

## BOARD OF ADVISORS

### Diego Arria

Director, Columbus Group

### Devry Boughner Vorwerk

CEO, DevryBV Sustainable Strategies

### Joyce Chang

Global Head of Research,  
JPMorgan Chase & Co.

### Paula Cifuentes

Director of Economic & Fiscal Affairs,  
Latin America & Canada,  
Philip Morris International

### Marlene Fernández

Corporate Vice President for  
Government Relations,  
Arcos Dorados (McDonald's)

### Peter Hakim

President Emeritus,  
Inter-American Dialogue

### Donna Hrinak

Senior VP, Corporate Affairs,  
Royal Caribbean Group

### Jon E. Huenemann

Council Member,  
GLG Inc.

### James R. Jones

Chairman,  
Monarch Global Strategies

### Craig A. Kelly

Senior Director,  
Int'l Gov't Relations, Exxon Mobil

### Barbara Kotschwar

Executive Director, Visa Economic  
Empowerment Institute

### John Maisto

Director, U.S. Education  
Finance Group

### Nicolás Mariscal

Chairman,  
Grupo Marhnos

### Thomas F. McLarty III

Chairman,  
McLarty Associates

### Beatrice Rangel

Director,  
AMLA Consulting LLC

### Jaana Remes

Partner,  
McKinsey Global Institute

### Ernesto Revilla

Head of Latin American  
Economics, Citi

### Gustavo Roosen

President,  
IESA

### Andrés Rozental

President, Rozental &  
Asociados

### Shelly Shetty

Managing Director, Sovereigns  
Fitch Ratings

## FEATURED Q&A

# What Will Joining a New Party Mean for Brazil's Bolsonaro?



On Tuesday, Brazilian President Jair Bolsonaro formally joined the country's Liberal Party ahead of his re-election bid next year. // File Photo: Brazilian Government.

**Q** Brazilian President Jair Bolsonaro on Nov. 10 agreed to be the candidate for the centrist Liberal Party in the 2022 presidential elections, following two years of governing as an independent after breaking with the far-right Social Liberal Party. Bolsonaro's announcement came on the same day that Sergio Moro, a former justice minister and the renowned judge behind the "Car Wash" corruption investigation, joined another centrist party, Podemos, and expressed interest in running for president. What does Bolsonaro's joining the Liberal Party mean for his re-election campaign, and does it signal a shift in his politics toward the center? How would Moro's potential candidacy change the electoral landscape, and would he stand a chance against Bolsonaro and former leftist President Luiz Inácio Lula da Silva, who is also expected to run?

**A** Anya Prusa, senior director of the Americas Practice at the **Albright Stonebridge Group**: "With 10 months until the first round of the presidential election, the political jockeying has begun in earnest. Former President Luiz Inacio Lula da Silva is reportedly considering former rival Geraldo Alckmin as a running mate. Former Operation Car Wash judge and justice minister Sergio Moro joined the Podemos party and is openly mulling a 'third way' run that could crowd out less competitive challengers. On Tuesday, President Jair Bolsonaro formally joined the center-right Liberty Party (PL) of the powerful Centrão coalition, after two years as an independent. It is a pragmatic marriage for political survival, rather than an indication of the president moving to the political center. Despite his anti-establishment campaign

Continued on page 3

## TODAY'S NEWS

### ECONOMIC

## Mexico, U.S. Unveil Aid Initiative for Central America

Mexico and the United States announced a joint aid initiative for Guatemala, El Salvador and Honduras, the so-called "Northern Triangle" countries of Central America.

Page 2

### BUSINESS

## Copper Prices Likely to Fall Next Year: Codelco CEO

Copper prices are likely to fall to between \$3.80 and \$3.90 per pound, said the chief executive officer of Chilean state-owned mining company Codelco.

Page 3

### POLITICAL

## Former Argentine President Macri Charged With Spying in Sub Case

Former Argentine President Mauricio Macri was charged with carrying out illegal surveillance on the families of 44 sailors who died in a 2017 accident. Macri said the charges are politically motivated.

Page 2



Macri // File Photo: @mauriciomacri via Twitter.

