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## FEATURED Q&A

# What's Behind Closer Cuba-Russia Relations?



Cuban President Miguel Díaz-Canel met earlier this month with Russian President Vladimir Putin during a visit to Moscow. // Photo: Russian Government.

**Q Cuban President Miguel Díaz-Canel visited Russia in early May for what he described on social media as a “working visit” to address bilateral agenda priorities. Díaz-Canel’s trip followed a visit by Russian Foreign Minister Sergey Lavrov to Havana in February. What’s behind the tightening relations between the old allies, and why is it happening right now? What does Díaz-Canel hope to get out of this visit, especially in light of Cuba’s current economic crisis? What can Cuba offer an increasingly isolated Moscow—and could a closer relationship to Russia turn Cuba’s beleaguered economy around?**

**A Michael J. Bustamante, associate professor of history at the University of Miami:** “Díaz-Canel’s recent visit to Russia is the latest sign of a relationship that has been warming on many fronts, especially since 2022. On this visit, Díaz-Canel practically endorsed Russia’s invasion of Ukraine. This was a far cry from the original Cuban position of blaming the conflict on NATO expansion, but refraining from taking a position on the invasion itself. What’s behind it all? Dire economic needs. Cuba-Russia relations have been reasonably strong and consistent since the beginning of the Putin era. Trade jumped to new levels, however, in the wake of Trump administration sanctions, the economic decline of Venezuela and the pandemic, with Russia rising to become Cuba’s fifth-largest trade partner by 2021, beyond pre-pandemic levels. While both countries are linked by shared animosity/suspicion toward the United States and a need to find ways around U.S. sanctions, behind any political mind meld is clearly Cuba’s need for economic part-

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## TODAY'S NEWS

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## Spain Definitely Pulls Ambassador From Argentina

Spain said it has “permanently” withdrawn its ambassador to Argentina following Argentine President Javier Milei’s derogatory comments about Spanish prime minister Pedro Sánchez’s wife.

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## Southern Copper Plans to Start Long-Delayed Project in Peru

Southern Copper is hoping to break ground this year, or in the first half of next year, on its long-delayed Tia Maria project in Peru, a company executive said.

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### POLITICAL

## Colombia’s Petro Considering Suspension of Cease-Fire

Colombian President Gustavo Petro is considering the suspension of its cease-fire with the EMC rebel group following bombings, the defense minister said Tuesday.

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Petro // File Photo: Colombian Government.

## POLITICAL NEWS

## Colombian Gov't Considering Cease-Fire's Suspension

Colombian President Gustavo Petro is considering whether to suspend a cease-fire that it has in place with the Estado Mayor Central, or EMC, rebel group following two bombings blamed on the group in southwestern Cauca province, Defense Minister Iván Velásquez said Tuesday, Reuters reported. "It has been the subject of consideration, discussion and is still a subject of analysis," said Velásquez. "The president is weighing all the elements that we provide and it is ultimately him who will determine when and where there is or is not a cease-fire," he added. A bombing on Monday in the town of Morales killed four people, including two police officers. A bomb also exploded Monday in the town of Jamundí, injuring six people, according to police, the Associated Press reported. The government and the EMC, a dissident faction of the demobilized Revolutionary Armed Forces of Colombia, or FARC, rebel group agreed in January to extend a cease-fire. However, Petro partially suspended the cease-fire in three provinces in March because of violence, Reuters reported. "Talks with the EMC should be focused on how the group will submit to justice, instead of benefits they may receive," Jaime Pumarejo, a former mayor of Barranquilla, told the Advisor in a [Q&A](#) published Jan. 23. "Cease-fires in the last year have reduced neither the drug trade nor violence toward civilians," he added.

## Spain 'Permanently' Pulls Ambassador From Argentina

Spain's government announced Tuesday that it was "permanently" withdrawing its ambassador to Argentina following Argentine President Javier Milei's derogatory comments about the wife of Spanish Prime Minister Pedro Sánchez,

Reuters reported. Spain had previously recalled its ambassador to the South American country for consultations and demanded that Milei apologize after calling Sánchez's wife, Begoña Gómez, "corrupt" during a rally in Madrid organized by Spain's far-right Vox political party. "The ambassador will permanently stay in Madrid," Spanish Foreign Minister José Manuel Albares told reporters on Tuesday, Reuters reported. Albares said Spain's embassy in Buenos Aires would be led by its charge d'affaires. During his trip to Spain, Milei also snubbed standard protocols of meeting with Spanish officials and instead met with critics of Sánchez, the Associated Press reported.

