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FEATURED Q&A

Will Cooperation Follow the Restoration of U.S.-Bolivia Ties?

Q Despite a new agreement between the United States and Bolivia to restore diplomatic ties, Bolivian President Evo Morales said Nov. 8 that he will not allow the U.S. Drug Enforcement Administration back into the country. The two countries have been without ambassadors since Morales expelled U.S. Ambassador Philip Goldberg in 2008 after accusing him of inciting Morales' political opponents, a charge the State Department has denied. How important is it for the countries to restore diplomatic ties and what does it bode for future relations? What have they lost by not having ambassadors in each other's capitals? How effectively will they be able to cooperate on counternarcotics efforts without the presence of the DEA?

A Carlos D. Mesa Gisbert, former president of Bolivia and a member of the Inter-American Dialogue: "The first point about the accord between Bolivia and the United States is undoubtedly positive. The resumption of full relations between the two nations after a freeze of more than three years is good news. The second point is that there is new rhetoric in the bilateral relationship that, in general terms, should be based upon greater balance between the countries. When President Morales decided to expel Ambassador Goldberg, a chapter of history was closing. That expulsion coincided exactly with the diminishing role of the United States in Latin America, in

favor of Brazil. Now, the economic crisis, and even crises of politics and identity in the world's superpower, can now be clearly seen. In his actions as president, Morales frequently tends toward exaggeration and overreaction and is very fond of making accusations without backing them up with serious proof. However, just seeing the expulsion of the ambassador and the DEA in this light would be incomplete. What Morales did was to end a long period, which lasted from the mid-1950s to 2003. That period can be summarized as a dom-

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Mexico's López Obrador Wins Nod as Presidential Candidate

Andrés Manuel López Obrador, who lost Mexico's 2006 presidential election, was selected as the 2012 candidate of the country's Democratic Revolution Party, the party announced Tuesday. See story on page 2.

File Photo: López Obrador campaign.

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NEWS BRIEFS

Guatemala Approves Extradition Request for Former President

Guatemalan President Álvaro Colom on Tuesday said that he has approved an extradition request from the United States for former President Alfonso Portillo, the Associated Press reported. Portillo faces charges of money laundering and embezzling \$1.5 million in donations meant for Guatemalan children. The country's highest court approved the request in August and Colom said he would not reverse it.

Chevron Says it Has Sealed Ruptured Well Off Brazil

U.S.-based **Chevron** said Tuesday that it has sealed a leaking well that has allowed oil to seep into the ocean off the coast of Brazil's Rio de Janeiro state, Agence France-Presse reported. The oil giant said it "can currently advise that well control operations have been successful and that any fluid flow from the well appears to have ceased." The well, located about 4,000 feet underwater and approximately 230 miles north-east of Rio de Janeiro had been leaking some 400 barrels of crude per day.

Mexican Retailers' Shares Rise On News of Same-Store Gains

A rise in revenue at Mexican retailers, the biggest increase since July, led to stock gains, with Mexican grocery **Organización Soriana** rising 2.4 percent, **Grupo Comercial Chedraui** up 2.8 percent and **Walmart de Mexico** advancing 1.1 percent. Same-store sales in October jumped 5.8 percent, Bloomberg News reported. "The last quarter in this sector is generally very good," said Leon Cabrera, a trader at **Vanguardia Casa de Bolsa**.

Political News

Mexico's López Obrador Selected as PRD Presidential Candidate

Andrés Manuel López Obrador, who narrowly lost the 2006 presidential election and went on to paralyze Mexico City streets claiming that he was cheated out of the presidency, on Tuesday won an opinion poll to make him its presidential candidate, the Associated Press reported. López Obrador's Democratic Revolution Party, or PRD, selected the fiery leftist

An October poll put Enrique Peña Nieto 23 percentage points ahead of López Obrador.

over Mexico City Mayor Marcelo Ebrard, who said he would respect the poll's results. The survey asked 6,000 voters of all political parties which candidate they would prefer. Despite his popularity in 2006, López Obrador is seen as a long-shot to defeat Mexico's Institutional Revolutionary Party, or PRI, in the 2012 election. Leading PRI candidate Enrique Peña Nieto has a significant lead against his potential rivals for the presidency. An October poll put Peña Nieto 23 percentage points ahead of López Obrador, who said he intends to bring unity to Mexico's small left-leaning parties. Two of the larger ones have been promoting his candidacy. "We'll go forward together, without hatred or rancor, to construct a country with more love, with a social conscience and spiritual greatness," said López Obrador, a former mayor of Mexico City. López Obrador has tempered his rhetoric this year, taking a softer tone toward business interests and the wealthy. After he lost the 2006 election, his supporters occupied Mexico City's central plaza, the Zócalo, for weeks claiming López Obrador was the country's legitimate president.