## ECONOMIC NEWS

## Mexico, U.S. Unveil Aid Initiative for Central America

Mexico and the United States on Wednesday announced a joint aid initiative for Guatemala, El Salvador and Honduras, the so-called “Northern Triangle” countries of Central America, in an effort to stem the flow of migrants from those nations, the Associated Press reported. The U.S. Agency for International Development said the plan, known as “Sembrando Oportunidades,” or “Planting Opportunities,” is “a new framework for development cooperation to address the root causes of irregular migration from northern Central America.” The plan has a similar name as Mexican President Andrés Manuel López Obrador’s tree planting program, known as “Sembrando Vida,” for which he has sought U.S. support. However, the plan announced Wednesday does not contain any specific U.S. commitments for Mexico’s forestry program, nor does it contain any other specific commitments for funding by the United States, the AP reported. The new cooperation plan involves both the United States and Mexico working through their own development aid agencies, the wire service reported. For Honduras, the new plan aims to help as many as 500,000 youths, mainly through scholarships and training programs, the AP reported. The United States and Mexico “plan to bring abilities and experiences to young people with the aim of guiding them into long-term employment, reducing the risk of irregular migration,” Mexico’s foreign ministry said in a statement. Support for Guatemala and El Salvador will involve programs to encourage good business and governance practices and will also include aid. Separately, the U.S. and Mexican governments have also reached an agreement to restart the “Remain in Mexico” program, which was started during the administration of former U.S. President Donald Trump. The Washington Post reported Wednesday, citing two unnamed U.S. officials and one Mexican government official. The program requires asylum seekers

to wait outside of the United States while their requests for asylum there are being processed. The two governments are today expected to announce the agreement to restart the program, the newspaper reported. The program, formally known as the Migrant Protection Protocols, is expected to resume next week in San Diego as well as in Brownsville, Laredo and El Paso in Texas. The relaunched program “will be fairly close to the previous version,” an unnamed official with knowledge of the plans told The Washington Post. The Trump administration used the program to return more than 60,000 asylum seekers to Mexico, where many fell victim to gangs, kidnappers and extortionists. After taking office last January, current U.S. President Joe Biden ended Remain in Mexico, calling it inhumane. However, Republican officials in Texas and Missouri sued the Biden administration and won an injunction in August that required the government to restart the program. [Editor’s note: See related [Q&A](#) in the June 30 issue of the Advisor.]

## POLITICAL NEWS

## Former Argentine President Macri Charged With Spying

Former Argentine President Mauricio Macri was charged on Wednesday with carrying out illegal surveillance of the families of 44 navy sailors who died in the ARA San Juan submarine accident in 2017, BBC News reported. Family members have said they had been intimidated and followed, and that their phones had been tapped after accusing the Argentine navy for failing to properly maintain the submarine. Argentine Judge Martín Brava did not issue an arrest order for Macri, but he did order an embargo of almost \$1 million of Macri’s assets and restricted him from leaving Argentina, the Associated Press reported. In addition to the illegal surveillance charge, the former president was charged with “creating conditions for data of persons to be collected, stored and used,” Deutsche Welle reported. To date, 12 people

## NEWS BRIEFS

## Brazil’s Senate Confirms Conservative Mendonça to Seat on Supreme Court

Brazil’s Senate on Wednesday approved André Mendonça as a justice on the Supreme Court, the Associated Press reported. President Jair Bolsonaro had tapped Mendonça, a conservative evangelical former justice minister and attorney general for the post. Last year, Bolsonaro had tapped moderate Kássio Nunes for a seat on the court, but that appointment caused controversy among Bolsonaro’s evangelical base. There is a progressive lean in the high court, but Mendonça’s appointment may push the court to the right, Reuters reported.

## Mexico’s Actinver Appoints Martínez Trigueros as CEO

Actinver, a private Mexican bank and investment manager, has announced the appointment of Lorenza Martínez Trigueros as the new CEO and general manager of the bank, Citywire Americas reported Wednesday. The first female CEO of Actinver, Martínez Trigueros formerly headed the bank’s digital unit, where she was tasked with increasing its client base to more than 100,000, Citywire Americas reported.

