

Hemisphere Insider

Vol. II: Issue 21, July 30, 2012

Program News**Drug Trafficking in the Americas—Obama's Drug Czar Speaks Out**

R. Gil Kerlikowske, director of the White House Office of National Drug Control Policy (ONDCP), outlined the Obama administration's 2012 National Drug Control Strategy and discussed recent findings in the Americas at CSIS July 30. Kerlikowske said that the administration is pursuing a "third way" approach to fighting drug trafficking that stresses a balance between law enforcement, treatment, and rehabilitation, as well as overseas alternative development to accompany bilateral drug interdiction operations. Kerlikowske noted overall positive trends. U.S. cocaine use has dropped 39 percent since its peak last decade. Also, Colombia's coca production fell 25 percent from 2010 to 2011, lowering Colombia to third-largest producer in the world after (*more*→)

In Depth*Colombia and Peru on the Rise?*

In an era of emerging regional powers, expanding markets, and increasing foreign investment in Latin America, interest in such nations such as Brazil, Chile, and Mexico is understandable. Their growing economic power and political stability have made them prime locations for foreign direct investment (FDI) and, in the case of Chile and Mexico, free trade agreements. Fast on their heels, Peru and Colombia have emerged as low-risk economies; well-poised to be alternative targets for investment. Recent special reports by the *Wall Street Journal* classify Peru and Colombia as Latin America's new "tigers," pointing out their solid economic growth in the last year—Peru's economy grew 6.9 percent, and Colombia's rose 5.9 percent. Both are expected to continue expanding at similar rates in the near term, and both have strengthened their credit ratings. Stable currencies, lower debt, and manageable levels of inflation characterize these countries. Most important, both nations have growing middle classes and youthful populations with disposable incomes poised to stimulate growth through [consumer spending](#). Peru benefits from foreign investment in its mining sector. Colombia, on the other hand, expects strong economic growth in the agricultural and energy sectors, especially oil. Despite the optimism, both have large segments of the population living under the poverty line—45 percent in Colombia and 35 percent in Peru. A recent uptick in rural violence highlights continued security challenges in areas where the Colombian government would like to see settlement and industry. Regarding Peru, surging coca cultivation and drug trafficking in the Andean highlands may deter some investment there. Nevertheless, the emergence of Peru and Colombia as the new "tigers" of Latin America underscores the growing economic clout of Latin America. —**Janae Edwards**

In the News*Caribbean: Dominican Republic*

President-elect Danilo Medina expressed interest in working with the International Monetary Fund (IMF) to implement structural reforms during his administration. The Central Bank said that the IMF could send a mission to the Dominican Republic in September in an effort to assess macroeconomic conditions and draft recommendations.

—[El Nuevo Diario \(Dominican Republic\)](#)

Peru and Bolivia. Kerlikowske dismissed prospects of marijuana decriminalization or legalization in the United States, citing that neither “locking up [all] users” nor “legalization” would represent a viable solution for the country’s drug problem. To watch the full video or listen to audio from the event, click [here](#).

Is Haiti Progress on Track?



View Haitian Prime Minister Laurent Lamothe’s visit to CSIS on July 24 and decide the answer yourself by clicking [here](#).

Announcements

The next edition of *Hemisphere Insider* will appear after Labor Day.

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Jamaica

Jamaican prime minister Portia Simpson Miller signed a two-year agreement with the China Communications Construction Company (CCCC) for infrastructure development projects. CCCC is the state-owned parent of China Harbour Engineering Company, which currently has four infrastructure projects in Jamaica. —[Caribbean News \(USA\)](#)

Central America: Guatemala

Guatemala is improving its roads. The Central American Bank for Economic Integration approved a US\$120 million loan to fund roadway expansion on Guatemala’s west coast. Guatemala negotiated another US\$300 million loan with the National Development Bank of Brazil to improve a highway leading to the border with El Salvador. —[El Periódico \(Guatemala\)](#)

Honduras

The Honduran Congress approved contracts for 24 new renewable, mostly hydroelectric, energy projects that will start in the coming days. Worth about US\$1 billion, the projects are intended to provide electricity at reduced cost to several districts in the country. —[La Tribuna \(Honduras\)](#)

North America: Mexico

Handling 92 percent of maritime cargo in Mexico, four main ports now have equipment, personnel, and technical capacity to detect and intercept nuclear and other radioactive materials. The U.S.-sponsored Megaports program aims to prevent the illicit shipment of controlled materials, particularly by non-state actors. —[El Diario \(Mexico\)](#)

South America: Colombia

Mostly due to the falling price of oil, Colombia’s Central Bank sliced its main interest rate for the first time since 2010, cutting it to 5 percent. With inflation still at 3 percent, well within the Central Bank’s 2–4 percent target range, the seven-member board decided to act in the face of declining retail sales. —[Wall Street Journal \(USA\)](#)

CSIS Americas Program Salutes Outgoing Summer 2012 Intern Scholars



The summer 2012 intern scholars are, from left to right: Janae Edwards, Samuel Kareff, Maite Rabelo, and Siremorn Asvapromtada.

Americas Program Staff: Stephen Johnson, director; Michael Graybeal, program coordinator

Senior Associates: Anton Edmunds, George Grayson, Phillip McLean, Johanna Mendelson Forman, Carlos Regúnaga, Christopher Sands, Duncan Wood

Adjunct Fellows: Luis Carlos Ugalde, Amb. David Johnson

Intern Scholars: Douglas Farah

Intern Scholars: Siremorn Asvapromtada, Janae Edwards, Samuel Kareff, Maite Rabelo