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FEATURED Q&A

Will New Laws Lower Crime and Insecurity in Chile?



Chilean President Gabriel Boric on April 5 signed a package of new laws aimed at strengthening security that the government has said would help to fight organized crime and drug trafficking. // File Photo: Chilean Government.

Q Chilean President Gabriel Boric on April 5 signed a package of new laws aimed at strengthening security that the government has said would help to fight organized crime and drug trafficking. Boric also announced \$1.5 billion in new security spending. The measures followed the recent killings of at least three police officers. In a March poll by Activa Research, respondents said Chile's crime level was their top concern. How effective will the laws be at lowering crime? To what extent should Chileans be concerned about the measures leading to higher levels of human rights abuses by police? What will the measures mean for the approval ratings of President Gabriel Boric?

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 new security/crime legislation recently passed by the Chilean congress constitutes a reactive political response to problems that require a more comprehensive approach. Chile has seen a substantial increase in violent crime in past years—albeit from a low base level compared with other countries in Latin America—but nonetheless a reality that is reflected in polling that identifies crime as a leading public concern. The killing of three Carabineros in the past month prompted Congress and the Boric administration to fast-track several laws targeting specific criminal acts for stiffer penalties and (the 'Naín-Retamal Law')

Continued on page 2

TODAY'S NEWS

ECONOMIC

Guyana Postpones Offshore Blocks' Auction to July

Guyana will postpone a closely-watched oil auction for three months, to mid-July, the Ministry of Natural Resources said in a statement.

Page 2

POLITICAL

Colombia Has More Than 17,600 Armed Groups Members: Report

There are more than 17,600 members of four major armed groups and 23 gangs in Colombia.

Page 2

POLITICAL

Uruguay's Bustillo Departs for China to Discuss Trade

Uruguay's Foreign Relations Minister, Francisco Bustillo, departed for China where he will meet with Chinese Foreign Minister Qin Gang and Vice Commerce Minister Wang Shouwen to continue negotiations toward a bilateral free trade agreement.

Page 2



Bustillo // File Photo: U.S. Government.

POLITICAL NEWS

Colombia Has More Than 17,600 Armed Groups Members

There are more than 17,600 members of four major armed groups and 23 gangs in Colombia with which President Gustavo Petro's government hopes to reach peace or surrender deals, according to two security intelligence reports, Reuters reported on Thursday. The figures, which are higher than previous official estimates, are part of an effort to recognize the size and composition of armed groups and gangs in the Andean country. In his presidential platform, Petro promised to put an end to the 60-plus-year conflict in Colombia through peace deals or surrender agreements, the wire service reported. The reports show that the largest armed group is the leftist National Liberation Army, or ELN, with 5,850 members, 2,900 of which are armed combatants. "From the peace negotiations with the FARC, the Petro government can learn, above all, the importance of the state having a strong presence in the zones without guerrilla presence, after the negotiations, so that they are not later retaken

by other illegal actors," Carlos Ramírez, a professor at the Universidad de los Andes, told the Advisor in a [Q&A](#) published Dec. 7. The reports were compiled by the Colombian armed forces and are set to be shared with Petro and Defense Minister Iván Velásquez Gómez at an upcoming security meeting, Reuters reported.

ECONOMIC NEWS

Guyana Postpones Offshore Blocks' Auction to July

Guyana will postpone a closely-watched oil auction for three months, to mid-July, the Ministry of Natural Resources said in a statement published Wednesday. Fourteen oil blocks—11 shallow-water and three deep-water blocks—are on offer in the country's first competitive auction under a new production sharing agreement (PSA) model, Argus Media reported. Guyana launched the auction last December and has now pushed back the bid submission deadline to July 15 from April 14. The government attributed the delay to industry feedback and efforts to modernize

NEWS BRIEFS

Uruguay's Foreign Relations Minister Departs for China

Uruguay's Foreign Relations Minister, Francisco Bustillo, on Thursday departed for China where he will meet with Chinese Foreign Minister Qin Gang and Vice Commerce Minister Wang Shouwen to continue negotiations toward a bilateral free trade agreement, *Ámbito Financiero* reported. In July 2022, the counties announced that they had completed a joint feasibility study of a possible deal with satisfactory results. Uruguay has expressed willingness to move forward with a deal with China, a key market for the South American country's agricultural exports.

