerings such as the distribution of mining revenue directly to the people in cash transfers and the increase of social pensions for the elderly. She savvily equated Castillo to communism, poor public policy and unfreedoms. These claims are scaring voters in Lima and have coincided with a serious weakening of the Peruvian currency. Fujimori has toned down her hard stance on gender and identity-based approaches to education and gay marriage. Perhaps as a result of this moderation—and a growing institutional consensus of her as the lesser of two evils—Keiko has managed to narrow the gap substantially.”

A **Katya Salazar, executive director of the Due Process of Law Foundation:** “The results of Peru’s first-round election showed a country dramatically divided between Lima and the rest of the country. With almost 30 percent absenteeism and 18 percent null and blank votes, it also confirmed a deep frustration with traditional politics while the country’s main representatives were dragged to the bottom of the list. In this somber context, Pedro Castillo, a rural teacher and union leader representing Perú Libre, a self-defined leftist-Marxist party, received the majority of the votes. Keiko Fujimori came in second. Since the first round, the difference in the polls between the two candidates has been steadily narrowing. While the rejection vote for Keiko is huge, the fear of a ‘communist’ government that would take Peru down the same path as Venezuela or Cuba is even bigger. Billboards along main roads with messages of ‘protecting us from communism’ and accusations that Castillo allies are part of or close to the Shining Path or have close ties to Venezuela and Cuba have also been contributing to this fear and moving traditionally anti-Fujimori voters to support Keiko. Furthermore, Castillo hasn’t yet articulated a response to these accusations, and he hasn’t shared a road map for how he would govern the country. He has also avoided saying who he would work with. Meanwhile, Keiko has tried to discreetly distance herself from the Fujimorismo ‘hard core.’ Both candidates have recently signed a ‘Proclama Ciudadana,’ or citizen commitment, to respect institutions and the rule of law as promoted by the Catholic and Evangelical churches as well as civil society. Everything indicates that the gap will continue to narrow but, as we saw in the recent elections, the ‘rest of the country’ could surprise us—again—on June 6.”

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

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