## Shareholders Approve Merger of Brazil’s Banco Pan, Mosaico Tecnologia

Shareholders of Brazil’s Banco Pan and e-commerce technology firm Mosaico Tecnologia ao Consumidor have approved a merger of the two companies, Reuters reported Wednesday, citing securities filings. In October, Banco Pan said it had reached an agreement to acquire Mosaico in an all-stock deal. Banco BTG Pactual is a controlling shareholder in Banco Pan, in which it has a 13.3 percent stake. Banco Pan and Mosaico said in their securities filings that the deal is subject to regulatory approval.

have been charged with violations related to this event, including Gustavo Arribas and Silvia Majdalani, two of the highest in command of the Federal Intelligence Agency under Macri. The former president and current opposition leader has maintained that he was not involved in spying on the families or in ordering surveillance against them. "I have said all along that this was political persecution that would end this way," Macri told reporters on Wednesday, Deutsche Welle reported.

## BUSINESS NEWS

### Copper Prices Likely to Fall Next Year: Codelco CEO

Copper prices are likely to fall next year to between \$3.80 and \$3.90 per pound, down from their current level of just under \$4.30 per pound, the chief executive officer of Chilean state-owned copper miner Codelco said Wednesday, *Diario Financiero* reported. "It's always very hard to forecast prices, especially in the short and medium term, but next year we will probably have prices slightly lower than this year," CEO Octavio Araneda told reporters during the launch of a virtual operations center, Reuters reported. Politicians in Chile and Peru, the world's largest and second-largest copper producers, respectively, are seeking to hike taxes on mining companies in order to receive more profits from elevated prices. However, Araneda said he is less optimistic about prices, saying that supply for the metal will be higher than demand until 2024, Reuters reported. Araneda said Codelco's production of copper this year and next year will likely be similar its output in 2020, when it produced 1.6 billion metric tons of copper, Reuters reported. The Codelco CEO's forecast for copper prices was more pessimistic than that of Chile's copper regulator, Cochilco, which said last week that it expects prices to fall to about \$3.95 per pound in 2022.

## FEATURED Q&A / Continued from page 1

in 2018, Bolsonaro has come to rely on the Centrão for the passage of his agenda and protection from impeachment. For its part, the PL will use Bolsonaro's presence to boost down-ballot candidates (with Bolsonaro as its nominee in 2018, formerly obscure PSL became the second-largest party in Congress) and secure a stronger negotiating position in Congress post-election, even if Bolsonaro loses. Indeed, Bolsonaro and Moro (currently a distant third in the polls) both need to make up significant ground to defeat frontrunner Lula. Bolsonaro is already leveraging the powers of the presidential purse to strengthen support—boosting social welfare distributions through Auxílio Brasil and promising to raise public sector salaries. However, in a race where many will be voting against the candidate they detest most, rejection may matter more than support—and according to a recent poll, Bolsonaro and Moro have the highest rejection rates among the likely candidates."

**A Kenneth Maxwell, founding director of the Brazil studies program at Harvard University's David Rockefeller Center for Latin American Studies:** "The Brazilian presidential election is now only 10 months away, and the political maneuvering is already intense. Bolsonaro is seeking to expand his parliamentary base as well as form alliances at the state and municipal levels, neither of which is ever easy. His approach to the Liberal Party aims to procure more centrist support. Bolsonaro's protagonist next year, however, will be former President Lula, and there will be a clash of two antagonistic visions of Brazil with two entirely contradictory agendas. Last month, Lula triumphantly toured Europe, where he was hailed as a hero by the European Parliament, was received by President Macron with head-of-state honors at the Élysée Palace and spoke to adoring students at Sciences Po. Meanwhile, Bolsonaro was visiting the Gulf States seeking to repair relations between

them and Brazil, as those states import \$5 billion worth of Brazilian halal meat each year and were upset by Bolsonaro's Pentecostal-inspired approximation with Israel. Former Judge Sergio Moro, who was

“ There will be a clash of two antagonistic visions of Brazil with two entirely contradictory agendas.”

— Kenneth Maxwell

formerly Bolsonaro's justice minister, seeks to be a centrist presidential contender. He was responsible for Lula's imprisonment. But so far, his prospects look dim. The contest between Lula and Bolsonaro will be bitter. Each enjoys deep grassroots, antagonistic and mobilized support. Both are experienced street fighters. Each has networks of powerful international supporters on the right and the left who see Lula and Bolsonaro as existential threats. One thing is certain: the stakes are very high in Latin America's largest democracy, and it will not be a pretty contest."