Colombia's FARC Rebels Name New Leader After Cano's Death

The Revolutionary Armed Forces of Colombia, or FARC, rebel group announced Tuesday that it has selected a new leader to replace commander Alfonso Cano, who was fatally shot by military forces earlier this month, the Associated Press reported. The FARC's ruling junta announced via a sympathetic Internet site that 52-year-old



52-year-old **Jiménez Timoleón Jiménez**, known by the nickname **Timochenko**, was selected as the FARC's leader on Nov. 5, a day after Cano was killed in the southwest department of Cauca. The U.S. government has offered a \$5 million reward for Jiménez and Colombia is offering a \$2.6 million reward. Jiménez, whose real name is Rodrigo Lodoño, has been a member of the rebel organization's ruling secretariat since the 1980s, Carlos Lozano, an analyst at Communist Party weekly *Voz* told the AP.

Economic News

Chile's Central Bank Leaves Benchmark Interest Rate Unchanged

Chile's central bank has followed suit with recent actions by Colombia and Peru in leaving its benchmark interest rate unchanged, Bloomberg News reported Tuesday. The five-member policy board of Chile's central bank left the overnight rate at 5.25 percent, which was in line with all 16 economists in a Bloomberg survey. The board held the rate unchanged as the debt crisis in Europe does not appear to be curbing growth in Chile, the world's top producer of copper. The South American country's economic growth sped up in September, with retail sales soaring 9.6 percent. Last month, the country's annual rate of inflation accelerated to a 30-month high. Although Peru and Colombia have also kept interest rates unchanged, Brazil's central bank has cut

interest rates at its two most-recent meetings. In a Nov. 9 Chilean central bank survey of 61 economists, the bank is expected to keep the benchmark interest rate unchanged in December, but then lower it to 4.75 percent by April, according to the survey's median forecast. Consumer prices in Chile rose 3.7 percent year-on-year in October, the sharpest increase since April 2009. Inflation is expected to



De Gregorio

File Photo: Chilean central bank.

exceed the bank's 3.3 percent forecast this year, Alejandro Punte, an economist at Banco Bilbao Vizcaya Argentaria told Bloomberg News. "Headline inflation has been somewhat higher than expected because of the incidence of fuels and foodstuffs," the bank said in a statement. "Inflation expectations are close to the target. The central bank's target for inflation is 3 percent, plus or minus one percentage point over two years. The Chilean central bank's meeting may have been the last with José De Gregorio as the bank's leader. His term ends Dec. 9 and President Sebastián Piñera has not yet named a replacement.

Company News

Chilean Court Blocks Anglo American From Additional Sales

An appeals court in Chile has blocked mining company **Anglo American** from selling any additional stakes in its Chilean

“In January, we are going to exercise the option to buy 49 percent.”

— *Diego Hernández*

assets after the state-run mining company **Codelco** filed an injunction to protect its option to buy a portion of the Chilean

Featured Q&A

Continued from page 1

inant presence and interference of the United States in Bolivia's internal affairs and a weak and accommodating stance of many Bolivian governments. Morales showed, despite his large errors, that a new and fairer relationship was needed. His method was reprehensible, but it has ultimately brought about a necessary reevaluation of relations that should lead us to a more fruitful future."

A Freddy Bersatti, deputy chief of mission, Embassy of the Plurinational State of Bolivia to the United States:

"The framework agreement is important because it covers a range of mutual interests in the bilateral relationships, including political dialogue, shared responsibility in the fight against narcotics trafficking and cooperative actions as well as trade and investment, based, among others, on the principles of respect for the sovereign equality and territorial integrity of states, the duty to abstain from intervening in the affairs of another state and the right of every state to choose, without external interference, its political, economic and social systems. The agreement defines three main areas of mutual interest: 1) cooperation, to be defined by both states within the framework of the national development strategies and priorities; 2) counter-narcotics, to prevent, fight and measurably reduce the production, trafficking and use of illicit drugs, based on the principle of common and shared responsibility; and 3) trade, setting the possibility of promoting growth for both countries through trade and investment within the recognition of differing levels of economic and social development that will allow the countries to build binding

assets, Reuters reported Tuesday. Last week, Anglo announced that it had sold a 24.5 percent stake in **Anglo American Sur** to Japan's Mitsubishi for \$5.4 billion. Codelco has said Anglo's surprise move is an effort to keep the state-run company from exercising its option to buy 49 per-

cent of Anglo American Sur. "What we are doing now is preventing Anglo American from continuing to sell shares [in Anglo American Sur], and in January, we are going to exercise the option to buy 49 percent," Codelco CEO Diego Hernández told reporters in Valparaíso.

