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FEATURED Q&A

Can Bolivia's Arce Manage to Contain New Social Protests?



Protesters took to the streets last month in several demonstrations in Bolivia. A protest in Cochabamba is pictured. // File Photo: @LuisFerCamachoV via Twitter.

Q Thousands of people in Santa Cruz, Bolivia's agricultural hub, took the streets on Oct. 22 to protest the postponement of a national census, delaying access to more economic resources. In response, Bolivia's government said on Oct. 26 that it will temporarily suspend exports of foodstuffs, including soy and beef, to safeguard food security in the country. Also this month, President Luis Arce's government reached an agreement with gold mining cooperatives in order to halt protests in La Paz. How are the protests in Bolivia connected, and what do demonstrators want? Will the measures Arce is taking be enough to satisfy protesters, or does he face continued demonstrations? What is causing the food scarcity, and how are the protests affecting the country's economic outlook?

A Peter DeShazo, visiting professor of Latin American, Latino and Caribbean Studies at Dartmouth College and former U.S. deputy assistant secretary of state for Western Hemisphere affairs: "The 'paro cívico' shut down the key city of Santa Cruz and is now in its third week, disrupting national food and energy supply. Headed by the oppositionist governor Luis Fernando Camacho, the paro has the stated goal of forcing President Arce to conduct an already-delayed national census in 2023—thereby generating more congressional seats for Santa Cruz in time for the 2025 election. The shutdown is a political shot across Arce's bow—a challenge to his administration at a moment of weakness. Arce calls it a 'coup,' has mobilized pro-government supporters in Santa Cruz to oppose it and shuffled top military commanders to ensure loyalty to the government. Bolivia is deeply

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TODAY'S NEWS

POLITICAL

Truckers Fill Tanks at Haiti Fuel Depot That Gang Had Blocked

Dozens of trucks filled their tanks at Haiti's Varreux fuel terminal on Tuesday, two days after the gang leader who had been blocking access to the terminal said he was ending the blockade.

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BUSINESS

Citigroup May Seek Mexico License From Deutsche Bank

Citigroup said it may buy Deutsche Bank's Mexican license in order for it to continue its corporate and investment banking activities in Mexico following the sale of its local retail unit.

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ECONOMIC

Peruvian Gov't Cuts Economic Growth Forecast

Peruvian Finance Minister Kurt Burneo cut the forecast for economic growth this year to between 2.7 percent and 3 percent.

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Burneo // File Photo: TV Perú.

POLITICAL NEWS

Trucks Fill Up at Haiti Fuel Depot That Gang Had Blocked

Trucks lined up by the dozens to fill their tanks at Haiti's Varreux fuel terminal on Tuesday, two days after the powerful gang leader whose members had blocked access to the depot for nearly two months said he was lifting the blockade, the Associated Press reported. The blockade cut off access to diesel, kerosene and gasoline to much of Haiti, leading to the closure of gas stations and forcing hospitals, banks and grocery stores to cut back on their services. But on Sunday, gang leader Jimmy

“Now we can breathe ... Hunger almost killed me.”

— Gabriel Salny

“Barbecue” Cherizier announced that his G9 gang federation would end the blockade and allow drivers to fill up at the terminal. The development followed a statement last week by Haiti's National Police that it had retaken control of the terminal, which is located in Port-au-Prince. “Now we can breathe,” truck driver Gabriel Salny told the AP, adding that he can now start working again. “Hunger almost killed me,” he added. Salny told the wire service that the blockade “had an impact ... on all Haitians.” Officials at the terminal said 45 trucks filled their tanks on Tuesday with more than 300,000 gallons of diesel and more than 39,000 gallons of gasoline, the AP reported. With many parts of Haiti under the control of criminal groups, the country's government has called for aid and foreign intervention to help stabilize the country. “In the short term, we want to strengthen our security forces' capacity,” Haiti's ambassador to the United States, Bocchit Edmond, told the Advisor in a [Q&A](#) published Oct. 25. “In the medium to long term, we want to improve

our economy to create jobs for the hundreds of thousands of youths who have been enticed into banditry by the gangs and their enablers,” he added. In the same issue, Georges Fauriol, a fellow at the Caribbean Policy Consortium and senior associate at the Center for Strategic & International Studies, told the Advisor that Haitian Prime Minister Ariel Henry is “scorned by large segments of the public [and] presides over a nonfunctioning state apparatus competing with a universe of gang networks with political connections and pretensions.”

