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FEATURED Q&A

How Successful Was Bolsonaro's Trip to Washington?



Brazilian President Jair Bolsonaro met Tuesday with U.S. President Donald Trump at the White House. // Photo: Brazilian Government.

Q **Jair Bolsonaro visited Washington for the first time as Brazil's president this week and on Tuesday discussed issues including trade ties, military cooperation and the ongoing turmoil in Venezuela with U.S. President Donald Trump.**

What came of the visit, and how might it affect Brazil-U.S. relations going forward? What are the most important areas of cooperation between the two countries, and what issues remain major sticking points? What is motivating Bolsonaro's policy toward the United States, and how much of a turnaround will it be from the approach of past Brazilian administrations?

A **Peter Hakim, president emeritus at the Inter-American Dialogue:** "The prospect of a re-energized U.S.-Brazil relationship has fired up both nations' governments. Bilateral ties have been cool and detached for the past half-dozen years.

Presidents Bolsonaro and Trump demonstrate a special affinity—sharing similar worldviews, convergent policy priorities and matching temperaments. Both have proclaimed enthusiasm for deeper, more robust economic, political and security relations. The United States wants Brazil on its side. Recently, the White House has focused much of its Latin America attention on Venezuela and Cuba, pursuing regime change in both. The United States has steadily escalated pressures on the Maduro government, even suggesting a willingness to employ military force. Washington sees Brazil's backing as essential for a successful strategy. For its part, Brazil views U.S. support on trade and other economic issues as crucial to its struggle to recharge its static, troubled economy—the Bolsonaro

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TODAY'S NEWS

POLITICAL

Venezuelan Gov't Agents Detain Key Aide to Guaidó

Venezuelan government agents early this morning raided the home of attorney Roberto Marrero, a key aide to National Assembly President and internationally recognized acting President Juan Guaidó.

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ECONOMIC

Argentina OKs New Natural Gas Exports to Chile

Argentina authorized new shipments of gas to Chile by state oil company YPF and France's Total.

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POLITICAL

Nicaragua Vows to Release All Jailed Protesters

Nicaraguan President Daniel Ortega's government said it will release all demonstrators who have been detained since violent anti-government demonstrations erupted in the Central American country last April. The opposition has long demanded the prisoners' release.

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Ortega // File Photo: Nicaraguan Government.

POLITICAL NEWS

Nicaragua Vows to Release All Jailed Protesters

Nicaraguan President Daniel Ortega's government on Wednesday promised to release all protesters who have been jailed since violent anti-government demonstrations erupted in the Central American country nearly a year ago, the Associated Press reported. The government said it would release the demonstrators within 90 days, according to Waldemar Sommertag, the papal nuncio in Nicaragua, who announced the Ortega administration's decision alongside officials from the government and the opposition. The prisoners' release has been a top demand of the opposition for continuing talks with Ortega's government. In return for the release of the protesters, Ortega is asking for sanctions against his government to be lifted, the wire service reported. Some 640 demonstrators are estimated to be behind bars. Talks that began Feb. 27 would resume today, the statement said. The situation in the Central American country has been particularly tense in recent days since security forces broke up demonstrations last weekend. On Saturday, police used tear gas against protesters and temporarily detained about 100 of them amid an anti-government demonstration, MercoPress reported. The Civic Alliance for Justice and Democracy, or ACJD, said Tuesday that it would not participate in talks with the government until all "political prisoners" are released and authorities cease repression of anti-government protesters. The statement that said talks would resume today added that the discussions would focus on electoral reforms, the Associated Press reported. Ortega has been accused of seeking to remain in power indefinitely. At least 325 people have been killed in connection with the anti-government protests since last April, according to the Inter-American Commission on Human Rights. The protests began as a public reaction to cuts in social security benefits. Ortega's government backed off from those cuts, but the protests

escalated into general anti-government demonstrations and calls for him to leave office and allow new elections. [Editor's note: See related [Q&A](#) in Tuesday's Advisor.]

Venezuelan Gov't Authorities Detain Key Aide to Guaidó

Venezuelan government security forces early this morning detained a key aide to opposition leader Juan Guaidó, who has international recognition as the country's acting president, the Associated Press reported, citing an opposition legislator. Intelligence agents raided

“We don't know where he is. He should be freed immediately.”
— Juan Guaidó

the Caracas home of lawyer Roberto Marrero, capturing him in an overnight operation, said the lawmaker, Sergio Vergara, whose home was also searched. Agents woke up Vergara in the early morning hours by banging on his door and pointed weapons at him when he answered, he said. Vergara and Marrero recently traveled with Guaidó on a tour of Latin American countries to shore up support for the opposition's efforts to push President Nicolás Maduro from office. "We don't know where he is," Guaidó said of Marrero in a tweet. "He should be freed immediately." Guaidó returned to Venezuela on March 4.

