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FEATURED Q&A

What Do AMLO & Biden Have to Gain in Today's Meeting?



Mexican President Andrés Manuel López Obrador and U.S. President Joe Biden, pictured last November, are to meet today at the White House. // File Photo: White House.

Q Mexican President Andrés Manuel López Obrador is scheduled to meet with U.S. President Joe Biden today at the White House. The meeting comes just over a month after López Obrador skipped the Summit of the Americas, which the United States hosted, in protest over the U.S. decision not to invite the leaders of Venezuela, Nicaragua and Cuba over their records on human rights and democracy. What are the most important issues up for discussion between López Obrador and Biden? What do the presidents each want to get out of the meeting? How well are the two countries cooperating, and what are the high points and shortcomings of their bilateral relationship?

A Andrés Rozental, member of the Advisor board and president of Rozental & Asociados: "The current state of the Mexico-U.S. relationship can only be described as hanging by a thread. Even though President Biden gave the Mexican leader a face-saving exit from his insulting nonattendance at the Summit of the Americas, the number of grievances, tensions and substantive differences that characterize this most important relationship have reached one of the lowest points in recent decades, even if one includes the Trump years. It's no secret that AMLO strongly dislikes the United States and, like many left-leaning ideologues in Mexico, fears our more powerful northern neighbor. He has tried, with limited success so far, to stay on Biden's good side by making Mexico deploy large human and financial resources to keep migrants from Central America and other countries from reaching the U.S. border. Although this 'wonderful cooperation' that

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TODAY'S NEWS

POLITICAL

Biden Extends Protected Status for Venezuelans

The administration of U.S. President Joe Biden extended immigration protections for hundreds of thousands of Venezuelans who arrived in the United States before March 8, 2021.

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BUSINESS

China's Ganfeng Buying Lithea for Some \$962 Million

Chinese lithium-mining company Ganfeng said it is planning to buy Argentina-focused miner Lithea for as much as \$962 million. Canada-based LSC Lithium BV currently owns Lithea.

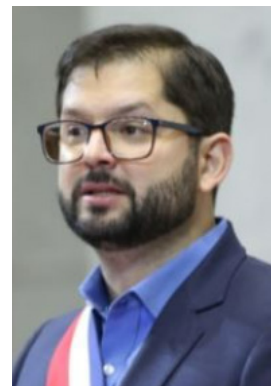
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ECONOMIC

Chilean Gov't Announces \$1.2 Bn Aid Plan

Chilean President Gabriel Boric's administration on Monday announced a \$1.2 billion economic aid plan to address the country's economic slowdown and struggles with inflation.

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Boric // File Photo: Chilean Government.

POLITICAL NEWS

Biden Administration Extends Status for Venezuelans in U.S.

The administration of U.S. President Joe Biden on Monday extended legal immigration status for more than 340,000 Venezuelans in the United States until at least March 2024, The Hill reported. "As one of my first actions as secretary, I designated Venezuela for [Temporary Protected Status]," U.S. Homeland Security Secretary Alejandro Mayorkas said in a statement. "After careful consideration, and in consultation with the secretary of state, today I am extending that designation. This action is one of many ways the Biden administration is providing humanitarian support to Venezuelans at home and abroad, together with our regional partners. We will continue to work with our international partners to address the challenges of regional migration while ensuring our borders remain secure," Mayorkas added. The extension of Temporary Protected Status will apply only to Venezuelans who arrived in the United States before March 8, 2021. That leaves some 250,000 other Venezuelans who arrived later in the United States at risk of being sent back to Venezuela, the Associated Press reported. The Catholic Legal Immigration Network was one of about 200 organizations that had petitioned the Biden administration to expand TPS to include the more recently arrived Venezuelans, the AP reported. Its executive director, Anna Gallagher, called the administration's decision "misguided." The move "will put hundreds of thousands of Venezuelans who fled seeking refuge at risk—in violation of humanitarian principles as well as what we, as Catholics, believe is our duty to shelter those in need," she said. Some five million Venezuelans have fled their country in recent years amid political and economic crises, the wire service reported. Venezuela is beset by high prices for food and medication as well as low wages and high inflation, the AP reported. While many Venezuelans have fled to neighboring countries in South America, others have gone to the United States, many to

Florida. Many Venezuelans who have gone to the United States have applied for asylum, and their cases are still working their way through the courts, the AP reported.

ECONOMIC NEWS

Chilean Government Announces \$1.2 Bn Economic Aid Plan

Chilean President Gabriel Boric's administration on Monday announced a \$1.2 billion economic aid plan to address the country's struggles with an economic slowdown and surging inflation, Reuters reported. Boric, who presented the plan alongside Finance Minister Mario Marcel, said the economic aid plan includes a one-time \$120 payment that would go to 7.5 million of Chile's inhabitants, nearly 40 percent of the South American country's population. The government's plan includes a

“We are making every effort to support the sectors most affected by this crisis without abandoning our commitment to fiscal responsibility.”

