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## FEATURED Q&A

# Who Has the Edge Ahead of Ecuador's Presidential Vote?



Ruling party candidate Lenín Moreno and his rival, former banker Guillermo Lasso, (L-R) are leading the polls ahead of Sunday's presidential election in Ecuador. // File Photos: Moreno, Lasso Campaigns.

**Q** Ruling party candidate Lenín Moreno leads most polls ahead of Sunday's first round of the Ecuadorean presidential election, the first in a decade in which President Rafael Correa's name is not on the ballot. What is driving support for Moreno and that of his closest rival, banker Guillermo Lasso? What effect is Correa having on the election, and has Moreno's candidacy been hindered by his running mate, Jorge Glas, who has been dogged by corruption allegations? To what extent is WikiLeaks' Julian Assange, whom Lasso has vowed to evict from the country's embassy in London, having an impact on the election? Will the election go to a second round and, if so, who would be the likeliest winner in a runoff?

**A** César Coronel Jones, founding partner at Coronel & Pérez in Guayaquil, Ecuador: "Lenín Moreno's support is driven mostly by the advances that Correa brought forth during the oil boom, which has characterized much of his time in power. This is especially true with regard to investments in areas including infrastructure and health, but also with policies such as cash transfers. Those favored directly and indirectly by the enlarged state bureaucracy probably also tend to support Moreno. On the other side, support for Lasso is driven mostly by discontent with the authoritarian style of the government and erosion of democratic institutions, discontent with recent corruption allegations against the government, and discontent with the current economic downturn, which has meant losses of jobs and income for many people. Correa is strongly supporting Moreno and is aggressively responding to the allegations of corruption against members of his

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## TODAY'S NEWS

### POLITICAL

## Venezuelan High Court Rejects López Appeal

The ruling by the court came a day after U.S. President Donald Trump called for the release of López during a White House meeting with López's wife, Liliana Tintori.

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## Deforestation in Brazil Up 30% as Funds Run Out

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## Farmers in U.S. Concerned Over Mexico Trade Ties

Mexico's agriculture minister, José Eduardo Calzada, said Thursday he plans to visit Argentina and Brazil to explore options to buy yellow corn from South America in an effort to lessen dependence on U.S. crops as President Donald Trump threatens to upend trade between the countries.

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Calzada // File Photo: Government of Mexico.

## POLITICAL NEWS

## Venezuelan Supreme Court Rejects Final López Appeal

Venezuela's Supreme Court on Thursday upheld the 14-year prison sentence for opposition leader Leopoldo López, rejecting a final appeal to have his conviction overturned, El Universal reported. The ruling by the court, composed almost entirely of supporters of the regime of President Nicolás Maduro, came a day after U.S. President Donald Trump called for the



Liliana Tintori visited the White House on Wednesday // Photo: Twitter (@realDonaldTrump).

release of López during a White House meeting with López's wife, Liliana Tintori. The meeting with Trump included the First Lady, Melania Trump, Vice President Mike Pence and Sen. Marco Rubio (R-FL). López was found guilty of inciting violence during a wave of deadly anti-government protests in 2014. Upon hearing of the high court's ruling Thursday, López's attorney, Juan Carlos Gutiérrez, said now the "case of López is closed" in the country and that he will seek help through the international judicial system for his client's cause. "The appeal is dismissed as inadmissible, but we have the possibility to try international actions," Gutiérrez told EFE. Relations between the United States and Venezuela have become more strained this week. On Monday the United States slapped sanctions on the new Venezuelan Vice President, Tareck El Aissami, accusing him of playing a major role in international drug trafficking. [Editor's note: See also a [video](#) of the Inter-American Dialogue's event in Washington with Liliana Tintori on Tuesday.]

## ECONOMIC NEWS

## Deforestation in Brazil Up 30 Percent as Funding Runs Out

Deforestation in Brazil increased by almost 30 percent in the 12-month period that ended last August, FoxNews reported Thursday. According to the latest report by Brazil's National Institute for Space Research (INPE), a record 3,100 square miles of forest was burned over the year to give way to farmland. As Brazil faces its worst economic recession on record, the allocation of funds for illegal logging surveillance, monitoring and prevention has dropped sharply, from \$22 million in 2015 to \$7 million in 2016, according to the Environmental Ministry data. Greenpeace has dubbed Agriculture Minister Blairo Maggi, a successful farmer from Mato Grosso state, "the largest forest destroyer in Brazil." Earlier this month, Maggi said he would push through a bill in the first of half of this year to ease limits on foreign purchases of agricultural land, in a bid to rekindle economic growth, Reuters reported. He added the bill would be accompanied by measures to prevent speculation and ensure farms are not left idle. In 2010, leftist former President Luiz Inácio Lula da Silva effectively banned foreigners from owning large farms.

