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FEATURED Q&A

Will Haiti's Henry Win Support for His Initiatives?



Prime Minister Ariel Henry has said Haitians will vote on constitutional changes and elect a president next year. // File Photo: Haitian Government.

Q Haitian Prime Minister Ariel Henry on Sept. 27 dissolved the country's electoral council, saying it would be replaced by a new council with more public acceptance, and postponed the country's presidential election until next year. At the same time, Henry said Haitians would vote in February on several proposed constitutional changes, including a limit of two terms for president, mandatory military service and the creation of a vice presidential post to replace the position of prime minister. What would such changes to the constitution mean for Haiti's future political stability? What do Henry's actions since he took over as prime minister show about his intentions, ability to govern and capacity to stabilize the country? Does he have enough support to effectively carry out his initiatives? What will be the impact of accusations against Henry, which he denies, of ties to President Jovenel Moïse's assassination?

A Robert Fatton, Julia Cooper Professor of Politics in the Department of Politics at the University of Virginia: "At the urging of the 'Core Group' led by the United States, Ariel Henry became Haiti's prime minister on July 20, two weeks after the assassination of President Jovenel Moïse. Henry has pledged to establish an inclusive government, create a new electoral council and organize a constitutional referendum in February as well as new elections by the end of 2022. In addition, Henry promised to restore order and continue the investigation into the mysterious circumstances of Moïse's death. It is doubtful that the prime minister will fulfill his promises.

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Auto Production Plunges in Brazil, Mexico Amid Chip Shortage

Automotive production plunged in Latin America's two largest economies amid a shortage of semiconductor chips. Railroad blockades in Mexico also took a toll on auto production.

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BUSINESS

Argo Group Announces Sale of Brazil Operation

Argo Group International announced that it is selling its Brazilian insurance unit to Spice Private Equity.

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POLITICAL

Bellido Sacked as Peruvian Prime Minister

Peruvian President Pedro Castillo dismissed controversial Prime Minister Guido Bellido, replacing him with former Congresswoman Mirtha Vásquez. Castillo also changed the heads of the mining ministry and labor ministry.

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Bellido // File Photo: Agencia Andina.

POLITICAL NEWS

Peru's Castillo Ousts Prime Minister in Cabinet Shuffle

Leftist Peruvian President Pedro Castillo on Wednesday ousted his divisive prime minister, Guido Bellido, replacing him with Mirtha Vásquez, a former interim president of Congress and moderate leftist who is not a member of Castillo's Free Peru party, the Financial Times reported. Castillo made six other changes to his cabinet, naming businessman Eduardo González to head the mining ministry and removing Iván Merino from that post. Castillo also dismissed Labor Minister Iber Maraví, replacing him with Congresswoman Betssy Chávez, El Comercio reported. Among the officials remaining in their position is Finance Minister Pedro Francke. Bellido said he did not know why he was dismissed, but he said that he assumed the president was acting "according to his convictions and political criteria," the Financial Times reported. "We don't know what the causes are. What we know is that today the president has asked us to submit our letters of resignation, and immediately we complied with that request," Bellido told reporters. Castillo's dismissal of Bellido was seen as a move to

moderate the cabinet. A Marxist, Bellido had expressed sympathy for the Maoist Shining Path guerrilla group whose insurgency left 70,000 people dead in the 1980s and 1990s, the Financial Times reported. Castillo's naming of Bellido as his prime minister in July "sent shockwaves through markets, toppling Peruvian stocks and pushing the sol to near-record lows," Mariana Zepeda, Latin America analyst at FrontierView, told the Advisor in a [Q&A](#) published Aug. 12. Last month, Castillo was in the United States, trying to convince potential investors to put money into Peru, while at the same time Bellido was telling the foreign owners of the country's largest natural gas project that they needed to hand over more of their profits to the government or else risk nationalization of their assets.

BUSINESS NEWS

Argo Announces Sale of Brazilian Insurance Unit

Argo Group International announced earlier this week that it is selling its Brazilian insurance unit, Argo Seguros Brasil, to Spice Private Equity for 160 million reais (\$30 million), Insurance

NEWS BRIEFS

Just 37% of People in Latin America, Caribbean Are Vaccinated: PAHO

Only 37 percent of people in Latin America and the Caribbean have been vaccinated against Covid-19, the director of the Pan American Health Organization said Wednesday, CNBC reported. Chile and Uruguay have vaccinated more than 70 percent of their populations, while countries including Argentina, Ecuador and Panama have vaccinated 50 percent or more. At least 10 countries in the region, including Guatemala, Honduras and Venezuela, have vaccinated less than 25 percent, and Haiti has immunized less than 1 percent, according to Our World in Data.

