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## FEATURED Q&A

# Is the Caribbean Prepared for Hurricane Season?



Among the locations hard-hit by hurricanes in recent years is Puerto Rico, which suffered tens of billions of dollars in damage and thousands of deaths because of Hurricanes Maria and Irma in 2017. // File Photo: U.S. Department of Housing and Urban Development.

**Q** A "normal" hurricane season, in line with the annual average of 12 tropical storms forming over the Atlantic Ocean, the Caribbean Sea and the Gulf of Mexico, is expected this year, according to the National Oceanic and Atmospheric Administration. What steps are Caribbean governments taking to prepare for the hurricane season? To what extent have hurricanes and tropical storms held back Caribbean countries' economic growth and social development over the years? What short-term and long-term measures should countries in the region implement to better deal with the preparation for, and recovery from, natural disasters?

**A** Ronald Sanders, ambassador of Antigua and Barbuda to the United States: "The failure of large industrialized countries to reduce greenhouse gas emissions drastically has increased and intensified hurricanes. Caribbean countries have learned that there is no 'normal' hurricane season. The effects of more powerful and destructive hurricanes are multidimensional, including: reversing economic growth; blighting future economic development by skyrocketing insurance premiums that discourage rebuilding; high construction costs to rebuild for greater resilience; insufficient access to concessional financing; the need for larger and more comprehensive country-risk insurance but insufficient revenues to pay the premiums; greater unemployment; enlarged poverty; emigration, particularly of skilled labor; weakened security and increased crime; and high debt due to commercial borrowing for repeated reconstruction. Preparing for these effects is beyond

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## TODAY'S NEWS

### ECONOMIC

## Mexico Reports Sharpest Drop in Industrial Output Since 2009

Mexico's National Statistics Institute attributed the drop in industrial production to a decline in construction activity and lower output in mining, manufacturing and utilities.

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### BUSINESS

## Pakistan Ordered to Pay \$5.8 Billion to Chile-Canada Joint Venture

A World Bank arbitration court ordered Pakistan to pay the damages to Tethyan Copper.

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## Guatemalan Gov't Postpones Meeting Between Morales, Trump

Guatemalan President Jimmy Morales' government said it was postponing a meeting with U.S. President Donald Trump that had been scheduled for today.

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Morales // File Photo: Guatemalan Government.

## POLITICAL NEWS

## Guatemala Postpones Meeting Between Morales, Trump

Guatemala's government announced Sunday that President Jimmy Morales was postponing a meeting that had been scheduled for today in Washington with U.S. President Donald Trump to discuss designating the Central American nation a "safe third country" for asylum seekers, Reuters reported. At the same time, Morales' government said it had no intention of signing such a deal with the United States. "The government of the republic reiterates that at no point it considers signing an agreement to convert Guatemala into a safe third country," Morales' government said. Guatemala said it was postponing the meeting between Morales and Trump until Guatemala's Constitutional Court could rule on legal challenges to such an agreement. Designating Guatemala a safe third country would mean that asylum seekers from Honduras, El Salvador and other countries

who are crossing Guatemala must apply for asylum there instead of doing so in the United States. Such a move could ease the crush of migrants at the U.S.-Mexico border. Critics of designating Guatemala a safe third country say the Central American nation does not have enough resources to help asylum seekers from elsewhere, given that thousands of its own citizens have fled this year, the Associated Press reported. Guatemala's secretary for presidential communication, Alfredo Brito, told the wire service that there was no new date for a rescheduled meeting between Morales and Trump.

## ECONOMIC NEWS

## Mexico's Industrial Output Sees Sharpest Drop Since 2009

Mexico's industrial production registered its sharpest drop in 10 years in May amid a decline in construction activity and lower mining,

## NEWS BRIEFS

## Venezuela Arrests Two Guaidó Security Guards

Venezuelan agents have arrested two security guards of opposition leader Juan Guaidó, the Associated Press reported Saturday. Guaidó, whom dozens of countries recognize as Venezuela's legitimate acting president, said the two guards had been detained in Caracas while they were providing security for his family. Venezuelan Socialist Party leader Diosdado Cabello said the men planned to sell four guns to the government that were used during Guaidó's failed April 30 military uprising. The opposition said the allegation is false.

## Brazil's Bolsonaro Denies Nepotism in Considering Son for Envoy to U.S.

Brazilian President Jair Bolsonaro said on Friday that the nomination of his son Eduardo to be ambassador to the United States was not an act of nepotism, Reuters reported. "Some people say that it is nepotism, but that's for the Supreme Court to decide," Bolsonaro said on a live social media broadcast. "It is not nepotism, I would never do that." Bolsonaro last week said he was thinking of nominating his son to the post.

