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FEATURED Q&A

Will Travelers Embrace Mexico's New Int'l Airport?



President Andrés Manuel López Obrador inaugurated Mexico's new Felipe Ángeles International Airport last week. // Photo: Mexican Government.

Q Mexican President Andrés Manuel López Obrador inaugurated the new Felipe Ángeles International Airport on March 21, three years after he halted the construction of a separate \$13 billion airport project. Twenty-seven miles away from the center of Mexico City, the \$4.1 billion airport was built by the Mexican army on an army air base and will initially handle approximately 16 flights each day. To what extent will travelers embrace the airport, and what will be its economic impact? How much will the new airport relieve congestion at the existing Mexico City International Airport? What reasons were behind López Obrador's cancellation of the much larger Texcoco airport project in 2018 and his embrace of the Felipe Ángeles airport?

A Claudia Sheinbaum, head of government of Mexico City: "The Felipe Ángeles International Airport exemplifies the essence of the Fourth Transformation of public life led by President López Obrador in Mexico. Contrary to the old practice of advancing privilege and private benefit for the few, the new airport is part of a rational, coherent project for urban and economic development, the protection of natural resources and the promotion of people's well-being. The failed project of building an airport in the old Lake Texcoco involved closing the Santa Lucía Military Airport and the Benito Juárez International Airport in Mexico City, the busiest airport in Latin America transporting more than 36 million passengers every year and the source of employment for more than 45,000 direct and indirect workers. The construction of the Texcoco Airport would have cost more

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TODAY'S NEWS

POLITICAL

U.S. Expected to End Asylum Limits at Border

The U.S. government is reportedly planning to end pandemic-related asylum restrictions at its border with Mexico. The restrictions, aimed at preventing the spread of Covid-19, were put in place two years ago under then-U.S. President Donald Trump.

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ECONOMIC

Chile's Congress Eyes Legislation for Pension Withdrawals

Opposition lawmakers in Chile's Congress are pushing legislation that would allow workers to completely withdraw their pension savings.

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POLITICAL

Brazilian Police Clear Bolsonaro of Interference

Brazil's federal police have cleared President Jair Bolsonaro of interference in police cases. The probe was opened two years ago.

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Bolsonaro // File Photo: Brazilian Government.

POLITICAL NEWS

U.S. Expected to End Asylum Limits at Border With Mexico

The U.S. government is planning to end border asylum limits that it put in place two years ago to prevent the spread of Covid-19, the Associated Press reported Wednesday, citing people familiar with the matter. The policy, which is to be lifted May 23, has virtually shut down the U.S. asylum system at the country's border with Mexico, Reuters reported. In a draft notice, the U.S. Centers for Disease Control and Prevention, or CDC, said that the restrictions under the so-called "Title 42" order were no longer needed and that ending the limitations nearly two months from now would give authorities at the border time to prepare for its lifting, Reuters reported, citing an unnamed official. U.S. President Joe Biden declined to discuss the reported lifting of the order, which is not yet official, telling reporters Wednesday at the White House, "We'll have a decision on that soon," the AP reported. The restrictions, put in place under then-President Donald Trump in March 2020, was among the broadest of Trump's orders to restrict migration, the AP reported. Since then, the order has led migrants to be expelled from the United States in excess of 1.7 million times without the chance to request asylum. Top Democrats in Congress have urged the Biden administration to end the restrictions, but Republicans have argued that it will lead to a surge in illegal migration at a time that border crossings are already at record levels, Reuters reported. A spokesperson at the CDC said the agency was in the final stages of a 60-day review of the restrictions and would release additional information this week, Reuters reported. On Tuesday, officials at the U.S. Department of Homeland Security said the department was anticipating a spike in border crossings, though it was unclear to what extent the lifting of the pandemic restrictions would increase migration. The department also said it has started to vaccinate migrants in custody at the border against Covid-19, Reuters reported.

