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FEATURED Q&A

Do Narcotraficantes Have the Upper Hand in Mexico?



Sinaloa Cartel leader Joaquín "El Chapo" Guzmán is again at large after escaping from Mexico's Altiplano prison. // File Photo: Mexican Government.

Q Mexican authorities launched a huge manhunt following drug lord Joaquín "El Chapo" Guzmán's July 11 escape from the country's maximum-security Altiplano prison. The prison break was seen as a black eye to the administration of President Enrique Peña Nieto, whose government had pledged to keep Guzmán locked up and rebuffed a U.S. attempt to extradite him. How big a blow is Guzmán's escape to Peña Nieto's government? How will the incident affect security and law enforcement cooperation between Mexico and the United States? Are Mexico's prisons and law enforcement agencies outmatched against the country's most powerful drug traffickers?

A Raúl Benítez Manaut, researcher at the Center for Interdisciplinary Research in Science and Humanities at the National Autonomous University of Mexico (UNAM): "The escape of 'El Chapo' Guzmán shows all the weaknesses of Mexico's political and judicial systems. The first weakness is endemic, the modus operandi of Mexican politics: corruption. The escape was impossible without corruption. It was a work of highly specialized engineering by the same engineers who constructed the more than 100 tunnels that the U.S. Drug Enforcement Administration estimates exist between Tijuana and San Diego. El Chapo previously escaped capture because he hid in the sewer system of Culiacán, Sinaloa. Within the prison, someone, or various people, received a lot of money. The second weakness is ideological: nationalism. Not quickly extraditing Guzmán allowed him time to construct the tunnel. The United States should clarify why it did not quickly request his extradition. Both governments are responsible. Many

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TODAY'S NEWS

POLITICAL

Colombian Soldier Killed in Clash With FARC

The soldier was fatally shot the same day that peace talks between the government and the rebels resumed. The soldier was killed while removing "war material" from a rebel base, the army said.

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BUSINESS

Starbucks Beats Estimates on Americas Sales

The coffee chain reported a 22 percent increase in profit. Same-store sales grew 8 percent in the Americas.

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POLITICAL

Guatemalan Court Orders Mental Health Assessment for Ríos Montt

A court in the Central American country determined that former dictator Efraín Ríos Montt, who stands accused of genocide, should be assessed at a mental health hospital.

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Ríos Montt // File Photo: Guatemalan Government.

POLITICAL NEWS

Colombian Soldier Killed in Clash as Talks Resume

A Colombian soldier was killed in a clash with Revolutionary Armed Forces of Colombia, or FARC, guerrillas on Thursday, the same day that the government and the rebel group resumed their peace talks in Havana, Agence France-Presse reported. The soldier was fatally shot as he worked to remove what the



Santos // File Photo: Colombian Government.

army called “war material” from a rebel base in Meta department. “During the extraction of war material, our soldiers were harassed by FARC guerrillas,” the army said in a statement, identifying the soldier as Wilson Tique. Since April, the conflict between the FARC and the government had intensified, with dozens of people killed on both sides. However, the government and the rebels reached an agreement on July 12 to de-escalate the conflict. The FARC declared a one-month cease-fire, beginning last Monday, and the government of President Juan Manuel Santos agreed to scale back military operations against the rebels. In the new round of peace talks, the two sides are using a new methodology, AFP reported. Negotiators are now breaking into working groups assigned to different issues in an effort to accelerate the pace of the talks, which have been going on since November 2012. “In this phase we will move forward with a new methodology that aims to do technical, integrated and simultaneous work in addressing issues in an effort to reach conclusions soon,” said Joaquín Gómez, a top leader of the FARC. So far,

the government and the rebels have come to an agreement on three points of their six-point agenda for the talks and have also agreed on a program to remove landmines and a commission to investigate atrocities committed during the country’s five-decade armed conflict.