## ECONOMIC NEWS

## Guyana Is Among Fastest-Growing Oil Suppliers: U.S. EIA

Guyana ramped up its oil production by an average of 98,000 barrels per day over the last three consecutive years, making the South American country one of the world's fastest growing suppliers of crude oil, according to a report that the U.S. Energy Information Administration published Tuesday. Following a sustained increase in production levels from 2020 to 2023, Guyana now produces 645,000 barrels per day, and its surge in production has made it the third-fastest growing non-OPEC producing country, according to the report. Alongside the increasing production levels, Guyana grew its GDP by 62.3 percent in 2022, the highest rate of economic growth for any nation in the world, according to the International Monetary Fund. Significant offshore oil deposits were first discovered in Guyanese territory in 2015 by ExxonMobil, in the Stabroek block. Since then, Exxon has discovered oil and natural gas at an additional 30 sites in the Stabroek block in partnership with U.S. oil giant Hess and the state-owned China National Offshore Oil Corporation. Hess estimates that 11 billion oil-equivalent barrels of crude and natural gas are still recoverable in Guyana.

## NEWS BRIEFS

## Analysts Estimate 6.9% Drop in Argentina's Economic Activity

Argentina's economic activity index may have declined by 6.9 percent in March when compared to the previous year, according to estimates made by analysts in a survey conducted by Reuters, the wire service reported Tuesday. The contraction would be the most severe drop in economic activity since 2020. Argentina's economic activity has contracted for five consecutive months, and from February to March the index fell by 7.2 percent, according to the analysts' estimates.

## Paraguay's Central Bank Keeps Benchmark Interest Rate Unchanged

Paraguay's central bank on Tuesday kept its benchmark interest rate unchanged at 6 percent for the second consecutive month, Bloomberg News reported. The country's economy posted growth in line with estimates in the first quarter, and international risks have declined since the central bank's April meeting, the institution said. Economists in a central bank survey said they expect a cut of 50 basis points to the benchmark interest rate in the second half of this year.

## Brazilian Court Rules Against Petrobras in Tax Collection Case

Brazil's Superior Court of Justice denied an appeal from state-owned oil firm Petrobras that sought to avoid collection of taxes related to oil derivative sales from March 2002 to October 2003, Reuters reported, citing a statement that Petrobras released on Tuesday. The company's debt amounts to roughly 987 million reais, or \$192.68 million, in unpaid taxes. Petrobras said it would look into whether it could make another appeal.

## BUSINESS NEWS

## Southern Copper Hopes to Start Long-Stalled Peru Project

Southern Copper is hoping to break ground this year, or in the first half of next year, on its long-stalled Tia Maria project in Peru, Reuters reported Tuesday, citing a company executive. Raúl Jacob, the company's vice president for finance, said "social conditions" had improved following years of protests that had halted development of the mine. "We are fine-tuning details to be able to begin construction towards the end of this year or in the first part of next year," Jacob told Reuters. "There are no pending licenses, we have all the authorizations and we have not stopped working with the communities," he added. For years, Southern Copper's permits to start construction on the project have been held back because of environmental opposition to the mine, Bloomberg News reported. In 2019, a decision to approve a license for the project led to weeks of protests. The current government is supportive of the project, however. The company is working with farming groups and is also planting trees and building homes in the area, Bloomberg News reported. Some \$350 million in equipment is ready to be assembled, and about 200 people are working in the area on the project, Jacob told Bloomberg News. The mine is likely to cost approximately \$500 million more than the estimated amount of \$1.4 billion, Jacob added. With all permits in place, the company only needs to "check that we are in an appropriate social environment to start construction," Jacob told Bloomberg News. Making Tia Maria operational before the end of 2027 would produce 120,000 metric tons of copper per year. There have been supply setbacks recently for the commodity, including due to the closure of a mine in Panama, Bloomberg News reported. The mine would bring the annual copper production of Southern Copper to more than one million tons per year. For this year, the company expects to boost copper output by 3 percent, said Jacob.

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ners and outright relief. Periodic supplies of Russian oil are helping to keep Cuba's electric grid barely hanging on. When those and other oil shipments wane and blackouts grow, we've seen that unrest can result. Still, there is little evidence Russian investment or trade are enough to help Cuba pull out of its current crisis. A year ago, Russian business delegations visited the island in quick succession touting potential partnerships and a 'program for the transformation of the Cuban economy.' Cuba offered Russian investors preferential treatment. While some deals are moving forward, actual commitments have not matched the hype. Russian partners can't be happy to deal with sclerotic Cuban state-run companies or Havana's hemming and hawing over whether to deepen or pull back the liberalization of Cuba's private sector. Russia appears to have a strategic interest in helping Cuba avert a total economic meltdown, but it seems unlikely to bail out the Cuban economy."