## U.N. Security Council Voices Support for Colombia Peace Accord

The U.N. Security Council announced its "unanimous" support for Colombia's peace agreement with the former Revolutionary Armed Forces of Colombia, or FARC, guerrilla rebels, as well as its intention to extend the U.N. mission in the South American country, Semana reported Friday. Representatives of Security Council member countries visited Colombia last week, when President Iván Duque requested the U.N. mission that oversees the peace agreement's implementation remain in place for another year.

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the capacity of Caribbean countries that are the least contributors to greenhouse gas emissions but are among the greatest victims. Nonetheless, at national and regional levels, Caribbean countries have implemented policies and strategies both to try to withstand hurricanes and to deal with their consequences. These include new regulatory frameworks for stronger building codes and higher building construction standards and building national and regional humanitarian warehouses for storing basic necessities and emergency material for swift distribution. But the measures put in place are plasters for the enlarging effects of climate change that require a meaningful international response from the large, polluting industrialized countries. No country can prepare for the total devastation of an island such as occurred on Barbuda in 2017. U.N.

Secretary General António Guterres on July 4 made the point: 'The Caribbean experience makes abundantly clear that we must urgently reduce global emissions and work collectively to ensure that global temperature rise does not go beyond 1.5 degrees above pre-industrial levels.' Guterres also emphasized that, 'There is no way the countries of the Caribbean can recover from a devastating hurricane or systematically build resilience in relation to climate problems based on the unsustainable growth of their debt. This is a common responsibility that the international community needs to recognize.' In short, Caribbean countries have taken the steps their limited capacity allows; the global polluters, which have worsened hurricanes in the region, should be making a more worthwhile contribution."

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manufacturing and utilities output, The Wall Street Journal reported, citing figures from the National Statistics Institute released Friday. Industrial production fell 2.1 percent from April in seasonally adjusted terms, with construction falling 6.2 percent, mining down by 1.3 percent and output of manufactured goods by 0.2 percent. Utilities output fell 0.6 percent. It was the sharpest monthly decline since January 2009, at the height of the global financial crisis, when Mexico fell into a recession. Industrial production fell 3.1 percent year-on-year in May, also the sharpest annual decline in a decade, La Jornada reported. "The chances that Mexico slipped into a technical recession in the second quarter have risen," Capital Economics said.

#### BUSINESS NEWS

## Pakistan Ordered to Pay \$5.8 Bn to Chile-Canada Joint Venture

A World Bank arbitration court has ordered Pakistan to pay damages to Tethyan Copper, a joint venture between Chile's Antofagasta and Canada's Barrick Gold, the Chilean miner said on Friday, Reuters reported. The World Bank's International Centre for Settlement of Investment Disputes, or ICSID, had ruled against Pakistan in 2017 but until now had yet to determine the value of the damages, which it said was of \$5.8 billion. The case stems from the Pakistani's government unexpected refusal in 2011 to grant Tethyan a mining lease needed for the miner to keep operating in a vast mineral wealth in Reko Diq, near Pakistan's border with Iran and Afghanistan, which it had discovered. The deposit was set to rank among the world's largest untapped copper and gold mines, according to the report. Tethyan argued that it had invested more than \$220 million by the time Pakistan refused its mining lease, citing security and opposition from local communities as the reasons for its decision, among others, the Financial Times reported. Tethyan board chair William Hayes said in a statement that the company was still "willing to strike a deal with Pakistan," Reuters reported.

## CAPITOL HILL WATCH

A Look at U.S. Congressional Activity on Latin America

### U.S. Immigration Policies Causing Lifelong Damage for Children: Cummings

U.S. President Donald Trump's immigration policies are causing lifelong damage on children separated from their families and worsening conditions at overcrowded and unsanitary detention facilities at the U.S.-Mexico border, Rep. Elijah Cummings (D-Md.) said Friday during a hearing on the surge of migrant flows into the United States, the Associated Press reported. Cummings, the panel chairman, said last year's child separation policy inflicted psychological damage to children that could last "until they die." Democrats recently released a report on 2,648 of the children the Trump administration separated from their families before abandoning the policy following a public outcry against it. Eighteen children under the age of two, of which half were just months old, were kept from their parents for as long as six months, and 25 were kept for more than a year, according to the report.

