

BOARD OF ADVISORS

Diego Arria

Director, Columbus Group

Genaro Arriagada

Nonresident Senior Fellow, Inter-American Dialogue

Joyce Chang

Global Head of Research, JPMorgan Chase & Co.

W. Bowman Cutter

Former Partner, E.M. Warburg Pincus

Dirk Donath

Senior Partner, Catterton Aimara

Marlene Fernández

Corporate Vice President for Government Relations, Arcos Dorados

Peter Hakim

President Emeritus, Inter-American Dialogue

Donna Hrinak

President, Boeing Latin America

Jon Huenemann

Vice President, U.S. & Int'l Affairs, Philip Morris International

James R. Jones

Co-chair, Manatt Jones Global Strategies LLC

Craig A. Kelly

Director, Americas International Gov't Relations, Exxon Mobil

John Maisto

Director, U.S. Education Finance Group

Nicolás Mariscal

Chairman, Grupo Marhnos

Thomas F. McLarty III

President, McLarty Associates

Carlos Paz-Soldan

Partner, DTB Associates, LLP

Beatrice Rangel

Director, AMLA Consulting LLC

José Antonio Ríos

Chief Executive Officer, Vadium Technology Inc.

Gustavo Roosen

Chairman of the Board, Envases Venezolanos

Andrés Rozental

President, Rozental & Asociados and Senior Policy Advisor, Chatham House

Shelly Shetty

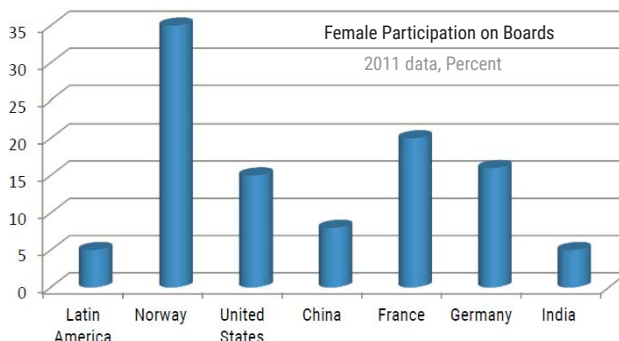
Head, Latin America Sovereign Ratings, Fitch Inc.

Roberto Sifon-Arevalo

Managing Director, Americas Sovereign & Public Finance Ratings, Standard & Poor's

FEATURED Q&A

How Can Women in the Region Crack the Glass Ceiling?



Top management positions in Latin America include relatively few women, according to a 2013 report from McKinsey & Co. // Data: McKinsey & Co.

Q Only nine of the top 500 companies in Latin America were run by women in 2012, according to a Latin Business Chronicle analysis, and while a 2013 McKinsey study found that 37 percent of executives said that gender diversity was a priority for their company, few reported having women on the executive teams, with men and women differing significantly in their explanation for the lack of gender diversity. Why is there such a lack of women in powerful seats running companies or sitting on boards in the region? Where in the world have regions or countries been effective at addressing the glass ceiling, and are those practices appropriate for Latin America? Is there an opportunity for women to be the rule instead of the exception in the future? If so, what needs to change in the industry or education in order to help make room for future female executives?

A Donna Hrinak, member of the Advisor board and president of Boeing Latin America: "While the numbers from Latin America are disappointing, they are regrettably also in keeping with statistics from around the world. For example, women hold only 4.6 percent of the CEO positions in the Fortune 500—actually down from 4.8 percent one year ago—and at the current rate of progress, women will reach parity with men in business leadership roles in 2085—just 70 short years from now! Improving this picture requires a combination of public policies, organizational practices and personal responsibility, working from both the bottom up and the top down. While gender quotas, such as those required for corporate boards in countries including Norway and Germany, are controversial, they can be useful transitional measures. Re-

Continued on page 3

TODAY'S NEWS

BUSINESS

Walmex Reports Strongest Sales Growth Since 2012

Walmart de México said sales grew 9.9 percent in the year's second quarter to \$7.3 billion. The rise marked the strongest sales growth since the third quarter of 2012. Sales in Central America grew 25 percent in peso terms.

Page 3

BUSINESS

Stonegate Bank Signs Deal for Correspondent Account in Cuba

The Florida-based bank became the first U.S. bank to sign such a deal with a Cuban bank since the two nations announced their thaw.

