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FEATURED Q&A

Will Colombia-U.S. Relations Change Under Petro?



Gustavo Petro, who takes office Sunday as Colombia's president, could make changes to Colombian policy in areas including trade and anti-drug efforts. // File Photo: @petrogustavo via Twitter.

Q The election of Gustavo Petro, who takes office on Sunday as Colombia's first leftist president, could lead to a reshaping of the South American country's relationship with the United States. During his campaign, Petro, a former member of the now-defunct M-19 guerrilla group, said he wants to re-examine the ways in which Colombia deals with drug trafficking. Petro has also raised the prospect of renegotiating free trade accords, including Colombia's 2012 trade deal with the United States. What are the main ways that the relationship between Bogotá and Washington is likely to change during Petro's administration? What kinds of changes should be made in the areas of narcotics cooperation and trade between Colombia and the United States? How well are the two countries collaborating now, and is their relationship likely to become more distant under Petro?

A Michael Shifter, senior fellow and former president of the Inter-American Dialogue: "Building on a solid foundation, U.S.-Colombia relations under the incoming Petro administration are off to an auspicious start. An early call shortly after Petro's victory from President Biden—followed by a visit of a high-level administration delegation and a wide-ranging exchange with the new president's foreign policy team—produced some potential areas for deeper bilateral cooperation as well as possible strains. Though Petro may be inclined to temper some of the language about a 'special, strategic partnership' and downplay Colombia's major non-NATO ally status, he clearly wants and needs friendly relations with the United States to pursue his agenda in Colombia and beyond. At the same time, the United

Continued on page 3

TODAY'S NEWS

POLITICAL

Maduro Opponent Sentenced in Venezuela Drone Incident

Former Venezuelan opposition lawmaker Juan Requesens was sentenced to eight years in prison in connection with a 2018 incident in which a flying drone exploded at a military parade where President Nicolás Maduro was speaking.

Page 2

BUSINESS

Brazil's Bradesco Reports 11.4% Growth in Profit

Brazil's Banco Bradesco on Thursday reported 11.4 percent growth in profit for this year's second quarter.

Page 3

POLITICAL

Former Puerto Rico Governor Vázquez Arrested

Former Puerto Rico Governor Wanda Vázquez was arrested on Thursday on bribery charges related to financing of her 2020 campaign for re-election.

Page 2



Vázquez // File Photo: Facebook Page of Wanda Vázquez Garced.

POLITICAL NEWS

Maduro Opponent Sentenced in 2018 Drone Incident

A former Venezuelan opposition lawmaker was sentenced Thursday to eight years in prison after being convicted in connection with a 2018 drone attack against President Nicolás Maduro, Reuters reported. Juan Requesens was among 17 people sentenced in the incident, during which a flying drone carrying explosives detonated at a military parade where Maduro was speaking on Aug. 4, 2018. Maduro was unharmed in the incident, but seven members of Venezuela's National Guard were injured in the

“The dictatorship kidnapped him and keeps him deprived of his liberty as a persecution mechanism against a whole society.”

— Juan Guaidó

chaotic moments that followed the explosion, BBC News reported. Requesens was arrested three days after the incident and was detained for about two years, until 2020, Reuters reported. Requesens has denied any involvement in the incident, and his family members say he was targeted because of his outspoken opposition to Maduro's government, BBC News reported. A former student leader, Requesens organized antigovernment protests in 2014 and vowed to continue fighting until Maduro was removed from power. In a posting on Twitter, Venezuelan opposition leader Juan Guaidó, whom several countries recognize as Venezuela's legitimate interim president, condemned Requesens' sentencing. “The dictatorship kidnapped him and keeps him deprived of his liberty as a persecution mechanism against a whole society,” said Guaidó. Among the 16 others convicted in the drone incident, 12 were

sentenced to 30 years in prison. The others were given sentences of between five and 24 years in prison, Attorney General Tarek Saab said in a statement on state television, Reuters reported. Saab did not name the people who were convicted and sentenced in the case. A National Guard general, Héctor Hernández Da Costa, who was arrested in 2018, was sentenced to 16 years in prison, Reuters reported. His family has said he is innocent.

