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FEATURED Q&A

What Will Enhanced Relations Mean for Colombia & China?



China last month announced an upgrade of its ties with Colombia. The news came as Colombian President Gustavo Petro met with Chinese President Xi Jinping in Beijing. // Photo: @petrogustavo via X.

Q The Chinese government on Oct. 25 deepened its relations with Colombia by upgrading the countries' diplomatic ties to a strategic partnership. The move came as Colombian President Gustavo Petro visited Beijing. What will the elevated diplomatic relations mean in practice, and what will the change mean for Colombia and China? What will the change mean economically for the two countries? What are the political implications, including for Colombia's relationship with the United States?

A Margaret Myers, director of the Asia & Latin America Program at the Inter-American Dialogue: "Petro's visit to China won't fundamentally alter the economic dynamics at play between the two countries, aside from hopefully boosting some agricultural exports to China in the coming months and years. Progress on the Bogotá Metro, which will be built by Chinese companies, remains stalled, however—the result of continued debate between Petro and Bogotá mayor Claudia López about the Metro's design. Ties between the countries were notably upgraded to a 'strategic partnership,' but most of Colombia's neighbors are ranked higher by China's Ministry of Foreign Affairs, having established 'comprehensive strategic partnerships' with China. So, at face value, it's easy to conclude that not a lot resulted from the trip—or certainly less than has come of Xi Jinping's meetings with other presidents in the region. That said, a look at the agreements that were signed shows a targeted effort by China to engage more extensively with Colombian media, on security matters, and on science and tech cooperation—all of which are features of Chinese policy and engagement across

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El Salvador Slaps Fee on Some Airport Travelers

El Salvador has started charging travelers from some countries a \$1,130 fee to transit through its international airport.

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Petroecuador to Shut Down Oil Drilling in Block After Referendum

Ecuadorean state oil company Petroecuador announced the closure of a large drilling project after voters in August rejected drilling in a protected area.

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POLITICAL

Guyana Urges World Court to Halt Parts of Venezuela Vote

Guyana urged the International Court of Justice to halt Venezuela's plan to ask voters what to do with a disputed territory. The leader of Guyana's team in court, Carl Greenidge, said the referendum poses an "existential" threat.

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Greenidge // File Photo: Government of Guyana.

POLITICAL NEWS

Guyana Urges World Court to Halt Parts of Venezuela Referendum

Guyana's government today urged justices at the United Nations' International Court of Justice, or World Court, to halt parts of a referendum that Venezuela is planning on a disputed area between the two countries, the Associated Press reported. "The collective decision called for here involves nothing less than the annexation of the territory in dispute in this case. This is a textbook example of annexation," Paul Reichler, an American lawyer representing Guyana, told the court. In the two-day hearing, Guyana is asking the court to call for a halt

“This is a textbook example of annexation.”

— Paul Reichler

to parts of the referendum, planned for Dec. 3. "It is not an exaggeration to describe the current threat to Guyana as existential and the need for provisional measures as urgent," Carl Greenidge, the leader of Guyana's court team, told the justices in The Hague. The vote "seeks to create a new Venezuelan state that purports to annex and incorporate into its own territory Guyana's entire Essequibo region—more than two thirds of its national territory—and to grant Venezuelan citizenship to the population," Greenidge added. Venezuela's National Assembly proposed the referendum, the country's National Electoral Council approved it, and its Supreme Tribunal of Justice upheld it. All three institutions are controlled by President Nicolás Maduro's supporters. The planned referendum would ask voters whether to reject a tribunal decision from 1899 that established the border between Venezuela and Guyana, Agence France-Presse reported. One of the ballot questions says the 1899 decision was "fraudulently imposed," AFP reported. Another question on the ballot asks whether Venezuela should

keep rejecting any World Court decision on the matter and put into place an "accelerated plan" to give people in the Essequibo region Venezuelan citizenship and identification cards. For decades, Venezuela has claimed that the oil-rich Essequibo region, which comprises more than two-thirds of Guyana and has one fifth of the country's population, is part of its territory. A significant new discovery of oil last month in the area is expected to intensify the dispute.

