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FEATURED Q&A

Who Is Positioned to Become the Next Leader of Ecuador?



Luisa González, the candidate of former President Rafael Correa's movement, won the most votes in the first round of Ecuador's presidential election on Sunday. // Photo: González Campaign.

Q Former lawmakers Luisa González and Daniel Noboa emerged as the top vote-getters in the first round of Ecuador's presidential election on Sunday. González, a protégé of former President Rafael Correa, won 33 percent of the vote, and Noboa, the son of banana magnate Álvaro Noboa, won 24 percent of the vote. With neither candidate securing enough votes to win the election outright, a runoff is scheduled for Oct. 15. What are the major factors driving support for each candidate? What issues and developments between now and the second round will decide the election? What are the biggest differences in the directions that González and Noboa would take Ecuador as president? How well would each of the candidates be able to work with the new National Assembly?

A Alberto Acosta-Burneo, editor of *Weekly Analysis in Guayaquil*: "Daniel Noboa was the electoral surprise. After consistently trailing in all the polls, he managed to surge to second place in a matter of days and advance to the runoff. His success was attributed to the support from youths. He presented himself as a new figure, made proposals that appealed to the future and distanced himself from the traditional politicians. He took care to even separate himself from the traditional dispute between 'correismo' and 'anticorreismo,' which has marked the politics in recent years. Correismo garnered around one-third of the electorate and heads into the second round in first place. This result aligns with the strong base of support that it has received in previous elections. Its proposal: to return to the glorious past when Rafael Correa was president. To win in the second round, both

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Haiti, Dominican Republic Brace as Storm Approaches

The southern coasts of Haiti and the Dominican Republic, as well as the Turks and Caicos Islands, were placed under tropical storm warnings as Tropical Storm Franklin approached the island of Hispaniola.

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BUSINESS

Exxon, Partners Eye Nearly \$13 Bn Guyana Oil Project

Exxon Mobil and partners plan to spend \$12.93 billion on a sixth offshore oil project in Guyana, according to a filing the South American country published Monday.

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POLITICAL

Cuba's Díaz-Canel to Attend U.N. General Assembly

Cuban President Miguel Díaz-Canel plans to travel to New York to attend the United Nations General Assembly meeting in September.

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Díaz-Canel // File Photo:
@DiazCanelB via X.

POLITICAL NEWS

Haiti, Dominican Republic Brace as Storm Bears Down

The southern coasts of Haiti and the Dominican Republic are under tropical storm warnings as Tropical Storm Franklin approaches the island of Hispaniola, The New York Times reported today. The storm could bring flash flooding that is potentially life-threatening to the countries' shared island. As of 8 a.m. Eastern Time today, Franklin was about 260 miles south of Santo Domingo, with maximum sustained winds of 50 miles an hour and was moving west at 3 miles an hour, the U.S. National Hurricane Center said in an advisory. A tropical storm warning is in effect for the entire southern coasts of the Dominican Republic and Haiti, as well as for the Turks and Caicos Islands, the hurricane center said. Forecasters expect the storm to strengthen before making landfall on Hispaniola early Wednesday, the Associated Press reported. It is expected to drop 10 inches of rain in Haiti and the Dominican Republic, with some isolated areas receiving up to 15 inches. Heavy rains could pose a particular threat to Haiti, where more than 40 people were killed in June when a thunderstorm dumped heavy rain on parts of the country. "The mud-slide risk there is just awful," Phil Klotzback, a meteorologist at Colorado State University, told the AP. He added that a storm that is slow-moving poses particular danger to Haiti as many areas are stripped of trees.

BUSINESS NEWS

Exxon, Partners Eye Nearly \$13 Billion Offshore Oil Project

Exxon Mobil and partners plan to spend \$12.93 billion on a sixth offshore oil project in Guyana, according to filing that the South

American country published Monday, Reuters reported. The Whiptail project, outlined in the Environmental Impact Analysis, would begin operations in 2027. It would have an output capacity of between 250,000 barrels per day (bpd) and 263,000 bpd. The project would increase the Exxon-led consortium's production in the country to more than 1.2 million bpd, the wire service reported. Guyana is one of the world's fastest-growing oil economies in a decade, with discoveries of more than 11 billion barrels of oil and gas. Exxon Mobil and partners, including Hess Corp., have said they could develop as many as 10 offshore projects in the South American country. The consortium's production has brought \$2.8 billion in revenue to Guyana and created some 4,400 jobs. Earlier this month, Guyana's National Assembly passed a bill that will grant the natural resources minister broad power over the country's multi-billion-dollar oil industry, Reuters reported. The new rules will take effect for future projects, including those resulting from an oil auction scheduled for the fourth quarter this year. Under the measure, Natural Resources Minister Vickram Bharrat will oversee oil operations, including granting exploration, production and environmental licenses, and will be responsible for enforcement the law and issuing penalties.

