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FEATURED Q&A

Why Is Haiti's President Facing Trouble So Early In His Tenure?

Q Anti-government demonstrations have erupted in Haiti in recent weeks. Though the country's economy is forecast to grow 6 percent this year, according to ECLAC, protesters have decried the rising cost of living and corruption, calling for the resignation of President Michel Martelly. Is Martelly facing a serious crisis of confidence? What more can he be doing to improve living conditions? Where is Haiti's economy headed?

A Raymond A. Joseph, former ambassador of Haiti to the United States: "President Michel Joseph Martelly is facing widespread dissatisfaction that threatens the stability of his government after only 17 months in power. The high cost of living has sparked demonstrations in various cities. For example, the price of rice, a daily staple, jumped more than 40 percent at its peak. The situation is catastrophic for the poorer classes, most of whom voted for the president. It's noteworthy that the first major demonstration took place in Cayes, where he won with the largest margin and other protests have taken place in Cap-Haïtien and Port-au-Prince. In Fort Liberté, where a man died from police gunshots in the back, enraged citizens burned the police precinct down. In Petit Goave, an 80-year-old grandmother suffocated from tear gas used by the police while the president visited the city; she has become a new martyr. Corruption, cronyism and nepotism are

roundly denounced. People point to the lavish style of the president, his family and other officials. The latest scandal surrounds a 45-person delegation that accompanied the president and prime minister to the U.N. General Assembly. By contrast, the Dominican Republic had a 7-member delegation. People ask why the president's wife and son have budgets of millions of dollars for social and soccer programs respectively while there is a Ministry of Social Affairs and a Minister of Sports. Also criticized is the swearing-in of a six-member

Continued on page 3



Colombian Peace Talks Get Underway in Oslo

Colombia's lead negotiators, Humberto de la Calle (L) and Sergio Jaramillo, arrived in Norway yesterday to begin historic peace talks to end the bloody, half-century-old conflict with the Revolutionary Armed Forces of Colombia. See story on page 2.

Photo: Semana.

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NEWS BRIEFS

Uruguay's Senate Approves Abortion Bill By 3-Vote Margin

Uruguay's Senate on Wednesday backed a measure to legalize abortion by a 17 to 14 vote, Bloomberg News reported. The lower house passed the legislation by a single vote on Sept. 26. Once signed by President José Mujica, who supported the bill, abortion for women over the age of 18 in the first 12 weeks of pregnancy will be legal in the South American country for the first time since 1937. Former President Tabaré Vázquez vetoed similar legislation in 2008. Cuba is the only other country in Latin America that currently legalizes abortion.

Monsanto Suspends Royalties for 'Roundup Ready' Seeds in Brazil

Missouri-based biotech company **Monsanto** said Wednesday it has temporarily stopped charging royalties on its "Roundup Ready" soybean seeds throughout Brazil, Reuters reported. The company is seeking to overturn an Oct. 8 Mato Grosso state court ruling that ordered Monsanto to drop the royalties, finding Monsanto's patent on the seeds expired in 2010 and has not been renewed in Brazil.

Coffee Output Forecast to Grow in Colombia, Peru

Coffee production in Peru could rise by as much as 20 percent in 2013, Bloomberg News reported Wednesday, citing the head of Peru's Coffee and Cocoa Chamber. In related news, Colombia's National Federation of Coffee Growers also expressed optimism that production could increase to 10 million bags next year, up from its lowest output in 30 years, just 7.8 million bags in 2011. The group estimates that 2012 output will be 8.5 million bags.

Political News

Colombian Peace Talks Get Underway in Oslo Amid Secrecy

After uncertainty this week over travel delays, historic closed-door talks began on Wednesday in Norway between Colombia's government and Marxist rebels it has battled for nearly half a century, Reuters reported. Revolutionary Armed Forces of Colombia, or FARC, rebel representatives and government negotiators arrived in Oslo around midday. They were taken through a VIP section of Oslo's airport and whisked off to a secret location. The talks are expected to take months. Plans are to move them to Cuba at a later date. While some see the talks as the best opportunity to end the longstanding bloody conflict, others are wary. Former Colombian president Álvaro Uribe said Wednesday he didn't understand why a country would "negotiate with terrorists," AFP reported. Issues such as health care, education, land reform and drug trafficking should not be negotiated with terrorists, he said in an interview with Spanish daily ABC. "The government ... engages in dialogue while security is deteriorating, without requiring FARC to end its criminal activities," Uribe said.

Economic News

Peru's Tourism Sector Replacing Fisheries as a Top Income Source

The tourism sector will replace fisheries as the second-largest source of income for Peru in 2014, state news agency Andina reported Wednesday. According to Peru's Ministry of Foreign Trade and Tourism, foreign tourist arrivals to Peru have jumped from 1 million visitors in 2002 to an expected 2.8 million by the end of this year. The government aims to attract 3.6 million tourists and earn \$4.6 billion in foreign exchange by 2016. That figure is \$3.25 billion higher than revenues from fisheries exports in 2011, according to the ministry. Peru's top income-generating sector is mining.

