

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

Which Candidate Has the Edge Ahead of Costa Rica's Vote?



Costa Ricans head to the polls for their country's presidential election in two and a half weeks. Among the front-runners, according to recent polls, is former President José María Figueres. // File Photo: Facebook page of José María Figueres.

Q Costa Ricans will go to the polls for the country's presidential election on Feb. 6. Former President José María Figueres of the center-left National Liberation Party (PLN) and Lineth Saborío of the center-right Social Christian Unity Party (PUSC) have been leading polls, but neither has more than 20 percent support, with some two dozen candidates in the race. The number of candidates, along with decreasing voter turnout, has led to more electoral uncertainty, and polls show that many voters remain undecided. If no single candidate reaches more than 40 percent of the vote, a runoff will be scheduled for April 3. What issues will be the most important to Costa Rican voters in February? What challenges does the high number of candidates for the presidency present, and what does this say about political polarization in the country? What is at stake for Costa Rica in the race?

A Francisco Chacón-González, attorney at Zurcher Odio & Raven in Costa Rica: "The low growth of the Costa Rican economy and unemployment are the most serious problems facing the country. These problems have been dragging on for several years and have been aggravated by the persistent fiscal deficit (half-attended) and the health measures adopted to respond to the Covid-19 pandemic. The four candidates that today appear to have the possibility of going on to the second round of elections (Figueres, Saborío, Alvarado and Chaves) agree that economic reactivation will only be possible with efforts from the private sector. This makes it necessary to

Continued on page 2

TODAY'S NEWS

POLITICAL

Summit of the Americas to Be in Los Angeles

The White House announced that the ninth Summit of the Americas will be held in Los Angeles in June. It will be the first such gathering in United States since 1994.

Page 2

ECONOMIC

Judge Approves Puerto Rico's Exit From Bankruptcy

A U.S. federal judge approved a plan for a debt restructuring that will allow Puerto Rico to exit bankruptcy.

Page 2

POLITICAL

Former Senator Betancourt Makes Bid for President of Colombia

Former Colombian Senator Ingrid Betancourt announced that she would run for president of the South American country. Betancourt spent six years as a hostage after she was kidnapped by FARC rebels in 2002.

Page 2



Betancourt // File Photo: @IBetancourtCol via Twitter.

POLITICAL NEWS

U.S. to Host Summit of the Americas in Los Angeles in June

The United States will host the Summit of the Americas in Los Angeles in June, the White House announced Tuesday. The gathering is to take place the week of June 6 and will mark the first time since 1994 that the United States has hosted the summit of Western Hemisphere leaders, the Associated Press reported. "The vital national interests of the United States are inextricably bound to the fortunes of our closest neighbors in the Americas," the White House said in announcing the host city for the summit. "To that end, the ability of our democracies to close the gap between what we promise and what we deliver depends in no small part on what we do, together, to make it better," it added. The administration of U.S. President Joe Biden selected Los Angeles because of the city's "deep and robust" ties throughout the Western Hemisphere, an unnamed administration official told the Los Angeles Times. Then-U.S. President Donald Trump skipped the last Summit of the Americas, which was held in Peru in 2018. The summit generally occurs every three years, though it was delayed for a year this time because of the Covid-19 pandemic, the newspaper reported. Biden plans

to attend the gathering in June. "The U.S. is holding the summit at the edge of a global pandemic, with authoritarianism on the rise and waning influence in the hemisphere," Jennie Lincoln, a senior advisor at the Carter Center in Atlanta, told the Associated Press.

ECONOMIC NEWS

Judge Approves Plan for Puerto Rico to Exit Bankruptcy

A U.S. federal judge on Tuesday signed a plan cutting Puerto Rico's public debt load as part of a restructuring to allow the commonwealth to begin to repay creditors nearly five years after the territory declared bankruptcy, the Associated Press reported. This plan, which allows Puerto Rico to exit bankruptcy, decreases the largest portion of the U.S. territory's debt by approximately 80 percent, from \$33 billion to \$7.4 billion, The New York Times reported. The federal judge who presided over this case, Laura Taylor Swain, wrote that while some creditors objected to the plan, the program will "enable the commonwealth to provide future public services and remain a viable public entity." Echoing this opinion, Puerto Rico Governor Pedro R. Pierluisi said in a statement that while the agreement is not perfect,

NEWS BRIEFS

Ex-Senator Betancourt Announces Run for President in Colombia

Ingrid Betancourt, a former Colombian senator who was held hostage by the Revolutionary Armed Forces of Colombia (FARC) for six years, announced Tuesday that she will run for president in the country's May election, the Associated Press reported. Betancourt, a moderate, had been kidnapped while campaigning for president in 2002. "I am here to claim the rights of 51 million Colombians who are not finding justice, because we live in a system designed to reward criminals," Betancourt said Tuesday in announcing her candidacy, the AP reported.