Peruvian Judge Convicts and Sentences Retired Politician Daniel Urresti

A Peruvian judge on Thursday convicted and sentenced Daniel Urresti, a retired conservative politician and army general, to 12 years in prison for his role in the 1988 murder of journalist Hugo Bustíos who covered abuses during the Peruvian civil war, the Associated Press reported. The murder had initially been pinned on communist militant group Shining Path. Urresti indicated that he would appeal to the judge's decision, the AP reported.

Latin American Countries Should Consider Slowing Public Spending: IMF

Latin American countries should consider slowing public spending as a complement to tightening monetary policy to fight inflation, the International Monetary Fund said Thursday. "To mitigate the risk that inflation becomes entrenched, fiscal policy can help monetary policy in reducing demand pressures," officials from the organization's Western Hemisphere Department said in a blog post.

FEATURED Q&A / Continued from page 1

providing police with enhanced authority to use force in 'privileged legitimate defense.' Although this legislation was criticized by international human rights organizations and in some Chilean political and academic circles, it passed Congress with overwhelming majority support—from parties spanning the far right to democratic Socialists aligned with Boric. Notably, some Boric supporters on the far left voted against the legislation, highlighting growing discord within the governing coalition. Produced in a climate of public pressure, the new legislation may improve police morale but will do little to address either the problem of rising crime in Chile or the need for a comprehensive reassessment of law enforcement. Chile has long been a Latin American leader in terms

of quality of rule of law and, moving forward, must nurture that tradition rather than be seduced by the allure of *mano dura*."

A Peter M. Siavelis, professor of political science and international affairs at Wake Forest University: "As Gabriel Boric enters his second year in office, his initial lofty goals to be a transformational president by guiding Chile towards the adoption of a new constitution have been checked by the everyday worries of most Chileans. Despite being among the safest countries in Latin America, prominent police killings and a perception that unchecked immigration is driving a crime wave have moved crime and insecurity to center stage as the most

Continued on page 4

the regulatory framework for oil and gas. This and future bid rounds “must be governed by a modern regulatory framework and the government has been thoroughly moving towards the finalization of the model production share agreement,” the Ministry of Natural Resources said in a statement. In March, the government released the draft terms of the PSA model for stakeholder feedback, Reuters reported. In addition to the proposed PSA, the government has said it plans to increase royalties and levy an additional 10 percent tax on oil companies. Guyana’s government is seeking to increase revenues from rising oil production. Until now, oil blocks had been directly awarded through negotiations. The current bid round has attracted interest from several major international oil companies, including Petrobras, Chevron and Shell. “Guyana’s large, relatively low-cost and low-carbon oil reserves will likely ensure it emerges as a key global producer before long,” Theodore Kahn, a senior analyst in the Global Risk Analysis team at Control Risks in Bogotá, Colombia, told the weekly Latin America Energy Advisor in a [Q&A](#) published in September last year.

Int’l Banks Interested in Financing Mexico’s Power Plant Deal

A number of international banks, including Banco Bilbao Vizcaya Argentaria, Banco Santander SA and Bank of America Corp., are interested in financing Mexico’s \$6-billion deal to purchase 13 power plants from Spain’s Iberdrola, Bloomberg News reported Thursday, citing individuals with knowledge of the talks. Local private banks such as Grupo Financiero Banorte and Grupo Financiero Inbursa have also expressed interest in joining a consortium to fund the deal, the sources said. Mexican development banks such as Banobras will also be involved, they added. Talks are ongoing and there is not yet a final proposal, the Mexican Finance Ministry said in response to a request for comment from the news agency, while none of the banks were willing or available to comment. The purchase, announced by Mexico’s government last week, will give the government

THE DIALOGUE CONTINUES

Will a U.S.–Central America Effort Spur Nearshoring Efforts?

