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FEATURED Q&A

Can Meade Keep Mexico's Presidency in the PRI's Hands?



José Antonio Meade last week received the endorsement of Mexico's president to be the ruling party's presidential candidate in next year's election. // File Photo: Mexican Government.

Q Mexican President Enrique Peña Nieto on Nov. 27 backed his finance secretary, José Antonio Meade, to be the ruling Institutional Revolutionary Party's candidate in the presidential election to be held next July. Why did Peña Nieto choose Meade, and will Meade's close affiliation with the relatively unpopular lame-duck president hinder his candidacy? Does Meade have the support of the PRI at large? What will it take for Meade, often described as a U.S.-educated technocrat, to garner enough popular support to become Mexico's next president?

A Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City: "President Enrique Peña Nieto made a politically sound selection in choosing José Antonio Meade as the PRI candidate for next year's presidential election. Meade is the ideal candidate to provide continuity to the Peña Nieto administration's structural reforms. The reforms have to do with long- and medium-term plans for the country, and this is what Mexicans are betting on when they vote for him. This potential will help to assure Mexico's competitiveness as it works to strengthen its institutions and rule of law. For example, if the energy reform is halted, according to data published by the Mexican Institute of Competitiveness, it would cost the country \$10 billion, which would have to come from the public budget to compensate for the private investment that has been made so far in Mexico's energy sector. But those resources are also needed to assure the continuation of health and social security programs. In addition to the reforms already enacted, the country is facing new challenges. For exam-

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TODAY'S NEWS

POLITICAL

Opposition Seeks Full Recount or Runoff in Honduras Race

Salvador Nasralla, who is seeking to unseat incumbent Honduran President Juan Orlando Hernández, said election officials should fully recount the vote from the disputed Nov. 26 election or hold a runoff.

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BUSINESS

BBVA Accepts Scotiabank's Offer to Buy Chilean Unit

The Canadian bank had offered approximately \$2.2 billion for BBVA's stake in BBVA Chile.

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POLITICAL

Venezuela's U.N. Ambassador Quits

Rafael Ramírez, who formerly headed state oil company PDVSA, resigned at the request of President Nicolás Maduro, whose government is believed to be consolidating power ahead of next year's presidential election.

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Ramírez // File Photo: Venezuelan Government.

POLITICAL NEWS

Honduras Opposition Candidate Seeks Full Recount or Runoff

Opposition presidential candidate Salvador Nasralla said Tuesday that Honduras' election authorities should recount the entire vote from the disputed Nov. 26 election or hold a runoff between him and incumbent President Juan Orlando Hernández, Reuters reported. If election authorities won't agree to review virtually all of the ballots, "let's go to a runoff," said



Nasralla // File Photo: Nasralla Campaign.

Nasralla. Former President Manuel Zelaya, who was ousted from office in a 2009 coup and now backs Nasralla, said on Twitter that the country's opposition wanted a full recount or the passage of legislation to allow a second round, which is not used in Honduras' voting system. After a week of counting ballots, a process marked by delays that election officials blamed on technical problems, the final vote tally showed Hernández with a 1.6 percentage point lead over Nasralla. Election authorities stopped short of declaring Hernández the winner, however, saying they wanted to allow for time for filing legal challenges. On Tuesday, the election commission's president, David Matamoros, invited the opposition to compare their copies of voter tally sheets with the commission's versions. Election officials also extended a deadline to file legal challenges to Friday from Wednesday. Election authorities on Tuesday agreed to a demand from the opposition to recount returns from more than 5,000 polling places, about 30 percent of the total, the Los Angeles Times reported. Nasralla had an early

lead when partial results were first released after the election, but that lead disappeared as the counting dragged on. The situation has led to claims of fraud from Nasralla and his supporters, which the election commission has denied. The Organization of American States has said the results were marred by irregularities and errors, Reuters reported. Also on Tuesday, officers of the national police returned to duty after briefly refusing to obey Hernández's government and enforce a nighttime curfew, the Associated Press. Hernández was apparently able to get officers to return to duty by agreeing to pay them Christmas bonuses, promising salary increases and offering to build apartments for officers. "I spoke with a lot of them, and we reached satisfactory agreements," said Hernández. While financial concerns had been thought to be behind the officers' refusal to enforce the curfew, some officers also said they were tired of constantly fighting demonstrators. Violence in the past week has reportedly left as many as a dozen people dead.