Barbados Holding General Election Today in First Vote as a Republic

Barbados is today holding its first general election as a republic, since it removed Queen Elizabeth II as its head of state last year, Reuters reported. Prime Minister Mia Mottley, whose Barbados Labor Party controls 29 of the 30 seats in the island nation's legislature and who called the snap election, has said the vote would help promote unity.

Bolsonaro to Discuss Oil, Gas During Visits to Guyana, Suriname

President Jair Bolsonaro of Brazil will visit Suriname and Guyana on Thursday and Friday of this week for talks on economic cooperation following the countries' recent discoveries of oil and gas, Reuters reported, citing a statement by the Brazilian foreign ministry. The ministry said the meeting is a resumption of strategic dialogue, and that there are now "prospects for greater economic and social development in Suriname and Guyana." Representatives of state-controlled oil company Petrobras are expected to accompany Bolsonaro on his visit.

FEATURED Q&A / Continued from page 1

loosen many of the ties that today limit companies' possibilities of investing, taking risks and growing more. Linked to the above, the commitments derived from the recent agreement with the IMF have been questioned because they depend more on an already weak economy's taxes and debt than on the necessary reform of the state apparatus, the elephant in the room. Few want to talk about this because of its electoral repercussions and the voting power that public employees may have in February. What is certain is that the evident ineffectiveness of the public sec-

tor is already taking its toll in such important fields as education, infrastructure, energy and telecommunications. Unfortunately, the excess of candidacies and the electoral dispersion has meant that, up until now, the campaign has been lacking in substantive discussions and has focused more on highlighting the personal attributes of the candidates (such as leadership, experience and honesty) in the face of what is perceived as a country whose government has lost its way and never had a true north."

Continued on page 4

it “is very good for Puerto Rico and protects our pensioners, university and municipalities that serve our people,” The New York Times reported. Critics of the plan include Center for Popular Democracy interim campaign manager Julio López Varona, who called the deal a “recipe for disaster.” The existing bankruptcies of other government entities, like the Puerto Rico Electric Power Authority and the Puerto Rico Highways and Transportation Authority, agencies which hold some of the largest debt, have not yet been resolved, the AP reported.

BUSINESS NEWS

Colombia’s Gilinski Makes Offer for \$1.1 Billion of Nutresa

Colombian billionaire banker Jaime Gilinski made an offer to buy as much as \$1.1 billion of shares in Grupo Nutresa, a Colombian food-maker, following his Jan. 14 bid for as much as \$289 million to acquire a large stake in Grupo Sura, a financial conglomerate, Bloomberg News reported. If Gilinski’s offers go through, he would be closer to acquiring a controlling stake in Grupo Empresarial Antioqueño (GEA), an alliance of corporations whose members include both Nutresa and Sura. The group also includes Grupo Argos, a cement and construction conglomerate that is a key shareholder in both companies, which has said that it will not sell its stakes, the Financial Times reported. If Gilinski’s Grupo Sura bid is successful, he will be the company’s biggest shareholder, removing Argos from the first-place position and allowing him to have a larger influence in how Sura affects Nutresa. BTG Pactual analysts Daniel Guardiola and Alonso Aramburu wrote a note Tuesday saying that these recent moves are “writing Colombian history,” Bloomberg News reported. “We believe control of Nutresa, Grupo Sura (Bancolombia) and Grupo Argos is at stake in this offer,” they added. If accepted, Gilinski’s offer would give him control of Grupo Sura’s 46 percent stake in Bancolombia, the news service reported.

COMINGS & GOINGS

IBM Announces New Leader for Brazil Operations

Multinational technology corporation IBM has announced a new leader for its operations in Brazil, ZDNet reported Jan. 10. Marcelo Braga will take over as president and technology leader for the company’s subsidiary in the South American country. Braga will replace Katia Vaskys, who was named IBM’s general manager for Brazil a year ago. Vaskys, who has worked for IBM since 2010, is planning to leave the company in March. She noted in a posting on her LinkedIn profile that she was the first woman ever to lead the company’s operations in Brazil. In a statement, IBM said Braga will guide the company’s operations and strategy in Brazil and will focus on hybrid cloud and artificial intelligence across the company’s technology and consulting operations. He will help to ensure that IBM continues “to drive an inclusive culture that promotes diversity, trust and integrity in business and society.” Braga has worked for the Armonk, N.Y.-headquartered company since 1998 and previously served in other roles including as vice president of sales for IBM Brazil.