Ex-Puerto Rico Gov. Vázquez Arrested on Bribery Charges

Former Puerto Rico Governor Wanda Vázquez was arrested on Thursday on bribery charges related to the financing of her 2020 campaign, the Associated Press reported. Vázquez was accused of engaging in a bribery scheme from December 2019 to June 2020, while she was the U.S. territory's governor, with several individuals, including a former FBI agent and a Venezuelan-Italian banker, The Washington Post reported. “I am innocent. I have not committed any crime,” Vázquez told reporters, the AP reported. “I assure you that they have committed a great injustice against me,” she added. “The alleged bribery scheme rose to the highest levels of the Puerto Rican government, threatening public trust in our electoral processes and institutions of government,” Assistant Attorney General Kenneth A. Polite Jr., who is in charge of the U.S. Justice Department's criminal division, said in a statement, The Washington Post reported. “No one is above the law,” he added. Authorities alleged that Venezuelan-Italian bank owner Julio Martín Herrera Velutini and former FBI agent Mark Rossini allegedly promised to support Vázquez's 2020 bid for re-election in exchange for the then-governor's dismissal of the head of Puerto Rico's Office of the Commissioner of Financial Institutions, the AP reported. The office had scrutinized Herrera's bank because of transactions that it had deemed suspicious. Vázquez then accepted a bribe and demanded the commissioner's resignation in February 2020, authorities alleged. She then appointed

NEWS BRIEFS

Lawmakers Reject Castillo's Request to Travel Outside Peru

The Peruvian Congress on Thursday voted to require President Pedro Castillo to remain in the country as the president faces five criminal cases against him, Reuters reported. Castillo had requested permission to travel to Colombia for Sunday's inauguration of left-wing President-elect Gustavo Petro. The probes are investigating whether Castillo obstructed justice when he fired his interior minister in July, among other issues, the wire service reported. Castillo has denied wrongdoing and has said he will cooperate with investigators.

Hundreds Join Effort to Rescue 10 Miners in Northern Mexico

Hundreds of people have joined the rescue efforts to save 10 miners who on Wednesday were trapped in a collapsed and flooded coal mine in northern Mexico, the Associated Press reported. Mexican authorities have not reported any contact with the miners since they were trapped between two 200-foot-deep mine shafts more than half flooded with water. The collapse happened in the city of Sabinas, in Coahuila state. Five miners were able to escape the collapse, said Laura Velázquez, a civil defense coordinator, the wire service reported.

Inflation Expected to Soar to Highest Level During Fernández's Presidency

Argentina's level of inflation for July and August is expected to soar to its highest level since President Alberto Fernández took office in late 2019, an unnamed Economy Ministry official told Bloomberg News on Thursday. Monthly inflation is expected to surpass the previous high of 6.7 percent that was recorded in March, the official said.

a former consultant for Herrera's bank as the new commissioner three months later, according to authorities. Herrera and Rossini then allegedly paid political consultants more than \$300,000 to support Vázquez's campaign. Along with Vázquez, Herrera and Rossini are charged with conspiracy, federal programs bribery and honest services wire fraud, the AP reported. Herrera is believed to be in Britain, while Rossini is believed to be in Spain, said Stephen Muldrow, the U.S. attorney for Puerto Rico. The AP was unable to immediately reach attorneys for Herrera and Rossini for comment. The arrest of the former governor was a blow to Vázquez's pro-statehood New Progressive Party, which is pushing for a 2023 referendum in an effort to become a U.S. state, the AP reported.

BUSINESS NEWS

Brazil's Bradesco Reports 11.4% Growth in Quarterly Profit

Brazil's Banco Bradesco on Thursday reported an 11.4 percent growth in quarterly profit, a figure that was higher than expected and assisted by an increase in cost controls and personal loans, Reuters reported. The lender reported a recurring net profit of 7.04 billion reais (\$1.35 billion), higher than a Refinitiv consensus of 6.73 billion reais. Bradesco's profit growth was driven by the "performance of net interest income from clients, fee and commission income, operations from insurance and operating expenses control," the bank said in a Thursday statement reporting second quarter data, the wire service reported. "The quality of the portfolio continues at normal and profitable levels, maintaining good coverage ratios," Bradesco said, noting a growth in the bank's default ratio because of the product variety of its loan portfolio, Reuters reported. However, Citi analysts said that the default ratio's growth was aided by Bradesco's sale of a 2 billion real portfolio, the wire service reported.

FEATURED Q&A / Continued from page 1

States is keen to fashion a productive relationship with Colombia's first leftist government, knowing that Petro has been a fierce critic of U.S. anti-narcotics policy and the U.S.-Colombia trade deal. Opportunities for greater collaboration include enhanced climate action and expanded funding for rural development, to advance implementation of the 2016 peace accord. The United States has indicated it is open to revisiting the trade agreement, though the terms of any modification could be contentious. Washington does not, however, appear open to revising the U.S.-Colombia extradition treaty, one of Petro's signature policy positions, which could prove to be a sticking point. On Venezuela, Petro is actively pursuing a gradual approach to re-engage with the Maduro regime—a sharp departure from the Duque government, but in line with the rest of the region, and also where the Biden administration seems to be heading."

