

BOARD OF ADVISORS

- Diego Arria**
Director, Columbus Group
- Merike Blofield**
Professor of Political Science,
University of Hamburg
- Devry Boughner Vorwerk**
CEO, DevryBV Sustainable Strategies
- Joyce Chang**
Global Head of Research,
JPMorgan Chase & Co.
- Peter Hakim**
President Emeritus,
Inter-American Dialogue
- Donna Hrinak**
Director,
Adtalem Global Education
- Jon E. Huenemann**
Council Member,
GLG Inc.
- James R. Jones**
Chairman,
Monarch Global Strategies
- Craig A. Kelly**
Senior Director,
Int'l Gov't Relations, Exxon Mobil
- Barbara Kotschwar**
Professor of Political Economy,
Georgetown University
- John Maisto**
Director, U.S. Education
Finance Group
- Nicolás Mariscal**
Chairman,
Grupo Marhnos
- Thomas F. McLarty III**
Chairman,
McLarty Associates
- Beatrice Rangel**
Director,
AMLA Consulting LLC
- Ernesto Revilla**
Head of Latin American
Economics, Citi
- Gustavo Roosen**
President,
IESA
- Andrés Rozental**
President, Rozental &
Asociados
- Shelly Shetty**
Managing Director, Sovereigns
Fitch Ratings

FEATURED Q&A

Who Has the Edge in Ecuador's Election Next Year?



In a crowded field of candidates, Ecuadorean President Daniel Noboa and opposition challenger Luisa González face each other in Ecuador's presidential election next February. // File Photos: Ecuadorean Government, Facebook Page of Luisa González.

Q The Revolución Ciudadana Party of Ecuador, the socialist party of former President Rafael Correa, picked Luisa González, a former lawmaker, to run as its candidate in next year's presidential election. Current President Daniel Noboa defeated González in last year's snap elections. What does González's decision to run for president mean for Noboa? How much of a challenge does González present for the ruling party? What are the most important issues for voters?

A Daniela Chacón Arias, executive director at Fundación TANDEM and former Quito vice mayor and city council member: "Ecuadoreans recently learned that there are 17 presidential tickets for next February's election. While political parties can form alliances, it is likely that this number will not decrease substantially. The country's current party system promotes fragmentation, and the creation of 'for hire parties,' that is, political parties without party structure, territorial bases, ideology or political agendas that are offered to the highest bidder. These parties survive on the few but sufficient votes they can obtain to negotiate political agreements and concessions that further weaken the system. In this scenario, without major changes since the 2023 election, Ecuadoreans will once again see Daniel Noboa and Luisa González on the ballot. They remain the main contenders, although a third candidate could provide a surprise, just as Noboa did previously. Surprises in Ecuador are quite likely. The Citizen Revolution party is betting on the safe choice: a candidate loyal to Rafael Correa, rather than someone who could win the election. And although,

Continued on page 3

TODAY'S NEWS

ECONOMIC

Colombian Banks to Spur Lending to Boost Economy: Petro

Colombian private banks have agreed to increase lending by \$13.6 billion in order to help spur the economy, President Gustavo Petro announced Tuesday.

Page 2

BUSINESS

Nordea Bank to Pay \$35 Million to Settle Case Related to Panama Papers

Finland-based Nordea Bank will pay \$25 million to settle a case brought by a New York regulator related to the 2016 Panama Papers data leak.

Page 3

POLITICAL

Maduro Shakes Up Cabinet, PDVSA Leadership

Venezuelan President Nicolás Maduro on Tuesday made major cabinet changes, naming new leaders for the oil and finance ministries as well as a new head of state oil company PDVSA.