Q **This year, Mexican Economy Minister Raquel Buenrostro and U.S. Commerce Secretary Gina Raimondo plan to launch an effort to encourage companies to relocate from Asia to North America, Mexico’s government said last month. Buenrostro and Raimondo are planning a joint presentation for the private sector in order to outline the economic and fiscal benefits that the two countries will offer companies to relocate. What are the most important benefits that Mexico and the United States can offer companies to entice them to move operations to North America? What types of businesses would be most likely to move? To what extent could disputes between the United States and Mexico, such as Mexico’s energy policies and cross-border agriculture trade, derail cooperation between the two countries?**

A **Larry B. Pascal, partner and chair of the Americas Practice Group at Haynes and Boone, and Fernanda Ruizesparza, associate in the Mexico City office of the firm:** “The United States and Mexico offer a variety of complimentary economic factors for investing in the region. The United States offers a highly skilled workforce, strong research and development facilities and excellent infrastructure. In contrast, Mexico offers competitive labor costs, proximity to the United States and lower shipping and transportation costs relative to its Asian peers. However, the existing and longstanding legal infrastructure between the coun-

tries also offers advantages that are hard to replicate. Those legal infrastructure include: 1. the USMCA; 2. the US-Mexico Bilateral Tax Treaty; 3. Mexico’s maquiladora regime (formally called ‘IMMEX’) which allows for duty-free importation of fixed assets such as machinery and equipment and inventory and similar export promotion programs; 4. a contract manufacturing regime under the IMMEX program (commonly referred to as ‘shelter contracts’) and an attractive special tax regime for such contract manufacturing arrangements, which enable the foreign investor to concentrate on core manufacturing competencies and delegate other tasks that require more local knowledge of the Mexican market; and 5. Mexico’s wide range of international free trade agreements with other countries. The types of businesses that Mexico is seeing active foreign investment in varies but includes general manufacturing, automotive, aerospace and technology. Notably, Tesla recently announced that it intended to build its next automotive plant near Monterrey, Mexico). Mexican officials estimated the level of investment at approximately \$5 billion. Although some tensions remain on the issues of energy and agriculture, to date the countries have been able to isolate those issues and have avoided allowing them to interfere with the robust cross-border manufacturing growth.”

control over nearly 55 percent of the country’s power generation capacity. President Andrés Manuel López Obrador, who has been seeking to bring the energy sector under greater state control, called the deal a “new nationalization,”

EDITOR’S NOTE: The comment above is a continuation of the [Q&A](#) published in the March 21 issue of the Advisor.

adding that it will save the country money compared to building new power plants from the ground up, Reuters reported. Mexican officials estimated that it will take about five months to complete the transaction.

FEATURED Q&A / Continued from page 2

pressing issue facing Chile. Failure to act decisively on the issues would contribute to an erosion of public support for the young president, whose polling numbers on handling insecurity are among the lowest in public evaluations of his presidency. The recently approved measures grant police

Failure to act decisively on the issues would contribute to an erosion of public support for the young president.”

– Peter M. Siavelis

increased powers of legitimate self-defense, toughen sentencing guidelines, permit stop and search for immigrants without an identity card, and significantly reduce potential criminal responsibility for police actions. The measures raised alarm among members of the president's own coalition, whose farthest left sector opposed the bill. They pointed to a growing trend of abuses, beginning with violent police reactions to protesters in the wake of the 2019 social explosion that rocked Chile. The national and international human rights community, including U.N. representatives, criticized the legislation for providing insufficient human rights guarantees. Still, Boric underscored his commitment to human rights as the legislation is implemented, noting, 'Security without democracy, without clear rules, is a nightmare and, therefore, our commitment is to both: to security, to democracy and to human rights.' Whatever the outcome, failure to act would have signified an effective end to Boric's presidency."

A **Patricio Navia, clinical professor of liberal studies at New York University:** "President Boric has been cornered into an uncomfortable position. After fulfilling a campaign promise and issuing presidential pardons in late 2022 to several people serving time for crimes committed during the 2019 upheaval, including several persons with long criminal records and some who were sentenced for attacking police officers, Boric is now under pressure to adopt strong iron fist policies to respond to a rising crime wave. Because his own record and that of his far-left Broad Front coalition, tainted by his strong and often unsubstantiated accusations against the police for systemic human rights violations against protesters during the 2019 riots and before, Boric has been forced into a 180-degree turn. People's concern with crime tops the most important issues Chileans want the government to address. As the country is three weeks away from the election of the new constitutional convention's members, the government wants to avoid a new electoral defeat by signaling that it takes fighting crime seriously. Unfortunately for the government, the crime wave continues, and the legislature has rushed to pass bills to empower the police to use more force in its daily activities. As striking a right balance between giving police officers strong tools to fight crime, protecting their lives and safeguarding human rights requires cool heads, rushing legislation through Congress and sending it to the desk of a weak president who needs to show that he is now tough on crime is not a wise way of addressing the structural problem of crime."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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