**A Tabata Amaral, Brazilian Socialist Party member of Brazil's Chamber of Deputies:** "Bolsonaro's agreement to run under the Liberal Party banner says more about him than about the party itself. The Liberal Party is known as an important constituent of the so-called Centrão, a group of parties that traditionally side with those in power for convenience and benefits. President Bolsonaro heavily criticized this political approach in his 2018 campaign. Bolsonaro was elected under the anti-corruption flag, but since he took office, the scheme for buying support from parliamentarians has become even more sophisticated and expensive. If it is still unclear to part of the Brazilian pop-

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

ulation, in every move the president shows that his only concern is to remain in power, protect his relatives and his authoritarian and anti-democratic project.”

**A** **Mauricio Santoro, assistant professor in the Department of International Relations at the State University of Rio de Janeiro:** “Jair Bolsonaro has been a professional politician for 30 years, but he based his successful run for Brazil’s presidency in 2018 on his image as an outsider rebelling against

“**Throughout his political career, he has been a member of eight political parties...**”

– Mauricio Santoro

a corrupt system. Bolsonaro identified himself primarily with the army, where he was an officer, achieving the rank of captain. Throughout his political career, he has been a member of eight political parties, usually small or middle-sized conservative organizations. Once in office, he left his party, the Social Liberal Party (PSL), due to conflicts with its leadership on how to distribute the public funds that Brazilian law gives to political parties among its candidates. Bolsonaro tried and failed to create his own political party, Aliança Brasil, mostly because regional leaders did not want to submit to his family and close allies. His decision to join the Liberal Party (PL) is a necessity in order

to run for re-election in 2022, although it also highlights the limits of his outsider strategy: he can use that rhetoric to win elections, but he must count on professional politicians to rule. Brazil’s 2020 mayoral and city council elections showed that the mood of voters is now more oriented to elect veteran administrators who can face the challenges of the pandemic and recession. They will judge Bolsonaro by his record in office, not by his rants against the political establishment.”

**A** **Luiza Duarte, global fellow at the Brazil Institute & Wilson Center:** “Bolsonaro joining the Liberal Party (PL) represents a strategic move for structuring the presidential campaign much more than an ideological shift to the center-right. Bolsonaro is maintaining his far-right narrative and is forming an alliance to get a party structure, budget and screen time, as well as to try to prevent the PL from supporting opponents. Bolsonaro sought a party with a large political base at the state level for his re-election campaign. The PL is also the third-largest party in Congress. This move will also attract other names to the PL, and Bolsonaro wants to promote the election of allies to the Senate. Moro’s candidacy will try to capture ‘anti-petismo’ votes (those against the Workers’ Party), making the candidacy of Ciro Gomes and other names of the so-called ‘third way’ more complicated. However, only Lula and Bolsonaro have scored a two-digit voting intention so far.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

**Erik Brand**

Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Leticia Chacón**

Reporter  
[lchacon@thedialogue.org](mailto:lchacon@thedialogue.org)



**Michael Shifter**, President

**Rebecca Bill Chavez**, Nonresident Senior Fellow

**Bruno Binetti**, Nonresident Fellow

**Sergio Bitar**, Nonresident Senior Fellow

**Joan Caivano**, Senior Advisor

**Santiago Cantón**, Director, Rule of Law Program

**Kevin Casas-Zamora**, Nonresident Senior Fellow

**Julia Dias Leite**, Nonresident Senior Fellow

**Ariel Fiszbein**, Director, Education Program

**Sandra García Jaramillo**, Nonresident Senior Fellow

**Selina Ho**, Nonresident Senior Fellow

**Edison Lanza**, Nonresident Senior Fellow

**Nora Lustig**, Nonresident Senior Fellow

**Margaret Myers**, Director, Asia Program

**Manuel Orozco**, Senior Fellow

**Xiaoyu Pu**, Nonresident Senior Fellow

**Jeffrey Puryear**, Senior Fellow

**Tamar Solnik**, Director, Finance & Administration

**Lisa Viscidi**, Director, Energy Program

**Denisse Yanovich**, Director of Development

**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

Subscription inquiries are welcomed at [ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.