ECONOMIC NEWS

Brazil's Bolsonaro Proposes Military Pension Reform

Brazil's government on Wednesday sent lawmakers a proposal that seeks to save a

NEWS BRIEFS

U.S. Senator Rubio Meets With Haitian President in Port-au-Prince

U.S. Senator Marco Rubio (R-Fla.) on Wednesday met with Haitian President Jovenel Moïse and lawmakers in Port-au-Prince, where they discussed the reshuffling of Moïse's cabinet following the ouster of Jean-Henry Céant as prime minister through a vote of no confidence in Congress, Reuters reported. Moïse, who in recent weeks has faced an internal crisis following paralyzing nationwide protests against him, on Twitter said he and Rubio had spoken about security and holding parliamentary elections.

Argentina Authorizes YPF, Total to Export Natural Gas to Chile

Argentina's energy secretariat has authorized state oil company YPF to export 500,000 cubic meters per day and France's Total to send 1.5 million cubic meters per day of natural gas to Chile during the eight-month period of lower local demand in Argentina, the government said Wednesday, Reuters reported. The announcement came after a meeting between Argentine Energy Secretary Gustavo Lopetegui and Chilean President Sebastián Piñera in Buenos Aires. Argentina resumed gas exports to Chile last October after an 11-year pause.

Trump to Meet With Caribbean Leaders

U.S. President Donald Trump is planning to meet with the leaders of several Caribbean nations on Friday at his Mar-a-Lago resort in Florida, The Hill reported Tuesday, citing a White House statement. Trump will meet with the leaders of the Bahamas, the Dominican Republic, Haiti, Jamaica and Saint Lucia and will stress his administration's "strong friendship with and commitment to these countries," the White House said.

net 10.45 billion reais (\$2.8 billion) over 10 years by imposing tougher retirement rules for the military, *The Wall Street Journal* reported. President Jair Bolsonaro, a retired army captain, personally went to Congress to deliver the military pension reform plan, accompanied by Economy Minister Paulo Guedes and Defense Minister Fernando Azevedo, as well as army commander Edson Leal Pujol, *Folha de S.Paulo* reported. The government's bill would raise payroll contributions to 10.5 percent from 7.5 percent and increase the minimum number of years members of the military would have to serve before retiring from 30 to 35. Among those affected would not only be the armed forces, but also military police and firefighters. The conservative government submitted the military pension reform proposal exactly one month after delivering its plans for a major pension overhaul that would save more than \$240 billion in taxpayer money over 10 years if approved in its current form. However, analysts expect Congress will water down the reform. [Editor's note: See related [Q&A](#) in the March 14 issue of the Advisor.]

BUSINESS NEWS

Citigroup to Sell Gold Venezuela Used as Collateral for Loan

Citigroup is planning to sell several tons of gold that Venezuela's central bank had used for collateral on a \$1.6 billion loan, Reuters reported Wednesday, citing unnamed sources. Under the terms of a 2015 deal with Citibank, Venezuela was due to repay \$1.1 billion of the loan on March 11, according to four sources familiar with the matter. The financial services company plans to sell the gold it received as collateral, which has a market value of approximately \$1.36 billion, to partially recover the loan. The difference in price from when the gold was acquired to current levels, roughly \$260 million, will be deposited into a bank account in New York, sources said, Bloomberg News reported. Another payment on the loan is

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government's most critical task. This would help build confidence of domestic banking and corporate communities and reassure international investors about Brazil's economic future. Will the gains from Bolsonaro's visit lead to a broader reshaping and deepening of bilateral ties? Will they generate momentum for new U.S.-Brazil trade arrangements, cooperation on nuclear proliferation and energy development, or backing for Brazil's aspiration for a permanent seat on the U.N. Security Council? It is too early to say. The obstacles remain substantial: Brazil's tradition of diplomatic independence, divergent interests of the two nations and existing Brazilian commitments to other partners, including Argentina and China. Trump and Bolsonaro are rather anomalous leaders. They could profoundly change their countries or depart without leaving much behind. Brazil could diminish its global stature by yielding its international autonomy and tying itself to the United States. Similarly, by once again embracing a strongman leader, it may see its global status shrink."