A Gimena Sánchez-Garzoli, director for the Andes at the Washington Office on Latin America:

"The United States and Colombia just celebrated 200 years of relations. Under a Petro government, it is unlikely that this strong relationship, which has bipartisan support in the United States, will change. So far, the Biden administration has reached out to Colombia, and delegations have visited Bogotá to discuss the transition and future actions. Such outreach and interactions have helped calm fears that having a leftist president will lead to a rupture in relations with the United States. Petro's planned anti-narcotics policy is not very different from Biden's recent holistic approach to drugs. The two countries have an opportunity to determine what has not worked in the past and how to jointly address it in the future. The area where we are likely to see tension will be on economic policies, in particular efforts to change the terms of the U.S.-Colombia free trade agreement. Petro wants to transform the Colombian economy so that

it depends less on extractive industries and is more environmentally sustainable in order to combat climate change. Here some tough conversations will take place, but as long as the lines of communication are open and there is a willingness to figure things out, it should not rupture relations."

A Sergio Guzmán, director at Colombia Risk Analysis:
"President-elect Gustavo Petro outlined his foreign policy on the eve of his victory. He stated that the environment, fighting global warming, deepening capitalism, and broad and inclusive dialogue between equals would be the basis of Colombia's diplomatic relations. Petro did not wait long to speak to the U.S. government. Petro said he and Biden had a 'very friendly' conversation on June 21; a month later, the United States sent a high-profile delegation to speak with Petro, his foreign minister, Álvaro Leyva, and the appointed ambassador to the United States, Luis Gilberto Murillo. This suggests that the U.S. government, while in the hands of the Democratic Party, is willing to work with the Petro administration. This does not mean that it will all be smooth sailing; in fact, some of the issues Petro has raised, such as the revision of the U.S.-Colombia free trade agreement, a new approach to drugs and extending closer ties with Venezuela are all going to be controversial with domestic opposition in both countries. However, issues such as the full implementation of the peace agreement, the negotiation with the ELN and other criminal groups, and a new approach to the environment will all be areas where the United States and Colombia will be able to closely collaborate and coordinate. We're currently in the honeymoon stage; Petro seems popular at home and abroad, and the United States is willing to give him an opportunity to show his brass. However, in the event that U.S. voters favor the Republican Party in the November midterm elections, Petro's relationship with the U.S. Congress, where

Continued on page 4

FEATURED Q&A / Continued from page 3

budgets are approved, is likely to quickly turn cold, sour and hostile.”

A **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc.:** “Petro’s appointment of an ambassador to the United States (Luis Gilberto Murillo), as well as the ministers he has named for finance (José Antonio Ocampo), foreign relations (Álvaro Leyva) and defense (Iván Velásquez), ensures that the relationship between the United States and Colombia remains steady, provided that no one resigns after seeing the extent of the harsh realities of Colombia’s precarious economic conditions, informality, insecurity and criminality. Colombia also faces a deficient education system, corruption and collusion, as well as a lack of broad employment. Petro’s promises of a general amnesty for criminal gangs runs counter to the military and economic assistance the United States gives Colombia and will be rebuked by the United States. Trade reform will require congressional approval and will be difficult to pass. Ocampo’s proposed tax reform in its present form is likely to be opposed by Colombians in general. The United States and Colombia continue so far

to collaborate in trade, anti-narcotics and military exchanges. However, were any of the three ministers or the ambassador to resign, Colombia is likely to repeat the 2021 national uprising and stoppage that, together with Covid-19, wrecked its economy and placed it in the hands of an unpredictable, socialist, charismatic former guerrilla who

“Neither Colombia nor the United States can afford to lose the other...”

— Maria Velez de Berliner

could derail policymaking. How the United States and Colombia deal with the country’s new socialist reality remains to be seen. But neither Colombia nor the United States can afford to lose the other if the United States wishes to have some relevance in Latin America and Colombia wishes to remain a democracy, Latin American style.”

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

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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

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Advisor Video

Colombia’s Energy Policy Under Incoming President Gustavo Petro

A Latin America Advisor interview with Inés Vesga, partner at Holland & Knight in Bogotá

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