Cargill Makes Offer to Buy Three Plants from Brazil's Granol

Cargill, the world's largest agricultural trader, made a binding offer to buy three plants and four storage sites from Brazilian biodiesel maker Granol Industria Comercio e Exportacao, Bloomberg News reported on Monday. Cargill's move is part of the company's plan to expand its soybean operations in Latin America's largest economy and to increase its biofuel-making capacity. It is also likely a move toward consolidating Brazil's soy crushing industry during a time of cheap soybean supplies after a bumper crop, Reuters reported. Cargill is currently awaiting a response from Brazilian antitrust authorities regarding the offer,

NEWS BRIEFS

Cuba's Díaz-Canel to Attend U.N. General Assembly in September

Cuban President Miguel Díaz-Canel plans to attend the United Nations General Assembly meeting in September, the Miami Herald reported Monday. Díaz-Canel's trip to New York comes amid cold relations between Cuba and the United States as the administration of U.S. President Joe Biden has avoided major policy shifts related to the island, The Hill reported.

Mexico Won't Amend Decree on Genetically Modified Corn: Minister

Mexico will not make any amendments to a decree on genetically modified corn ahead of a dispute settlement panel requested by the United States under the USMCA trade pact, Mexican Economy Minister Raquel Buenrostro said on Monday, Reuters reported. The United States escalated the dispute last week over Mexico's restrictions imposed on imports of GM corn. In February, Mexico modified a ban on GM corn, issuing a decree allowing its use in animal feed and in consumer products such as cosmetics and textiles, but maintained the ban for human consumption.

Dominican Republic to Provide Payments to Families of Blast Victims

The Dominican government announced Monday it will offer economic assistance to the families of the 32 people killed in an explosion last week, the Associated Press reported. The government will offer a one-time payment of nearly \$900, and monthly payments of \$350 until December. More than 50 people were injured in the incident at a plastics factory in San Cristóbal, west of Santo Domingo. An investigation into the causes of the blast is still underway.

which includes purchasing plants in the cities of Anápolis, Porto Nacional and Cachoeira do Sul, as well as warehouses in Goiás and Tocantins. Based in Minnesota, Cargill—the largest private company in the United States—will expand its processing footprint through the acquisition. Cargill spokesperson Felipe Fonseca told Bloomberg News Monday in an emailed statement that the deal reinforces how Cargill sees Brazil as a strategic player, as well as the significance of biodiesel and renewable energy. Cargill has a target to reduce emissions in its supply chain by 30 percent by 2030, the Financial Times reported.

Latin Re Obtains License to Operate in Lloyd's Marketplace

Latin Re has received a license to operate directly in the specialist Lloyd's marketplace for insurance and reinsurance, Reinsurance News reported Monday. The approval makes Latin Re the first Brazil-based broker to receive such a license. Operating directly in the marketplace

“This will support Lloyd's in meeting the evolving needs of the region...”

— Rafaela Barreda

allows Latin Re to sell reinsurance risks from several countries in Latin America directly to underwriters at Lloyd's, Reinsurance News reported. Latin Re's chief executive officer, Maria Eduarda Bomfim, called the new license “a significant milestone for Latin Re and the Brazilian insurance and reinsurance market as a whole.” The director for Lloyd's in Brazil, Rafaela Barreda, said Latin Re's “extensive experience and regional knowledge of the Latin American reinsurance market” will benefit Lloyd's. “This will support Lloyd's in meeting the evolving needs of the region, while simultaneously strengthening our relationships with local insurers, retail brokers and reinsurers,” she said.

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candidates will need to reinvent themselves to attract voters who don't have a strong preference for either of the two options. Noboa will have to address the needs of the populist vote and strengthen his message related to security. Correísmo will face the challenge of reconciling its proposal to return to the past with the desire of the youth (a significant portion of the Ecuadorean demographic) to move toward the future. Its Achilles' heel will be security, as many associate the current state of the country with permissive decisions during Correa's time in office. The new president will have to form alliances in the National Assembly. Correísmo will once again become the largest minority, but other left-wing forces like Pachakutik (the political arm of the Indigenous movement) and Izquierda Democrática will lose significance. Governance will be defined in the assembly.”