ECONOMIC NEWS

Brazil’s Jobless Rate Rises to Nearly Five-Year High

Brazil’s unemployment rate rose in June to its highest level in almost five years, the latest piece of bad economic news for the government of President Dilma Rousseff, Bloomberg News reported. The jobless rate in Latin America’s largest economy increased to 6.9 percent last month from 6.7 percent in May, according to the country’s national statistics

The country’s unemployment rate rose to its highest level since July 2010.

institute. The June figure was the highest unemployment rate since July 2010 and was similar to the forecasts of 40 economists in a recent Bloomberg survey. Brazil is headed to its worst recession in 25 years, but persistently high inflation has also forced the central bank to increase interest rates. Policymakers increased the benchmark Selic interest rate six consecutive times to 13.75 percent. Inflation for the 12-month period through mid-July rose to 9.25 percent. Brazilian workers’ average real wages declined 2.9 percent in June as compared to the same month a year ago. Inflation and unemployment have been taking a toll on consumer confidence, which is in record-low territory. Also, a poll released Monday by MDA

NEWS BRIEFS

Guatemalan Court Orders Assessment for Ríos Montt at Mental Health Hospital

A Guatemalan court has determined that former dictator Efraín Ríos Montt, who has been accused of genocide during his 1982-1983 rule, should be assessed at a mental health hospital, BBC reported today. Ríos Montt two years ago was found guilty of genocide and human rights abuses against indigenous people, but the sentence was overturned, and a retrial has been delayed. A new trial date will be set on Aug. 3. Ríos Montt’s lawyers have said the 89-year old is senile and unable to understand the charges against him.

Trump Vows to Tackle Illegal Immigration During Visit to Border

U.S. presidential candidate Donald Trump flew Thursday to Laredo, Tex., to visit the country’s border with Mexico where he vowed to tackle illegal immigration, BBC News reported. Trump said recently that Mexico is sending “rapists” and “criminals” to the United States. A local border patrol branch at the last minute canceled its plan to host Trump during the visit.

Costco Cutting Imports of Chilean Salmon

U.S.-based retail giant Costco and some other companies are cutting down their imports of salmon from Chile, the world’s second-largest producer of the fish, as farmers there use record levels of antibiotics to fight a virulent bacteria known as SRS, which causes lesions and hemorrhaging in infected fish and eventually kills them, Reuters reported. Chilean officials say the antibiotics are safe and have been approved by U.S. regulators, but some U.S. companies have expressed concern about antibiotic use contributing to drug resistance. Chile exported \$4.4 billion worth of salmon in 2014.

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analysts argue that Mexico did not want to allow his extradition because he would have told U.S. authorities about Mexico's political and economic power networks. The third reason is political. In Mexico, the drug war cannot succeed through politics. Local power groups are linked to drug traffickers, the drug cartels support the campaigns, and that means that when the security forces try to do their jobs, somebody stops them. This has been evident in Tamaulipas, Sinaloa, Michoacán and Guerrero. Further, the war against drug trafficking cannot be won because there is an infinite demand for drugs in the world market."

A Duncan Wood, director of the Mexico Institute at the Woodrow Wilson International Center for Scholars: "The escape highlights above all the enduring institutional challenge faced by Mexico in its fight against organized crime. The failure to strengthen the policing, justice and penal systems in the country seriously weakens the capacity of the Peña Nieto administration to both attack criminal groups and to mitigate the negative fallout of its campaign against organized crime. The embarrassment of the escape for the government is less important than what it means for the future of the administration's strategy. A continued focus on arresting or killing kingpins seems likely, if only because of the sense of political urgency to re-capture El Chapo. But the underlying priority remains, as it should have since Felipe Calderón's 2007 launch of his anti-crime strategy, the strengthening of institutions. This is where the bilateral relationship with the United States becomes crucial. The existing efforts of the Mérida Initiative to strengthen justice and law enforcement institutions alongside the focus on disrupting organized crime needs to be joined by a focus on prison reform. Given that this has recently become a priority for the Obama administration, this seems a propitious time to introduce the issue into

the bilateral conversation. Thirty-seven percent of Mexico's prison inmates are serving time for minor infractions of the drug code, and their release would reduce pressure on the system, freeing resources for a more focused approach to housing offenders who pose a threat to public security."

A Ruben Olmos, managing partner of Global Nexus in Washington: "Guzmán's escape is a major setback for the administration of President Enrique Peña Nieto, which has prided itself on having taken down top cartel leaders. This incident, which immediately drew negative international media coverage, puts a cloud over major accomplishments made by his administration. Now we know that U.S. officials had sought Guzmán's ex-

“ This incident shows that corruption at all levels remains rampant.”