**A Devry Boughner Vorwerk, founder and CEO of DevryBV Sustainable Strategies:** "One could sum up Cuba's stepped-up engagement with Russia as: 'Amicus meus, inimicus inimici mei' (The enemy of my enemy is my friend), and it would be accurate. Yet, beneath the surface of that observation is the impetus for the cozying up to Russia: desperation. The island's economy is struggling with lower export revenues, food inflation that drives up the cost of the food import basket and weak domestic agricultural production. The World Food Program's most recent report on Cuba states: 'The continuing decline in domestic production directly impacted the monthly food rations provided at controlled prices to the Cuban population through the food distribution system.' Tragically, the Cuban people are hungry and nutritionally insecure. Cuba's leadership well understands that a flailing economy with hungry citizens are the roots of instability. The government needs

support, and relations with the United States are at a low point with the unraveling of the work the Obama administration did to advance trade ties. It's a shame, because in 2015 when a group of us came together in Washington to launch the U.S. Agriculture

**“Cuba’s leadership well understands that a flailing economy with hungry citizens are the roots of instability.”**

– Devry Boughner Vorwerk

Coalition for Cuba in January 2015, we were optimistic that the improvement of agricultural trade between the United States and Cuba could serve as a foundation for building successful and enduring relations between both countries, pulling the Cuban people out of this cycle of instability. President Miguel Díaz-Canel's diplomatic push with Putin may work in the short run to ease some of the economic pressure, but in the long run, the Cuban people need more reliable solutions than depending on Russia for its stability and growth."

**A William M. LeoGrande, professor of government at the School of Public Affairs at American University:** "Díaz-Canel's trip to Moscow is just the latest chapter in a relationship that has grown ever closer in recent years. The foundations were laid a quarter century ago when newly elected President Putin traveled to Havana in 2000 to begin rebuilding ties with traditional allies. As Russia increased trade and aid, the relationship developed into a 'strategic partnership' in 2009, including military cooperation. Relations took a big jump forward when President Trump repudiated President Obama's policy of engagement with Cuba and imposed draconian sanctions. Cuba's

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disastrous economic decline since the onset of Covid has left Havana desperate for external aid wherever it can find it, and Russia has supplied critically needed food, medical supplies and fuel. Economic relations took a major step forward after Díaz-Canel's last trip to Moscow in 2022. Cuba's economic crisis is worse today than it was then, so Díaz-Canel is clearly searching for more help. In his meeting with Putin, he offered the clearest statement yet of Cuba's support for Russia's war in Ukraine, wishing Moscow 'every success in every way carrying out the special military operation'—a notable departure from Cuba's previous call for a negotiated end to the fighting. The Cuban government has exhausted its foreign exchange reserves and needs external flows of capital in order to dig its way out of the current economic crisis. Russia has been its most generous benefactor—just as it was during the Cold War—so Havana will continue to gravitate toward Moscow so long as it has no alternative."

**A** **Vicki J. Huddleston, retired United States ambassador and former chief of the U.S. Interests Section in Havana:**

"The Soviets' special relationship with Cuba brought the world close to a nuclear Armageddon. Russia's renewed relationship is unlikely to repeat that scenario, but it will

undoubtedly reinforce the countries' military partnership. Putin, who envisions a Russian empire, is using Cubans—said to be private citizens—to fight alongside Russians in Ukraine. The Cuban military has agreed to train forces in Belarus, a close Russian ally. In return, Cuba's strategic location provides Russia with leverage in the event of an open conflict with the United States and an outpost from which to expand its influence in the Caribbean Basin, signaling that the Monroe Doctrine is obsolete and that there are clear limits to United States' power, even in its own backyard. This growing Russian-Cuban partnership should come as no surprise. Cuba has always relied on a stronger outside power: Spain, the United States, the USSR and Venezuela. Currently, Cuba is as distressed as it was when Venezuela's Hugo Chávez provided oil and friendship beginning in the early 1990s and ending only within the last few years. Cuba's current desperation is suggested by granting Russian state companies' preferential arrangements to land, markets and labor. All of this in time will strengthen Cuba's military, which is critical to preserving the current power structure. This unhappy development should remind us that had Trump not ended the Obama opening, the United States might have formed a partnership that would have thwarted Russia's ambitions in Cuba and beyond."

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

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