El Salvador Slaps Fee on Some Travelers Through Int'l Airport

El Salvador has begun charging travelers from some countries a \$1,130 fee to transit through its international airport, the Associated Press reported Monday. The fees, which started in late October, target the citizens of India and 57 other countries, mostly African nations, that take connecting flights through El Salvador, and most of whom, according to El Salvador's aviation authority, are heading to Nicaragua. Because of lenient visa restrictions, Nicaragua has become a central transit point for migrants attempting to reach the United States over the past several years. The new policy has been implemented amid growing pressure on Central American nations from the United States to stop the flow of migrants to its southern border. El Salvador's aviation authority described the fine as an "airport improvement fee," and a spokesperson for the U.S. embassy declined to answer whether the United States had petitioned El Salvador to adopt the policy, the AP reported. The United Nations' International Organization for Migration recently highlighted the growing trend of African migrants flying to Central America as a means of avoiding the notoriously hazardous Darién Gap en route to the United States, the Miami Herald reported. Avianca, the commercial airline responsible for most flights from El Salvador to Nicaragua, issued a statement on its website clarifying that passengers from the affected countries would have to pay the new fee to the airline prior to boarding. The statement also noted that "even if you pay the fee, there exists the

NEWS BRIEFS

Thousands March in Mexico City Following Death of LGBTQ+ Leader

Thousands of demonstrators marched through Mexico City on Monday in response to the death of Jesús Ociel Baena, a LGBTQ+ leader and the country's first openly nonbinary magistrate, the Associated Press reported. State prosecutor Jesús Figueroa Ortega said Baena and their partner were found dead Monday morning from injuries apparently caused by a knife, but that there were no signs a third person had been present. LGBTQ+ groups sharply criticized Figueroa Ortega's statements, highlighting the prevalence of targeted violence against their community and the fact Baena had received death threats.

Argentina's Annual Rate of Inflation Accelerates to Nearly 143 Percent

Argentina's annual rate of inflation soared to 142.7 percent in October, Bloomberg News reported, citing government data. Last month, prices rose 8.3 percent as compared to September, though the rise was less than the 9.45 percent increase expected by economists in a Bloomberg survey. In October, prices rose at their fastest pace since Argentina was exiting a period of hyperinflation more than 30 years ago. Increases in the prices of communications, home goods and clothing drove price increases last month.

Brazil Sells \$2 Billion Sustainable Bond

Brazil sold its first ever sustainable bond, or ESG bond, on Monday, raising \$2 billion, Bloomberg News reported. The proceeds from the sale will fund social and environmental projects in Brazil, including lowering the nation's greenhouse gas emissions and improving welfare programs, key parts of President Luiz Inácio Lula da Silva's agenda.

possibility that, upon your arrival in El Salvador, [immigration officials] may deny your transit through the country.”

BUSINESS NEWS

Petroecuador Plans to Shut Down Oil Project in Yasuní Park

Petroecuador, Ecuador’s state-run oil company, on Monday announced the closure of a large drilling project following a referendum last August in which Ecuadorean voters rejected oil drilling in a protected area of the Amazon, Reuters reported. Petroecuador CEO Reinaldo Armijos told reporters that oil exploration in Block 43—located within the Yasuní ecological

The block has been producing about 57,000 barrels of oil daily.

reserve, a national park inside the Amazon—has been producing roughly 57,000 barrels per day, but will now be gradually shut down, the wire service reported. Armijos estimated the cost of shutting down the drilling project in Block 43 at \$600 million and added that over the course of the next year, the closure would result in \$680 million in lost revenue. The referendum that mandated Petroecuador pull out of the Yasuní National Park was held alongside the first round of snap presidential elections on Aug. 21. Environmental and Indigenous activists championed the project as a step toward protecting biodiversity and Indigenous tribes, such as the Tagaeri and Taromenani, who live in isolation within the park, the Associated Press reported. Nemo Guiquita, a leader of the Waorani Indigenous tribe, told the AP that Ecuadoreans had united “in support of the rain-forest” and “to provide a life of opportunity for our Indigenous brothers and sisters.” [Editor’s note: See related [Q&A](#) in the Aug. 18 issue of the Dialogue’s weekly Energy Advisor.]

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the region. These agreements, if implemented, are not without implications, of course. They can provide support to media, security and educational institutions. But they can also shape reporting on China and China-related matters in Colombia, advance certain security-related (and policing) techniques and promote training and standards-setting on emerging technologies, which will further China’s position in these industries, limiting the range of actors operating in these sectors.”