A Rubens Barbosa, former Brazilian ambassador to the United States: "Diverging from a longstanding Brazilian foreign policy tradition, Bolsonaro's second visit abroad took place in the United States. Both governments are saying that there was a fundamental change in bilateral relations and that a North-South alliance will be created, given the close personal relationship between the two presidents. Facts in the future will show the concrete results of Bolsonaro's visit and how permanent they are, but it has

due next year. The move will put further pressure on embattled President Nicolás Maduro's government, which is also facing fresh U.S. sanctions against state gold miner Minerven. "Citibank was told that there was a force majeure event in Venezuela, so the grace period was necessary, but they did not grant it," said one of the sources, who supports internation-

ally recognized interim President Juan Guaidó, Reuters reported. The Venezuelan central bank is also reportedly considering a declaration of force majeure, which protects players in the commodities industry from liability if they can't fulfill a contract for reasons beyond their control, arguing in this case that U.S. sanctions hit its finances, Bloomberg News reported.

“ Facts in the future will show the concrete results of Bolsonaro's visit and how permanent they are...”

— Rubens Barbosa

and regional considerations. There are pending trade restrictions in both countries that were not resolved during the visit, with the exception of wheat and pork. From the Brazilian point of view, the Trump administration's decision to support Brazil's effort to join the OECD, as well as Trump support for non-NATO ally status and the positive conclusion of the space technology safeguard agreement represent important steps forward and are the most significant results of the visit. Bolsonaro is the first president to have been elected with a rightist platform in Brazil: liberal on the economy and very conservative in values and social principles. There are clear ideological affinities with President Trump and his policies, including support for the wall along the border with Mexico."

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A **Fernando Cutz, senior associate at The Cohen Group, global fellow at the Wilson Center and former senior advisor to the national security advisor in the White House:** “The personal bond between Trump and Bolsonaro was on full display during the visit. The presidents clearly have chemistry that transcends just a general like-mindedness or similar worldview. With President Trump, that kind of personal connection will go a long way in advancing the broader bilateral relationship. That can be seen in some of the agreements that were reached, and some of the surprising concessions that

“**The presidents clearly have chemistry that transcends just a general like-mindedness or similar worldview.”**

– Fernando Cutz

both sides made. The major non-NATO ally status that the United States supports for Brazil is a big deal and will bring about many advantages to Brazil’s military. President Trump’s surprise declaration that he will support Brazil’s accession into the OECD will be a big win for Bolsonaro, and it shows what a strong personal relationship with Trump can get a country. Likewise, Brazil ending the need for visiting Americans to secure visas is a win for the United States, but also a win for Brazil. Tourism is likely to go up, boosting local economies, and business travelers having easier access to the country means an easier pathway toward securing the additional foreign direct investment that Brazil needs. Some work remains to be done on trade, particularly on an agricultural trade agreement and perhaps even the start of negotiations toward a free trade agreement. But overall, the visit should widely be seen as a success for U.S.-Brazil bilateral relations. It’s now up to President Bolsonaro

to continue moving the positive momentum forward and not take actions that would drive American investors away.”

A **Jana Nelson, former Brazil desk officer at the U.S. Department of State:** “President Bolsonaro’s first trip to Washington and first meeting with President Trump went better than expected. The visit resolved longstanding issues that had been on the agenda for decades, such as the space technology safeguard agreement and Brazil’s accession process to the OECD. It also opened several fronts of bilateral cooperation for the future, rekindling ministerial-level dialogues that are expected to further collaboration on energy, defense, consular issues and trade. President Bolsonaro is the Brazilian president in recent history who has most advanced bilateral ties. The major pending items in the bilateral relationship are economic and consular issues. A bilateral tax treaty has been on the U.S. agenda for years. It would benefit both Brazilians and Americans who earn income in both countries. Another pending item is Global Entry for Brazilians. This would require collaboration and information exchange between the Brazilian Federal Police and the Department of Homeland Security. Both agreements would strengthen ties between domestic agencies in the United States and Brazil, making the countries’ relationship more interconnected. Admiration for President Trump and for the United States motivates President Bolsonaro’s policy, but also a pragmatic understanding that the alliance with South-South countries has not yielded many results other than agricultural trade with China. It is a significant break from previous Brazilian administrations, which preferred to keep the United States at arm’s length, wary of an asymmetrical relationship.”

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

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