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FEATURED Q&A

How Likely Is Cuba to See More Protests Against the Gov't?



One year ago, the largest anti-government protests in decades erupted in Cuba. They resulted in a government crackdown, imprisonments and an exodus of people leaving the island. Protesters are pictured in Havana in July 2021. // File Photo: 14ymedio via Creative Commons.

Q This month marks one year since Cubans—angered by government authoritarianism, officials' response to the Covid-19 pandemic, shortages of food and medicine, and the state of the country's economy—took to the streets in the country's largest antigovernment protests in decades. The protests led to the imprisonment of hundreds of people and the largest exodus in decades of Cubans leaving for the United States, according to U.S. government figures. What did last year's protests accomplish? To what extent did the demonstrations lead Cuba's government to address citizens' concerns? Is Cuba's government likely to face more protests any time soon?

A Paul Webster Hare, senior lecturer at the Frederick S. Pardee School of Global Studies at Boston University and former British ambassador to Cuba: "Last year's protests accomplished a lot. Those who protested and those who linked up on social media showed they could organize and coordinate without the government's knowledge. In the past, Cuban government security has infiltrated the opposition and has known exactly how and when to disrupt them. The government reacted largely by using the traditional Castro playbook—that is, to blame the U.S. embargo for economic problems and counter-revolutionaries paid for by the Americans. The pandemic forced Cuba to engage in unusual transparency—to show its people and the world how far its health services and social support mechanisms would meet the challenge. It used medical diplomacy to help countries, such

Continued on page 2

TODAY'S NEWS

POLITICAL

Colombia's Output of Cocaine Falls Slightly: U.S.

Colombia's production of cocaine fell in 2021 as compared to the previous year but remained high, the White House Office of National Drug Control Policy said in a report released Thursday.

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ECONOMIC

Brazil's Congress Revives Biofuels' Tax Advantage

Brazil's Congress on Thursday approved legislation to reinstate a tax advantage for biofuels. The measure rolls back preferential tax levels that were in place before mid-May when a different law had modified fuel taxation in the country.

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ECONOMIC

Peru Maintains Economic Growth Forecast at 3.6%

Peru's government maintained its expectation for 3.6 percent economic growth this year, Finance Minister Óscar Graham told reporters.

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Graham // File Photo: Peruvian Government.

POLITICAL NEWS

Colombia's Cocaine Production Falls But Remains High: U.S.

Colombia's level of cocaine production fell last year but remains high, according to a U.S. report released Thursday. The Andean country produced 972 metric tons of cocaine last year and had 234,000 hectares of land where coca, the plant from which the drug is derived, was being cultivated, said the report from the White House Office of National Drug Control Policy. Those figures were down slightly from the office's report for 2020, when it said Colombia produced 994 metric tons of cocaine and had 245,000 hectares of land under coca cultivation. Additionally, the Colombian government reported seizures of 757 metric tons of cocaine and cocaine base last year, as well as the manual eradication of 103,000 hectares of coca, the office said. "Colombia remains a close ally and partner with the United States in reducing and replacing coca cultivation and cocaine production," the office said in a statement. "The Biden-Harris administration is committed to continuing close cooperation with our partners in South America to address our shared challenge of drug production, trafficking and

use," Rahul Gupta, the office's director, added in a statement. The report also said that cocaine production in Peru decreased but remained high last year, with an estimated production of 785 metric tons of cocaine and 84,400 hectares under coca cultivation, as compared to 814 metric tons of cocaine produced and 88,200 hectares under cultivation in 2020. The office said that in Bolivia, cocaine production edged up slightly to an estimated 317 metric tons of cocaine produced and 39,700 hectares under cultivation in 2021, as compared to 312 metric tons and 39,400 hectares in 2020.

ECONOMIC NEWS

Brazil's Congress Revives Biofuels Tax Advantage

Brazil's Congress on Wednesday approved legislation that reinstates a tax advantage for biofuels when compared to fossil fuels for a period of 20 years, Reuters reported. Under the law, states and the Brazilian government are to go back to preferential biofuel taxation levels as they were prior to May 15, when a different law had modified the process for fuel taxation in the country. Citi analysts said on Thursday

NEWS BRIEFS

U.N. Security Council Eyes Ban on Small Arms Transfers to Haiti

The United Nations Security Council plans to vote today on a resolution calling for all countries to stop the transfer of light weapons, ammunition and small arms to any parties supporting criminal activity and gang violence in Haiti, the Associated Press reported. The Caribbean country has seen a serious rise in kidnappings and violence in recent months. An arms embargo, pushed by China, was left out of the draft resolution authored by the United States and Mexico, the wire service reported.