Page 2



Maduro // File Photo: Venezuelan Government-

POLITICAL NEWS

Venezuela's Maduro Shakes Up Cabinet, Leadership of PDVSA

Venezuelan President Nicolás Maduro on Tuesday made major changes to his cabinet, naming new leaders of the oil and finance ministries, as well as a new head for state oil company PDVSA, Reuters reported. The changes came a month after the country's disputed July 28 presidential election, Maduro tapped Anabel Pereira as the country's new finance minister and Hector Obregón as the new head of PDVSA. At the state oil company, Obregón replaces Pedro Tellechea, who will become industry minister. Maduro also named Vice President Delcy Rodríguez to also serve as the country's oil minister, Reuters reported. Maduro tapped ruling party leader Diosdado Cabello as the new interior, justice and peace minister. The changes amount to "a profound renovation of the national government, and we are putting together a new team, which will help us transition everything for this era, open new paths ... speed the changes the people need," Maduro said on state television. Yván Gil will remain foreign minister, and Vladimir Padrino will remain the country's defense minister, Maduro said. The changes at the oil ministry and PDVSA came as Maduro has sought to increase production at the state oil company to 1.2 million barrels per day, a goal that the company is still seeking to achieve, Bloomberg News reported. Earlier this month, a leak caused by a ruptured pipeline from the Venezuela's El Palito refinery led to an oil spill into the Caribbean Sea, affecting 28 miles of the coast. The cabinet changes came a month after Venezuela's disputed presidential election in which the election council and supreme court say Maduro won the vote with 51 percent support. It has released no evidence to support that assertion. Meanwhile, the opposition has released vote tally sheets from more than 80 percent of polling stations, which it says show opposition candidate Edmundo González won more than twice as many votes as Maduro.

Earlier this week, Carlos Delpino, an opposition member of the National Electoral Council, said "he had not received any evidence" to prove that Maduro won a majority of the votes, The New York Times reported.

ECONOMIC NEWS

Colombian Banks to Boost Lending to Spur Economy: Petro

Colombian President Gustavo Petro announced Tuesday that his government had reached an agreement with private banks to increase lending in order to spur the country's economy, Bloomberg News reported. Banks will increase lending by 55 trillion pesos (\$13.6 billion) to several sectors, including agriculture, tourism, housing, industrial and manufacturing, and loans will be disbursed over 18 months, Petro said during a webcast. The agreement between the government and the private banks replaces previous legislation that Petro's administration sent to Congress that would have forced banks to provide cheap loans. The new loans, which will represent a 25 percent increase in lending for the sectors involved, will be provided under market terms, said banking association leader Jonathan Malagón, who joined Petro in making the announcement. The agreement is positive in that it "leaves the decisions in the hands of banks," said BTG Pactual Andean chief economist Munir Jalil, Bloomberg News reported. Petro has complained about high interest rates, which he said are stalling growth. The country's central bank has forecast that the economy will grow 1.8 percent this year, following growth of 0.6 percent last year, Bloomberg News reported. High interest rates are a major factor for Colombia's stagnant economy, Daniel E. Velandia O., head of research and chief economist at Credicorp Capital in Bogotá, told the Advisor in a [Q&A](#) published June 5. "The domestic cost of financing remains near the highest level of the last 25 years, which has contributed to a significant adjustment of both private consumption and investment, after their solid dynamism

NEWS BRIEFS

Mexico's Relations With U.S., Canadian Embassies 'on Pause': López Obrador

President Andrés Manuel López Obrador told reporters Tuesday that Mexico's relations with the U.S. and Canadian embassies are "on pause" after the two countries expressed concerns about his plans for an overhaul of Mexico's judiciary, the Associated Press reported. López Obrador did not say what a pause would entail. Mexican Secretary of Foreign Relations Alicia Bárcena said in a statement on social media site X that she supports López Obrador in opposing "interventionist" policy by the United States and Canada, but she added that the trilateral relations are a "priority" and that ties would continue as "normal."

Argentina Lowering Key Import Tariff in Attempt to Further Lower Inflation

Argentina's government will lower a key import tariff in an effort to further bring down the country's triple-digit level of annual inflation, Finance Minister Luis Caputo announced Tuesday, Bloomberg News reported. The government will reduce the PAIS tax on exports to 7.5 percent from 17.5 percent, said Caputo. President Javier Milei's government raised the tariff after he took office last December, but the action has led to higher import prices.

BBVA's Colombia Unit Issues \$218 Mn in Shares

The Colombian unit of Spain-based bank BBVA is issuing new shares worth 877 billion pesos (\$218 million), Reuters reported Tuesday, citing a statement from Colombia's stock exchange. The unit issued 3.24 billion ordinary shares at a price of 270 pesos apiece in an initial tranche. The unit added that it will issue 152.7 million more shares in a second tranche at a future date, which it did not disclose.

in 2021 and 2022, said Velandia. “Although domestic demand is likely to recover gradually going forward amid lower inflation and interest rates, sustained economic growth will only be possible under a scenario of lower political and regulatory uncertainty,” he added.