Page 2

POLITICAL

Rousseff's Approval Rating Sinks Below 8 Percent

The scandal at state-run oil company Petrobras, in which Rousseff has not been personally accused, has helped drag the president's approval rating to a new low.

Page 2



Rousseff // File Photo: Brazilian Government.

POLITICAL NEWS

Rousseff's Approval Falls Below 8 Percent

Brazilian President Dilma Rousseff on Tuesday saw her government's popularity rating fall to 7.7 percent, a new low, while 62.8 percent of those polled favor her impeachment, Reuters reported. The survey, by CNT/MDA, also showed that 70.9 percent of respondents viewed her government in a negative light, as

Nearly 63 percent of those polled favored Rousseff's impeachment.

compared to 64.8 percent in March. The poll released Tuesday showed that her popularity rating fell about three percentage points and the percentage who want to see her impeached rose more than three percentage points as compared to March. Before becoming Brazil's president in 2011, Rousseff chaired Brazilian state oil company Petrobras, which has been shaken by a massive corruption scandal. She has not been personally accused in connection with the bribery and kickback scheme, but more than 50 politicians, mainly from the president's governing coalition, are under investigation. Many of those polled in the latest survey also cited government accounting mismanagement and alleged campaign finance irregularities dating from her first term. Brazil, Latin America's largest economy, is beset by its worst economic downturn in 25 years. Gross domestic product is expected to contract by 1.7 percent this year. In the survey, 84.6 percent of respondents said Rousseff is not able to handle the country's economic problems. The survey was commissioned by the CNT transportation lobby group. It included 2,002 people, was conducted from July 12-16 and has a margin of error of 2.2 percentage points.

BUSINESS NEWS

Florida Bank Signs First Deal for Cuba Account

Stonegate Bank on Tuesday became the first U.S. bank to establish a correspondent account with Cuba since the historic thaw was announced between the United States and Cuba last December, The Wall Street Journal reported. Stonegate Bank, based in Pompano Beach, Fla., and Cuba's Banco Internacional de Comercio inked the deal in Havana a day after the two nations formally restored diplomatic relations 54 years after diplomatic ties were broken off during the depths of the Cold War. On Tuesday, Stonegate's president, Dave Seleski, said the new agreement is a positive step for American business interests in the Caribbean nation. "For U.S. companies doing business in Cuba, we can facilitate transactions much easier now," he said, The Wall Street Journal reported. Seleski arrived in Havana after attending Monday's flag-raising ceremony at the newly converted Cuban Embassy in Washington. The establishment of a correspondent account will allow for financial transactions between the United States and Cuba, permitting customers to execute payments and other transactions that are authorized by the U.S. Treasury's Office of Foreign Assets Control. The correspondent relationship between the two banks is expected to be in place within three to four weeks, the newspaper reported. Currently, all commercial transactions between the United States and Cuba are routed through banks in third countries. Seleski said Stonegate Bank wants to pursue additional opportunities in Cuba, including facilitating credit card use. "Down the road, there's many other opportunities," he said. As more Americans travel to Cuba, the need for credit card use will grow, Jason Marczak, the deputy director of the Adrienne Arsht Latin America Center at the Atlantic Council, told the newspaper. Some U.S. credit card companies have said they will start processing transactions this year, U.S.-issued credit cards still don't work in Cuba, and most

NEWS BRIEFS

Venezuela Arrests Two Ex-Military Officers on Drug Trafficking Charges

A Venezuelan anti-narcotics task force on Monday arrested two retired military officials wanted on drug trafficking charges, the Associated Press reported. Former National Guard Capt. Vassyly Villarroel Ramírez, who was named in an Interpol alert and listed as a drug kingpin by the U.S. Treasury Department in 2013 for alleged ties to Colombian and Mexican cartels and cocaine smuggling, and former National Guard Lt. Robert Alexander Pinto Gil, whom Venezuela's interior ministry accuses of leading local cartels, will be brought before courts soon, a Venezuelan official said.

Colombia Vows to Cut Carbon Emissions by 20% Over Next 15 Years

Colombia's government said Tuesday that the country will reduce carbon emissions by at least 20 percent by 2030, Reuters reported. The commitment is a contribution to fighting climate change globally, President Juan Manuel Santos' government said. The government is planning to present the plans in coming weeks to the United Nations Framework Convention on Climate Change.