Peru Maintains 3.6% Economic Growth Forecast for This Year

The Peruvian government on Thursday said that it expects the country's economy to grow 3.6 percent this year, maintaining its earlier growth forecast, Reuters reported. "With the information we have from the first four months, we still maintain the 3.6 percent forecast, however this is a [figure] that is under constant review," Finance Minister Óscar Graham said in a foreign press conference. Peru is set to update its multi-annual economic forecast in August, and Graham said the growth estimate could be revised.

Chilean Supreme Court Confirms Closure of Pascua Lama Project

Chile's Supreme Court on Thursday confirmed the closure of Barrick Gold's Pascua Lama gold and copper mining project, Reuters reported. Chile's environmental regulator had ordered the project's closure in 2018, saying it damaged flora and fauna in the area. Barrick had appealed the regulator's ruling, but an environmental court affirmed the shutdown of the \$8.5 billion project in 2020.

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as Italy, that were the worst affected. But instead of recognizing that the protesters' reaction to the mishandling of the pandemic and economic hardship was justified, they feared any admission of failures might provoke calls for much greater accountability. Regarding future protests, Díaz-Canel's crackdown and the absurdly harsh sentences imposed will have had the support of key allies such as China, Russia and Iran. Many who now consider protesting will, as in the past, choose to leave Cuba rather than stay and change it. Meanwhile, unlike in the March 2003 imprisonments, the European Union, United Kingdom, Canada and the United

States have been more preoccupied with Ukraine—where Cuba sided with Russia—to maintain much of a sustained diplomatic response. The causes of the protesters' discontent have not been addressed, and Russia's invasion of Ukraine has only aggravated Cuba's economic misery."



Vicki Huddleston, retired U.S. ambassador and former chief of the U.S. Interests Section in Havana:

"Widespread false reporting in the mainstream media and in other less reputable outlets used scenes from unrelated events inside and outside

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that the measure will likely benefit companies that produce ethanol in the long term, the wire service reported. "From our perspective, this measure is very positive for agribusiness companies, as it will maintain competitiveness of biofuels in the long term," Gabriel Barra and Joaquim Alves Atie, analysts from Citi, said in a research note. "With a constitutional guarantee that renewable fuels will pay lower taxes relative to fossil fuels (recognizing fossil fuels' negative externalities), ethanol and other biofuels could enjoy a much stronger outlook ahead," investment bank BTG Pactual said in a report. In related news, Brazil is seeking to buy as much diesel as possible from Russia, both for the country's agribusiness and for Brazilian drivers, said Foreign Minister Carlos França, Reuters reported Tuesday.

Potential IMF Deal No Panacea for El Salvador: Zelaya

A potential loan agreement with the International Monetary Fund would be no panacea for El Salvador, Finance Minister Alejandro Zelaya said Thursday, Reuters reported. The Central American country announced in March 2021 that it was in talks with the IMF for a \$1.3 billion loan. Zelaya said the talks with the lender continue but added that a deal with the IMF would amount to less than 10 percent of the government's budget.

BUSINESS NEWS

Mexico, U.S. Resolve Labor Dispute at Panasonic Factory

Mexico and the United States on Thursday announced a resolution to a labor dispute at a Panasonic auto parts plant in Mexico, resulting in an above-inflation pay raise for plant workers, Reuters reported. The dispute was related to plant workers' denial of "freedom of association and collective bargaining rights"

THE DIALOGUE CONTINUES

What Can Argentina Expect of its New Economy Minister?

Q **Martín Guzmán stepped down as Argentina's economy minister on July 2 after two and a half years in the position under President Alberto Fernández. Guzmán, who led Argentina's debt renegotiation talks with the International Monetary Fund, suggested in his resignation letter that internal strife within Argentina's government was at least part of the reason for his departure. What factors led to Guzmán's resignation, and what does his departure mean for Argentina's economy? How might it affect support for the Peronist coalition leading up to next year's presidential election? Why was Silvina Batakis tapped as Guzmán's successor as finance minister, and what policies is she likely to push?**