## Farmers in U.S. Concerned Over Mexico Trade Ties

Mexico's attempts to diversify its supplies of corn have farmers in the United States who are already struggling with low prices concerned about their future, Reuters reported Thursday. Mexico's agriculture minister, José Eduardo Calzada, said he plans to visit Argentina and Brazil to explore options to buy yellow corn from South America, in an effort to lessen dependence on U.S. crops as President Donald Trump threatens to upend trade between the countries. Mexico buys nearly all its corn

## NEWS BRIEFS

## Jamaica Signs Deal for New Financing With China for Highway Project

Jamaica's Finance and the Public Service Minister, Audley Shaw, on Thursday signed a \$326 million loan agreement with China Ex-Im Bank to expand a highway toll road on the Caribbean island, the Jamaica Gleaner reported. The Southern Coastal Highway improvement project extends the tolled East-West Highway from May Pen, Clarendon to Williamsfield, Manchester. Shaw, who is leading a delegation to China, also discussed new financing of the North-South Highway project and future investment projects with the chairman of the China Development Bank, Hu Huaibang.

## Macri, Trump Discuss Venezuela in Phone Call

Argentine President Mauricio Macri and U.S. President Donald Trump discussed concerns about Venezuela during a phone call on Wednesday, a spokesman for Macri said, Reuters reported. Trump during the call also extended an invitation to Macri to visit the United States. The call lasted five minutes, and the two discussed Latin America broadly and "Venezuela in particular," the spokesman added. Macri also spoke to Trump in November. The two met decades ago while Macri was working on a real estate deal for his father, Franco Macri.

## Argentine Bank Workers Call Off Strike, Accept New Wage Agreement

Argentina's national bank workers union on Thursday called off a 72-hour strike scheduled to begin today after accepting a 24 percent salary increase, TeleSUR reported. Sergio Palazzo, the head of La Bancaria, the union which represents almost 65,000 bank workers, said the deal also includes a one-time bonus payment in November of this year.

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government. It does appear that Moreno's numbers have been hurt by the allegations against Glas. The picture about the cases that are being discussed is far from clear, but there is an increasingly generalized realization that there has been a lot of corruption during the Correa years. Julian Assange does not seem to be a big issue in the campaign. I doubt that his case will have much impact in swaying votes. It is old news and not something that most Ecuadoreans seem to care about. Anything can happen in the election, but my prediction is that there will be a second round between Moreno and Lasso, and that Lasso will ultimately win."

**A** **Marc Becker, professor of history at Truman State University:** "Financial investors are salivating at their potential economic gains if Lasso wins the presidency, while the Center for Economic and Policy Research champions the significant social gains that Ecuador achieved under Correa's mandate. Those competing interpretations capture what is at stake in Sunday's election. Will the Ecuadorean government continue to take steps in the direction of ruling on behalf of the majority of the country's population, or will it reverse course and return to the discredited neoliberal policies that, while perhaps improve macroeconomic indicators, will come at the cost of increased socioeconomic inequality and poverty? The corruption charges are a red herring. Correa's conservative opposition has blatantly played Glas' alleged involvement in an attempt to distract attention from the government's achievements and swing votes away from the popular Moreno. Lasso and his allies face much more serious charges, including those related to their roles in the banking scandals that collapsed Ecuador's economy at the end of the last century. More significant is the case of Roberto and William Isaias, who have sought refuge in the United States from charges of embezzlement. That type of corrupt governance designed to line the pockets

of a wealthy minority of people at the cost of everyone else is where Lasso's neoliberal policies pledge to return the country."

**A** **Francisco X. Swett, chairman of Pallas Management Corp. and former Ecuadorean minister of finance, member of Congress, and central bank president:**

"When the spread of poll results exceeds one standard deviation, one is looking at forged documents. This is the case in Ecuador's presidential election, where Mr. Moreno is supposed to be a winner. Failing

**“Ecuador may be next in line to throw out those who came in as ideologues, but were in fact fellow travelers in corruption and theft.”**

— Francisco X. Swett

those wished-for results, voter fraud may be the mode chosen, but the mere suspicion of fraud is enough to fuel the climate of collective fury against the governing party. Is Mr. Moreno in first place? At the height of Correa's political crest and economic performance, he was able to get 38 percent of valid votes, so how is it that with the economy in tatters, daily recurring scandals and candidates that are either incapable, or perceived as being the corruptor-in-chief expect to win outright on the first ballot? The climate of collective indignation has risen to a fever pitch, and Guillermo Lasso has been center-stage as the one who has a chance to deal with the economic malaise and carry out the political prophylaxis needed after a failed government that had it all and proceeded to squander it while seeding the fields of abuse, violence and ineptitude. Against this backdrop, Mr. Assange is nobody of interest; his upkeep has cost