A **R. Evan Ellis, Latin America research professor at the U.S. Army War College’s Strategic Studies Institute:** “Colombia joins 10 other countries that China has recognized as ‘strategic partners’ in the region. The most significant implication is the establishment of a national-level working group which may accelerate Chinese economic penetration and coordination on select political and possibly security issues. Despite Colombia’s longstanding close ties to the United States, China-based firms are already deeply entrenched in the country, generally with Colombian partners, including projects such as Mar-2, the Bogotá Metro, RegioTram and the Medellín Metro. Multiple China-based electricity companies, many backed by PowerChina, are pursuing wind, solar and hydro projects, including taking over completion of Antioquia’s Hidroituango from Colombian builders. China’s CNOOC, Omimex and Emerald Energy have important petroleum operations in Colombia, while Zijin operates the Buriticá gold mine. Major Chinese players in Colombia’s digital sectors include Huawei, ZTE and Xiaomi in telecom, Hikvision and Dahua in security systems, and Didi in ridesharing. A recurring proposal for a China-built ‘dry canal’ is being discussed again. China may get expanded media influence, people-to-people and security cooperation from Petro, plus more China-favorable, less transparent deals from a government becoming more economically

desperate and less administratively adept under his administration. Still, China’s advance will be limited by his administration’s bureaucratic chaos, including Petro’s attempt to force a mid-project redesign of the Bogotá metro. New Chinese projects and existing operations will continue to suffer from criminal insecurity, which Petro’s ‘Total Peace’ and coca-friendly policies have expanded, with such violence already forcing shutdowns of Zijin’s mining and Emerald’s petroleum operations.”

A **Katya Rimkunas, director for democracy, rights and governance at the International Republican Institute:** “President Petro’s visit to Beijing is a continuation of Colombia’s interest in deepening relations with China, which gained momentum under former President Duque. Elevated diplomatic relations solidify China’s commitment to investing in Colombia and bring Colombia closer to joining China’s Belt and Road Initiative. According to Colombia’s central bank, Chinese investment in the country has tripled since 2021, and with the various agreements signed during the visit, the pace of Chinese investment is sure to increase. The energy, mining, infrastructure and technology sectors are set to be the main beneficiaries of the investment and with Colombia set to conduct a public bid for 5G network, Huawei is seen as a top competitor despite the national security concerns stemming from its lack of independence from the Chinese government. For Petro, the challenge will remain how to navigate a delicate balancing act between nurturing ties with China while maintaining Colombia’s vital relationship with the United States, which remains Colombia’s largest trading partner. Ultimately, Petro’s domestic agenda is more dependent on its relationship with the United States than China. Given the dismal showing in the recent local and regional elections, issues such as migration, Venezuela’s elections next year and insecurity will all have direct

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impact on support for his administration and will demand Petro's attention. For the United States, China's continued push to expand and deepen its influence in the region should be concerning. Economic investments serve as a gateway to bolster China's geopolitical influence in the region, which has little regard for fundamental democratic values."

A Sergio Guzmán, director at Colombia Risk Analysis: "While Colombia and China have signed to upgrade diplomatic relations to strategic allies, this is not yet a game changer. Instead, it was a consolation prize because ultimately presidents Petro and Xi probably wanted for Colombia to sign onto the Belt and Road Initiative. I think this did not happen because President Petro naively wagered that signing on would be retributed with generous Chinese financing and the approval of an underground track of the Bogotá Metro. China continues to be Colombia's second most important trade partner with expanding interests in infrastructure, railroads and technology. This relationship will continue to deepen as time goes on and as China continues to contest the U.S. global economic supremacy. China will remain uncontested in Colombia, and the rest of Latin America, as long as the United States and the European Union are outbid for tenders and government contracts in Colombia that are either too risky or not lucrative enough for western contractors. This does not mean, however, that Colombia will change lanes away from its strong relationship with the United States. The Biden administration has shrewdly managed Petro and his expectations, but that will likely change if a more radical Republican occupies the White House. Petro may be keen on using China as a hedge in the event the United States elects a Republican in 2024. Already, several of the candidates have expressed themselves negatively regarding Petro and more animosity

in the future will likely push the Colombian president away from the United States and closer to China."

A Gary Clyde Hufbauer, nonresident senior fellow at the Peterson Institute for International Economics: "Colombia's engagement with China is just the latest romance between Beijing and South America. Argentina, Brazil and Uruguay have already gone to the altar, and others will follow. The United States offers vague aspirations in the Americas Partnership for Economic Prosperity—no new market access, no enhanced financial

Colombia's engagement with China is just the latest romance between Beijing and South America."

— Gary Clyde Hufbauer

ties, but free lessons in good governance. By contrast, China offers concrete trade deals, substantial investment and access to swap lines, without the lessons. Unlike many Asian countries, South American nations have nothing to fear from Chinese territorial expansion. Accordingly, U.S. security assurances have considerably less value in South America than in Asia. That puts a premium on stronger economic engagement as the main attraction, but the United States comes up short. Unless Washington overhauls its strategy toward South America, in a decade or less the continent will be more closely allied to China than the United States."

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

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