A **Bruno Binetti, nonresident fellow at the Inter-American Dialogue:** "Guzmán's resignation was the inevitable consequence of two factors. First was the relentless attacks of Vice President Cristina Kirchner and her followers, who considered the disciple of Joseph Stiglitz to be too orthodox and blocked his attempts to cut subsidies on electricity, among other measures agreed to with the International Monetary Fund. Second was the deteriorating economic situation, including an inflation rate of more than 80 percent, which is dangerously close to

at a Panasonic facility in the Mexican border city of Reynosa, the U.S. Trade Representative, or USTR, said in a statement. The USTR had requested that the Mexican government review the issue as part of the United States-Mexico-Canada Agreement's (USMCA) Rapid Response Labor Mechanism (RRM) in May, the wire service reported. "We are pleased with the fact that USTR has terminated the proceeding under the rapid-response labor mechanism of the USMCA, and that the United States and

getting out of control, and the government's problems financing its deficit due to a lack of trust among international and domestic financial markets. Ultimately, Guzmán's diagnosis was that once Argentina renegotiated its debt with private holders and with the IMF, economic hurdles would clear. Rather, Argentina's debt problems are the symptom of serious structural problems that Guzmán could not tackle. Silvina Batakis was nobody's first pick as minister within the turbulent Peronist coalition, which is exactly why she got the job. Pressured by market panic, Batakis has promised to continue Guzmán's timid reforms to reduce the deficit and money printing. It is hard to believe that Cristina Kirchner would allow it, since the vice president's priority is to increase public spending to improve the electoral chances of her presidential candidate in 2023, who could well be herself. Meanwhile, President Fernández is missing in action and seems to have given up on trying to govern. With a deteriorating global economy combined and an explosive domestic situation, Argentina is heading into dangerous territory."

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

Mexico are in agreement that there is no ongoing denial of our employees' rights," Panasonic North America said in emailed comments, Reuters reported. U.S. Trade Representative Katherine Tai said the Biden administration is committed to defending workers' rights. "By enforcing labor rights under the USMCA, we are creating a more competitive North American economy where workers and businesses can operate on a level playing field," she said in the statement.

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Cuba to mislead the public, giving the impression that the July 2021 protests were larger and more violent than was the case. This calculated misinformation portraying a regime in crisis contributed to overreaction in Miami and Washington. President Biden renounced his campaign promises to open Cuba and imposed sanctions on Cuban leaders, including the head of its armed forces. The mayor of Miami called for airstrikes to be explored. This dangerous roiling of the public could lead to a humanitarian disaster. Next time—and there will be a next time given the terrible conditions on the island—this administration or the next one might attempt a military intervention, especially if responding to a mass migration. This would delight conservative Cuban-Americans and many other conservatives, but it would resolve nothing. Cubans do not want a U.S. overlord. The solution for both countries is to empower the Cuban people, which means its government must allow greater economic, cultural and political freedom. For our part, we can best help those who are protesting—and most are Cuba's poorest—by removing our unilateral embargo, which contributes directly to the destitution of the Cuban population. Unfortunately, the modest steps taken by the Biden administration are insufficient to stem the hunger and misery on the island, and they will not stop the continuing outmigration."

A **Jorge Sanguinety, chairman and senior advisor at DevTech Systems:** "The accomplishments of the protests were many. The three most important are: first, based on the significantly large number of participants across the island, the events provided irrefutable evidence for all to see on the island and around the world that there is widespread discontent among the Cuban people with the Castroite totalitarian dictatorship and its ineffective 63-year hold

and the continuous decline of the country's standard of living; second, the Cuban government and its feared, abusive and intrusive internal security apparatus cannot continue taking for granted the virtually infinite patience of the people with the inability of the government to revert the decline of virtually all aspects of life in the country and; third, for the first time in 63 years, Cubans have learned that if they organize

“The accomplishments of the protests were many.”

— Jorge Sanguinety

and coordinate their actions, they can eventually overwhelm the hated and repressive security forces. Despite the gravity of the protests and the continuous deterioration of the Cuban economy, the government does not seem to know how to address popular discontent with something better than police repression. It could, for instance, improve internal economic conditions by liberating markets and allowing free enterprise; at the same time, it could reduce bureaucracy and the exasperating intrusion of police, price controls and unnecessary inspections that impede any improvement in the economy. It is then reasonable to expect future bursts of discontent that could become less peaceful and might also involve Cuban citizens who belong to the ranks of the government or even to the armed forces."

[Editor's note: The Advisor requested a commentary for this issue from Cuba's Embassy in Washington but received no response.]

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

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