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FEATURED Q&A

Are the U.S. & Latin America Cooperating Well?



U.S. President Joe Biden (sixth from right) and several Western Hemisphere leaders met Nov. 3 at the White House. // Photo: White House.

Q U.S. President Joe Biden hosted Western Hemisphere leaders at the White House on Nov. 3 for the inaugural Americas Partnership for Economic Prosperity (APEP) Leaders' Summit. Ahead of the gathering, the White House said the summit would focus on deepening economic integration, encouraging 'inclusive and sustainable' economic growth and addressing the 'drivers of irregular migration' in the hemisphere. What did Biden and the Latin American leaders achieve at the gathering? What accomplishments came out of Biden's bilateral meetings with other heads of state on the sidelines of the summit?

A Jorge Heine, research professor at the Pardee School of Global Studies at Boston University and former Chilean ambassador to China: "The hosting of this APEP summit at the White House by President Biden is a welcome development in an administration that has so far underdelivered in the Western Hemisphere. APEP, announced 17 months ago at the Summit of the Americas in Los Angeles, will hopefully give a new impetus to inter-American relations. The need for more sustainable infrastructure in Latin America (whose infrastructure deficit seriously hampers its international competitiveness) and for more resilient value chains, much emphasized by President Biden at the meeting, is undisputable. The question is whether any fresh resources will be brought to bear on making this happen. Much will depend on the role to be played by the Inter-American Development Bank as APEP moves forward, and whether such resources will be allocated to the bank. APEP presents an extraordinary opportunity for the

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TODAY'S NEWS

POLITICAL

Protesters in Panama Lifting Roadblocks for 12 Hours

Indigenous groups that have been blocking roads in Panama in protest of a mining project said they are lifting the roadblocks for 12 hours today in a show of good faith.

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BUSINESS

Brazil's Petrobras Raises Target for Oil Production

Brazilian state-run oil company Petrobras said it is raising its target for year-end oil production to 2.2 million barrels per day.

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ECONOMIC

Peru Seeks New Measures to Boost Energy, Mining

Peru's government is calling for several new measures to boost the energy and mining sectors. Increasing investment in renewable energy projects is among the goals, said Minister of Economy and Finance Alex Contreras.

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Contreras // File Photo: Peruvian Government.

POLITICAL NEWS

Protesters in Panama Lifting Blockades Today for 12 Hours

Indigenous groups that have been blocking roads in Panama in protest of a mining project said Sunday that they are temporarily lifting the roadblocks today in a show of good faith, the Associated Press reported. Demonstrators have been demanding that the Central American country's government annul a contract that allows Canada-based First Quantum Minerals to continue operations at an open-pit copper mine in a biodiverse jungle area. Protesters announced that roads, at least in northern Panama, will be reopened today from 6 a.m. to 6 p.m. in order to allow residents

“The war isn't against the people. The war is against these criminals we have in government.”

— Juan de Dios Camaño

to access food and fuel, said Juan de Dios Camaño, secretary general of the Association of Chiricano Educators, the AP reported. The roadblocks have caused shortages in several parts of the country. “The war isn't against the people,” Camaño said in a video posted to the organization's Instagram account. “The war is against these criminals we have in government,” he added. Protests would resume after the 12-hour halt, he said. The demonstrations, which have left two people dead, started last month over a contract that allows First Quantum subsidiary Minera Panama to continue operating for 20 years, with a possibility of an extension for another 20 years, the AP reported. Panama's government has said jobs at the mine are needed, but Indigenous groups have protested the operation, saying it threatens delicate ecosystems in the area. In a Reuters survey published today, a majority of lawyers said Panama's Supreme Court is likely to rule

against First Quantum in the coming weeks, when it decides whether the project can go forward. The court's nine justices are expected to rule on whether to revoke the contract for the Cobre Panama mine, which contributes 5 percent to the country's gross domestic product and 1 percent to the world's copper production, Reuters reported. The contract has faced several legal challenges amid the protests and claims of corruption in its approval and also allegations that it favors the mining company too much. Five out of the seven lawyers in a Reuters poll predicted that the high court would strike down the contract, possibly as early as mid-December.

