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## FEATURED Q&A

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



Frente Amplio candidate Daniel Martínez heads into Uruguay's presidential election later this month as the front-runner, but he faces tough competition. // File Photo: Martínez Campaign.

**Q Former Montevideo Mayor Daniel Martínez of the ruling Frente Amplio coalition appears to be the front-runner ahead of Uruguay's Oct. 27 election, with 40 percent of support in the latest Radar survey. Earlier this year, however, Frente Amplio received 23.6 percent of the overall vote in the country's primaries, trailing the opposition Partido Nacional, with 41.6 percent. Uruguay's primaries allow voters to select both a preferred presidential candidate for each party and a preferred party. With nearly a month to go until election day, how likely is Martínez's victory? Is a second round of voting expected, and how might that change the race's dynamics? What are the most important factors driving voter preferences this election cycle?**

**A Nicolás Saldías, senior researcher at the Wilson Center's Latin America Program and Argentina Project and Ph.D candidate at the University of Toronto:** "An average of the latest polls shows the Frente Amplio (FA) at about 35 percent. This figure puts the party at risk of losing its parliamentary majority and forcing Daniel Martínez to a second round in the presidential election against the conservative Partido Nacional, led by Luis Lacalle Pou, or, less likely, the centrist Partido Colorado under outsider Ernesto Talvi. Martínez is a moderate from the Socialist Party, and he proved to be an adept and popular mayor of Montevideo—seen as a stepping stone to the presidency. In June, Martínez won his party's primary, but against two candidates from the left who split the vote. The FA's competitive primary highlights that, after 15 years in power, there is a sense of frustration that

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## Indigenous Groups Take Lead in Ecuador Protests

Indigenous groups have become the leaders of protests against President Lenín Moreno's elimination of fuel subsidies as transportation unions stepped back from leading the demonstrations.

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### BUSINESS

## Venezuela Arrests Three in PDVSA Joint Venture

The president of a joint venture between Venezuelan state oil company PDVSA and China's CNPC and two others have been arrested in connection with a corruption investigation.

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### ECONOMIC

## Russia Will Help Cuba Secure Fuel: Medvedev

Russia's government will help Cuba secure supplies of oil and petroleum products, Russian Prime Minister Dmitry Medvedev said in an interview.

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Medvedev // File Photo: Russian Government.

## POLITICAL NEWS

## Indigenous Groups Take Lead in Ecuador Protests

Indigenous groups in Ecuador announced Friday that they would continue protests in opposition to President Lenín Moreno's decision to eliminate fuel subsidies as part of austerity moves, BBC News reported. Opponents of Moreno's elimination of the subsidies, which he has said are needed to adhere to the terms of a \$4.2 billion deal with the International Monetary Fund, argue that the move has led to higher prices not only for fuel but also other consumer goods. Merchants had been overcharging for products including corn, onions, carrots and potatoes, the prices of which are regulated by price controls, according to authorities. "There is no justification for raising the prices," said Interior Minister María Romo. Some 20 people have been arrested for increasing food prices, according to Ecuador's government. Protesters have blocked main roads and highways in the country, including with burning tires. Moreno has said that he will not bring back the subsidies. Transportation unions had originally led the protests, but on Friday night, Abel Gómez, a spokesman for the transportation union, said the unions were calling off the protests and handing a list of demands to the government, Reuters reported. "Therefore today, for our side, our measures end," said Gómez. However, indigenous groups, students and other unions said they would continue demonstrating and called for a nationwide strike on Wednesday. "These will be days of unrest," said Nelson Erazo, the head of the Popular Front, an umbrella group for unions and social movements. "Not even jail will stop the Ecuadorean people's struggle." Moreno has declared a state of emergency amid the protests, which had resulted in 368 arrests as of Friday night. Most of the arrests happened in Quito and Guayaquil, according to the Interior Ministry, the wire service reported. [Editor's note: See related [Q&A](#) in Friday's issue of the Advisor.]