### Sanctions Not Responsible for Venezuela's Economic Problems: Rubio

U.S. sanctions on Venezuela are not responsible for the South American country's economic demise, Sen. Marco Rubio (R-Fla.) said last Thursday on Twitter. "#Venezuela humanitarian catastrophe is NOT the result of U.S. sanctions," he said on the social platform, adding that, "Oil money wasn't reaching the people well before sanctions 5 months ago." The post was in response to an opinion piece by Francisco Rodríguez, a former head of Venezuela's congressional budget office, published in The New York Times last week. In the article, Rodríguez argues that U.S. sanctions have generated suffering for Venezuelans without removing President Nicolás Maduro from power and warns of dire consequences such as famine. The administration of U.S. President Donald Trump has imposed sanctions banning Venezuelan state oil company PDVSA from doing business with U.S. companies, in addition to several individual sanctions on Maduro's inner circle, including, most recently, his son.

### House Hispanic Caucus Blasts Trump's Agenda on Immigrants

The U.S. House of Representative's Hispanic Caucus on Friday condemned President Donald Trump's "anti-immigrant agenda." In a video posted to Twitter, the caucus' lawmakers blast the president's policies regarding a citizenship question in the 2020 census and raids by Immigration and Customs Enforcement, or ICE, to deport illegal migrants. "As the only Central American in Congress, this is very personal to me," said Rep. Norma Torres (D-Calif.), adding that it is "unfortunate" that Trump "has benefited so much from immigrant families for years and has created a fortune around hiring low-wage workers and taking advantage of them." Torres said this is "not just an attack on vulnerable people" but also an attack on the U.S. economy.

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**A** **Magda Theodate, senior international trade lawyer and procurement consultant and director of Global Executive**

**Trade Consulting:** “The Caribbean Disaster Emergency Management Agency (CDEMA) has taken the lead in preparations for the 2019 hurricane season by: 1.) Signing memorandums of understanding for emergency preparations with AirBnB, the government of the Netherlands (to cooperate with the Dutch Antilles), UNICEF and World Food Programme; 2.) Exploring the use of social protection programs to provide relief during emergencies; 3.) consulting with participating states to integrate disaster risk reduction and environmental protection measures for schools; 4.) training two dozen military, police and fire personnel on disaster response; and 5.) collaborating with national emergency management organizations for new public service announcements for hurricanes, earthquakes and tsunamis. Hurricanes and tropical storms bring both humanitarian and financial pressures to the region. We all know storms cause injuries and loss of life, which are traumatic for families, but they also have a financial impact. Recent ‘mega storms’ have caused billions of dollars in loss of business, employment and infrastructure. The Caribbean’s structural challenges also expand with each storm, resulting in higher costs of energy, health care and housing. Further, recovery takes time, and governments are often left with unenviable choices over where to apply valuable and limited resources. When earnings and profits falter as a consequence of storms, the region is set back as people and businesses move elsewhere to pursue new opportunities. The measures governments could take include: engaging with other regions that have a successful history efficiently managing recovery from natural disasters; building partnerships with private sector for improved recovery logistics; strengthening civil defense plans and training; limiting the

scope of foreign military interventions for relief efforts; and investing in renewables to promote environmental sustainability.”

**A** **Malu Blázquez, executive director of Relmágina Puerto Rico:** “Puerto Rico is preparing once again for hurricane season.

However, after the fierce impacts of Hurricanes Irma and María in September 2017, we realized we must do things differently in order to be better prepared. Hurricane María caused a complete loss of power (the longest in U.S. history), many deaths and severe devastation, estimated at \$94.4 billion. Puerto Rico was already immersed in economic and financial crises in 2017, when the impact of Hurricane María negatively affected our economy and created a humanitarian crisis. The severity of the impacts highlighted the island’s social, physical and natural infrastructure vulnerability and lack of preparedness to extreme weather events. Almost two years later, we are expecting to receive significant federal, private and philanthropic funds to rebuild a new Puerto Rico. Puerto Ricans realized certain investments are needed to be better prepared and resilient, so that we can recover quickly and continue to operate. Many businesses, NGOs and residents, as well as the government of Puerto Rico, realized the need to invest in backup energy systems (generators, solar panels and batteries), backup water and telecommunications systems and update emergency preparedness and continuity of operations plans. The government of Puerto Rico must ensure it identifies and prioritizes these resiliency investment measures in critical infrastructure and that it coordinates and collaborates with NGOs, private and community organizations in recovery and rebuilding efforts. We need to maximize investments for a stronger Puerto Rico by helping rebuild the island on a more solid, fair and resilient foundation.”

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