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FEATURED Q&A

What Will Daniel Noboa's Presidency Mean for Ecuador?



Daniel Noboa, pictured voting on Sunday, was elected Ecuador's president. At age 35, he is to become the country's youngest-ever president when he takes office next month. // Photo: Facebook Page of Daniel Noboa.

Q Daniel Noboa, a 35-year-old heir to a banana fortune, was elected Ecuador's president on Sunday, defeating Luisa González, a leftist protégé of former President Rafael Correa. With 97 percent of the ballots counted, Noboa won 52 percent of the vote, as compared to 48 percent for González, who conceded. What are the main reasons behind Noboa's victory, and which issues resonated most with voters? What can Ecuadoreans expect of his presidency? How well will Noboa be able to work with the country's newly elected National Assembly?

A Julio Carrión, professor in the Department of Political Science and International Relations at the University of Delaware: "Daniel Noboa's victory represents the half of the country that is not thrilled by the prospect of a return of corréistas to power. At a time where citizen insecurity and economic issues are major concerns, this election was about change. Luisa González faced the major obstacle that many populist parties confront after ruling. The platform of returning to a (supposedly better) past does not appeal to voters who want change. Noboa is an outsider with no political experience beyond his short stint as member of the National Assembly, but he is not an unknown figure. He is the son of a rich and prominent father who unsuccessfully ran for president five times. Daniel Noboa's youth, mild-mannered demeanor and lack of strong ideological definition offered voters a respite from the highly polarized Ecuador during and after the Correa years. Noboa, however, faces enormous challenges. His term is only 18 months, and very soon he will have to decide whether to run for

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TODAY'S NEWS

ECONOMIC

U.S., Venezuela Reportedly Agree on Sanctions Relief, Elections

The U.S. and Venezuelan governments have reportedly reached a deal in which the Biden administration would ease sanctions on Venezuela's oil industry and Caracas would allow a competitive presidential election next year.

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ECONOMIC

Mexico to Revive Railway to Attract Container Traffic

Mexico's government is planning to revive a railway between the Gulf of Mexico and the Pacific Ocean.

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POLITICAL

Guatemalan Interior Minister Resigns After Protester's Death

Guatemalan Interior Minister David Barrientos resigned late Monday after a protester was killed in a demonstration in the western town of Malacatán.

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Barrientos // File Photo: Guatemalan Government.

ECONOMIC NEWS

U.S., Venezuela Agree on Sanctions Relief, Elections: Report

The U.S. and Venezuelan governments have reached a deal in which Washington would ease sanctions on the South American country's oil industry and Venezuelan President Nicolás Maduro would allow a competitive presidential election that is internationally monitored next year, The Washington Post reported Monday, citing two unnamed people with knowledge of the talks. The sanctions relief is to be announced after Maduro's government and the country's opposition sign agreement today in Barbados to allow a freer vote next year. U.S. officials are expected to be in attendance for that signing ceremony, The Washington Post reported. Maduro claimed victory in Venezuela's 2018 presidential election, which was viewed internationally as fraudulent. Under the new agreement, he would agree to a process for allowing candidates who had been banned to run, one source told the newspaper. It is unclear, however, how quickly that process would happen. If Maduro does not follow through with his commitments under the agreement, sanctions would be reimposed, the Associated Press reported, citing an unnamed source.

Mexico to Revive Railway in Effort to Attract Commerce

Mexico's government is planning to revive a railway linking the country's Pacific coastline with the Gulf of Mexico in an effort to attract container traffic away from the Panama Canal, the Financial Times reported Monday. The railway has been in decline for more than 100 years, and the project to revive it seeks to take advantage of the nearshoring trend, in which multinational companies are seeking to locate operations closer to the United States. At the

same time, traffic through the Panama Canal has been stymied by a drought and low water levels. Last month, canal authorities reduced the number of ships allowed through the waterway to 31 from 32 amid the drought, Reuters reported. The number of allowed transits is typically 36 per day. The project to revive the Mexican railway would offer transit times of six and a half hours between the Gulf of Mexico and the Pacific Ocean, the Financial Times reported.