BUSINESS NEWS

Nordea to Pay \$35 Mn Settlement Related to Panama Papers

Finland-listed Nordea Bank has agreed to pay a \$35 million settlement to settle charges by a regulator in New York that it failed to adequately prevent money laundering and other criminal activities, including in cases revealed by the Panama Papers data leak in 2016, the New York State Department of Financial Services announced Tuesday. “International financial entities such as Nordea must safeguard against criminal activity in the global financial system, and for years Nordea failed in these respects,” Adrienne A. Harris, the agency’s superintendent, said in a statement. “It is critical that such institutions maintain robust compliance programs and conduct proper due diligence of their customers and banking partners,” Harris added. The Panama Papers documents leak exposed the bank’s role in assisting hundreds of customers to establish tax-sheltered companies through the use of offshore accounts, the agency said. The department added that its investigation showed that Nordea Bank’s anti-money laundering safeguards at “high-risk former Baltic branches failed to adequately compensate for the increased risk level, leaving the bank vulnerable to money laundering and the flow of suspicious transactions.” Nordea also “failed to properly implement compliance initiatives, exposing the bank to elevated financial crime risk,” it added. Jamie Graham, the bank’s chief compliance officer, said Nordea was pleased to settle, adding that it had underestimated the complexity of preventing financial crime and the resources needed for that purpose,” Reuters reported.

FEATURED Q&A / Continued from page 1

as a strong party, it might secure a good percentage of seats in the National Assembly, this could be Correa’s third consecutive defeat, which would accelerate the party’s decline and representation. For voters, security and the economy remain the most important issues—in that order. There are still six months left until the elections, and while that may seem like little time, in Ecuador, things can change in just a few days. The electoral landscape is open, and Noboa does not have an easy path to re-election.”

A **Julio Carrión, professor in the Department of Political Science and International Relations at the University of Delaware:** “Barring any surprises on Aug. 30—the deadline for the registration of alliances—the upcoming race will offer voters a very fragmented field, as it did in the 2021 contest. While Luisa González is a strong favorite to make it to the runoff, given her solid third of the vote in the 2023 first round, Pachakutik’s Leonidas Iza could complicate her prospects. On the other side of the spectrum, Noboa faces competition from Henry Cevallos of Movimiento Construye and Jan Topić of SUMA. Noboa’s popularity is not as high as it was at the beginning of the year, but his 50 percent approval rate is still significant. However, in a highly fragmented field, as the 2021 Peruvian election showed, one or two percentage points can make all the difference in the final makeup of the runoff. Issues of crime and citizen insecurity have dominated Ecuadorean politics in the past year, and Noboa has made his tough approach to crime a centerpiece of this government. Voters gave him a robust victory regarding the questions dealing with insecurity in the April referendum, but he lost on the two non-security related questions. He recently signed an agreement with the International Monetary Fund, which forced him to remove some fuel subsidies, and some deputies are trying to put that agreement on hold. Ecuador still faces economic challenges that could

add to voters’ concerns with crime. And the anti-incumbent sentiment that prevails throughout the region might further depress Noboa’s support. Although a repeat of the 2023 runoff is likely, its outcome depends on Noboa’s ability to further improve the situation of insecurity in Ecuador.”

A **John Polga-Hecimovich, professor of political science at the United States Naval Academy:** “As the incumbent, Noboa remains in the driver’s seat for the presidency in 2025: he controls the agenda, enjoys wide name recognition, and his approval rating continues to surpass 50 percent in most polls. Moreover, the field of challengers is fragmented, with 16 other candidates having registered with the National Electoral Council. Among these, however, González represents Noboa’s most significant opponent, benefiting from high name recognition and solid party infrastructure. Her ability to reach the second-round of voting and beat Noboa may depend on the ability of Revolución Ciudadana to bring other political parties into its coalition. González has indicated that she is seeking dialogue with a range of groups to build a big-tent electoral alliance, but as of this writing, no parties had agreed to this (parties and movements have until Aug. 30 to define whether they will form a coalition). Even a strictly left-wing alliance would provide a considerable boost to González’s attempt to break the 50 percent mark. The biggest issues for voters remain security, the economy and public services like electricity. Noboa has declared a string of states of emergency amid his anti-crime efforts, but the country is only slightly safer in 2024 than it was in the historically violent 2023. Regardless, I would caution against jumping to conclusions so far in advance of the election. Plenty can happen between now and February to change the dynamics of the race—indeed, few predicted that Noboa would win the presidency prior to the first-round elections last August.”