ECONOMIC NEWS

Peruvian Gov't Cuts Economic Growth Forecast to 2.7% to 3%

Peru's government on Tuesday cut its forecast for economic growth this year to between 2.7 percent and 3 percent, saying the global economy is slowing and that it is facing challenges from the country's opposition-controlled Congress, Reuters reported. Previously, the government had forecast economic growth of 3.3 percent for this year. “Growth forecasts for this year at least are looking down,” said Finance Minister Kurt Burneo, the wire service reported. In addition to slowing economies in the United States and China that are hurting global prices for commodities, Congress has delayed passing government initiatives, he said. At the same time, Burneo broadened the country's projection for growth next year, from an August estimate of 3.5 percent to between 3.1 percent and 3.9 percent. Burneo also announced 10 new initiatives that are designed to boost economic growth through public investment, projects in the private sector and higher levels of domestic consumption, Reuters reported. In September, the government announced an economic stimulus program consisting of 36 measures, though several were not implemented because of opposition in Congress. “Unfortunately, most of the measures aimed at stimulating government investment may either need congressional approval or have a delayed impact and may

NEWS BRIEFS

Control of U.S. Congress Remains too Close to Call Following Midterm Vote

Control of the U.S. Congress remained too close to call this morning, following Tuesday's midterm elections in the United States, The Washington Post reported. Republicans' hopes for sweeping victories appeared not to materialize as Democrats showed strength in some key races. The elections will likely lead to “legislative gridlock,” former U.S. Rep. Jim Kolbe (R-Ariz.) told the Advisor in a [Q&A](#) published last Friday.

Actions Against Judges in Guatemala Alarming: State Dept. Spokesman

A senior U.S. government official on Tuesday denounced actions against Guatemalan judges and prosecutors, Reuters reported. U.S. Department of State spokesman Ned Price said the troubling moves entailed the imprisonment of anti-corruption judges and prosecutors by the government of conservative Guatemalan President Alejandro Giammattei, while others fled the country. In a statement, Price said the United States was “alarmed by the continued pattern of actions.” The Guatemalan prosecutors' office said it “categorically rejects” Price's statement.

Petroecuador Planning to Appoint Auditing Firm to Organize its Accounts

Ecuador's state-owned oil company, Petroecuador, on Tuesday said it was seeking to appoint an auditing firm to review and organize its accounts, a tendering process that began in August, Reuters reported. The audit is part of a \$6.5 billion financing deal between the Andean country and the International Monetary Fund. Energy Minister Fernando Santos acknowledged that Petroecuador's financial reporting failed to comply with international standards.

not have the impact that the minister desires," former Finance Minister Alfredo Thorne told the Advisor in a [Q&A](#) published Sept. 20. Peru's economic growth has also been stymied by annual inflation of approximately 8.2 percent and social unrest in the country's mining sector, Burneo said Tuesday, Reuters reported. Demonstrations have repeatedly hindered transportation along the main copper corridor in Peru in recent months, leading to a lengthy shutdown of the Las Bambas mine, owned by China-based mining company MMG.

BUSINESS NEWS

Citi May Seek Deutsche Bank's License in Mexico

Citigroup said on Tuesday it may buy Deutsche Bank's Mexican license in order to continue its corporate and investment banking activities in the country after selling its local retail unit, Reuters reported. Acquiring Deutsche Bank's license would allow for a swifter process than applying for one independently, the wire service reported. "The acquisition of this license, which is subject to the receipt of all regulatory approvals, facilitates the pursuit of our consumer exit and ability to continue our institutional operations in Mexico," Citi told Reuters in a statement. Citi Chief Executive Officer Jane Fraser called the planned sale of the Mexican retail unit, known as Banamex, part of Citi's "strategic refresh," The Wall Street Journal reported. The unit was put up for sale earlier this year, and a buyer is expected to be announced by the end of this year or early next year. Currently, the two highest bidders are Mexican billionaire businessmen Carlos Slim and Germán Larrea, Reuters reported. The Citi unit is valued at between \$7 billion and \$12 billion, Reuters reported. Deutsche Bank said it would continue operating in Mexico, "Deutsche Bank is committed to deliver our global emerging markets platform to all of our client base through our Mexico broker dealer entity," the bank said.

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divided, with a potential for still greater polarization. The governing MAS party is buffeted by increased tension between Arce and former president and current party boss Evo Morales—who likely hopes to run for president in 2025. While Arce was elected in 2020 with a solid majority, the MAS did poorly in regional elections in 2021, and internal fissures are deepening. For its part, the opposition is splintered. Arce struggles to rekindle an economy ravaged by Covid-19 and the 2019-2020 political crisis, though it was already in decline from its pre-2015 peak growth years, when natural gas exports generated big revenue flows. By all appearances, the salad days of the MAS—when Evo Morales presided over a hegemonic political movement and the government was buoyed by windfall revenue from gas—are unlikely to return."

