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FEATURED Q&A

Will Colombia's New President Deliver on His Promises?



Iván Duque, a conservative former senator, was elected Colombia's president on Sunday. // File Photo: Duque Campaign.

Q Iván Duque, a conservative former senator, on Sunday won Colombia's presidential runoff election, defeating former leftist guerrilla and Bogotá mayor Gustavo Petro. To what can Duque, who is to take office in August, attribute his victory? What does his election mean for the peace accord between Colombia's government and the FARC and for future peace in the country? How much influence will Duque's mentor, former President Álvaro Uribe, have in Duque's government? How will Colombia's economy and businesses fare under Duque? How well will Duque be able to work with Colombia's Congress?

A Oscar Ardila, senior associate at Avenida Capital in Bogotá: "Iván Duque's victory was not a surprise. His win was a result of the support of former President Álvaro Uribe, the generalized fear among Colombia's middle and upper classes of the country becoming Venezuela under a leftist president and the political coalitions under his umbrella. As he promised during the campaign, there will be reforms to the peace accords. However, due to the legal standing of the current accord, and Duque's proposals on the topic, it is hard to envision major changes. Nevertheless, a revision of the peace accords could achieve consensus in the country, as there was a large portion of the population that agreed with Uribe's view of the peace deal. Finally, any amendment to the deal with the FARC must also be seen through the lenses of current negotiations with the ELN and serve as a road map for that negotiation. Duque was without a doubt the candidate of choice for most of the Colombian business community as he is seen as the continuation

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Argentina Awards Six Road Projects

The country's Transportation Ministry awarded the projects to five consortiums. They are the first long-term contracts to be offered under the government's new public-private partnership plan.

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BUSINESS

Anglo American Gets Approval for Brazil Exploration

The multinational mining company has reportedly secured permits for copper exploration in an area consisting of nearly 1.9 million hectares in northern Brazil. The area is located in the states of Mato Grosso and Pará.

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POLITICAL

White House Defends Migrant Separation Policy

The administration of U.S. President Donald Trump defended its policy of separating migrant children from their parents at the U.S.-Mexico border. Trump said the United States will not be a "refugee holding facility."

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Trump // File Photo: White House.

POLITICAL NEWS

White House Defends Migrant Children Separation Policy

The Trump administration on Monday defended its immigration policy of separating migrant children from their parents at the U.S.-Mexico border, Reuters reported. In a White House news briefing, Department of Homeland Security Secretary Kirstjen Nielsen told reporters that “the administration did not



The United States will not be a migrant camp.”

— Donald Trump

create a policy of separating families,” saying that “what has changed is that we no longer exempt entire classes of people who break the law.” A law that bans the “improper entry” of migrants exists, as does a decree known as the Flores settlement, which permits—but does not require—removing children from detention centers after 20 days. A 2008 anti-trafficking statute calls for unaccompanied minors to be transferred out of immigration detention after 72 hours, according to The New York Times. Neither former President Barack Obama nor former President George W. Bush interpreted these as legal requirements to separate families crossing the border. At the White House on Monday, Trump defended his administration’s policy, saying, “The United States will not be a migrant camp, and it will not be a refugee holding facility. It won’t be.” Video footage of minors sitting in cages in detention centers has sparked outrage from both sides of the political spectrum, with several Republican lawmakers, including Representatives Steve Stivers (Ohio), Fred Upton (Mich.), Mario Diaz-Balart (Fla.) and Mia Love (Utah), calling on the Trump administration to change the policy, The New York Times reported.

ECONOMIC NEWS

Argentina Awards Six Road Projects in New Public Works Plan

Argentina’s Transportation Ministry on Monday awarded six road projects to five different consortiums, the first long-term contracts to be offered under the government’s highly anticipated public-private partnership plan, Reuters reported. Companies from Argentina, Spain, China and Portugal came out winners in the 10 consortiums making 32 bids on the projects, which are expected to bring in \$6 billion in investment over the next four years. The administration of conservative President Mauricio Macri has pledged to reduce public works spending as part of a plan to cut its fiscal deficit. Under the contracts, the private companies will provide most of the project financing in



Macri // File Photo: Argentine Government.