Continued on page 4

FEATURED Q&A / Continued from page 3

A **Ximena Sosa, chair of the Ecuadorean Studies Section at the Latin American Studies Association:** “President Daniel Noboa and Luisa González from Revolución Ciudadana (RC) are the two top contenders. However, there are 17 precandidates, which means, once again, that the political parties and movements are divided. For the third time, the RC picked Luisa González. The challenge for RC is to increase the voters for González beyond its base. Meanwhile, Noboa continues to enjoy an approval rating of nearly 50 percent, but he has struggled to fulfill all of his last campaign promises dealing with security, the economy and corruption. Since RC continues to be a significant political force, Noboa must communicate a solid message of how he plans to address Ecuador’s ongoing problems. González needs to present a more realistic approach to current issues rather than constantly referring back to how good Correa’s presidential terms were. The real challenge for both presidential candidates will be in securing a majority of seats in the National Assembly. If Noboa wins in the second round in April, he will also need a strong legislative majority to pass legislation and reforms. If González wins, she will need to build more alliances with political opponents to govern effectively.”

A **Grace Jaramillo, professor at the University of British Columbia and Simon Fraser University:** “Luisa González’s decision to lead the ticket for Revolución Ciudadana was expected. She is among the few people that former President Rafael Correa fully trusts, so the chances for a different candidate were slim. However, the most important issue for Correa is to carry enough votes under his banner to control the next National Assembly and thus, to have enough leverage to finally negotiate his return to Ecuador. He is betting that new judicial authorities can re-

view his case and, ultimately, grant a sort of pardon. That is what is actually at stake for the Citizen Revolution in the next election. However, popular support might not be in its favor. If Noboa’s current popular support translates to votes, he can win the election. Even if González were to achieve the historic maximum numbers recorded in the last three elections for Citizen Revolution (around 30-35 percent), that would imply only a second round, not necessarily victory. The evolution of the war on violence and the state of the economy can determine the outcome of the presidential election as they are the most important issues to voters. President Noboa has struggled to deliver significant improvement on either front.”

A **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting:** “President Noboa’s challenge is not González but rather her political boss, Rafael Correa. Correa enjoys political support from about 25-30 percent of the electorate. This percentage can grow or shrink depending on the capacity of the anti-Correa movements to deliver security and increased living standards to Ecuadoreans. While Noboa has made inroads in improving security, the economy does not bear good news. Indeed, for two years in a row, Ecuador’s economy has been lackluster. This makes it very difficult for most incumbents to fight the Correa nostalgia, which is grounded in years of skyrocketing oil prices that allowed the government to splurge on public works and direct transfers. The economic reality is now different, but most people believe that current stalemate is the product of poor public policies. Perhaps advancements in security can quash the nostalgia for Correa.”

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

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

Gene Kuleta
Editor

Nili Blanck
Reporter



Rebecca Bill Chavez, Ph.D., President & CEO
Ariel Fiszbein, Director, Education Program
Margaret Myers, Director, Asia & Latin America Program
Manuel Orozco, Director, Migration, Remittances and Development Program
Tamara Taraciuk Broner, Director, Peter D. Bell Rule of Law Program
Lydia Maria Dibos, Director of Development
Bruno Binetti, Nonresident Fellow
Sergio Bitar, Nonresident Senior Fellow
Álvaro Botero, Nonresident Senior Fellow
Santiago Cantón, Nonresident Senior Fellow
Kevin Casas-Zamora, Nonresident Senior Fellow
Cristóbal Cobo, Nonresident Senior Fellow
Alejandra Cortázar, Nonresident Senior Fellow
Sandra García Jaramillo, Nonresident Senior Fellow
Peter Hakim, President Emeritus & Senior Fellow
Selina Ho, Nonresident Senior Fellow
Edison Lanza, Nonresident Senior Fellow
Michael Matera, Nonresident Senior Fellow
Ángel Melguizo, Nonresident Senior Fellow
Jaime Pumarejo, Nonresident Senior Fellow
Jeffrey Puryear, Senior Fellow
Luis A. Rivas, Nonresident Senior Fellow
Adrean Scheid, Nonresident Senior Fellow
Michael Shifter, Senior Fellow
Daniela Stevens, Nonresident Senior Fellow
Antonia Urrejola, Nonresident Senior Fellow
Lisa Viscidi, Nonresident Senior Fellow
Carlos Winograd, Nonresident Senior Fellow

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005 www.thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the Inter-American Dialogue. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the Inter-American Dialogue.