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## FEATURED Q&A

# What Should the U.S. Do About Sanctions on Venezuela?



The administration of U.S. President Joe Biden reportedly has been weighing changes to its sanctions policy on Venezuela. // File Photo: U.S. Government.

**Q** The administration of U.S. President Joe Biden reportedly will soon ease some sanctions on Venezuela, in part to encourage negotiations between President Nicolás Maduro's government and the country's opposition, senior Biden officials told reporters on May 17. Meanwhile, Venezuela's coalition of opposition parties announced plans to hold a primary election next year and pledged to rally around a single candidate who will run against Maduro in a presidential election scheduled for 2024. Is an easing of sanctions enough to get the Maduro government and opposition back to the negotiating table? Would such talks succeed where previous attempts have failed? Why is the opposition now willing to take part in a presidential election after it boycotted the election in 2018? Who will run in the opposition's primaries, and has a clear front-runner emerged?

**A** Marco Rubio, vice chairman of the Senate Select Committee on Intelligence and senior member of the Senate Committee on Foreign Relations: "The Biden administration's concessions to the Maduro narco-regime, including removing the dictator's nephew from the Office of Foreign Assets Control's (OFAC) sanctions list, were not only absurd but also a very naive move. Time after time, the narco-regime has exploited the use of negotiations to maintain its illegitimate grip on power as well as to divide and further damage the opposition—all while perpetuating the Venezuelan people's agony and without providing any guarantees to hold free and fair elections. President Joe Biden has opted for bowing down to the demands of his party's far-left base after progressive Democrats urged him to ease targeted

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## New Poll Shows Falling Support for Bolsonaro

Leftist former President Luiz Inácio Lula da Silva has increased his polling lead over incumbent Jair Bolsonaro ahead of Brazil's October presidential election.

Page 2

### BUSINESS

## Pemex Exports Rise 13 Percent

As international oil prices have surged in the first quarter, Pemex abandoned previously announced plans to drastically reduce exports this year in an effort to make Mexico self-sufficient in its consumption of oil.

Page 2

### POLITICAL

## Colombians Head to Polls in Historic Election Sunday

Front-runner Gustavo Petro could become the nation's first leftist president, and his running mate, Francia Márquez, could become the country's first Black vice president. Polls indicate a runoff vote next month is likely, with two candidates vying to face Petro.

Page 2



Márquez // File Photo: via Twitter @FranciaMarquezM

## POLITICAL NEWS

## Colombians Head to Polls in Historic Presidential Election

Colombians head to the polls on Sunday to select a new president in what could be an historic election, The New York Times reported Thursday. Front-runner Gustavo Petro could become the nation's first leftist president. His running mate, Francia Márquez, who could become the country's first Black vice president, has endured death threats for years for her environmental activism. Both have campaigned flanked by body guards and behind bullet-proof glass. Also at stake could be the historically strong ties between the Andean nation and the United States, which has helped fund its war on drugs and rebel groups. But to win the race, Petro needs to capture more than 50 percent of the vote on Sunday, something that polls show is unlikely, and a runoff on June 19 is all but assured. Yet two of his opponents have been surging in polls in recent months. Center-right former Medellín Mayor Federico "Fico" Gutiérrez and independent populist Rodolfo Hernández, a former mayor of Bucaramanga, are polling in the double digits. Behind Petro's popularity have been forces for change among younger voters, according to Foreign Policy. There are now nearly nine million Colombian voters 28 or younger, the most in history, and a quarter of the electorate. And undecided voters could play a big role. One recent opinion poll revealed that 14 percent of eligible voters remain uncommitted to a candidate. "This is a race for second place, as Petro is leading by such a wide margin that the only interesting race at this point is between the second and third place candidates in the first round," Sergio Guzmán, director of consultancy firm Colombia Risk Analysis, told [Latin America Advisor](#)

### SUBSCRIBER NOTICE

The Advisor will not be published next Monday in observance of the Memorial Day holiday in the United States.

reporter Mark Kennedy this week. Recent polls suggest that if Fico and Petro face off in June, Petro would likely win handily.

## New Poll Shows Falling Support for Brazil's Bolsonaro

Leftist former President Luiz Inácio Lula da Silva has increased his polling lead over incumbent Jair Bolsonaro ahead of Brazil's October presidential election, Reuters reported Thursday, citing a new survey by pollster Datafolha. Meanwhile, Bolsonaro's approval rating fell to 25 percent, with his disapproval rating rising to 48 percent, a two percentage point increase from the previous survey in March, Folha de S.Paulo reported. Lula now has a 25 percentage-point lead over Bolsonaro in a hypothetical runoff election, according to the survey, which is Datafolha's first election poll since former Justice Minister Sergio Moro dropped out of the race, and it was carried out after São Paulo Governor João Doria quit the race on Monday, Reuters reported.