POLITICAL NEWS

Israel Halts Security Exports to Colombia Amid Diplomatic Feud

Israel's government has suspended security exports to Colombia after Colombian President Gustavo Petro likened Israel's attacks in Gaza to the actions of Nazi Germany, the Associated Press reported Monday. "Democratic peoples cannot allow Nazism to re-establish itself in international politics," Petro said in a posting on social media site X, formerly known as Twitter. "No democrat in the world can accept Gaza being turned into a concentration camp," Petro added. Israel launched retaliatory air strikes in Gaza after Palestinian militant group Hamas attacked Israel on Oct. 7, killing more than 1,400 people, BBC News reported. Since Israel launched the air strikes, nearly 2,700 people have been killed. Petro has suggested that his country may need to suspend diplomatic relations with Israel, and his foreign minister has said Israel's ambassador to Bogotá should leave, the AP reported. Colombia currently has formal relations with both Israel and the Palestinian Authority. Colombia uses Israeli-built planes and weapons to fight drug cartels and rebels. Colombia and Israel also signed a free trade agreement in 2020. Amid the diplomatic feud, Israeli foreign ministry spokesman Lior Haiat summoned Colombia's ambassador to Israel, Margarita Manjarrez, over what he called Petro's "hostile and anti-Semitic statements," Agence France-Presse reported.

NEWS BRIEFS

Guatemalan Interior Minister Resigns After Death of Protester

Guatemalan Interior Minister David Barrientos resigned late Monday following the death of a protester during demonstrations demanding an orderly transition to President-elect Bernardo Arévalo, who is to take office in January, Reuters reported. The protester was killed in the western town of Malacatán. Protests erupted in Guatemala on Oct. 2 as Attorney General Consuelo Porras has intensified an investigation targeting Arévalo's Semilla party and is accused of seeking to undermine him from taking office.

Chile's Boric Meets With Chinese President Xi Jinping in Beijing

Chilean President Gabriel Boric met today with his Chinese counterpart, Xi Jinping, on the sidelines of the third Belt and Road forum Beijing, EFE reported. Boric is only the third leader from his country to attend the forum after Michelle Bachelet and Sebastián Piñera, said Xi. Boric started his visit to China on Friday in Sichuan province and arrived Sunday night in Beijing. He said that he intends to "strengthen the relations of both countries" during the trip.

Pemex Shuts Down Crude Distillation Unit at Texas Refinery

Mexican state oil company Pemex has shut down its 270,000 barrel-per-day crude distillation unit at its refinery in Deer Park, Tex., Reuters reported Monday. The company shut down the unit because of the rupture of a process line, unnamed sources told the wire service. A spokesperson for the company did not reply to a request for comment by Reuters. Last weekend, Pemex restarted a 70,000-barrel per day gasoline producing fluidic catalytic cracker at the facility, the wire service reported.

BUSINESS NEWS

Mirabaud Seeking to Triple Brazil Money Under Management

Switzerland-based Mirabaud is expecting to triple the amount of money that it has under management in Brazil over the next two years, Bloomberg News reported Monday, citing a company executive. The wealth manager currently oversees one billion reais (\$197 million) in the South American country, Brazil country chief Urbano de Moraes told the news service. It also manages an additional \$3.8 billion for clients in Latin America, including in Brazil, through its offshore operation, Bloomberg news reported. "We have a lot of room to grow organically," Moraes told the news service in an interview in São Paulo. Earlier this year, Nicolas Mirabaud, the Swiss firm's current managing partner and a seventh-generation member of the Mirabaud family, traveled to Brazil to meet with prospective clients, said Moraes. Mirabaud was founded in 1819 and manages approximately \$35 million globally. It opened its Brazil office in 2019. In January of that year, Mirabaud acquired Brazil-based money manager Galloway Gestora De Recursos, incorporating it into Mirabaud Asset Management, Pensions & Investments reported at the time. The acquisition created "Mirabaud's first physical presence in South America, in line with the group's wider strategy," Lionel Aeschliemann, CEO of Mirabaud Asset Management and managing partner of Mirabaud Group, said at that time in a statement. "Latin America is a strategic region for Mirabaud, with our client numbers there growing steadily every year," he added. Mirabaud acquired a local license in Brazil last year and hired Moraes to lead the operation, Bloomberg News reported. Brazil's wealth management industry is growing in terms of amount of assets and number of players, the news service reported. In the first half of this year, the amount of money managed by independent wealth firms in the South American country grew 8.3 percent to 460.4 billion reais, Bloomberg News reported.