ECONOMIC NEWS

Peruvian Gov't Calls for Measures to Boost Energy, Mining

Peruvian President Dina Boluarte's government is calling for 25 new measures to boost the country's energy and mining sectors in a new initiative called Plan Unidos, Mining.com reported Sunday. The measures are an effort to attract \$1.5 billion in investment into the sectors, including the development of renewable energy projects, particularly solar and wind projects, and also for the production of fertilizers and explosives, said Minister of Economy and Finance Alex Contreras. The plan includes contracting of electricity and other energy sources as independent services, Peruvian state-run news agency Andina reported Saturday. Additionally, the government plans to present legislation to extend an accelerated depreciation regime for income tax purposes related to electricity generation until the end of 2035. Plan Unidos also includes 13 new standards designed to manage and regulate mining exploration. The changes aim to strengthen environmental requirements and also processes for prior consultation, Mining.com reported. The plan also seeks to improve regulations for health and occupational safety in the mining sector, as well as rules related to the granting

NEWS BRIEFS

Ruling Party Taps Brugada as Candidate for Mayor of Mexico City

Mexico's ruling Morena party on Saturday selected Clara Brugada, a former congresswoman and borough mayor, as its candidate for mayor of Mexico City, Reuters reported. If Brugada wins the election next June, she would be the second woman in a row to be elected the capital's mayor, following Claudia Sheinbaum, who is running for president. In a poll that the party commissioned, former Police Chief Omar García Harfuch defeated Brugada, but Brugada secured the nomination due to gender parity rules, Reuters reported. [Editor's note: See related [Q&A](#) in the Oct. 5 issue of the Advisor.]

Thousands Demonstrate Against Honduras' Castro

Around 10,000 demonstrators marched through the streets of Tegucigalpa on Saturday, protesting against Honduran President Xiomara Castro, Reuters reported. The rally came as a response to the Nov. 1 election of a new interim chief prosecutor in a committee vote where Castro's party holds a majority. The opposition claims the move was an unconstitutional power grab, and that Congress—where Castro's party is in the minority—should have decided the appointment.

France's Eramet to Increase Capacity for Argentina Lithium Mining

French mining group Eramet will increase capacity for mining lithium in Argentina as part of a plan to boost investment and capital expenditures over the next two years, Christel Bories, CEO and chair of the company, told Reuters. Bories expressed optimism in lithium prospects despite uncertain global economic conditions. “Lithium is not tied to world economic growth, it's tied to the development of batteries and the energy transition,” she said.

of mining concessions. "Mining is the resilient sector at this time because it is allowing growth to be sustained or the negative impact of shocks to be moderated and, therefore, in coordination with the competent ministries, 13 management and regulatory measures will be proposed with two objectives: promoting exploration mining and, on the other hand, boosting mining production," said Contreras, Andina reported.

BUSINESS NEWS

Brazil's Petrobras Raises Target for Oil Production

Brazil's state-run oil company Petrobras announced in a company filing last Thursday that it had raised its target for year-end average oil production in 2023 to 2.2 million barrels per day (b/d), S&P Global reported. The filing with local stock regulators marks a 100,000 b/d increase in average oil output for the year, up from 2.1 million b/d previously. Petrobras also estimated that total oil and natural gas output would reach an average of 2.8 million b/d of oil equivalent in 2023, a significant increase from the previous forecast of 2.6 million. The improved estimates follow Petrobras' recent installment of new floating production units, which have performed better than the company expected. In a call with analysts and investors, Ana Paula Zettel, Petrobras' executive manager for upstream partnerships and procedures, detailed how the company will have installed five new floating production, storage and offloading vessels before the end of the year, S&P Global reported. The expected connection of new production wells and platform ramp-up activities in the fourth quarter are the foundation of Petrobras' improved outlook, Reuters reported. The newly optimistic estimates were released the same day Petrobras posted a 41.5 percent decrease in profit for the third quarter. The state-owned oil company also lowered its estimate for capital expenditures from \$16 billion down to \$13 billion.

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new president of the IDB, Brazilian economist Ilan Goldfajn, to restore the bank's credibility as a key player in the region, after a difficult few years. All indications are that President Biden's meeting with President Boric of Chile was especially fruitful, leading to the creation of working groups to explore how Chile can benefit from U.S. legislation favoring investment in green energy. Yet the broader, and still unanswered, question looming over the meeting is, can the United States once again make a difference in the many challenges that Latin America faces if it is unable to provide greater market access or significant fresh resources?"

A Riordan Roett, professor and director emeritus of the Latin American Studies program at the Johns Hopkins University's School of Advanced International Studies: "Every few decades, the policy establishment rolls over and shouts Latin America—we must do something about it, for it, whatever. Thus, we had Kennedy's Alliance for Progress and Clinton's North American Free Trade Agreement. There was also a half-hearted Free Trade Area of the Americas initiative, which was quickly forgotten. The Biden White House calls it try the Americas Partnership. Politely, no one bothered to point out that Argentina's inflation rate will reach some 135 percent by year's end—regional economic integration? President Lula of Brazil wants significant climate change goals, which is admirable. But the largest polluters are the exporters of beef and commodities, all of which are negatively affecting the Amazon; they are also the largest earners of foreign exchange and a growing political force. The reality of what is happening each day, on the ground, is more dramatic. The New York Times recently reported 'Central America's Answer to a Tide of Migrants: Bus Them North.' Innovative policy, indeed. More than 400,000 people have crossed into Costa Rica from Panama this year, and the economic burden is reaching a

