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FEATURED Q&A

Will Trump Re-Freeze Relations With Cuba?



Last month, before his election as U.S. president, Donald Trump said he would do "whatever is necessary to get a good agreement" with Cuba. // File Photo: Trump Campaign.

Q In the most surprising election outcome in recent U.S. history, Donald Trump was chosen president of the United States on Nov. 8, in an election that also kept both the U.S. House and Senate in Republican hands. Trump has criticized Obama's thaw with Cuba as a "very weak agreement," though he said some type of deal with the Caribbean nation is "fine." What does the 2016 election mean for U.S. policy with Cuba? What action will the next U.S. Congress most likely take on Cuba? What do U.S. companies and others that have taken steps to invest in the Communist-run island need to keep in mind looking ahead to 2017 and beyond?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "The Obama policy toward Cuba has been crystal clear. The administration's recent decision to abstain from the U.N. vote on the trade embargo, although largely symbolic, powerfully communicated the White House's unwavering commitment to normalizing U.S.-Cuban ties. At a time when the Cuban government is demonstrating its resistance to change, the U.S. vote makes plain that the administration is not demanding any 'quid pro quos' from Cuba, but rather sticking to its conviction that the more the United States opens to Cuba, the better the prospects are for a prospering economy and democratic politics on the island. Indeed, it is the Cubans who are now setting conditions on the United States, demanding the embargo be lifted before welcoming U.S. businesses and giving them the same opportunities that other foreign companies now enjoy. It remains a mystery what Donald Trump plans to do about Cuba policy.

Continued on page 3

TODAY'S NEWS

POLITICAL

Venezuelan High Court Bars Lawmakers From Trying Maduro

The Supreme Tribunal of Justice ruled that the opposition-controlled National Assembly cannot put President Nicolás Maduro on trial, a move opposition leaders have urged.

Page 2

ECONOMIC

Brazil's Economy Faces Tough Recovery: IMF

Brazil's economy may be close to beginning a turnaround, but it faces a long and grueling recovery, said the International Monetary Fund. It added that the country's economic success hinges on the passage of unpopular reforms.

Page 3

POLITICAL

Colombia Peace Deal Final: Gov't

There is no room for further modifications of the renegotiated peace deal between Colombia's government and the FARC rebels, said the government's lead negotiator, Humberto de la Calle.

Page 2



de la Calle // File Photo: Colombian Government.

POLITICAL NEWS

Venezuelan High Court Bars Lawmakers From Trying Maduro

Venezuela's highest court, the Supreme Tribunal of Justice, on Tuesday effectively barred the country's opposition-controlled National Assembly from putting President Nicolás Maduro on trial on charges of violating the Constitution, UPI reported. The trial had been seen as symbolic. Maduro's opponents called



Muñoz // File Photo: Venezuelan Government.

for the trial after the National Electoral Council, which like the high court is accused of loyalty to Maduro, halted an effort to hold a national referendum to recall Maduro. The high court barred the National Assembly from holding the trial by approving an injunction filed by Venezuelan Attorney General Reinaldo Muñoz. The injunction bars lawmakers from carrying out a "political judgment" against Maduro or any other act deemed to be "unconstitutional." Despite the ruling, legislators vowed to proceed with the trial. The National Assembly's president blasted the decision by the high court's Constitutional Hall, mocking the body as "Unconstitutional Hall." "Absolutely null the new decision by the 'TSJ Unconstitutional Hall' declaring cautious favor for Maduro promoted by the cheap attorney general of the republic," said Ramos, UPI reported. "TSJ Unconstitutional Hall, fraudulent, designed to violate the Constitution, may give instructions to its gangs of minions but not to the National Assembly elected by the people." Also on Tuesday, three legislators who had been at the center of a

dispute between the National Assembly and the high court stepped down as part of an agreement aimed at defusing tension between Maduro's government and the opposition, Reuters reported. The lawmakers, Julio Ygarza, Nirma Guarulla and Romel Guzman, were key to the opposition's super majority following the December 2015 legislative elections. But the following month, a supreme court order barred them from taking their seats, citing allegations of fraud. In July, the National Assembly defied the high court's order and seated the three legislators anyway, a move that led the court to declare the National Assembly's actions illegitimate. Following the start of Vatican-sponsored dialogue last weekend between Maduro's government and the opposition, the three lawmakers agreed to step down in order to trigger new elections for their seats. "This is a vote of confidence in the dialogue," said opposition lawmaker Ángel Alvarado. "Now [the government] has to call elections."