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re-election. He needs quick policy successes, but it is hard to see where he can achieve them. Fighting organized crime and improving citizen security with a weak state is a tall order. Delivering on his promises of more jobs seems out of reach with a sluggish economy that is expected to grow by only 1.4 percent in 2023, according to the IMF. Finally, there is the hard political reality of power distribution in the National Assembly where correístas hold almost 40 percent of the seats, and the rest are highly fragmented. Knitting together a workable congressional majority without giving the impression of resorting to traditional horse trading will be his most immediate challenge."

A **Grace Jaramillo, professor at the University of British Columbia and Simon Fraser University:** "Daniel Noboa's victory follows a long-established pattern since Ecuador's democracy was re-established in 1979: the appeal of the outsider candidate. From Jaime Roldós in 1979, Ecuadoreans have opted for the candidate who has not achieved office before, who has built a new message or a new campaign promise. Only Rafael Correa won re-election twice, first in 2008 after a new constitution was approved and then in 2013, but his antics calling for vengeance against his political opponents and the press including after the assassination of presidential candidate Fernando Villavicencio, tarnished the possibilities of the also relatively novel Luisa González in the Ecuadorean political landscape. Noboa won by distancing himself from the correísmo/anti-correísmo cleavage that has pervaded Ecuadorean politics in the last eight years, an appeal that is particularly important when 60 percent of the electorate is younger than 40. Clearly, most voters want to turn the page on polarization and hope that Noboa represents a clean slate to control the main crisis Ecuador is facing: criminal violence that is widespread in the main cities of the country and many rural areas. Insecurity has

also had a significant impact on the economy, but he needs to move quickly in both areas to be effective. It might be achievable in the 18 months that Noboa will have in office if he pragmatically builds a national unity cabinet that helps him negotiate priorities and a working bloc in the newly elected National Assembly. It is a necessary step for a president who only has 13 representatives on his own and needs the concurrence of many other political organizations to pass urgent fiscal reforms. But time is of the essence. If he is unable to deliver results, the prospects of his re-election in just 15 months will be forsaken. Hopefully the newly elected president and lawmakers understand the urgency of the moment and the deep crisis in which Ecuador finds itself."

A **Abelardo Pachano, president of Finanview in Ecuador and former Ecuadorean central bank president:** "Daniel Noboa offered Ecuador political renovation, youth, hope and contrast in the face of political violence with a simple and nonconfrontational discourse. He has a clear popular mandate to resolve a very complex national reality whose first obligation is to offer the country governance that decides the enormous difficulties and challenges of a magnitude that few understand. Noboa must reach a minimum and reasonable understanding with the National Assembly to make viable those fundamental reforms that require two national fronts: the severe and urgent defunding of the fiscal sector, which is a threat to the monetary system, and with it, to achieve a response from private investment whose motivation will improve the conditions of the national labor market. He needs more time to carry out a program with visible results. President-elect Noboa must act urgently to make changes that will consolidate growth and sustainable development. Let's hope he can do it. Let us hope that the political parties understand Ecuador's adverse circumstances and offer support to overcome them. The challenge

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is enormous. The difficulties are prominent and well-known. Political fragmentation is a fence of significant proportions, and let us hope it stops playing that destructive role.”

A **Santiago Mosquera, head of research at Analytica Investments in Quito:** “Ecuador held a crucial runoff election on Sunday, characterized by a sense of peace and stability, as no major disruptions or controversies marred the process. Official results began trickling in shortly after 5:30 p.m. and the definitive outcome was officially announced at 9 p.m., confirming Daniel Noboa of Alliance ADN as the victor. This marked a significant setback for correísmo, as it was its second consecutive loss in a runoff election. Nevertheless, it is essential to acknowledge that the political movement founded by former President Rafael Correa remains a potent and influential force in the country’s political landscape. In her concession speech, candidate Luisa González extended an olive branch, expressing correísmo’s willingness to cooperate and support Noboa’s initiatives aimed at improving the living conditions of Ecuadorean citizens. However, she also

emphasized their commitment to closely monitor the new administration’s delivery on the promises made during the campaign. There is a possibility that Noboa may seek to build a governing coalition, potentially

“**This marked a significant setback for correísmo, as it was its second consecutive loss in a runoff election.**”

— Santiago Mosquera

involving the Social Christian Party and correísmo. However, it is unlikely that he would be willing to make significant concessions in exchange for their support. The future will reveal the dynamics of this evolving political landscape and the potential collaborations that may shape Ecuador’s governance.”

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

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Gene Kuleta
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Nili Blanck
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