ECONOMIC NEWS

Chilean Lawmakers Eye Legislation for Pension Withdrawals

Opposition legislators in Chile are considering a measure that would allow workers to completely withdraw their pension savings, Bloomberg News reported Wednesday. Earlier this week, a committee of the convention that is drafting a new constitution for Chile rejected a measure called "con mi plata no," or "do not mess with my money," that would have barred the government from seizing pension funds. The proposal had amassed 60,000 signatures in support of it, the most of any proposal submitted to the constitutional convention committee. Instead of passing the proposal, the leftist-dominated committee approved the creation of a social security system that nonprofit public entities would administer, Bloomberg News reported. The actions of the constitutional convention committee have led some members of Chile's Congress to push for allowing Chileans to completely withdraw their pension savings, the news service reported. "With the initiatives for a total withdrawal, we want to assure that the funds don't get expropriated, and that the contributors can opt for other ways to save their money," said Juan Antonio Coloma, a lower house member of the opposition's Independent Democratic Union party. "We want to defend those resources," he added. Since the Covid-19 pandemic began two years ago, Chile's Congress has allowed account holders to withdraw money from their pension funds three times. President Gabriel Boric's government has said that it does not support additional pension fund withdrawals. On March 22, Chilean Finance Minister Mario Marcel said the Boric administration was preparing legislation to reform the country's pension system, Reuters reported. Changes to the current system, known as Pension Fund Administrators, or AFPs, were among the main demands of protesters during the massive 2019 demonstrations in the South American country.

NEWS BRIEFS

Power Failures in Venezuelan Hospitals Led to 233 Deaths: Report

At least 233 people in Venezuela died in hospitals between 2019 and 2021 due to electricity failures according to the National Hospitals Survey, which was published Wednesday, Agence France-Presse reported. The study, endorsed by the Venezuelan National Academy of Medicine and opposition groups, said that "some patients died because they needed mechanical ventilation or because they needed to go to the emergency room," but did not have access to a working elevator within the hospital to do so.

Brazilian Police Clear Bolsonaro of Interference in Investigations

Brazilian federal police have cleared President Jair Bolsonaro of allegations that he interfered in police work, Reuters reported, citing a document sent on Wednesday to Brazil's Supreme Court. The probe had been opened two years ago by Brazilian prosecutor Augusto Aras, who wanted to investigate whether Bolsonaro and former Justice Minister Sergio Moro had committed crimes. Moro, who was also exempted from any criminal responsibility, had accused Bolsonaro of meddling in federal police work to protect his sons from investigations, Reuters reported.

Revolut Expands Remittance Services in Latin America

Financial app Revolut, which has more than 18 million customers worldwide, is expanding its services in Latin America, Pymnts.com reported Wednesday. Under the expansion, customers in Europe, parts of Asia and Australia will be able to send money to users in Colombia, Peru, Bolivia, Guatemala and Costa Rica, the website reported.

BUSINESS NEWS

Swiss Authorities Raid Bank in Probe Related to Petrobras

Swiss federal prosecutors raided the offices of Pictet, a Switzerland-based private bank, in mid-March in an investigation connected to a criminal probe into dealings with Brazilian state-run oil company Petrobras, the bank confirmed Wednesday, Reuters reported. Switzerland's attorney general's office "carried out a search of a banking institution in Geneva," federal prosecutors said in a statement. The statement added that the "search took place in the context of ongoing criminal proceedings, linked to the Petrobras investigation complex, which were opened in December 2021." A spokesperson for Pictet confirmed that it was the bank being referenced in the statement and added that the inquiry "relates to matters which primarily occurred more than a decade ago and as early as 2005," Reuters reported. The Pictet probe includes an unnamed individual and a number of "persons unknown," all of whom are being investigated for bribery of a public official and aggravated money laundering, Bloomberg News reported, citing the Swiss attorney general's office. The investigation, connected to the Odebrecht scandal, has spanned more than a decade, as Brazilian, Swiss and U.S. investigators have been examining how executives from the construction company paid bribes in order to secure contracts from the state-owned oil company, the news service reported.

Prosecutors Won't Pursue Charges Tied to Ecuador Bribes

U.S. Justice Department prosecutors will not pursue criminal charges against Jardine Lloyd Thompson Group Holdings Ltd., a company owned by Marsh & McLennan Cos., related to more than \$3 million in bribes that the compa-