### BUSINESS NEWS

## Pemex Exports Rise 13 Percent in April

Mexican state oil company Pemex said Thursday that crude exports in April rose 13 percent from the previous month to just over 1 million barrels of crude per day (bpd) on average, although production fell overall, Reuters reported. As international oil prices have surged in the first quarter, Pemex abandoned previously announced plans to drastically reduce exports this year in an effort to make Mexico self-sufficient in its consumption of oil. Pemex crude exports averaged 921,000 bpd through the first four months of this year. While Pemex production dipped in April, private operators increased their output to 93,943 bpd from 61,501 bpd in 2021, S&P Global said Thursday. For the third month in a row, Russia's Lukoil was the largest

### NEWS BRIEFS

## World Bank Loans Ecuador \$200 Million for Child Nutrition

The World Bank has approved \$200 million in additional financing for the Social Protection Systems project in Ecuador, El Comercio reported. The new resources will be used to support the fight against chronic child malnutrition in Ecuador, where 30 percent of children under the age of three lack sufficient food. The project aims to reduce malnutrition in pregnant women and children under 24 months with a complete package of education for parents and health check-ups.

## Mexican President to Decide Today Whether to Attend L.A. Summit

Mexican President Andrés Manuel López Obrador said Thursday he had received an invitation to the U.S.-hosted Summit of the Americas next month and would probably decide today if he will attend the event in Los Angeles, Reuters reported. López Obrador has said he would skip the summit unless every country of the Americas were invited to attend. The United States has said it is unlikely to invite the heads of state from Cuba, Nicaragua and Venezuela to the event.

## USTR Pushes Canada on Dairy Dispute

U.S. Trade Representative Katherine Tai this week requested a second panel for a dispute settlement with Canada under the U.S.-Mexico-Canada Agreement, or USMCA, over dairy import quotas, Reuters reported. Canadian dairy tariff-rate quota allocations deny eligible applicants from the United States access to Canadian markets, Tai's office alleged, which undermines USMCA market access guidelines. Canadian Trade Minister Mary Ng said that the country has met its obligations and that the quota system is compliant.

independent producer, with roughly 22,000 bpd. Lukoil entered the Mexican market in February when it acquired a portfolio of assets from Fieldwood Energy in a \$435 million transaction, the company said. Meanwhile, Pemex has been in the news this week relating to embattled commodities firm Glencore, which has been accused of improperly obtaining sensitive information from Pemex and using it to gain an advantage in bunker fuel trading, Reforma reported this week, citing a [statement](#) from the Commodity Futures Trading Commission in the United States. State-owned companies in Brazil and Venezuela were also cited in the statement.

## China's Huobi Buys Crypto Firm Bitex, Targets Unbanked

Hong Kong-listed blockchain firm Huobi Global said Thursday it had acquired Bitex, which describes itself as one of the first regional cryptocurrency exchanges in Latin America, for an undisclosed sum. Founded in 2014, Bitex maintains a network in Argentina, Chile, Paraguay and Uruguay. Huobi said it plans to integrate Bitex's exchange operations with its platform, enabling users in Latin America to trade digital assets it lists. Under the deal, Bitex will retain its branding and continue to be independently run by its current management team. "Currently, only about half of Latin America's population own bank accounts," Caleb Lim, Senior Investment Manager at Huobi Group, said in a statement. "Through this acquisition, Huobi Global hopes to meet this growing appetite for alternative financial services through blockchain technology," he added. Lim said the company intends to add more local fiat currencies and work with local partners to expand its ecosystem into Latin America. Founded in China and now headquartered in Seychelles, Huobi entered Latin America with the launch of operations in Argentina in 2019. The fintech sector in Latin America and the Caribbean more than doubled in size between 2018 and 2021, according to a report last month from the Inter-American Development Bank.

### FEATURED Q&A / Continued from page 1

sanctions against the criminal dictatorial regime."

**A** **Vanessa Neumann, CEO of Asymmetrica and former Juan Guaidó-appointed Venezuelan ambassador to the United**

**Kingdom:** "The Venezuelan opposition has learned the hard way that it only wins when it's united. It learned this positive lesson in the presidential election of 2013, when Henrique Capriles nearly defeated the incumbent Nicolás Maduro in a disputed election, and in the 2015 National Assembly elections, which form the basis of Juan Guaidó's claim to legitimacy as interim president—consequent to Maduro's electoral fraud in the 2018 presidential election. The recent reversal in Barinas, the cradle of chavismo, in favor of the opposition has exposed chavismo's frailty and inspired the opposition. However, challenges and uncertainties remain. The

**“ There is a huge push for the greater inclusion of women in political leadership.”**

— Vanessa Neumann

main challenge is that the Venezuelan people are sick of traditional parties and their leaders who, while they have waited over a decade for their chance at the presidency, are now quite burnt in the eyes of the electorate, whether by allegations of corruption or its evident ineffectiveness. While the old guard will certainly form a scrum to retain control, new leaders will necessarily have to emerge if they are to defeat the chavistas. Who those emerging leaders might be is not yet clear, but there is a huge push for the greater inclusion of women in political leadership. Most Venezuelan families are led by a single woman, and women are the first to skip meals so their children may eat, and the first to be trafficked in the country's

multidimensional crisis. Nora Bracho, who took the reins of the Un Nuevo Tiempo party in February 2022, and Delsa Solórzano, who founded her own Encuentro Ciudadano party, lead the way for millions of women and girls they now inspire."