Colombia Peace Accord Final: Gov't

A renegotiated peace agreement between Colombian President Juan Manuel Santos' government and the Revolutionary Armed Forces of Colombia, or FARC, rebels is final and will not be changed, the government's lead negotiator said Tuesday, Reuters reported. "This is the final accord; it's the definitive accord," Humberto de la Calle told reporters in Bogotá. The two sides returned to the negotiating table and agreed on a new accord six weeks after Colombian voters rejected the original deal in an Oct. 2 plebiscite. Santos is not required by law to again seek voters' approval for the deal, which might be put to Congress for ratification. In related news, Santos announced Tuesday that he will undergo medical tests this week in the United States due to a possible return of his prostate cancer, Reuters reported. His doctors in Colombia detected heightened levels of prostate-specific antigen during a routine exam and recommended he undergo further tests at Johns Hopkins Hospital in Baltimore. Tonight, he is to be honored in Washington with an award from the Inter-American Dialogue.

NEWS BRIEFS

Cuban Government Pardons 787 Prisoners in Response to Pope

Cuba has pardoned 787 prisoners in response to Pope Francis' Holy Year of Mercy call to heads of state for acts of clemency, state newspaper Granma reported Tuesday. The government pardoned women, youths, people who are ill and "other categories," according to state-run newspaper Granma, though a list of names of the freed prisoners has not been made available to the public. Cuba has denied that it has any political prisoners, and said those convicted of murder, rape, child abuse and drug trafficking would be excluded from the pardons.

Floods Displace 20,000 in Dominican Republic

Floods in the Dominican Republic have displaced more than 20,000 people, officials say, BBC News reported Tuesday. More than 4,000 homes have been flooded, and at least 50 completely destroyed, following heavy rainfall that caused rivers to overflow their banks. President Danilo Medina has extended the state of emergency to eight provinces. More rains are expected for the Caribbean country this weekend. The extreme weather comes less than two months after Hurricane Matthew pounded the island of Hispaniola.

Former Ecuadorean President Duran-Ballen Dies at 95

Former Ecuadorean President Sixto Duran-Ballen died at the age of 95, the Associated Press reported Tuesday. Duran-Ballen was president during Ecuador's month-long border conflict with Peru in 1995, which was the last war in the Americas between two sovereign states. The dispute ended with a cease-fire and an agreement that demarcated the border. He served as president from 1992 to 1996.

BUSINESS NEWS

Mexico to Auction 14 Contracts for Oil, Gas Exploration

Mexico will put 14 contracts for licenses to explore and extract onshore hydrocarbons up for auction as part of its third phase of its Round Two oil tender, national oil regulator CNH said Reuters reported Tuesday. The blocks to be tendered include 25 fields and areas in the Burgos basin, Tampico-Misantla, the Southeast basins and in the state of Veracruz. The contracts will be awarded in July of next year. Of the blocks for tender, it is expected that the five areas for exploration and production in the Southeast basins contain light crude and gas, while the remaining blocks offered could contain rich gas, lean gas, crude or condensates, according to the oil regulator. CNH Commissioner Hector Acosta said one of the blocks for auction is in a cross-border area with Pemex, and that the winner of the contract would have to negotiate an agreement with the state-run oil company, which is obligated to have an at least 20 percent stake in such fields. He added that exploration and extraction at the Tampico-Misantla block could potentially impact conservation areas, though Mexico's energy ministry has not indicated what measures would be taken to mitigate its impact.

ECONOMIC NEWS

Brazil's Economy Close to Turnaround, Tough Recovery: IMF

The International Monetary Fund's executive board on Tuesday said Brazil's economy may be close to beginning its recovery from its worst recession in eight decades, Reuters reported Tuesday. The IMF added that the South American country would be facing a long and grueling recovery, and that its success

FEATURED Q&A / Continued from page 1

Early in his campaign, he thought the Obama initiative was welcome, even overdue. In the last month of the presidential race, as his advisors counted votes in Florida, he reversed course and vowed to halt normalization until Cuba turns democratic. But these gyrations tell us little about what he will do when he takes over the Oval Office. By then, he should know that the island is not of much political consequence outside of Florida's Cuban-American community, but this may be an opportunity for Trump or his secretary of state to show a bit of toughness, upend a key piece of Obama's legacy and satisfy Trump's backers in Miami. In the end, domestic consideration, as usual, will take center stage in shaping Cuba policy. Still, the Cuban government can have a role as well. Even modest progress toward political opening and economic reform in Cuba could help protect the normalization effort. But that is probably too much to ask of the Cuban leadership, which is unlikely to agree to yield even to the hint of pressure from any U.S. administration."