Cargill to Build \$30 Mn Shrimp Feed Facility in Ecuador

U.S.-based agribusiness giant Cargill announced Tuesday that it will build a \$30 million shrimp feed facility near Guayaquil, Ecuador. Cargill said it is forming a joint venture with Ecuador's second-largest shrimp producer, Naturisa, which will hold a 25 percent stake in the endeavor while Cargill will hold a 75 percent stake and operate the feed mill. The facility will produce 130,000 metric tons of shrimp feed that will be marketed under the Purina brand throughout Latin America.

FEATURED Q&A / Continued from page 1

quiring that women participate on corporate boards can help overcome the attitude some male managers express that they 'would hire a woman (for a particular job), but just don't know any.' Executives should also pay attention to the research, which shows consistently that companies with more women on their boards and in their executive ranks have better results: higher returns on equity, more sales and greater return on investment. Including women in the executive ranks should be a business no-brainer. At the same time, women who aspire to business leadership—and their partners—must accept that while the modern women's movement has given us more choice to work outside the home, to drop out of the work force for child-raising, to accept or decline an overseas assignment, choices have consequences. One course might be to stop thinking about work-life balance, and instead focus on work-life integration, deciding how career choices fit with overall values and interests."

A **Elena Viyella de Paliza, president of Inter-Química in Santo Domingo and member of the Inter-American Dialogue:** "More developed regions like North America and Europe have been more successful because they started working on including women in positions of power earlier than did Latin America. Nevertheless, Latin America is changing and more focused in the corporate world on bringing women into positions of leadership. The strongest glass ceiling is the one we self-impose on ourselves. The other one is cultural, and it is different in every country and region. It is about the way we raise our girls and the expectations we have. The weight of bringing up children is on women, requiring more of their time and dedication, which either pushes their careers back, imposes additional burdens or forces women to make choices. This is a filter in itself, and an important one, as no woman wants to fail to take proper care of her children due to a career. And this

is even more true in Latin America due to the culture. Those of us who want to have both a family and a productive career have choices to make. I did not want to give up having a family and caring for my kids, which takes a toll on health, time, dedication and, of course, sleep. But you need a supportive husband who supports your goals. Therefore, we need to make sure women continue to educate themselves as much as possible, facilitate educational opportunities, help them understand the importance of choosing their partner well and make them conscious of what they want to become. The corporate world needs to understand that there are tradeoffs, but that it is worthwhile to make sure they value women equally and take them into serious consideration when they hire, promote and choose leaders. Last but not least, the 'macho' culture is still an issue. Even though I do not think it is so true anymore, I asked several successful businessmen if they thought that this was still a factor, and their answer was that it is. So we also have to work on the culture to make a difference for women."

A **Fernanda Vicente, president of Mujeres del Pacífico, executive director of Diverge, Business Innovation Center, and founder of Inittia:** "Women need a lot of determination to get to the top of companies in Latin America. They have to fight against a male environment and rules, they have to figure out how to manage their professional life and their family life, and they also need a partner who supports their success. Latin men are learning, but they come from centuries of machismo. I think we have double challenge, to be successful in our careers and in our relationships. We are a generation that is teaching our partners, our husbands, how to deal with female success. Maybe some countries in Europe, like Germany, or North America have been successful, but copying models is tricky. Our culture is different. We need to find our own model, and we

Continued on page 4

U.S. travelers there must conduct transactions in cash. [Editor's note: See related [Q&A](#) in the April 21 issue of the Advisor.]

Walmex Reports Strongest Sales Growth Since 2012

Retailer Walmart de México, a unit of Arkansas-based Wal-Mart Stores, on Tuesday reported its strongest sales growth during the second quarter in almost three years, The Wall Street Journal reported. Walmex said sales rose 9.9 percent in the April-to-June period to 114.4 billion pesos (\$7.3 billion), the largest



Ostalé // File Photo: Wal-Mart Stores.

increase since the third quarter of 2012. Sales in Mexico were up 7.4 percent, while in Central America, they grew 25 percent in peso terms. Despite the growth in sales, Walmex reported a drop in net profit as compared to the same period last year, when the sale of its restaurant business boosted its bottom line. Net profit during this year's second quarter was 6.81 billion pesos, compared with 10.42 pesos a year earlier, Walmex said. During the second quarter of 2014, Walmex closed the sale of its restaurant chain for 8.2 billion pesos and the sale of its banking unit Banco Walmart to Grupo Financiero Inbursa for 3.6 billion pesos. With those sales excluded, net profit increased 5.3 percent year-on-year. Walmex's results were influenced by factors including more remittances sent from Mexicans living abroad as well as spending ahead of the nation's elections, which helped boost demand at the same time the retailer continued to invest in price competition, keeping price increases below the rate of inflation, CEO Enrique Ostalé said.