— Ruben Olmos

tradition, in part for precisely the fear that he would take advantage of the weak Mexican justice system to continue his trafficking business. The U.S. government, at the cabinet level, has reiterated that it stands with its Mexican partners to provide further assistance to recapture him. However, it is clear that U.S. law enforcement agencies at the more operative level have lost trust in their counterparts, as this incident shows that corruption at all levels remains rampant. This is yet a new great opportunity for the president to call major political actors to the table and revise not just the prison system, which is clearly outdated and outpaced by organized crime, but push judicial reforms pending in Congress and at the local level. Many in Washington argue that the Guzmán

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showed the approval rating of Rousseff's government at a record low of 7.7 percent, down from 10.8 percent in March.

BUSINESS NEWS

Americas Sales Boosts Starbucks to 22% Rise in Profit

Starbucks Corp. on Thursday posted a 22 percent increase in profit for the quarter that ended June 28, which was boosted by sales increases in the Americas, Bloomberg News reported. The Seattle-based company, the world's largest coffee shop chain, reported that net income increased to \$626.7 million. Total revenue increased 18 percent to \$4.88 billion in the quarter. Same-store sales increased 8 percent in the Americas, which includes the United States, Canada and Latin America, boosted by a 4 percent increase in customer traffic. "That increase in traffic is representative of the fact that we are reaching out to more and more customers," Chief Operating Officer Kevin



Schultz // File Photo: Starbucks.

Johnson said. CEO Howard Schultz has been looking to expand beyond the main Starbucks coffee beverages in an effort to boost domestic sales, and in July the company introduced a variety of new food options. The company is also looking to boost sales by adding digital services, such as advance mobile ordering and offering delivery. Starbucks said Thursday that PepsiCo Inc. will help the company market, sell and distribute its ready-made beverages in Latin America.

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incident may likely have an impact on the background that Peña Nieto may want for his next ambassador to the United States. While security was never intended to be at the forefront of the bilateral agenda, today, things are different. We need somebody who will build bridges with security agencies and also continue to enhance our economic agenda.”

A **Maria Velez de Berliner, president of Latin Intelligence Corporation:** “Whether ‘Chapo’ escaped through a tunnel or was rescued by the illegal drug trade’s patron saint, Jesús Malverde, as residents of Chapo’s hometown Badiraguato believe, one thing is undeniable: Any sliver of hope anyone had in the strength and efficacy of Mexico’s penal and legal systems to counter its drug lords walked out with Chapo, for good. The blow is bigger than to Peña Nieto’s capability to enforce the law. It hits at the core of law enforcement in Mexico, steeped as it is in corruption and collusion by whoever can buy both. Low-echelon prison and law enforcement personnel will go to jail, temporarily, for collaborating with Chapo to later return to normal life under a cover of silence. The worst the big fish will suffer is the government’s image-saving questioning or resignation from higher positions ‘for personal reasons.’ Whether Mexico accepts U.S. cooperation, and to what extent, in searching for Chapo remains to be seen. But overall cooperation will continue, not out of will on Mexico’s part, but rather out of necessity. Each country has

a vested interest in maintaining the illusion that Mexico guarantees the rule of law, and cooperation with the U.S. buttresses that illusion. Without U.S. intelligence and

“**Each country has a vested interest in maintaining the illusion that Mexico guarantees the rule of law, and cooperation with the U.S. buttresses that illusion.**”

— Maria Velez de Berliner

search capabilities, Mexico’s effectiveness in finding Chapo is limited. He has too much money, too much influence and too many decision makers in his pocket not to buy his temporary freedom. In time, Chapo will be found either by the United States or by an ‘arreglo’ with one of his contenders for control of Sinaloa’s cartel. The United States will then have two choices: Spirit him to U.S. justice without Mexico’s approval, or kill him, under plausible deniability, giving full credit to Mexico. But even without Chapo, the corruption Mexico’s cartels can buy will continue to bedevil the security relations of the United States with Peña Nieto and subsequent governments.”

Editor’s note: The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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