— Gabriel Boric

program to boost formal employment, as well as a benefit for mothers of newborns. "We are making every effort to support the sectors most affected by this crisis without abandoning our commitment to fiscal responsibility," Boric said. Marcel said that the new measures "won't have an impact on inflation," and that they are more limited and focused than those implemented during the height of the Covid-19 pandemic. Monday's announcement of the new aid package came weeks after Boric's administration introduced a tax reform proposal for the South American country. Kathleen C. Barclay, the director of AmCham Chile, told the Advisor

NEWS BRIEFS

Bolsonaro, Lula Condemn Killing of Party Official

Brazilian President Jair Bolsonaro and former President Luiz Inácio Lula da Silva, who will face each other in the country's October presidential election, condemned last weekend's killing of a local official of Lula's Workers' Party, allegedly by a federal prison guard who supports Bolsonaro, the Associated Press reported Monday. The party official, Marcelo Arruda, was fatally shot Saturday as he celebrated his birthday in Paraná state. The alleged attacker, Jorge José da Rocha, remains hospitalized after Arruda returned fire.

Argentina's New Economy Minister Vows 'Order and Balance'

Silvina Batakis, Argentina's newly appointed economy minister, said on Monday that she is focusing on cutting the country's high fiscal deficit in an effort to stem heightening inflation, growing pressure on the peso and collapsing markets, Reuters reported. Pledging "order and balance," Batakis said Argentina will continue to follow through with commitments in its \$44 billion restructuring deal with the International Monetary Fund, including cutting energy subsidies and moving toward positive interest rates.

Panama's President Announces Fuel Price Cuts Amid Protests

Panamanian President Laurentino Cortizo on Monday announced a reduction in gasoline prices as well as rate freezes for essential goods as protests against inflation and corruption continue in the Central American country, Agence France-Presse reported. The price of gasoline is set to be reduced by this Friday to \$3.95 per gallon, a 24 percent cut as compared to its price at the end of last month.

in a **Q&A** published Monday that the plan is in line with Boric's commitment to social reforms and increased spending for regional development. "There is concern that the reform's timing ... will be detrimental to employment creation and investment," she said.

BUSINESS NEWS

China's Ganfeng to Purchase Argentina-Focused Lithea

Chinese lithium mining company Ganfeng Lithium said in a filing to the Shenzhen Stock Exchange on Monday that it is planning to purchase Lithea, an Argentina-focused mining group, for as much as \$962 million, Bloomberg News reported. Canada-based LSC Lithium BV currently owns Lithea, which has salt lake assets at Pastos Grandes and Pozuelos in Argentina, the world's largest source of lithium projects, with 19 million metric tons of untapped lithium resources, the news service reported. Lithea's assets are expected to have an annual capacity of 30,000 metric tons of lithium carbonate in its first phase of production. Ganfeng expects that the production could expand to 50,000 metric tons, the Financial Times reported. There have been questions about whether there will be a shortage of lithium in the next few years due to the transition to battery-powered electric engines from combustion engines. In the past year, the price of lithium carbonate has increased fourfold, according to data from Benchmark Mineral Intelligence, the Financial Times reported. Ganfeng's Lithea acquisition is an addition to the Chinese company's lithium work in Argentina, as it already has a joint venture with Lithium Americas in the country's northwestern region. In related news, Ganfeng disclosed last week that Beijing's top securities regulator is investigating the company for insider trading, the Financial Times reported. The company has declined to comment on the matter, saying it is an ongoing investigation.

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AMLO constantly crows about at his daily pressers gives him some leverage to prevent Washington from complaining too directly about the disastrous state of Mexico's economy, its endemic violence, homicides, as well as the constant threat of changing rules and regulations that harm U.S. business interests in the country, it is likely to last only as long as Biden holds a hope of keeping his party's majorities in Congress and continuing to push for his immigration reform agenda. Once that possibility disappears in November, Washington may find that it no longer needs to give AMLO a pass or withstand the pressures from U.S. investors and social-issue advocates. Although the agenda for the AMLO-Biden meeting has been promoted as immigration-based, there are difficult trade, environmental and other bilateral issues that will likely be addressed. AMLO's recent announcement that he will begin a campaign to dismantle the Statue of Liberty if Julian Assange isn't set free after extradition to the United States is a nonsensical issue that he wants to raise, but that Biden should immediately dismiss as irrelevant to the bilateral relationship."

