

Hemisphere Insider

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*Program News***Public, Private, and
Community Partnerships
in Ecuador**

Despite looming concerns over the state of press freedoms, complaints about the treatment of private foreign investors, and worrisome relations with Iran, there is some good news coming out of Ecuador. May 31, the Americas Program hosted a two-panel discussion that examined official efforts to promote small and medium-sized enterprises through public, private, and community partnerships. Explaining these policies in the first panel were Minister Richard Espinosa, Ecuador's coordinating minister for social development, and José Martínez (pictured), secretary for national training and capacity building. The second panel featured small business facilitators and micro-entrepreneurs Juan (*more*→)

In Depth*Brazil's Antitrust Agency: New Law, or Same Old Problems?*

Brazil recently experienced an unprecedented wave of mergers and acquisitions, fueled largely by the restructuring of the country's antitrust agency, the Administrative Council for Economic Defense (CADE). The new legislation, which went into effect on May 30, prompted many companies to hurry up mergers to avoid new, more rigorous scrutiny. One of the most notable changes concerns the review of pending mergers, which now must be done before the deal is concluded. The new CADE also concentrates administrative bodies previously spread across the federal government, reduces the number of transactions to be analyzed, with a focus on a company's annual profits, and also reduces penalties for infractions. Proponents of the reformulation argue these measures will increase interest in mergers by making the process more efficient and predictable. However, with a decreased maximum number of days to pass judgment on pending deals and with approval still possible in case the deadline is not met, the reforms may decrease CADE's regulatory effectiveness. Given Brazil's reputation for bureaucratic delays and inadequate personnel staffing, complying with the shortened time frame might become an obstacle for the new body, compromising its ability to regulate anticompetitive practices. There is little doubt that changes were necessary to replace outdated statutes poorly suited to Brazil's new economic reality, but it remains to be seen whether these recent reforms will prove any better at ensuring a healthy competitive environment for businesses in Brazil. —**Maite Rabelo**

In the News*Caribbean: Cuba*

Following disappointing results, Spanish Repsol announced that it will stop petroleum exploration activities off the Cuban coast. The drilling platform Scarabeo 9 will next be utilized by the Malaysian state oil company Petronas to explore in waters further west. Repsol's president Antonio Brufau stressed that the decision had nothing to do with the Cuban government's support for Argentina's recent expropriation of Repsol YPF. —*El Universal (Venezuela)*

Central America: El Salvador

Choosing more efficient tax collection over new taxes, President Mauricio Funes announced several administrative reforms aimed at increasing government revenues. The new measures include a 50 percent cut to bus travel subsidies, elimination of certain tax loopholes, and a crackdown on tax evasion.

Pablo Grijalva, manager of the Andean Dairy Association of Ecuador; Luz María Cruz, director of the Pesillo Milk Collection Center; Ingrid Echeverría, from the Ministry of Agriculture; Raúl Cuvi Cocoango, manager of Gatazo Zambrano Gardens; and Rosa Guamán, founder and manager of Jambi Kiwa herbal teas. Panelists recounted success stories in which the government seeded the creation of new industries where none existed before and helped build entrepreneurial capacity in local communities. Full audio is available [here](#).

Upcoming Events

June 18: “Citizen Security in Central America: A Conversation with Aminta Granera, Nicaragua’s Director General for National Police,” CSIS, B1-A/B Conference Center, 4:00–5:30 p.m.

Upcoming Elections

July 1: Mexico’s General Election

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Plans also include curbs on government spending. —*El Mundo* (El Salvador)

Honduras

President Porfirio Lobo has established a commission to reform public security. Three Honduran commissioners and international experts from Chile and Canada will form a temporary, independent body to design, plan, and certify a process leading to an extensive overhaul of the entire security system, including the national police, prosecutor, and justice bodies. —*El Herald* (Honduras)

North America: Mexico

Empresa ICA, the Mexican construction company, announced the purchase of 51 percent of shares in the Peruvian mining services company San Martín. San Martín specializes in construction services for mining operations. Alonso Quintana, deputy director general for Mexico’s ICA, noted that the acquisition would play an important role in ICA’s global expansion plans.

—*El Universal* (Mexico)

South America: Brazil

Swedish defense manufacturer Saab announced the purchase of a 15 percent stake in the Brazilian aerospace engineering company Akaer. Saab had been seeking to increase its presence in Brazil’s growing aerospace and defense sector. And with Brazil on the cusp of updating its fleet of fighter planes, Saab is hoping the Brazilian government will select its single-engine Gripen fighter jet over entries from Boeing and over France’s Dassault. Akaer already makes some of the Gripen’s subassemblies. —*Mercopress* (Brazil)

Colombia

Meeting in Brussels, the 27 European trade ministers of the European Union (EU) formally supported the free trade agreement (FTA) between the EU, Colombia, and Peru. After some delay because of EU concerns over human rights, labor rights, and environmental issues in both countries, the trade ministers now expect to sign the agreement as early as the end of June. Final European approval will come from the European Parliament, with a vote expected this coming September. —*El Colombiano* (Colombia)

Venezuela

A 2011 management report for Petróleos de Venezuela, S.A. (PDVSA) revealed that some 43 percent of the company’s international oil sales are not compensated by any immediate cash payment. Together with the domestic market, these transactions account for roughly one third of daily production. The company’s financial debt is 12 times larger than it was six years ago.

—*El Universal* (Venezuela)

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Americas Program Staff: Stephen Johnson, director; Michael Graybeal, program coordinator

Senior Associates: Johanna Mendelson Forman, Phillip McLean, Anton Edmunds, Carlos Regúnaga, Christopher Sands, Duncan Wood

Senior Adviser: Luis Carlos Ugalde **Adjunct Fellow:** Douglas Farah

Intern Scholars: Siremorn Asvapromtada, Janae Edwards, Maite Rabelo