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imports, more than 13 million metric tons, from the United States, accounting for 28 percent of total U.S. corn exports. "We are concerned that growing rhetoric is creating an environment in which Mexican buyers feel they need to look at alternate suppliers, which could affect U.S. market share," the U.S. Grains Council, a Washington trade group, told Reuters. However, the chief executive of commodities giant Bunge this week downplayed the potential for Mexico to buy more corn from South America, AgriMoney.com reported. Soren Schroder said North American grains, "both in terms of corn and soybeans are obviously more than well supplied, with mounting surpluses," meaning they will "remain the cheapest" source of the commodities for Mexico in the near future.

## BUSINESS NEWS

## Chilean Regulator Dissatisfied With Anglo Mine Plans

Multinational miner Anglo American is struggling to get approval for a redesign of its El Soldado copper mine in Chile from regulator Sernageomin, which could potentially lead to the halting of operations at the mine, Reuters reported Thursday, citing sources familiar with the matter. Anglo American wants to redesign the mine due to engineering issues. Sernageomin is reportedly dissatisfied with the redesign plans, however. "Clearly, in the continued absence of an approved permit, we may need to take appropriate measures, which may include the temporary suspension of mining while we discuss this further with the [regulator]," a source said. Its closure could affect global copper prices because two of the world's largest copper mines, Escondida in Chile and Grasberg in Indonesia, have also had to halt production recently.

### SUBSCRIBER NOTICE

The Advisor will not be published Monday in observance of the Presidents' Day holiday in the United States.

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Ecuadorean taxpayers a good dime, so he will now have to move on. Who will win? If the expressions of rejection reflect in fact the will of the electorate, then Ecuador may be next in line to throw out those who came in as ideologues, but were in fact fellow travelers in corruption and theft.”

**A** **Walter Spurrier, president of Grupo Spurrier and director of Weekly Analysis in Guayaquil, Ecuador:** “Moreno is counting on Correa’s core supporters, roughly 30 percent of voters, and on those who think that Ecuador improved under Correa. Moreno is seen as a kind man who as vice president worked for those suffering from handicaps. Glas’ image is poor, which is why he is not the presidential candidate and is a drag on Moreno. Corruption allegations have an impact, but mostly with the middle class, which already is for Lasso or Paco Moncayo. Lasso is the candidate of those who want change: fed up with an autocratic regime, who believe that Moreno will follow Correa’s policy and take us down the road of Venezuela. While Moreno is conducting a quiet campaign, Correa is most visible, and says a vote for Moreno is a vote for him. He insults other candidates and reminds Moreno that as president he must heed Correa’s government plan. Correa called for a referendum, simultaneous to the elections, on whether public officials may have assets in fiscal havens (Lasso has a bank in Panama). Assange is a non-issue. Poll results diverge widely, and there are too many undecideds. Presumably, Moreno would come close to the 40 percent he needs; the electoral authorities are Correa-controlled, which is a plus for him. If there is a runoff, it would likely be with Lasso. It is too early to predict a runoff outcome. Much would hinge on Cynthia Viteri’s voters.”

**A** **Ramiro Crespo, president of Analytica Securities in Quito:** “Moreno is backed by the core Correa supporters who account for around a quarter of Ecuadoreans, out of ideological reasons. Thanks to a cornucopia of campaign promises, some also believe he will restore social policies that weren’t continued after he departed in 2013. Lasso, meanwhile, enjoys support from economic liberals who want a rollback of Correa’s statism and a tough stance on corruption. The division of the conservatives between

“**If pollsters’ expectations are correct, we will see a second round, with Lasso emerging as the likely victor....”**

— Ramiro Crespo

himself and Cynthia Viteri, who also has an excellent economic team backing her, weakens the opposition’s chances and may help Moreno scrape by and win in the first round, thanks to the rule by which a candidate can win with 40 percent if he outdistances his main rival by 10 points, as well as the rule under which null and void ballots aren’t counted. But, if pollsters’ expectations are correct, we will see a second round, with Lasso emerging as the likely victor, given the discontent with Correa, who has been prominent, cutting ribbons on schools and clinics in the waning days of the campaign, but also on the defensive because of the corruption allegations. Assange may continue to be seen as a hero by a tiny fraction of Ecuadoreans, but he is probably seen as a burden for foreign relations by many more. He is playing a minimal role in the election.”

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2017

**Erik Brand**

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

**Gene Kuleta**

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

**Nicole Wasson**

Reporter, Assistant Editor  
[nwasson@thedialogue.org](mailto:nwasson@thedialogue.org)

**Michael Shifter, President**

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

ISSN 2163-7962

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

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