A Pamela Starr, senior advisor at Monarch Global Strategies and professor at the University of Southern California: "Unsurprisingly, the agenda for the meeting between presidents Biden and López Obrador will focus on migration, still the number-one concern of the Biden administration and a renewed focus for Mexico after the incident in San Antonio that took the lives of more than 50 migrants, including 26 Mexicans. This will include joint efforts to address the root causes of migration in Southern Mexico and Northern Central America. Other matters to be discussed include security, climate change, North American competitiveness and closer collaboration on global issues. López Obrador has said he also wants to discuss binational cooperation to fight inflation. The two sides' objectives for

the meeting are surprisingly similar. López Obrador still wants one thing: diplomatic room. Room to implement his Fourth Transformation policies without U.S. meddling, and room to employ anti-imperialist rhetoric and occasional actions, needed to rally the

“Unsurprisingly, the agenda for the meeting between presidents Biden and López Obrador will focus on migration...”

– Pamela Starr

base of his Morena party so its candidate wins the 2024 presidential election. Biden, meanwhile, wants a cooperative Mexico that does not make waves. The presidential agenda does not have room politically or diplomatically for a Mexico that is the source of new problems. Unfortunately, this parallel presidential desire for the other not to cause problems is unrealistic. The weakening of Mexican democracy, the growing reach of Mexican organized crime and Mexico's energy nationalism pose a direct threat to U.S. national interests. The Biden administration thus seems destined to take actions that López Obrador deems unfriendly, leading to a future increase in bilateral tensions."

A Andrew Rudman, director of the Mexico Institute at the Woodrow Wilson International Center for Scholars: "Despite the numerous challenges facing our countries, U.S.-Mexico cooperation at the cabinet and sub-cabinet levels has improved over the past two years. Prior coordination among cabinet agencies allowed the High-Level Economic Dialogue (HLED) and High-Level Security Dialogue to produce work plans with clear, jointly agreed-upon objectives. The relationship is not ideal, however. Lack of trust among law enforcement agencies hampers security

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cooperation. Migration will surely top the agenda following the recent tragedy near San Antonio, the Supreme Court decision regarding Remain in Mexico and the upcoming U.S. midterm elections. Additional topics include supply chain resilience, efforts to attract nearshoring, USMCA implementation and climate change (including the energy transition). Less certain is whether and how President Biden will broach traditional pillars of U.S. foreign policy such as democracy, freedom of the press, the independence of institutions and violence against women, given AMLO's noninterventionist stance. When members of Congress or the cabinet have raised concerns about these issues in public, AMLO has reacted harshly, as in the case of the Summit of the Americas (and others). Yet, AMLO has not shied away from commenting on U.S. domestic issues, despite his oft-stated insistence on nonintervention. The Biden administration will be seeking continued collaboration from Mexico to reduce the flow of migrants, and AMLO will use his perceived leverage to resist entreaties on these sensitive issues on which he would prefer not to engage. The question is whether Biden will allow migration to dominate the agenda behind closed doors as it seemingly has in public."

A **Amy Glover, president and founding partner of Agil(e):** "Overall, both the AMLO and Biden governments have played their bilateral hands maturely, a real feat given the daily drama that characterizes U.S.-Mexico relations. U.S. backbends in deference to Mexico designed to avoid calling out AMLO's populist tendencies, however, have become a little too acrobatic. AMLO's prize for shunning the Summit of the Americas? A special visit to Washington. The perception on the ground in Mexico is that the U.S. government has been too reticent to defend its interests, including democratic values and transparency. That

said, the Biden administration has done well not to pay attention to AMLO's provocative theatrics. A suggestion to dismount the Statue of Liberty on the 4th of July? Oh, please. And AMLO has also known when to offer up some goodwill. For example, his

“**The perception on the ground in Mexico is that the U.S. government has been too reticent to defend its interests...**”

— Amy Glover

June announcement of 10 climate commitments during a virtual meeting with Biden showed that when push comes to shove, AMLO can be a team player. The concrete steps required to reduce Pemex's methane emissions by 98 percent remain a mystery, but a national commitment to move forward on climate change abatement provides some hope. When they meet in Washington, immigration will get top billing, as usual; both governments are experiencing internal political heat in the wake of the Texas tragedy. AMLO has highlighted that Biden has offered to discuss a regional strategy to address inflation coupled with a steeper economic downturn, a good idea. The private sectors on both sides of the border are less than satisfied with the paltry public sector creativity surrounding a nearshoring strategy—of relevance not just for Mexico—and neither government pays much attention to the concerns of business. Regular high-level conversations are no doubt important given the complexity of the relationship, but don't hold your breath for major announcements."

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

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