exchange for long-term contracts with the state to recoup their investments. Similar awards for railways and energy infrastructure could attract a total of \$26.5 billion in investment through 2022, according to the government. Media reports ahead of the auction described Monday’s results as a test of how strongly investors would back Argentina’s public-private partnership model, especially in light of currency volatility that has shaved 35 percent of the peso’s value against the dollar since January. Macri’s government took a number of steps to make the infrastructure program as attractive as possible to investors, including offering U.S. dollar-denominated contracts, incorporating a dispute resolution mechanism that includes international arbitration and exempting opera-

NEWS BRIEFS

Bolivian, Chinese Presidents Meet in Beijing

Bolivian president Evo Morales and Chinese leader Xi Jinping met today in Beijing and agreed on a “strategic partnership,” Chinese state news agency Xinhua reported. Xi said the partnership promotes stronger bilateral relations between the two countries, focusing on “pragmatic cooperation ... development strategies within the Belt and Road framework, and ... a new model for cooperation in investment, trade and services.”

Chile Antitrust Agency Probing Tianqi’s Acquisition of SQM Stake

A Chilean antitrust watchdog launched an investigation into Chinese lithium giant Tianqi’s recent acquisition of a 24 percent stake in Chemical and Mining Society (SQM) from Canada’s Nutrien, the antitrust agency said Friday. Fiscalía Nacional Económica received two complaints about the operation, one by Corporación de Fomento de Producción (Corfo) and another by Chilean Senator Alejandro Guillier, a former presidential candidate. The watchdog group said it will seek to “verify or dismiss” the plausibility of “anti-competitive risks in Chile.”

Colombian Drug Lord Sentenced to 31 Years in U.S. Prison

A Colombian drug lord who became an informant to U.S. authorities on Mexican drug kingpin Joaquín “El Chapo” Guzmán and other drug traffickers was sentenced Monday to 31 years in prison in a Miami courtroom, the Miami Herald reported. If he hadn’t spied on other drug traffickers, Henry De Jesús López Londoño could have been sentenced to life in prison. López Londoño, 48, has been in custody since his arrest in 2012 and will get credit for time already served.

tors from Argentina's value-added tax, Rebecca O'Connor and Madeleine Elder, analysts at Ce-feidas Group in Buenos Aires, told the Advisor last month. [Editor's note: See related [Q&A](#) in the May 18 issue of the Advisor.]

BUSINESS NEWS

Anglo American Gets OK for Brazil Copper Exploration

Mining company Anglo American has secured permits for copper exploration in an area of nearly 1.9 million hectares in northern Brazil, Reuters reported Monday. Anglo, in a statement to the wire service, said it was too early to tell whether the project will yield copper, but affirmed it received permissions to explore in the states of Mato Grosso and Pará, near the Brazilian Amazon. If successful, discovery could help boost Brazil's copper industry, which has been facing a shortage of the red metal after years of reduced budgets for exploration coincided with growing demand for copper for electric vehicles. A major find would also represent a win for the mining industry as a whole, which has suffered from a series of accidents in recent years that have damaged its public image. Anglo will likely encounter some challenges going forward with its exploration plans, particularly in the form of opposition by activists, according to Reuters. The area is close to two indigenous reserves, several national and state parks and protected conservation units. In a statement, the multinational company asserted that "wherever we operate, whether at the earliest stages of geological work through to our mining operations, we are sensitive to host communities and the natural environment," Reuters reported. Brazil's top three copper miners produced an estimated 497,889 tons of the metal in 2016, up from 473,320 tons a year before, Business News Americas reported, citing the government's National Department of Mineral Production, or DNPM. Brazil is the world's 15th-largest producer of copper.

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of the market-friendly policies the country has put in place over the past three administrations. On the economic front, as long as Duque can contain the country's fiscal deficit, most indicators should benefit from his proposed policies. Also, he will have a definitive majority in both chambers of Congress, according to our estimates. Finally, it is hard to predict how much influence Uribe will have on Duque's presidency. Duque would not have won without Uribe—Uribe hand-picked him, and Duque has consistently shown his admiration for Uribe, so it is likely that Uribe will be a major driving force of Duque's agenda."

A Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former deputy U.S. assistant secretary of state for Western Hemisphere affairs:

"Iván Duque's ample margin of victory on Sunday came as no surprise. Colombian voters saw him as the candidate more likely to promote security and grow the economy. His association with former President Uribe was a net plus that contrasted with concerns on the part of many voters that Petro and the left represented a threat to stability. The specter of Colombia's imploded neighbor, Venezuela, weighed heavily on the election. In the end, Colombia's conservative political tradition prevailed once more. Duque will assume office with the advantage of what should be solid majority support in Congress. He will need to make good use of it—the challenges facing his government are large. A central objective should be to establish effective state presence throughout the country, especially in areas where coca cultivation is exploding and where civil conflict was in the past most acute. That means quality policing, effective rule of law, access to justice, roads, schools, health clinics and a commitment to reduce the yawning rural/urban divide. Anti-corruption efforts must be more than a slogan. Economic policy should

take aim at reducing income and wealth inequality. Scrapping the controversial peace deal with the FARC would be a mistake—and Duque appears to be walking back that idea. On this issue and more generally, if Duque is serious about building national consensus, his vision needs to transcend the constraints of *uribismo*."

A Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach: "Iván Duque's victory rides on the tailwinds of Colombia's political estrangement from traditional political parties that have failed to understand 21st century realities. Duque was able to capitalize on this disaffection because he has a bottom-up approach to development and a global vision. This allowed him to break the

“ Uribe's endorsement was key, as he has become the conscience of modern Colombia.”

— Beatrice Rangel

frozen image that the people of Colombia had of its leadership as being distant from the people's problems and aspirations. Duque's campaign style was that of a citizen, not of a plantation master, as most Colombia political leaders have positioned themselves, except for Álvaro Uribe who broke the pattern. Uribe's endorsement was key, as he has become the conscience of modern Colombia. Then, of course, there was Venezuela whose collapse is severely affecting Colombia in every dimension. Venezuela has become a sort of regional Pandora's box firing to Colombia among other things modernized organized crime, uncontrollable migration, economic havoc

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and social unrest. This ugly picture of a state collapsing under the grip of organized crime which in turn is linked to one of the parties supporting Gustavo Petro was the last nail in the coffin of Petro's aspirations to become Colombia's president."

A **Maria Velez de Berliner, managing director of RTG-Red Team Group, Inc:** "Duque's victory is due to a majority of Colombians clamoring for an end to political polarization, lawlessness, compromised justice, violence and insecurity. The peace accord with the FARC is collapsing under the weight of opposition to it, dissidences and sundry criminal groups that filled the vacuum created when the FARC's Central Command was allowed to enter Colombia's politics despite country-wide opposition. The central question is not what Duque will do, but whether Uribe and his ultra-loyal supporters will leave Duque alone to govern a country very different from the one Uribe governed. If Duque is to succeed, he cannot be seen as delivering Uribe's 'third term,' which Uribe did not have. In four years, Duque cannot possibly return Colombia to a normality it has not had since 1948, but he can make serious and much-needed inroads in this direction. Duque has four difficult years ahead to keep his varied and overreaching promises, and maintain the confidence of the business establishment that he has today, along with the international goodwill he enjoys, particularly in the United States and Europe. With Gustavo Petro in the Senate, representing over eight million voters, and his statement that he will begin a constant and determined opposition to Duque, Duque has a formidable opponent in Congress to any legislation he proposes, particularly regarding energy, judicial reform, employment and 'tweaks' to the FARC agreement. Petro's eight million voters will not remain quiet, particularly if

they perceive Duque to be Uribe's puppet, which Duque is not."

A **Sergio Guzmán, analyst for global risk analysis at Control Risks in Bogotá:** "Duque has promised a business-friendly agenda and economic reforms, such as the simplification of tax policy and a tightening of fiscal spending. He plans to promote infrastructure development through the existing investment framework, and has said that the country needs to take advantage of its extractive resources and attract foreign direct investment in oil, gas and mining. Duque has been a vocal critic of the controversial peace agreement with the FARC. Duque has pledged to amend key portions of the agreement. However, Duque won't be able to reform the agreement as aggressively as he would have his supporters believe. His modifications to it are likely to be contentious, and he will face significant legal hurdles, particularly from the Constitutional Court. While Duque's election is unlikely to prompt an immediate return to conflict, there are significant risks for violence and insurgency. The existence of profitable illegal economies, high levels of youth unemployment in rural areas, the state's inability to meet citizens' basic needs and vacuums of power left in the wake of the FARC's withdrawal are just a few. The ongoing peace process with the ELN guerrilla group will depend on its willingness for a unilateral cease-fire, but this is unlikely. Under a Duque presidency, a negotiation with the ELN will be more difficult, not only because the government will increase its demands of the group, but also because the ELN has a closer relationship to neighboring Venezuela."

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