agreements in the future, as opposed to the ATPDEA. Recently, Bolivia has had significant achievements in the fight against drug trafficking without the presence of foreign governments' agencies on its territory. It has managed to stabilize the growth of coca cultivation; it has expanded the eradication of illegal coca crops, from 5,000 to 10,000 hectares; it has engaged local communities toward this target without resorting to violence; and it's creating internal capacities for its counter-narcotics efforts. However, cooperation with other countries such as the United States, Brazil and other regional neighbors, as well as international organizations such as the UN, OAS and UNASUR, remains

“Recently, Bolivia has had significant achievements in the fight against drug trafficking without the presence of foreign governments' agencies on its territory.”

— *Freddy Bersatti*

important, and it should be according to the Bolivian strategy to fight against drugs and reevaluation of the coca leaf. Finally, it is noteworthy that, with the framework agreement, the long chapter of 2008 is closed and Bolivia and the United States will be ready to move forward in a more creative collaborative and respectful environment as soon as they complete the necessary domestic requirements to bring the agreement into force."

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A Kathryn Ledebur, director of the Andean Information Network: "The new bilateral framework agreement is a positive step after over three years without official cooperation between Bolivia and the United States. From the outset of negotiations, the Morales administration made it clear that the DEA would not return to Bolivia, and drug control was never a central point of friction in drafts of the accord. The United States emphasized that reinstatement of ATPDEA trade benefits was not on the table, either. Nonetheless, they reached a mutually sat-

“The accord highlights both countries' recognition that they do need a formal relationship.”

— *Kathryn Ledebur*

isfactory agreement. In spite of rhetoric from the Morales administration and repeated antidrug 'decertifications' from the United States, interaction and daily drug control coordination with the U.S. Embassy's Narcotics Affairs Section on interdiction and coca reduction continued uninterrupted. After the DEA's departure, Bolivia has signed multiple bilateral agreements with all its neighbors to improve drug-related intelligence and interdiction, and actively participates in international drug control initiatives of UNASUR, the Andean Community, United Nations and CICAD. Morales officials even plan to ratify an agreement with both Brazil and the United States on aerial surveillance and coca crop control. Perhaps most significantly, the accord highlights both countries' recognition that they do need a formal relationship. The United States seeks to restore its credibility in the region and maintain a diplomatic presence; Bolivia wants to maintain U.S. drug control funding even at its current reduced level. Although there are no easy solutions to longstand-

ing points of friction, the accord creates a structure to address them diplomatically, and hopefully lay a foundation for mutual trust and understanding, which has long been absent in Bolivian-U.S. relations."

A Iván C. Rebollo, managing partner of TerraNova Strategic Partners LLC and president of the Bolivian American Chamber of Commerce: "The recent signing of the framework agreement between Bolivia and the United States has been a critical step forward in the re-establishment of a more cordial diplomatic dialogue between the countries. On the Bolivian side, Foreign Minister David Choquehuanca has worked diligently in getting this agreement passed. The Morales administration has finally come to the understanding that maintaining a strained relationship with the U.S. serves no true purpose (except to appease the most radical elements in the government and his key base—coca labor unions) and the United States has accepted that it cannot conduct business as usual in Bolivia. The underlying message with this framework agreement is mutual respect and shared responsibility between countries. Not having ambassadors in each capital had little relevant impact on the overall bilateral relations. However, it will be important for the Morales administration to select an appropriate ambassador, who speaks fluent English, to effectively deal with the nuances of Washington and especially the U.S. Congress. The bilateral counternarcotics effort took a serious nose-dive with the expulsion of the DEA. Over the past two years, Brazil has stepped up to the plate and played an ever-increasing role in this narcotics fight and has helped established a tripartite strategy on the fight on drugs, along with the United States and Bolivia. This is not the DEA, but it is a step in the right direction."

The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.

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