## ECONOMIC NEWS

## Russia to Help Cuba Secure Fuel Supplies: Medvedev

Russia will work to help Cuba secure supplies of oil and petroleum products, Russian Prime Minister Dmitry Medvedev said in an interview broadcast on Saturday, Reuters reported. Medvedev vowed to help boost Cuba's energy sector during a visit to the Caribbean nation, though he did not announce any short-term measures to alleviate Cuba's crippling fuel shortages following tougher U.S. sanctions. However, support from both Venezuela and Russia, some of Cuba's closest allies, is unlikely to resolve the fuel shortages, which have prompted the Cuban government to implement energy-saving policies over the last month. Among the measures are cutting public transportation, reducing production at some factories and encouraging the use of more animal-powered vehicles and wood-fired ovens, Reuters reported. "I think we will find other ways to help Cuba get oil and petroleum products," Medvedev told Rossiya 1 TV when asked if Russian ships could escort oil tankers to Cuba. "We discussed this today and agreed that we would draft a work plan for energy supplies to Cuba, bearing in mind conventional energy sources, hydrocarbons and maybe some other available avenues," he added. Meanwhile, also on Saturday, Russian Deputy Prime Minister Yuri Borisov met with Venezuelan President Nicolás Maduro in Caracas, underlying Russia's support for the leftist leader amid a political standoff with the opposition. In a meeting of the Russian-Venezuelan intergovernmental commission in Caracas with Borisov, Venezuelan Vice President Tareck El Aissami thanked Moscow, saying "Russian-Venezuelan relations are at their best moment," Reuters reported. "We've shown that in the middle of difficulties we can advance together, with efficient political and diplomatic coordination between both governments against the imperial siege and aggression which Russia also suffers," El Aissami added.

## NEWS BRIEFS

## Rain Has Extinguished Bolivia Wildfires: Officials

Heavy rains have put out wildfires that destroyed more than four million hectares of land on the eastern side of Bolivia, according to a Santa Cruz province official, BBC News reported today. "It has rained all across Chiquitania and our satellite no longer shows any active forest fires," the unnamed official said. The fires led to protests against President Evo Morales' environmental policies.

## Nicaragua Won't Return Private TV Station to Owners: Gov't

Nicaraguan President Daniel Ortega's government has said that 100% Noticias, a private television station that police seized in December, will not be returned to its owners, accusing it of inciting anti-government violence, according to a statement submitted to the Inter-American Human Rights Commission, the Associated Press reported Saturday. In the statement, the government alleges the occupation of the TV station is necessary while it probes the station's director, Miguel Mora, and head of news Lucía Pineda for alleged involvement in a "failed coup attempt." Mora and Pineda were both imprisoned for six months.

## Chilean Prosecutors to Press Charges Against ENAP Executives

Chilean prosecutors plan to press charges against six executives of state energy company ENAP in connection with toxic fumes that sickened hundreds of local residents in the city of Quintero last year, the prosecutors' office told Reuters on Saturday. The local prosecutor's office said it would soon press charges against officials at ENAP's refineries and port facilities for violating a Chilean law on human health. An attorney representing ENAP workers said the executives and workers are innocent.

## Wealthy Nations Should Aid Amazon: Brazil's Salles

Wealthier nations should pay Brazil to help protect the Amazon rain forest and develop the region, Ricardo Salles, the country's environment minister, told the Financial Times in an interview. "We want to attract investment...it is necessary to maintain the forest," Salles told the newspaper. "The opportunity cost [of preserving the forest] must be paid by someone." Salles estimated that the country would need \$12 billion annually if applied across one-fifth of the Amazon, the area that could be legally developed. Raging wildfires, many set by farmers and ranchers clearing land, surged to their highest number since 2010 during the first eight months of this year, according to data from Brazilian space research agency INPE Reuters reported. In August, that news drew a global outcry that Brazil was not doing enough to protect the world's largest tropical rain forest. Germany and Norway halted their payments to the Brazilian government's Amazon Fund, while European investment funds with \$16 trillion in assets threatened to divest from Brazilian bonds and equities if action was not taken by the Brazilian government to prevent deforestation, Reuters reported.

### BUSINESS NEWS

## Venezuela Arrests Three in PDVSA Joint Venture

Venezuelan authorities have arrested the president and two other officials in a graft probe at state oil company PDVSA's Sinovensa joint venture with China National Petroleum Corp, or CNPC, Reuters reported Saturday, citing oil sector and intelligence sources. It is unclear what the specific accusations are against Sinovensa President Alberto Bockh

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deeper structural changes did not occur. Connected to that frustration is the FA's lackluster performance during the primaries: turnout fell by more than 14 percent between 2014 and 2019. In an attempt to shore up the left, Martínez appointed Graciela Villar, a left-wing city council member, as his vice-presidential candidate; however, the response has been lukewarm. Martínez has the task of convincing voters the FA can still take the country in a new direction. He reminds voters of the long-run improvements in Uruguay's economy and society under the FA, but he struggles to convincingly address a worsening fiscal situation, rising unemployment and crime. What may ultimately cost Martínez the election is his party's damaged brand."