Colombia Deploys 14,000 Troops to Border to Fight Drug Trafficking

Colombia on Wednesday deployed a new unit of 14,000 military personnel to the northeastern province of Norte de Santander, at the Venezuelan border, a conflict hotspot where several armed groups fight each other for control of cocaine production, Reuters reported. The new unit, called CENOR, is the largest in Colombia's recent history.

Brazil's Lower House Calls on Guedes to Testify Over 'Pandora Papers'

Brazil's lower house of Congress on Wednesday agreed to call on Economy Minister Paulo Guedes to testify regarding his offshore investments after the so-called Pandora Papers mentioned his name, Reuters reported. The journalistic investigation, based on a major leak of confidential documents from 14 offshore service providers in tax havens such as Panama, the British Virgin Islands and the Bahamas, alleged Guedes has used tax havens over the years. The minister has denied any wrongdoing, ethical or legal.

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The recent natural catastrophes that have devastated the nation's southern region and the migratory crisis on the Mexico-U.S. border, which resulted in the deportation of thousands of Haitians back to their homeland, have complicated matters for Henry. Moreover, his government has failed to check the generalized insecurity created by the violent gangs controlling large swaths of Port-au-Prince. Finally, Henry's phone conversations with Joseph Badio, one of the alleged 'architects' of Moïse's assassination, immediately after the president's killing, have raised eyebrows. Henry has denied any wrongdoing but has given no explanation

for these suspicious calls. While the prime minister reached an agreement on Sept. 11 with members of the opposition as well as former supporters of President Moïse, so far, none of the agreed upon actions have been implemented, except for the dismissal of the controversial electoral council that Moïse appointed. Large sectors of civil society that have called for a 'Haitian solution to Haitian problems' portray Henry as an illegitimate imposition by the international community. These sectors seek a longer transitional period, arguing correctly that organizing elections amid the current conditions of polarization, insecurity and logistical

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Journal reported. Argo Group is an underwriter of specialty insurance, and Spice's investments are managed by GP Advisors, a wholly owned subsidiary of GP Investments, the publication reported. The transaction is subject to regulatory approval and is expected to close by the end of the year. "This sale is an important milestone in the evolution of Argo Brasil and supports the Argo Group operating strategy to focus on U.S.-based specialty insurance risks," Andy Borst, the interim president for international operations at Argo Group, said in a statement. Seneca Evercore was the financial advisor on the deal, and TozziniFreire Advogados acted as legal counsel, Insurance Journal reported. Argo Group launched its Brazilian unit in 2011 "with a local team of insurance executives to build a new insurance brand in the Brazilian insurance market," Borst added.

ECONOMIC NEWS

Chip Shortage Leads to Plunge in Brazil, Mexico Auto Output

Automotive production in Latin America's two largest economies plunged in September amid an industrywide shortage in semiconductor chips as well as railroad blockades in Mexico, Reuters reported, citing data released Wednesday. Brazilian auto output was down 21.3 percent to 173,287 vehicles in September as compared to the same month last year, when the industry was struggling to revamp production after the coronavirus-related shutdown, Brazilian automakers association Anfavea said. Meanwhile Mexico's auto production declined 33.3 percent in the same period to 208,092 units. Mexico's auto exports also fell by 24.18 percent to 195,294 vehicles, according to data from national statistics agency INEGI. "All of this is due to the shortage of semiconductors, which at this point is affecting all levels of production for all participants in the domestic market," said Fausto Cuevas, the head of the Mexican Automotive Industry Association, Reuters reported. Cuevas estimates that Mexico's auto exports will fall between 3.8 percent and

THE DIALOGUE CONTINUES

Who Has the Edge Ahead of Honduras' Presidential Vote?

Q National Party candidate Nasry "Tito" Asfura, the mayor of Tegucigalpa, is leading in the polls ahead of the Honduran presidential election in November, with 21 percent support, according to a CID-Gallup poll released Sept. 10. Former First Lady and Libre candidate Xiomara Castro, as well as television presenter Salvador Nasralla, were both three points behind Asfura in the poll. How is the race shaping up? What issues will be the most important to voters in November, and how significant will allegations of corruption and fraud against candidates and their close allies be? What is at stake for Honduras, given who wins the election?