A Daniel E. Moreno Morales, senior researcher at Ciudadanía, Comunidad de Estudios Sociales y Acción Pública: "Bolivia has a long history of social turmoil and political instability. In one of the most recent events, in 2019, then-President Evo Morales had to resign after three weeks of protests against a controversial re-election that the OAS and other international observers saw as unfair. Protests started in Santa Cruz with the initial demand of a runoff election, but they then escalated into nationwide demonstrations that demanded the president's resignation. This episode of recent history shows how quickly protests can escalate if the government does not properly manage them. It also shows a new balance of power in the country, with Santa Cruz converting its status as the country's richest and most populated region into political relevance. The Arce administration postponed the upcoming national census to mid-2024. Santa Cruz leaders demand that the census be conducted within a timeframe that would allow the results to be considered before the 2025 national election, redistributing

congressional seats in favor of that region's growing population. So far, the Arce administration has not agreed to moving forward the date of the census and some of its members have instead actively proposed deploying police and military actions against the protesters. This fact shows the increasingly visible internal disagreements and disputes for power within the ruling Movimiento al Socialismo (MAS). Under these conditions, the government has a weak position to negotiate other, unrelated, protests. The gold miners took advantage of the circumstances and obtained benefits (such as low taxes and access to national parks and other protected land) that many Bolivians have considered illegitimate. And the miners might not be the only ones to benefit from the circumstances: a government that faces both paralyzing protests and an internal political struggle can do little against powerful interest groups."

A Kathryn Ledebur, director of the Andean Information Network: "Demonstrations are a recurring strategy to obtain state concessions. Regional elites and Governor Camacho called the current strike. By law, censuses occur every decade, but the Arce government faces significant delays due to the pandemic, rising hydrocarbons prices and extensive graft during the Añez government. Santa Cruz elites argue that the region's population has increased significantly, making them entitled to greater central government funding and increased representation in the Legislative Assembly. Their opponents fear gerrymandering of voting districts and efforts to contest the 2020 election, as occurred in Bolivia in 2019 and in the United States. This top-down strike revives the racism of the 2019 coup. It cut off daily income for the great majority of Cruceños, who work in the informal sector. Yet, businesses linked to regional elites continue to operate. The strike began with the fatal beating of a municipal worker who attempted to cross a blockade. The Santa

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Cruz Youth League (UJC), deemed by the IACHR and the United States as an illegal para-state group that must be disbanded, has played a central role in the violence. The Arce administration lifted the great majority of the export prohibitions, and food is plentiful, although the strike and external blockade launched in response have significantly slowed movement in urban Santa Cruz. Arce has made inroads in dialogue with key sectors. Yet, his failure to disband the UJC or to prosecute Camacho for admitting that his father paid security forces to mutiny in 2019, facilitated the resurgence of this regional conflict. A lack of clear government messaging or inter-ministerial coordination further impedes progress.”

A **Susana Anaya Navia, economist with specialization in hydrocarbons and energy:** “The indefinite strike in Santa Cruz that started on Oct. 22 and the protests by gold cooperatives in the city of La Paz have different motivations. The first is mainly political. The second is economic and involves mining mobilizations. The latter was solved through a generous agreement that creates a single tax of 4.8 percent on gold sales, replacing legal taxes. The agreement also includes permission for cooperative members, the social and electoral base of ruling party MAS, to extract gold in protected areas. The Santa Cruz case relates to the date of the national census and its implications for the 2025 elections, which affect all Bolivians. It is based on the impression, according to research and international reports, that the current electoral roll and system are distorted, favoring the ruling party. Ten years after the last census in November 2012, the government set Nov. 16, 2022 to conduct the next one. The authorities involved ratified the date. However, last July, the government suddenly pushed the date back to 2024. The Santa Cruz strike requires that the census be carried out in 2023 in compliance with the conclusions of a massive town hall held

on Sept. 30. If the census is conducted in 2024 as the government intends, the results, which affect the composition of the Legislative Assembly, would not be known before the 2025 elections. The effects on the economy and the shortage of products derive—more than from the peaceful strike—from the blockades and siege of Santa Cruz carried out by social organizations related to the MAS and from the government decision to temporarily suspend exports of agricultural products.”

A **Mauricio Becerra de la Roca D., partner at BDA Abogados:** “The social protests that are occurring primarily in Santa Cruz de la Sierra are legitimate, due to the sudden change of date for the census from the originally scheduled November 2022 date to May 2024. The national census is necessary to achieve greater distribution of economic resources in the Santa Cruz region—the economic vehicle of the country. It will allow for a redistribution of taxes according to the population. One needs to bear in mind that the last census was in 2012, and the demographic has drastically changed amid a strong migratory trend toward Santa Cruz. Unfortunately, the conflict is becoming political and enthralled in the defining of a new electoral register and distribution of legislative seats. Currently, there is a struggle of forces in which, it seems, the government wants to weaken the civic movement of Santa Cruz. The shortage of basic foods is caused by difficulties in transporting products, which can lead to a national shortage. This affects not only citizens, but also producers and manufacturers. Talks are happening with the hope of technically establishing a date for late 2023 and putting an end to this social conflict.”

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

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