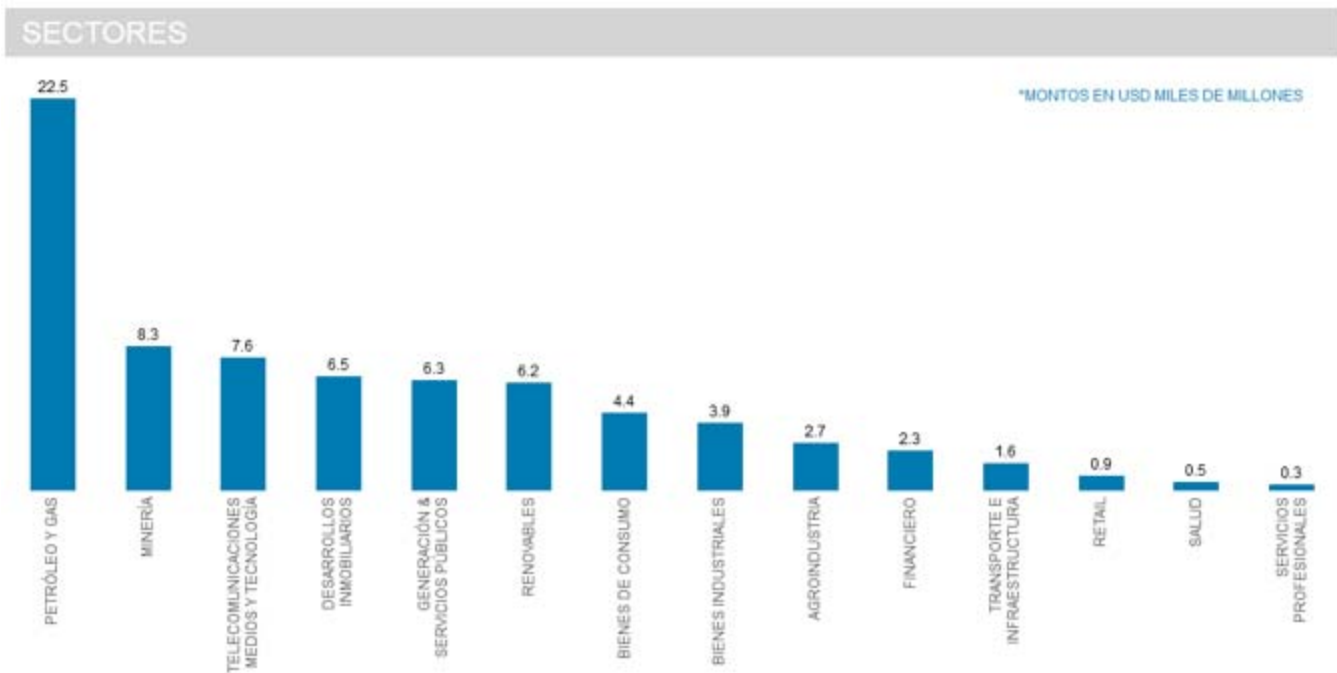


WEEKLY ASADO

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U.S. FDI: Nonstop from Houston



The most popular sector for foreign investment in the Macri era has been petroleum and gas (\$22.5 billion), followed by mining (\$8.3 billion) and telecommunications (\$7.6 billion). Whereas Uncle Sam bet 40 percent of his money on petroleum, 60 percent of Chinese cash in Argentina has targeted the financial sector according to new government [data](#). Over all, Chinese foreign direct investment in Argentina makes up just 0.8 percent of the total, but that is expected to increase substantially, given President Xi Jinping's goal of \$250 billion in Chinese investment in Latin America from 2015 to 2025, which he announced in January 2015 at the first ministerial meeting of the Forum of China and the Community of Latin American and Caribbean States, held in

Beijing. In 2010, China provided 11 percent of all FDI in Latin America. However, Chinese investment in Latin America is not evenly distributed. From 2007 to 2015, Venezuela received 53 percent of all Chinese loans in the region, according to a recent [Brookings report](#). (Argentina accounted for 12 percent of Chinese lending during the same period.)

Bumper crop: Rural Society president to head Agriculture

Soybeans

Oilseed, Soybean (Local) Market Begin Year	2015/2016		2016/2017		2017/2018	
	Apr 2016		Apr 2017		Apr 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Argentina						
Area Planted	19700	20250	19200	19200	19100	19100
Area Harvested	19530	19530	18350	18500	19100	19100
Beginning Stocks	10800	10800	12457	11873	16672	15173
Production	56800	56800	57800	57800	57000	57000
MY Imports	1304	1304	1500	1500	1500	1600
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	68904	68904	71757	71173	75172	73773