FEATURED Q&A / Continued from page 3

should design this model with men. This is a conversation between males and females about the roles we deserve and are ready to take. We are living in a unique time in Latin America where we are building the future together based on a new paradigm. There is absolutely an opportunity for women to be the rule instead of the exception. Our generation knows very well what we want and what we need, and we are ready. We are not afraid of taking risks and are thrilled to face new challenges. We have the mission of bringing our region to the next level. We know that we have the future of Latin America in our hands. In 10 years, you will see outstanding data on women on boards and running companies. First, we need to educate our men from childhood on how to deal with and support female success. Second, companies need to be ready for this new generation of women that come to transform society. We will build companies that make a triple impact (social, economic and environmental), and this fact will bring many benefits to organizations. Third, we need to communicate to our girls that they have the power to change our countries, and they have the responsibility to take opportunities and co-create the future with the men."

A Sylvia Maxfield, dean of the Providence College School of Business: "The percentage of women on boards is creeping up thanks to a growing understanding that diverse boards are good boards. Why is progress so slow? We all carry biases with us in our daily lives, shaped by experience and a primordial instinct to protect ourselves against group outsiders. It takes a very concerted effort to overcome these biases. I am not sure that the kind of legal mandates imposed in some European countries help get at the root of the problem. We know that women want to sit on boards, and that there are plenty who are qualified to be outside directors. Women and men in powerful roles should make sure to encourage their col-

leagues to search broadly and outside their networks for new board members."

A Marc Andersen, principal and EY's international government & public sector leader: "Women account for more than half of the world's population, but are continually overlooked as a vital talent resource. The 2015 World Economic Forum (WEF) forum on Latin America highlighted cultural and corporate barriers to closing the gender gap in Latin America and the Caribbean. We believe that companies play an important role in breaking those barriers by creating effective internal and external programs focused on women's advancement and leadership. This approach has been critical to our success as a global organization determined to build a better working world. A growing body of research, including a new survey EY commissioned from Longitude Research surveying leaders of 400 companies in response to an October 2014 report from the WEF, suggests that women's advancement in the workplace and gender balance on teams, boards and governments are critical for producing better outcomes and creating greater prosperity. EY has brought all our efforts together to create one unifying accelerator—Women Fast Forward. This program leverages our collective knowledge, experiences and convening power to push ourselves further and to do our part to accelerate global gender parity. EY is also proud to be a part of one such initiative with the U.S. Department of State-EY partnership on TechCamps designed to support women entrepreneurs in Colombia, El Salvador, Bolivia and Argentina. Upon program conclusion, there is mentorship for the select finalists. EY is also working with the Inter-American Development Bank to make the business case for gender investments in Latin America and the Caribbean's private sector. We encourage other market players to do their share in advancing the women's equality agenda in the region."

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2015

Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Megan Cook
Reporter, Assistant Editor
mcook@thedialogue.org



Michael Shifter, President
Peter Hakim, President Emeritus
Genaro Arriagada, Nonresident Senior Fellow
Sergio Bitar, Nonresident Senior Fellow
Joan Caivano, Director, Special Projects
Maria Darie, Director, Finance & Administration
Ariel Fiszbein, Director, Education Program
Claudio Loser, Senior Fellow
Nora Lustig, Nonresident Senior Fellow
Margaret Myers, Director, China and Latin America Program
Manuel Orozco, Senior Fellow
Jeffrey Puryear, Senior Fellow
Lisa Viscidi, Director, Energy Program

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at:

1211 Connecticut Avenue NW, Suite 510
Washington, DC 20036

Phone: 202-822-9002
Fax: 202-822-9553

www.thedialogue.org

ISSN 2163-7962

Subscription Inquiries are welcomed at
fretrial@thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.