**A** **David D. Nelson, former U.S. ambassador to Uruguay:** "This is an interesting election in Uruguay, not only at the presidential level but also as the General Assembly is likely to be more fractured than ever before, with no party capturing a majority and several new ones entering. At the presidential level, Martínez's recent ascent in the polls is probably attributable in part to the incumbent party's power to sway votes. But, most significantly, his support in the polls appears to have increased mainly at the cost of Colorado candidate Ernesto Talvi. He represents more of a policy break with the current and recent governments than any

other major candidate, as he advocates reforming the welfare state in a more free-market direction. While Uruguayan voters are concerned about the increasing crime rates and a somewhat stagnant economy, the majority of voters are quite conservative in

“**The General Assembly is likely to be more fractured than ever before...**”

— David D. Nelson

the sense of fearing change. So, they may be focusing more on the risks that reforms could create, rather than the opportunities, and thus essentially declaring 'I will stick with what I have.' That benefits the Frente Amplio candidate but does not necessarily disqualify National Party candidate Luis Lacalle Pou, who reassuringly is the son of a former president and is not advocating such a 'radical' reform agenda. Therefore, I predict that Martínez will lead in the October election but fail to secure a majority, so it will go to a second round, most likely with Lacalle Pou as the other candidate. The runoff will be very close, as several other parties will win representation in the General Assembly, and their voters will prefer not to see continued Frente Amplio domination of the political scene."

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and the two other detained employees. Bockh was arrested in the eastern Anzoátegui State on Thursday, according to five PDVSA sources, an intelligence source and another person in the local oil sector familiar with the case, Reuters reported. The joint venture had started an expansion project to increase production to 165,000 barrels per day (bpd), Venezuelan President Nicolás Maduro had said in August, up from a current capacity of 110,000 bpd. Sinovensa produces extra-heavy Orinoco crude and blends it with lighter oil to produce

medium-grade Merer, whose demand in Asia is high, according to the report. PDVSA has been increasingly shipping crude production to Asia in the wake of U.S. sanctions that have blocked sales of Venezuelan oil to the U.S. market. However, a Chinese oil contractor in September halted Sinovensa's expansion project due to lack of payment, Bloomberg News reported last month. Venezuela owed the contractor more than \$52 million in invoices dating back to 2018, according to a project manager at the contractor.

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**A**rturo C. Porzecanski, distinguished economist in residence and chair of the International Economic Relations Program at American University's School of International Service: "The most likely scenario is that Martínez will be the clear winner of the Oct. 27 national elections, but that he will not obtain the 50-percent-plus-one votes that a definitive victory requires. If that scenario comes to pass, the runoff will take place on Nov. 24, and it will be a very close race, which Martínez could well lose,

“The odds in favor of a second-round upset are higher than usual for several reasons.”

— Arturo C. Porzecanski

in part because most of the other political parties will probably unite in support of the likely runner-up, Luis Lacalle Pou of the Partido Nacional. The odds in favor of a second-round upset are higher than usual for several reasons. First, the Frente Amplio has been in office for the past 15 years, and more voters than in past elections say they are eager for a change at the helm. Second, Lacalle Pou, who headed his party's ticket in 2014, has become a more seasoned opponent who, for example, was deemed to have won a televised debate against Martínez that took place on Oct. 1. And third, there is a general malaise in the electorate because of a spike in street crime, a flattening economy and deteriorating public services such as education and health care. This will likely result in more protest votes than usual. Even if Martínez were to eke out a victory, chances are that his party will lose its majorities in both chambers of the General Assembly, putting it at an unusual disadvantage. However, if Lacalle Pou were to win the

contest, he might have sufficient backing in the legislature if his electoral coalition were to hold.”

**A**rosario Queirolo, associate professor and director of the Department of Social and Political Science at the Catholic University of Uruguay: "It is important to clarify that the results of the June primaries are not a valid indicator of what we should expect at the national election. There are several reasons for that: primaries in Uruguay are not mandatory while the national election is, so the electorate involved in primaries is more politicized than the one in the national election; parties mobilize differently in primaries than in the national election; and it has already happened in 2009 and 2014 that the political party that got more votes in the primary didn't win the national election. The main question for voters in the 2019 national election is if they are pro-incumbent or against the incumbent. Government performance evaluations will be crucial and will mainly focus on the economy and public insecurity. All credible public opinion polls in Uruguay agree on the same prediction: that the Frente Amplio will win the first round of the presidential election, the Partido Nacional will be the second-most voted, and none of the parties will reach a majority, so there will be a second round between Daniel Martínez of the Frente Amplio and Luis Lacalle Pou of the Partido Nacional. There is more uncertainty about the result of the second round. If political parties from the opposition coordinate to support Lacalle Pou, and voters who had supported those opposition parties follow their leaders and endorse Lacalle Pou, the next government will be in the hands of the Partido Nacional. However, polls show that not all opposition voters necessarily prefer Lacalle Pou to Martínez in runoff scenarios, indicating a highly competitive second round.”

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