Luis Miguel Etchevehere, president of the influential Sociedad Rural farm lobby, has been named minister of agriculture, replacing Ricardo Buryaile, who will serve as ambassador to the European Union. In 2015, Mr. Etchevehere was reportedly Mr. Macri’s “*primer amor*” for the position, but the president’s advisers cautioned him that the appointment would alienate progressive groups. After his midterm victory last month, Mr. Macri apparently felt empowered to nominate his first choice. The nomination marks a stunning return to power of the farming industry, which had endlessly sparred with the Fernández de Kirchner administration, including over high export taxes. In 2008, farmers revolted against proposed new taxes, with thousands of demonstrators gathering nationwide and participating in a two-week strike. (The Senate ultimately rejected the tax increases by a single vote, cast by Ms. Fernández de Kirchner’s own vice president, Julio Cobos.) Now, the Sociedad Rural has an ally in the highest ranks of the Macri administration (much as oil producers in Argentina feel well represented by Energy Minister Juan José Aranguren, the former director of Shell’s operations in Argentina). Under Mr. Macri, harvest yields have improved markedly, following the elimination or sharp reduction in export duties and the devaluation of the peso (see chart).

Boudou: In the jailhouse now

Home to Roost

Julio De Vido

- The former "Super Minister" of Federal Planning for both Néstor and Cristina Fernández de Kirchner
- Arrested October 25, 2017, Mr. De Vido is charged with embezzlement and corruption, and is in Ezeiza prison



Amado Boudou

- Served as vice president (2011-2015) and minister of economy (2009-2011) under Cristina Fernández de Kirchner
- Arrested November 3, 2017, Mr. Boudou is charged with illicit association and enrichment, and money laundering



Cristina Fernández de Kirchner

- Two-term ex-president (2007-2015), elected to the Senate from Buenos Aires Province October 2017
- Ms. Fernández de Kirchner faces at least four criminal charges, including for alleged money laundering, illicit association and fraudulent administration
- As a senator, she will enjoy immunity from arrest



Argentina's former Vice President Amado Boudou, who served under Cristina Fernández de Kirchner from 2011 to 2015, was arrested Friday on racketeering charges. His arrest came only days after police detained Ms. Fernández de Kirchner's former "super minister," Julio De Vido, for alleged [corruption](#). Mr. Boudou's charges – illicit association and enrichment, and money laundering – date back to 2009, during his time as finance minister, and the case advanced through the courts during the Kirchner era. Nevertheless, the high-profile prosecutions have spread unease about potentially politically motivated law enforcement actions, with Ms. Fernández de Kirchner's new political party warning that Argentine democracy was "in peril." Government allies had a different view. The arrest showed that "the law applies equally to all people," Federico Pinedo, the Senate president, said. (To help Weekly Asado readers keep track of all the prosecutions, we will be regularly updating the graphic above.)

Ink by the barrel: Under a different thumb

Lenín Moreno, the new Ecuadorian president, has won international praise for rolling back media restrictions imposed by his predecessor, Rafael Correa. In Argentina, however, Mr. Macri's similar efforts have received

mixed reviews. Mr. Macri moved quickly to end Ms. Fernández de Kirchner’s epic legal and regulatory battle with the mega-conglomerate Clarín and reversed controversial regulations that were supposedly aimed at diversifying the media landscape. But his handling of the press is not without critics. Former Argentine Ambassador Cecilia Nahón, at an Argentina Project [event](#) last month, said some journalists have felt pressure from the Macri administration. Reporters without Borders also paints a mixed picture of post-Kirchner Argentina. In 2017, Argentina climbed four spots, to 50th place, in the global rankings, and the organization praised Mr. Macri for improving upon the checkered record of his predecessor. However, the organization cautioned that the repeal of the 2009 media law would allow for a greater concentration of news outlets.