crisis point. But what the leaders who signed the 'East Room Declaration' of the Americas Partnership for Economic Prosperity Leaders' Summit chose to acknowledge is the reality on the ground. Many of the migrants are fleeing poverty, violence and drug gangs, and they face an uncertain future—here or there. A pertinent question is what happened to the billions of dollars in U. S. aid sent to the region? Where are the schools, the medical facilities, the paved roads to get their produce to market? Why does agrarian reform falter any time it is attempted? Why do slums, which afflict most urban centers, grow and fester? And why does no one raise the issue of corruption, which absorbs much of that foreign aid? These issues are permanent and deserve another summit with civil society represented and given a voice; otherwise, the buses will keep rolling north."

A Ray Walser, professor of practice at Seton Hall University and retired U.S. Foreign Service officer: "That the White House can keep a positive focus on the Western Hemisphere in a time of swirling international crisis is an accomplishment in itself. In the approximately two-hour summit, President Biden and representatives from the 11 Americas Partnership members (including nine heads of state) outlined a forward-looking program. The strategic objectives of the Americas Partnership appear to be: 1.) advance a democratic, investment-friendly counterweight to expanding Chinese influence in the Americas; and 2.) support what is called migration management in the Americas Partnership countries that also bear the brunt of outmigration from Venezuela and Central America. Central to the Americas Partnership is a three-track approach aimed at foreign policy connectivity and cooperation, a trade component targeting sustainable development and resilient supply chains and a finance approach seeking to deliver high standard finance and investment initiatives. Given our current

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budgetary woes, the Biden administration hopes to leverage funding by the Inter-American Development Bank and private investors into new creative channels. The span of the partnership is, however, limited. Notable was the absence of Argentina, Brazil and Central America's Northern Triangle. Critics in the coming U.S. election year will focus on stopping illegal migration into the United States and enhancing border security, for which the impact of the Americas Partnership will be limited. Little in the way of readouts from pull-asides is publicly available. While the Americas Partnership is certainly no game changer, it offers a constructive framework for addressing shared Hemispheric interests among a coalition of the willing."

A **Andrés Martínez-Fernández, senior policy analyst for Latin America at The Heritage Foundation:** "It is really only in the context of the Biden administration's lack of a cohesive Latin America strategy that the Americas Partnership for Economic Prosperity can be seen as a substantive success. Despite initial promises from the Biden administration to engage with and prioritize Latin America, the past three years have shown an absence of U.S. strategy and lack of attention to our own hemisphere. Meanwhile, China has continued to expand its engagement and influence in the Western Hemisphere, including with traditionally close U.S. partners. The benchmark Americas Partnership for Economic Prosperity could have marked a reversal of this trend. However, with the Biden administration declining to exert any real political capital, it has become a disappointing mix of empty rhetoric and vague goal setting dressed up in pomp and circumstance. Regional leaders reportedly came away disappointed from the recent summit, and with good reason. One is hard pressed to identify meaningful deliverables or even a path to truly deepening hemispheric economic engagement. Even leading Democrats in the Senate have voiced

their exasperation with the administration on Latin America. Unfortunately, the recent APEP summit does little to counter the impression that U.S.-Latin America policy is on autopilot. Some suggest that this forum was only an opening bid, but at this point in President Biden's term, few seem to be holding their breath for phase two."

A **Carlos Denton, president of the board at CID/Gallup in Costa Rica:** "When CID/Gallup asked respondents in 13 Latin American countries in September 'if you had the resources to do so how, likely is it that you would migrate to another country,' percentages responding 'very likely' averaged around 30 percent. Most would go to the United States, and the reasons for moving fundamentally revolve around the 'lack of opportunity' in their native land. The meeting in early November hosted by President Biden and including 12 hemispheric leaders had as its focus the creation of opportunity in the region. Starting with John F. Kennedy's Alliance for Progress, the plan discussed at the Nov. 3 meeting is one more program developed by Washington designed to bring hemispheric countries up to a level of prosperity which would make 'staying home' a reasonable proposition. For many years the message emanating from Washington was that the key to development was the establishment of democratic institutions—all of the leaders assembled at the White House were elected freely, and their national systems respect the 'rule of law.' Yet their national economies are not creating enough wealth to permit the development of attractive propositions for prospective entrepreneurs. As former Colombian President Iván Duque has insisted, most of Latin America missed the renaissance and the industrial revolution; it is now on a path to miss the surge provoked by the digital era. Can a program such as the one that Biden and regional leaders propose put them on the right track?"

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