A Enrique Rodríguez Burchard, managing partner at Aguilar Castillo Love: "Even though the most popular sentiment is 'fuera JOH,' referring to President Hernández, the opposition is demonstrating—just as it did in the last two elections—its inability to join forces and form a single bloc that could easily win, leaving the ruling party with ample possibilities of victory. Charismatic Mayor Asfura, who connects easily with the people through his simple speech, is leading the ruling party this election. He is a conciliatory figure who avoids insulting opponents and has demonstrated his

managerial skills through the transformation of the capital city. The absence of structural electoral reforms has left the country without a second round of voting; therefore, the winning candidate will be elected with a small percentage of the votes, and with the enormous challenge of taking office without the support of the majority of the population. Economic problems are voters' main concern, as they attribute other social ills such as migration, lack of education, poor health and violence to the economy. The new president must focus on addressing these problems immediately, in addition to starting the immense task of rebuilding the institutional framework in the country, deteriorated by an undemocratic concentration of power. Honduras is a peaceful country, with a tolerant population that has a tender heart that never loses hope. The simple change of government will be a respite for its inhabitants. For this reason, the international community must ensure that the results of the elections are respected, and that Hondurans once again believe in democracy and in their ability to forge their own destiny without abandoning national borders."

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

4.2 percent this year as compared to 2020 and production will decline between 4.7 percent and 5 percent. Cuevas also forecasts that the Mexican auto industry will not return to pre-pandemic levels until 2024, the wire service reported. A lack of semiconductor chips has hit the global auto industry, leading to output cuts, with auto industry officials warning of a worsening situation. Because of the shortage, Japanese carmaker Nissan's Mexico unit

announced Wednesday that it would temporarily halt production at two of its plants in the country for several days in October. The stoppages will affect Nissan's plant 2 in the central state of Aguascalientes for 11 days this month, and the CIVAC plant in Morelos state for eight days, Reuters reported. Nissan said in a statement that it was working to make good on its deliveries of vehicles to customers and distributors.

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unpreparedness can only lead to a contested outcome. Finally, Henry's promise to hold a referendum on a new constitution that has barely been debated is unlikely to solve Haiti's problems. The rush into a referendum and elections is misguided; it repeats previous, failed strategies and is likely to lead to another version of the decaying present."

A James Morrell, executive director of the Haiti Democracy Project: "Henry has laid out a clear agenda—an inestimable advantage. He also comes with an excellent personal reputation. The constitutional changes, if voted, will not increase stability. They are mainly for the foreigners. The electoral changes are a gamble that the sectors will respond by nominating people of reputation. That would be a net gain from the departed electoral commission of unknowns. Yet the nominations could be overtaken by the bitter factionalism that has already begun. Haiti's politics are wracked by powerful factions that seek only the spoils of office. In the latest imbroglio, an ex-president and ex-prime minister are pitted against each other. Don't ask for the rhyme or reason of these alignments. By the time you get an explanation, they will have all shifted places again. The accusation that Henry was involved in the assassination signals that the factional struggle has begun. Henry responded in kind by firing the justice minister and chief prosecutor. These are but the preliminaries to the desperate struggle to come. While this usual churning goes on, the gangs have taken more than 50 percent of Port-au-Prince. This means that the fate of Henry's initiatives will be decided in Washington, not Haiti. Just as the withdrawal of the U.N. mission in 2017 brought on Moïse's assassination, so Biden's turndown of Haiti's request for security assistance exposes Henry to the same danger. Daniel Foote was right to insist on a purposeful policy. Washington's Rip Van Winkle policy

leaves the field to factions and gangs. It will produce a Haiti unfit to receive refugees, but very proficient in generating them."

A Emmanuela Douyon, executive director of Politicé: "Ariel Henry is trying to carry out Jovenel Moïse's plan to change the constitution. A majority of Haitians took to the streets to protest Moïse's plan for constitutional changes at the beginning of the year. Nothing has changed to justify that this is now a good idea to do it. Henry, an acting prime minister, nominated in unusual circumstances, is ruling alone. Not only is changing the constitution in the way Henry is trying to do now illegal and not backed by popular support, his attempt will bring even more instability. This action will be one more cause of division among political actors and people from civil society. Since Henry took over as a prime minister, he has done more to ensure he stays in power than pushing for a dialogue to find a solution to the crisis. He fell into the trap of wanting to maintain power like others before him, and he does not have popular legitimacy. Henry can only rely on the inability of the other actors to reach a large consensus and implement his plan for the transition period and the support of the Core Group to remain in power. The accusations against him in the case of the assassination of Moïse are not to be taken lightly. At any moment, this can be used against him."

[Editor's note: Haiti's embassy in the United States declined an invitation from the Advisor to submit a commentary for this issue. Additionally, see [video](#) of the Dialogue's Sept. 29 event "Haiti's Crisis Deepens – What Must Be Done Now?"]

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

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