A Susan Purcell, independent consultant on Latin America: "The 2016 presidential election makes the future of President Obama's new policy of engagement with Cuba less secure. This is because all of the big changes were made by executive orders that President-elect Trump can

undo, also through executive orders, once he assumes the presidency. In September 2015, candidate Trump said that the concept of a U.S. opening to Cuba 'is fine,' although he added 'but I think we should have made a stronger deal.' During the last months of

“ U.S. companies trying or planning to invest in Cuba should probably put their plans on hold...”

— Susan Purcell

his presidential campaign, however, Trump hardened his stance toward Cuba in an apparent effort to win the support of South Florida's Cuban-American Republicans, which would help him win Florida's 29 electoral votes. Specifically, he said that the stronger deal he wanted would include the protection of religious and political freedom, the release of political prisoners and the barring of Cuba 'from seeking reparations over losses allegedly incurred by the U.S. embargo.' President Trump will undoubtedly attempt to negotiate a less one-sided deal with Cuba, although not necessarily during his first 100 days, since he believes that President Obama gave everything to the Cuban government while demanding nothing

Continued on page 4

hinges on the passage of unpopular reforms. In the IMF staff's annual report on Brazil, they said that despite the Brazilian government's efforts to avoid a fiscal crisis, they expect the recovery to be gradual. "Directors strongly emphasized the need for fiscal consolidation to ensure macroeconomic stability," the IMF said in a statement. Lackluster industrial output and consumption data have led some Brazilian government officials to scale back their growth projections for next year from 2 percent down to 1 percent. The IMF has an even more pessimistic forecast of 0.5 percent growth for next

year after two years of contractions. A sharp decline in the value of the real last week tied to concerns over U.S. President-elect Donald Trump's economic policies has led increased concerns about Brazil's recovery. An International Monetary Fund official said in a briefing that it is too early to measure Trump's impact on Brazil's economic growth, but added the country's reserves and free-floating foreign exchange regime may help soften the blow and offer some protection. [Editor's note: See [Q&A](#) on Brazil's economy in the Oct. 20 issue of the Advisor.]

FEATURED Q&A / Continued from page 3

in return. Since the embargo can only be lifted by Congress and remains in place, it is not necessary for the Republican Congress to play any role unless or until President Trump has achieved the stronger deal that he wants. In the meantime, U.S. companies trying or planning to invest in Cuba should probably put their plans on hold until they get a better sense of whether President-elect Trump will make good on his campaign promise to negotiate a better deal with the Cuban government after he takes office."

A **Jorge Domínguez, professor of government at Harvard University:** "Imagine it is late November 2020. Basking in his re-election as U.S. president, Donald Trump reflects on one of his earliest and most successful presidential decisions in foreign policy. During the 2016 campaign, he had made it clear that addressing issues of migration to the United States was a top priority. He soon discovered that the Cuban government had set an admirable standard for cooperation with the United States over migration. Cuba required that its citizens should prove to Cuban authorities that they had a U.S. visa before they could depart for the United States. Cuba hosted a U.S. Coast Guard commander in Havana to coordinate bilateral collaboration between U.S. and Cuban law enforcement forces. The respective national coast guards assisted each other in patrolling the Straits of Florida. The Cuban government then allowed U.S. Coast Guard

ships to enter a Cuban harbor to repatriate undocumented migrants arrested at sea. President Trump not only found this Cuban government response reasonable, but he also instantly understood Cuba's request: U.S. law and policy induced migration to the United States, giving Cubans special treatment under U.S. law that was denied to all other lawful or undocumented migrants. An undocumented migrant who touched U.S. soil was admitted under the U.S. attorney general's discretionary authority from the 1966 Cuban Adjustment Act. President Trump asked the attorney general to stop exercising such authority, and as a result of this executive decision, all Cubans could enter the United States only under the regular provisions of U.S. immigration law. The Cuban Adjustment Act was then effectively repealed by executive action. Motivated by this realization, President Trump began to explore much closer collaboration with the Cuban government toward a formal agreement on drug trafficking interdiction. Told that Cuba had first proposed such an agreement in the previous century, President Trump's next comment was, 'Get me the Cuban ambassador for a negotiation.' That was the beginning of the set of well-negotiated agreements between the United States and Cuba that marked the first term of the Trump presidency."

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