Company News

IDB Names Firms to Manage \$1.8 Billion China Funds

The Inter-American Development Bank said Wednesday it had selected three fund managers for a new \$1.8 billion equity investment platform focused on China. The IDB and China's Eximbank drew up plans for the project last year. The firms are **Macquarie Infrastructure and Real Assets, Darby Private Equity and SinoLatin Investment Advisors**. The new platform is expected to mobilize as much as \$1.8 billion for equity investments to support economic and financial integration between Latin America and the Caribbean and China. Investments will focus on infrastructure, mid-size companies and natural resources, including agribusiness, energy and mining in the pre-production stage. The IDB expects to provide \$150 million in loans to help establish the funds.



IDB President Luis Alberto Moreno

File Photo: IDB.

Halliburton Reports Record Revenue from Latin America in Third Quarter

Houston-based **Halliburton** said Wednesday it had record revenue in Latin America during the third quarter. The oil services company's revenue in the region rose 8 percent from the previous quarter to \$952 million, ahead of its own estimates. Operating income in the region increased 12 percent from the previous quarter to more than \$150 million. Activity in Mexico and Brazil was particularly strong, the company said in an earnings release. "We saw a significant increase in unconventional activity across Latin America during the quarter, and we expect margins to improve in the fourth quarter, aided by end of year software sales," commented Dave Lesar, Halliburton's CEO. North America revenues were down by 5 percent during the quarter, however.

Featured Q&A*Continued from page 1*

Permanent Electoral Council, whose members are considered in the pocket of the president. The Constitution mandates a nine-member Council, but Parliament has failed to name its three members. That compromises the elections that should be held before year's end for a third of the Senate and hundreds of local officials. Obviously, President Martelly is facing a grave crisis. He acts, however, as if he could care less. On his return from the United Nations, he walked 6.5 miles from the airport to the National Palace, a sort of counter demonstration to the Sunday protest in Port-au-Prince. But the heavily protected march was about one-tenth its size. On what basis does ECLAC project 6 percent economic growth this year in a Haiti marred by these problems? The future is rather bleak."

A Robert Maguire, professor and director of the Latin American and Hemispheric Studies Program at The George Washington University:

"Economic growth in Haiti does not necessarily improve the lives of the 78 percent who survive on less than \$2.00 a day. Over the past year, the price of rice, corn, beans and wheat have increased by 48.5 percent because of rising imported commodity prices and, more recently, storm-related agricultural losses. Price increases stoke the high cost of living (*lavi chè*) demonstrations currently coursing through Haiti. *Lavi chè* results from structural deficiencies in Haiti's economy, including little agricultural investment and the resultant importation of 55 percent of its food. Immediate and massive investment in food-crop production—which will create up to 900,000 jobs, according to a 2011 U.S. government report—is a key to structural improvement and crisis avoidance. In the short-term, government subsidization of basic commodity prices can help, but cannot be sustained. As in 2008, when similar conditions and demonstrations brought down the government of Prime Minister Alexis, political factors contribute to the unrest. Voices calling for President Martelly's resignation are (still) few and extreme. Frustration with his

government has mounted, however, as it has failed to deliver on campaign promises to improve living conditions among the poor. Government social programs in education, health, micro-credit and cash transfers launched this year raised more expectations. Thus far those programs have amounted to public relations blasts and random hand-outs. Ineffective programs, reports of widespread graft among government insiders and highly conflictive politics surrounding issues of elections and public security give strength to those voices and fuel the crisis of confidence facing the government."

A James Morrell, executive director of the Haiti Democracy Project: "The Haitian economy is moving slowly but surely ahead under President Martelly. Secretary of State Clinton is due next week in Haiti to open the Caracol industrial park, the crown jewel in a network that also includes the Cap-Haïtien airport, the Fort Liberté port and a textile complex. Also in the north, a university at Limonade is opening and fifteen hundred teachers are being trained. Demonstrations, although fueled by rising prices, are heavily manipulated by former president Aristide's front men. Martelly and Prime Minister Lamothe have the political will to move the country forward, but Martelly is also not above reaching into the cookie jar from time to time. His attempt to front-load the electoral commission with his own people badly misfired. Nepotism and petty personal corruption have not helped his reputation with the masses, either. Secretary Clinton should offer to continue U.S. economic assistance that can help mitigate the inflation that is so alarming to millions of Haitians, but she should also urge Martelly, strongly and publicly, to promptly form an impartial electoral commission so as to permit senate and local elections already behind schedule because of his intransigence over this issue. The best of Haitian civil society and the Diaspora can and should assist the government in achieving free elections at an early date. Jacques Bernard, the administrator of the successful 2006 elections, could again be used for this purpose."

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