Appian Capital Names Malchuk as Senior Advisor

Appian Capital Advisory announced Jan. 6 that it has named Danny Malchuk as a senior advisor to be based in Santiago, Chile. In that role, Malchuk will provide guidance during the processes of sourcing, due diligence and execution with a focus on the Americas, the investment advisory firm said in a statement. Appian Capital, which is headquartered in London, has offices in locations including Canada, Brazil and Peru. Prior to joining Appian, Malchuk worked at multinational metals and mining company BHP and also at an investment bank where he was an advisor for the metals and mining industry. Malchuk has led operations and commercial transactions in 10 different commodities, said Appian Capital. He has also served as a board member and board chair of various joint venture companies in the Americas as well as in Australia and Africa.

Brazil Minerals Names Two New Executives

Strategic mineral resources company Brazil Minerals on Jan. 10 named Jason Baybutt as its new chief financial officer and Joel de Paiva Monteiro, its current vice president for administration and operations, as its new ESG chief. Baybutt, who has been the chief operating officer of PubCo Reporting Solutions since 2015, has provided financial operational strategic and capital market advising to public and private companies, Brazil Minerals said in a statement. He is also the senior vice president of finance for a Nasdaq-listed biotechnology company. Monteiro was previously an attorney at a law firm in Brazil and is a board member at Jupiter Gold and Apollo Resources. Brazil Minerals focuses on gold equity stakes in both companies.

Clark Hill Taps Pérez for Tax Practice in Mexico City

International law firm Clark Hill announced Tuesday that it has hired Alex Pérez as a member of its tax services practice, adding that he will be based in the firm’s Mexico City and San Antonio offices. Pérez is joining Clark Hill from Sañudo Pérez in Mexico City, which he co-founded.

FEATURED Q&A / Continued from page 2

A Nuria Marín, co-founder and co-president of the Álvarez & Marín Corporation in Costa Rica: "Polls indicate that three candidates are tied for the first place, José María Fiqueres, Lineth Saborío and Fabricio Alvarado with about 20 percent each (plus or minus 2 percent), which means there is a high possibility for a second round. However, it is unclear who will advance to the runoff. With 40 percent of voters still undecided, low turnout in past elections and a projected peak of Omicron by election day, uncertainty reigns. Four years ago, the leaders in the

“Four years ago, the leaders in the polls didn't make it to the second round.”

– Nuria Marín

polls didn't make it to the second round. It is also interesting that the candidate of the party in government for eight years (the Citizens' Action Party) has less than 2 percent support. Negotiation with the IMF means reforms to public employment rules and taxes, economic reactivation, generation of jobs and the fight against corruption are the main issues, especially the last one due to the Cochinilla and Diamante cases, which involve infrastructure officials and municipal authorities. While four years ago the country was highly polarized, in this election the political forces agree on issues such as no more taxing initiatives. The implosion of the number of parties is the result of a law that allows candidates to run for president and for the Legislative Assembly at the same time. Running for president gives candidates major exposure and enhances their possibilities to be elected to the Legislative Assembly. We have a complex system of seat accreditation and a high number of contenders, making it highly probable that some of these parties will not win seats in the Assembly. There is a perception that the

country has lost eight precious years, and we must rapidly move forward.”

A Rogelio Douglas, founder of SusGrow Consulting Group: "Costa Ricans have become obsessed with pursuing leadership, with endless comparisons to others. It is among the oldest democracies in the Americas, has the highest rate of per-square kilometer of natural conservation, has the happiest people in the world, runs almost completely (98 percent) on fossil fuel-free electricity, has been the best retirement corner of the world for two consecutive years and has a very unusual 4 percent-plus average annual GDP growth rate now going on three decades, to name a few comparisons. And let's not forget our Cinderella status, upsetting several giants in the 2014 World Cup. The new Costa Rican government scheduled to take office in May 2022 will have a once-in-a-generation opportunity to lead national structural change to produce an inclusive digital economy. This change would pioneer an even more diversified economy, incentivizing the development of grassroots incubator ecosystems across the nation, democratizing the benefits and meeting its commitments to diversity, equity and inclusiveness. Costa Rica has the ideal circumstances to be a role model for this new economy. The country's small size, as well as its cultural and political diversity, complemented by a history of economic stability, allow for a visionary government to lead a nationally inclusive digital economy. It could be a role model to reduce structural inequality in a new economy. It could double the labor force, sustain annual GDP growth above 10 percent and modernize the economy. For the new administration, the challenge will be executing an ambitious vision in the 2020s of a society with a vastly inclusive redeveloped economy.”

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

Gene Kuleta
Editor
gkuleta@thedialogue.org

Leticia Chacón
Reporter
lchacon@thedialogue.org

Mark Kennedy
Reporter
mkenedy@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 Fiszbain, 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

Subscription inquiries are welcomed at 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.