A **Santiago Mosquera, head of research at Analytica Investments in Quito:** “The first round ended with a major surprise. As expected, Luisa González, the candidate of Correísmo, led with 33 percent of the vote, a level comparable to the movement's level of support in previous presidential election (Andrés Arauz won 32.7 percent of vote in the first-round of the 2021 presidential election). However, Daniel Noboa won 24 percent of the vote, more than 20 percent above what the last polls available were suggesting just a week earlier. It is not clear what was the source of his advance in such a short period of time, but it seems that he was able to attract a large share of young voters and those who were undecided until the last minute. His performance in last week's presidential debate was strong relative to other candidates, but it is unlikely to be the only reason for his jump. In the same way as in other countries in Latin America, Noboa received the support of young voters who are hungry for new alternatives and have antipathy for traditional politicians

and the overall political system. For these reasons, there could be more upside for Noboa than for González going forward. While the endorsements from presidential candidates have not yet materialized, Noboa has a better chance to gain a large share of the votes from Christian Zurita and Otto Sonnenholzner, who won 16.5 percent and 7.1 percent of the votes, respectively, and at least part of the 14.7 percent of the votes received by Jan Topić.”

A **Adam Isacson, director for defense oversight at the Washington Office on Latin America:** “Luisa González derives much support from her tight association with former President Rafael Correa. While Ecuadoreans' opinions of Correa are sharply divided, he maintains a solid base, as evidenced by his party's strong showing in the February local elections. She faces a tough path, though, raising her 33 percent first-round vote share to 50 percent in the second round. Though his wealthy father was a five-time presidential candidate, Noboa is viewed as a new face, an outsider, whose performance in a televised debate raised him from the polls' lower ranks. Noboa will seek to bring together the non-Correa vote, including supporters of assassinated anti-corruption leader Fernando Villavicencio. Skyrocketing crime is a big issue: Ecuador's annualized homicide rate so far this year is in the high 30s per 100,000 people, way above Colombia and similar to Honduras. González is trying to remind voters that violence levels were far lower during the Correa years. Noboa is promising to increase military and police deployments and may seek the support of Jan Topić, a first-round candidate who sought to emulate El Salvador's Nayib Bukele. A stalling economy is also front-of-mind for Ecuadoreans. Insecurity and poverty drove 34,894 Ecuadorean citizens to migrate through Panama's dangerous Darién Gap so far this year; 51,816 have reached the U.S.-Mexico border. Correa himself will be

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a big issue for voters, many of whom have reservations about rehabilitating an authoritarian-trending leader accused of corruption. His party will be the largest in Ecuador's next National Assembly but will not hold a majority. Either candidate, if elected, will need to build a legislative coalition with elements of the opposition."

A **Grace Jaramillo, professor at the University of British Columbia and Simon Fraser University:** "Ecuador's snap election leaves three takeaways. First, Ecuador has historically always opted for the ultimate outsider since 1979, when the new democratic era started. Even Rafael Correa, the longest serving president in recent decades, was an outsider when he first won the presidency in 2007. Daniel Noboa arrived as the clear outsider for this election. Second, the assassination of Fernando Villavicencio was a game changer. But instead of giving an advantage to candidates who promised to be tough on crime and addressed insecurity, it moved votes to a millennial candidate who avoids confrontation at all costs. Third, Villavicencio's violent death also kept support for Luisa González, the candidate of Correa's Citizens' Revolution Movement, at historic lows. As it stands, Noboa will have more possibility of achieving alliances for the second round and in the incoming National Assembly than González. For one, because Villavicencio's movement became the second most important political force in the assembly, with the greatest number of seats after the Citizens' Revolution movement. Noboa is the heir of one of the largest conglomerates in the country—the largest banana export company and the largest importer and producer of oatmeal and other cereals in the country. His father ran unsuccessfully for office five times. Even when he promises economic development with social inclusion, the conflict of interest between his family business and public office is clear. Ecuador faces a dilemma between going back to a

government with social achievements but plagued with authoritarian practices and proven cases of corruption or a millennial tycoon with Ivy League credentials and conservative social policies. In both cases, crime and insecurity have been pushed to the background."

A **Marc Becker, professor of history at Truman State University:** "The election results demonstrate just how wrong pundits were who engaged in alarmist talk of Ecuador moving toward a failed state, and sensationalist media reporting on an electorate afraid of going to the polls. Neither bore much relationship to Ecuador's reality before the elections, and even less so now. The only surprise was the level of support for Noboa, who promises a continuation and even an intensification of Lasso's failed neoliberal economic policies, which have led to Ecuador's current problems. Noboa and González offer two very distinct visions for the future of the country. Unlike Noboa's pro-corporate policies, González promises to use \$2.5 billion from international reserves to shore up Ecuador's struggling economy and bring back Correa's social programs that successfully led to plunging rates of poverty and inequality. Her supporters understand that a Bukele-style iron-fisted law-and-order campaign like that which Jan Topić offered will do little to address the serious structural issues that underlie the country's very real security concerns, nor will more of Lasso's neoliberal economic policies do anything to solve the serious economic problems of rising poverty and inequality rates that those same policies have levied on the country. The main challenge that Noboa faces is to unite very fractured right-wing forces to overcome the inherent advantages of González's message and program. That will not be an easy task, given that he comes out of the country's traditional oligarchy, which has very distinct interests from those that Topić and other conservatives represent."

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