Venezuela's U.N. Envoy Quits as Gov't Pursues Officials

Venezuela's ambassador to the United Nations and former head of state oil company PDVSA, Rafael Ramírez, on Tuesday resigned from his post at the request of President Nicolás Maduro, in a move that opposition leaders say is part of Maduro's plan to consolidate power ahead of his bid for re-election next year, The Wall Street Journal reported. Ramírez's resignation came amid what Maduro has called an anti-corruption probe of current and former PDVSA officials. In recent weeks, some 65 executives, many of whom had close ties to Ramírez during his 12-year tenure as president of the oil company, have been arrested on corruption charges. Maduro's aides have not publicly released evidence against the charged officials. Critics of the government have said that the anti-graft crusade is a cover for Maduro as he seeks to ensure that he sees no challengers from within his own party for the presidency. "Maduro is disqualifying those who

NEWS BRIEFS

Trump Administration Reportedly Eyes Goldberg for Envoy Role in Havana

U.S. President Donald Trump's administration is planning to name former U.S. Ambassador to the Philippines and Bolivia Philip Goldberg as the chargé d'affaires at the country's embassy in Cuba, according to a U.S. official with knowledge of the matter, the Associated Press reported Tuesday. The State Department declined to comment on the matter. Goldberg was once expelled from Bolivia after being accused of stirring unrest. He served as ambassador to the Philippines under former U.S. President Barack Obama. The United States has not approved an ambassador to Cuba since the countries re-established diplomatic relations in 2015.

Brazil's Central Bank Expected to Cut Key Rate

Brazil's central bank is set to cut interest rates to the lowest level ever today, and has hinted at further cuts next year, as inflation remains below the bank's official target, Reuters reported. The bank's monetary policy committee is expected to reduce the benchmark Selic rate by 50 basis points to 7 percent at the end of a two-day meeting today, according to a poll of economists by Reuters.

Sagicor Bank Jamaica Taps Johnson as New CEO

Sagicor Bank Jamaica's board of directors has named Chorvelle Johnson as the bank's next chief executive officer, the Jamaica Observer reported Monday. Johnson, who is to begin in the position on Jan. 29, has had top management positions in companies including First Global and most recently at Proven Wealth and Proven Fund Managers. As Sagicor Bank Jamaica's CEO, Johnson will also be named to the bank's board as a nonindependent director, the Observer reported.

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ple, with regard to social security, universal coverage is needed. Finding the mechanisms to achieve that will require the vision and expertise of an experienced technocrat like Meade. The difference between the PRI and other political parties at this moment in time is that the PRI is unified in support of its candidate. Meade has many challenges ahead and much work to do to court voters and earn the popularity required to win the election, but, fortunately, the race has just begun, and I believe that Meade is entering it on the right foot."

A James Bosworth, founder of Hxagon and author of *Bloggings By Boz*: "José Antonio Meade was not supported by all the party leadership, but as is tradition, the entire party machine will rally around their candidate now that the decision has been made. Meade brings a number of strengths to the table. His lack of history with the PRI and low name recognition give him an opportunity to mold his own reputation and

“Perhaps Meade’s biggest weakness is his need to associate with the PRI.”

— James Bosworth

avoid some of the negative perception the population has of the party. His previous ties to the PAN mean he may be able to pull away some of that party’s center-right voters, who want a credible alternative to AMLO. He is not linked to any major corruption scandals, which will be important, as the negative campaigning heats up. With the PAN in disarray and independent candidates still struggling, Meade presents the PRI with the best opportunity to win the presidency

in a year, in which their chances should be minimal. Perhaps Meade’s biggest weakness is his need to associate with the PRI. Meade has been hurt by the recent media images of meeting with the party bosses and his less-than-convincing answers about corruption and defending the current administration’s policies. He needs the PRI’s campaign infrastructure to win, but being the institutional party candidate will also be a heavy burden on his poll numbers."

A Carin Zissis, editor-in-chief of AS/COA Online at the Americas Society and Council of the Americas: "José Antonio Meade, a lesser-known candidate who’s never run for office, is up against leftist former Mexico City Mayor Andrés Manuel López Obrador, a familiar face making his third go at the presidency and who leads polls in part thanks to voter dissatisfaction with the political status quo. So it seems like Meade, who has PhD from Yale and polls well with elites, could struggle to win popular support in time for election day. But it would be a big mistake to count him out. For starters, Meade’s ‘unknown’ status can be overcome, particularly given that political advertising is crucial to media outlets’ bottom lines in Mexico. Since Meade revealed plans to run, he has gotten nonstop coverage, proving the PRI machinery is gearing up for battle. Second, President Enrique Peña Nieto’s administration hopes that what makes Meade different will also make him the victor. The PRI is tainted by corruption, but Meade remains untarnished. He’s held top cabinet posts, ranging from foreign relations to finance, under Peña Nieto, but also during the presidency of Felipe Calderón of the National Action Party, meaning he can siphon votes from the conservative PAN. In fact, Meade isn’t a PRI member; the party opened the door to his candidacy in August by changing its rules to allow non-priistas to run. Finally, Mexico has no runoff vote, and there could be more candidates this time around, given