Paradise Lost: Financial revelations implicate Caputo



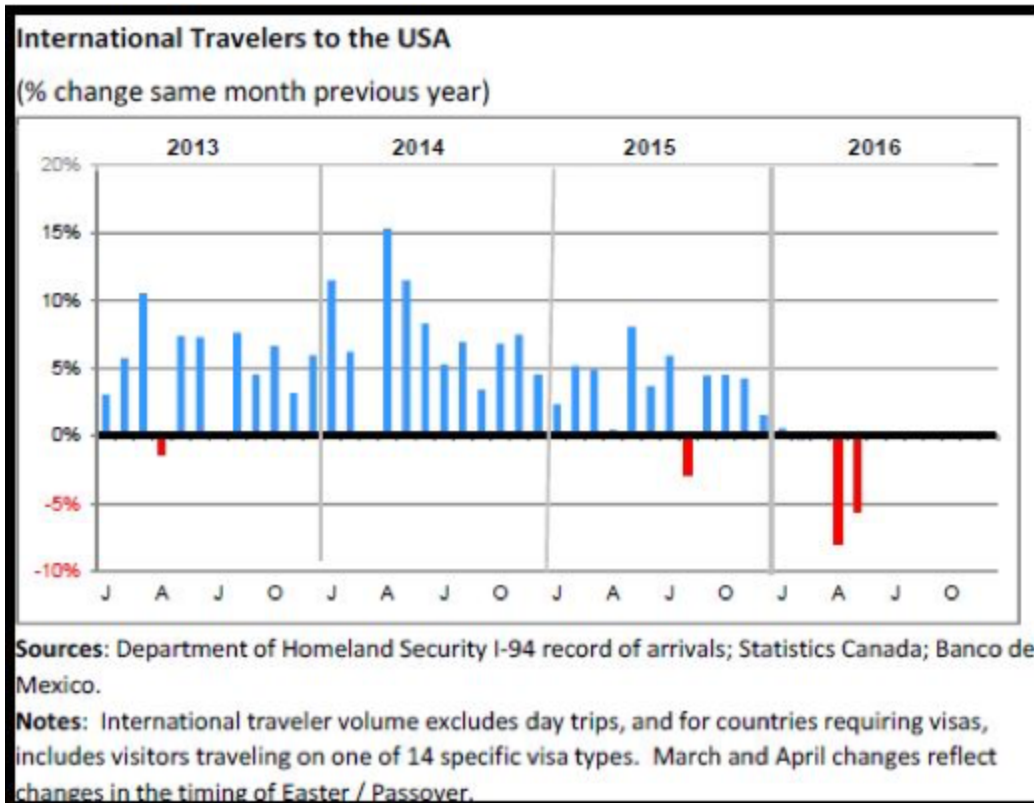
The International Consortium of Investigative Journalists – the source behind the bombshell “Panama Papers” – is out with a new set of disclosures detailing the financial machinations of the rich and powerful. The last time around, Mr. Macri ended up facing uncomfortable questions about an off-shore account tied to his father’s business empire. Now, Mr. Macri’s energetic finance minister, Luis Caputo, is in the hot seat. The “Paradise Papers” revealed that Mr. Caputo managed an investment fund with links to Delaware and the Cayman Islands – two popular destinations for tax evasion. Mr. Caputo denies wrongdoing; the fund, he says, was not involved in money laundering, but rather managed assets for family and friends. Either way, it has been something of a comeuppance for Mr. Caputo, who was celebrated for his role in solving Argentina’s epic bondholder dispute in 2016. In October, Bloomberg [profiled](#) Mr. Caputo, noting his “swagger.” (In the interview, he said he was “convinced Argentina will be the star of emerging markets for the next 20 years,” though in June, Argentina failed to recover its status as an emerging market in the influential MSCI benchmark equity index.) The scandal is also a headache for the Macri administration, which has been eager to portray itself as strong on [corruption](#). On Wednesday, the government celebrated passage of a bill that will make it easier to prosecute companies for corruption.

WTO: ‘Life after Buenos Aires’

Former Argentine Foreign Minister Susana Malcorra was in Washington last week for the Inter-American Development Bank’s “Regional Dialogue on Trade and Integration.” The visit included joint meetings with the World Trade Organization. Ms. Malcorra is organizing the WTO’s 11th Ministerial Conference, December 10-13, in Buenos Aires. It will be a closely watched conclave, given the global drift away from free trade, led by protectionist voices in the White House. Ahead of her trip to Washington, Ms. Malcorra published an [op-ed](#) in La Nación that described Argentina’s WTO leadership as a “*difícil rol*” and recognized that nowadays, “*algunos cuestionan la existencia misma de este sistema basado en reglas.*” In this context – the Trump administration

is even [blocking efforts](#) to fill vacancies on the WTO's court of appeals – Ms. Malcorra is dampening expectations. At minimum, she told me, the WTO will survive the December meeting: “There’s life after Buenos Aires.” Meanwhile, Argentina is making the most of the gathering, organizing the first Business Forum alongside the ministerial, in partnership with the International Chamber of Commerce.

Weekly Asado explainer: Argentine tourism



The [tragic murder](#) of five Argentines visiting New York City on October 31 could further discourage travel to the United States by Argentines. (On Monday, Mr. Macri [joined](#) New York City Mayor Bill de Blasio at a ceremony honoring victims of the attack.) Historically, Argentines have been frequent visitors – for student exchanges, study abroad and tourism – even during periods of icy diplomatic relations. In 2016, the number of Argentine students in the United States grew by 7 percent, to 2,201 students, according to State Department data. In the same period, tourist visits by Argentines grew by 15 percent, to 906,496, according to the U.S. International Trade Administration. But even before the terrorist attack, it appeared that these trends might be reversing. President Trump is deeply unpopular in Argentina, and that has damaged the U.S. image. The latest [Pew data](#) shows that 44 percent of Argentines hold an unfavorable view of the United States. In general, tourism to the United States is [falling](#) in the Trump era (see graph). We’ll know more about Argentine student travel to the United States on Monday, when the Institute of International Education publishes its 2017 “Open Doors” report.

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