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ny allegedly channeled to Ecuadorean public officials, The Wall Street Journal reported Wednesday. The Justice Department's probe looks into corruption at Seguros Sucre, an Ecuadorean insurance policy fund, Bloomberg News reported. The fund's former chairman and a former employee at Jardine Lloyd Thompson, or JLT, have pleaded guilty to income laundering charges in the United States. A Marsh & McLennan spokeswoman said that the matter "relates to a former employee of JLT who pleaded guilty to charges arising from actions that took place in Ecuador from 2014-

than twice the amount of the Felipe Ángeles International Airport plus huge maintenance expenses, because it would have been built in an area suffering from frequent floods and ground sinking. The cancellation of this project allowed for the recovery of 14,000 hectares of Lake Texcoco, now a protected natural area and a place for the conservation of hundreds of species and migratory birds; it will be a public space with benefits for millions of people in the poorest areas of the Mexican Valley. In fewer than three years, we now have three runways, an airport terminal, an air force base, a control tower, cargo terminals, hangars and a city for nearly 15,000 army personnel, including a housing unit, schools, museums, hotels, a shopping center, streets, avenues and a train connection to Mexico City. The new Felipe Ángeles International Airport will increase the arrival of millions of visitors and will facilitate the sustainable development of the central region of Mexico. The new airport improves domestic and international connectivity, urban planning and people's well-being."

A **Andrés Rozental, member of the Advisor board and president of Rozental & Asociados:** "Readers will recall that when he was still president-elect, Andrés Manuel López Obrador (AMLO) ordered a simulated 'popular consultation' to decide whether to cancel the new Mexico City airport (NAICM) which was about a third completed. The results,

according to AMLO, led to the cancellation of the Norman Foster-designed airport and the incoming government's decision to convert a distant existing air force base into what is now the Felipe Ángeles 'International' Airport (AIFA). López Obrador has repeatedly and falsely claimed that this new airport—which

“It will take some time for the AIFA to operate at its very limited capacity...”

— Andrés Rozental

is tiny compared to the original design—will cost less than the original one being built much closer to the city. However, the final cost of the AIFA will be much higher than the original NAICM project because, added to the expense of the AIFA infrastructure itself is the yet-undetermined cost of new access highways and a fast train to transport passengers to and from the facility, as well as the enormous expense of canceling the original scheme. It will take some time for the AIFA to operate at its very limited capacity, but it certainly will do nothing to relieve congestion at the existing Benito Juárez airport, both because of its distance from the city and the limited number of positions to accommodate aircraft. Although the army managed to finish the terminal and runways in record time for an airport, there are still

Continued on page 4

2016, prior to the acquisition of JLT in 2019," The Wall Street Journal reported. She added that the matter was reported to authorities voluntarily in early 2018. The company's decision to report the violations, as well as their termination of the executive involved in the crime, were listed among the reasons that the Justice Department is not prosecuting JLT. A person familiar with the matter listed former chief executive of the company's Colombia-based subsidiary Felipe Moncaleano Botero as the JLT executive involved in the scheme, The Wall Street Journal reported.

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many unfinished accesses, structures and facilities that even AMLO has admitted won't be ready until 2023 at the earliest. His rush to 'inaugurate' the AIFA was due in great part to the delays and obstacles at his other signature infrastructure projects: the Dos Bocas refinery, the Maya train and the interoceanic railroad, all of which are in the southeast of the country and probably won't be finished during AMLO's term of office."

A Pamela Starr, senior advisor at Monarch Global Strategies and professor at the University of Southern California: "Mexico's new Felipe Ángeles Airport is a fine regional facility whose utilization is being actively promoted by the López Obrador government. The government has announced that no new landing permits will be provided for the Mexico City airport and that its capacity will be reduced by 30 percent, forcing airlines to either cancel flights or redirect them to the new airport. Unfortunately, another regional airport will not be sufficient to meet the needs of Mexico's growing economy. And in the near term, it will not even be functional as a 'Mexico City airport,' since it currently lacks any rapid means to connect travelers with Mexico City. The cancellation of the much larger Texcoco International Airport project that was being constructed on the outskirts of Mexico City made the Felipe

Ángeles Airport necessary. AMLO canceled the Texcoco project to send a message to the Mexican private sector and to Mexicans more broadly: a new president is in charge,

“Another regional airport will not be sufficient to meet the needs of Mexico's growing economy.”

— Pamela Starr

and he will no longer tolerate government policies that favor the economic elite over the needs of the majority of Mexicans who live in poverty. Each of AMLO's ensuing economic policy decisions have reflected this foundational economic aim. Finally, the decision to construct a small regional airport reflects AMLO's vision for the future of Mexico—not as an emerging market economy integrated globally with aspirations of becoming a first-world country, but rather a more provincial Mexico, content to have a smaller, less sophisticated economy focused on the needs of the poor.”

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

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