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could represent another option from him," said John Magdaleno, a public-policy professor at the Simón Bolívar University in Caracas. Following his resignation, Ramírez did not discuss what he plans to do next, but reaffirmed his loyalty to his mentor and Maduro’s predecessor, late President Hugo Chávez. Ramírez left for an undisclosed country after writing his resignation letter and is believed to possibly be going into exile.

BUSINESS NEWS

BBVA Accepts Scotiabank’s Offer to Buy Chilean Unit

Spain-based Banco Bilbao Vizcaya Argentaria has agreed to sell its 68 percent stake in BBVA Chile to Bank of Nova Scotia for 2.9 billion Canadian dollars (approximately \$2.2 billion), the Canadian lender said Tuesday in a statement. Additionally, Scotiabank said the Said family, which owns about 32 percent of BBVA Chile, has waived its right of first refusal to buy BBVA’s shares in the Chilean unit. The family has also indicated a willingness to remain in the business and, in that case, would invest as much as \$500 million to own as much as 25 percent of the combined entity when Scotiabank Chile and BBVA Chile are merged, Scotiabank said. "This transaction is in line with Scotiabank’s strategy to increase scale within the Chilean banking sector and the Pacific Alliance countries," the Toronto-based bank said in a statement. "It will double Scotiabank’s market share in Chile to approximately 14 percent, and make Scotiabank the third-largest private sector bank in the country." Scotiabank’s chief executive officer, Brian Porter, said the lender is looking forward to working with the Said family. "We are pleased to have reached an agreement with BBVA to acquire their shares of BBVA Chile. We look forward to a partnership with the Said family and to build a better bank in Chile," said Porter. The deal is subject to regulatory approvals.

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the possibility of some high-profile independents. Meade, or whoever wins, might do so with a third of the votes—or less. And the PRI is, at least publicly, projecting unity while other parties fall victim to infighting. There's a long way to go between now and July 1, and the PRI is a formidable political force in Mexican politics, regardless of Peña Nieto's approval rating."

A **James R. Jones, member of the Advisor board, chairman of Monarch Global Strategies and former U.S. ambassador to Mexico:** "President Peña Nieto probably chose José Antonio Meade because he has the best chance to win for the PRI. A combination of a lot of residual disdain and resentment toward the PRI during its uninterrupted 71-year reign of power, plus a perceived

“His good relations with the PAN should result in siphoning off some PAN votes.”

— James R. Jones

increase in corruption during the Peña Nieto administration, have placed the PRI in a distant third place to win the presidency next year. Meade brings several things: 1) He is not perceived to be that close to the president; 2) He was not a member of the PRI, and the party had to change its rules to allow him to be a candidate; and 3) He is considered to be totally honest and free of corruption. He served with distinction in the cabinet of PAN President Calderón. His good relations with the PAN should result in siphoning off some PAN votes, perhaps enough to overcome the strong support

base of Morena's candidate, Andrés Manuel López Obrador. The question that remains is whether Meade can be an effective political campaigner. He is accustomed to giving economic and foreign policy speeches. By their very nature, these are sober and dull. If he can master political rhetoric and still remain credible, it could be a very close race for the presidency."

A **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach:** "First, politics aside,

I could not think of a better candidate to become president of Mexico than José Antonio Meade. He is knowledgeable about the development bottlenecks his country is facing and the means to overcome them. He is a consensus-builder and is not a party apparatchik. He also is a great operator and knows the nuts and bolts of the three areas that account for Mexico's success or lack of thereof: energy, education and finance. But, alas, should his nomination take hold, he would represent the PRI—a dying horse in Latin American politics. As with all other political parties that emerged from the republican wars after independence from Spain, PRI is a corporatist organization created to control people, in order to guarantee rent extraction for the elites. Mexico's thriving democracy and economic potential would demand a political organization that opens decision-making to civic organizations, establishes a sustainable and independent financial platform and prioritizes rule of law. Meade knows that, but I doubt the PRI leadership would support this vision or that the electorate will see him as the PRI reformer."

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