**A** **Patrick Duddy, director of Duke University's Center for Latin American and Caribbean studies and a former U.S. ambassador**

**to Venezuela:** "The Biden administration's decision to allow Chevron to begin talking to the Maduro regime was reportedly a response to an opposition request for flexibility. Permission was granted primarily as an incentive to the Maduro team to return to the suspended Mexico-based negotiations with the opposition. The U.S. decision concedes no material benefit to Maduro and does not ease sanctions. Why now? The opposition and the de facto government have been locked in a stalemate for years. Both sides feel some urgency to make progress in resolving the crisis. The Maduro regime understands that Venezuela's licit economy is a disaster and survives largely with the help of a handful of governments willing to flaunt U.S. sanctions. Meanwhile, much of the oil sector not already maintained by Chevron is atrophying. The opposition has seen some international supporters lose interest while some domestic supporters are beginning to lose hope that the opposition movement can ever engineer the restoration of democracy. What do the two sides want in Mexico? The Maduro regime clearly seeks sanctions relief, and Maduro himself hopes to have his legitimacy confirmed through an electoral process that appears free and fair without risking defeat. The opposition wants elections that are actually free and fair, and they are willing to endorse sanctions relief to get there. It is by no means certain that real progress will be made. The Maduro regime has shown no disposition in the past to risk losing power. So, it is essential that the United States wait to lift any sanctions until

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

the opposition agrees that there has been a substantive improvement in the political circumstances on the ground. The United States must also avoid deceiving itself into thinking that rehabilitating the dilapidated Venezuelan oil sector will yield any near-term relief to the current crisis in global energy markets."

**A** **Betilde Muñoz-Pogossian, director of the Department of Social Inclusion at the Organization of American States:** "The negotiation in Mexico is, at least for now, the only space where a transition to democracy in Venezuela could be negotiated, a transition that would begin with the holding of free, fair and internationally accepted elections. The sanctions implemented in the last two United States administrations have been useful in bringing President Nicolás Maduro's negotiators to the table. Therefore, they will surely continue to be a tool to generate incentives for the parties, but especially for the regime, to agree on conditions for Venezuela's return to democracy. The opposition has also understood this, and it is positive that they are already beginning to organize themselves to define a unifying candidacy of all the democratic forces that can, hopefully, compete on a level playing field for the presidency in 2024. But just as important to the opposition is winning the trust of citizens and planning for post-election scenarios, such as how to respond if the next election is not free and fair, or how to form a unity government in the event their candidate wins. The candidacies for the primaries are already beginning to take shape, although there does not seem to be a favorite yet. Whoever ends up being elected the opposition candidate will be bound to channel the political ideals of all the primary contenders, and to actively engage with the international community. That candidate must also find a way to ensure that the 6.2 million Venezuelans who have fled the country can take part in the election."

**A** **John Price, managing director at Americas Market Intelligence:** "Since the end of the cold war, American foreign policy in Latin America has been driven by domestic politics—i.e. winning elections. Allowing Venezuelan oil to flow to the United States would bring economic relief to millions of U.S. households and lessen inflation—which is President Joe Biden's greatest political threat. But making nice with the criminal regime running Venezuela will ensure the loss of Florida's electoral votes in 2024. Cuban, Colombian, Venezuelan, Salvadoran and other emigres living in Florida would punish Biden by voting Republican in unison, tipping the balance in America's largest swing state. Any promises made by Maduro's party, the PSUV, to suddenly embrace transparent electoral processes bear little credibility. Ever since Chávez was fraudulently re-elected in 2006, the governing party has repeatedly tampered with elections, the constitution, the press, courts and other institutions to maintain its stranglehold on power. A divided opposition has also not helped the cause of political transition in Venezuela. What leverage does the United States have to enforce any deal with Maduro? Very little. In the context of regional politics, the United States has been losing influence year by year to the trade and investment dollars and non-judgment approach of China. The United States' dwindling roster of loyal allies often uphold the rule of law and democratic ideals as reasons to stay the course with the United States, both politically and commercially. Turning back Venezuelan sanctions to save a few cents at the gas pump will rightly be seen as a slap in the face to U.S. allies. Washington's decision is flawed."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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