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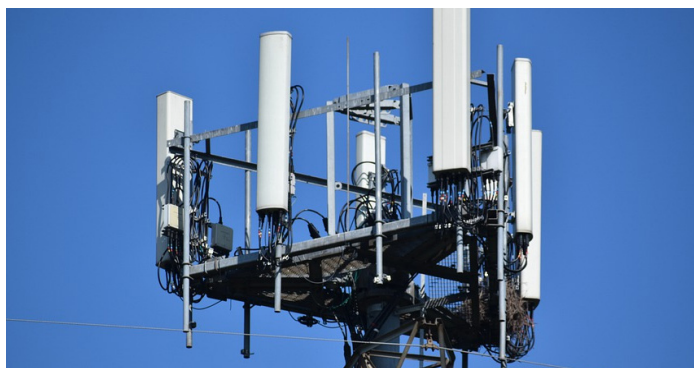
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FEATURED Q&A

What Will Rollout of 5G Networks Mean for Brazil?



Brazil is scheduled to hold its auction for 5G spectrum in July, the government recently announced. // File Photo: Pixabay.

Q Brazil will hold its spectrum auction for 5G networks next month, Communications Minister Fábio Faria recently announced, adding that he expects all state capitals in the South American nation to have standalone 5G working by July 2022. Is Brazil expected to attract a significant number of bidders in its 5G spectrum auction next month? What challenges must still be overcome to make 5G a reality in Brazil? To what extent, and in what ways, will the rollout of 5G technology be transformative for Brazil's economy?

A Artur Coimbra de Oliveira, secretary of telecommunications in Brazil's Ministry of Communications: "The implementation of 5G in Brazil depends on the bidding of radio frequency use authorizations in the 700 MHz, 2.3 GHz, 3.5 GHz and 26 GHz bands, popularly known as the 5G auction. In Brazil, at first, 5G technology will be explored mainly through the 3.5 GHz band and also through the 26 GHz band. Anatel's board of directors has already approved the draft tender notice, which is under review by the Federal Court of Auditors. The auction could be held within six weeks of the court's approval. Regardless of the date of the auction, however, the draft notice establishes that the companies that win bids for the 3.5 GHz band will have to start 5G mobile service in the state capitals and Brasília by July 31, 2022. The draft notice also says 5G coverage will be expanded gradually, reaching all Brazilian municipalities by Dec. 31, 2029. Apart from the auction, the implementation of 5G in Brazil depends on municipal governments' observance of

Continued on page 2

TODAY'S NEWS

POLITICAL

Nicaragua Arrests Fifth Potential Presidential Candidate

Nicaraguan authorities arrested Miguel Mora, the fifth presidential hopeful to be detained this month. Authorities have arrested 17 people this month in the crackdown.

Page 2

ECONOMIC

Wealthiest in Region Should Pay 'Much More': IMF's Werner

The wealthiest Latin Americans should pay "much more" in taxes, said top IMF official Alejandro Werner.

Page 3

POLITICAL

Venezuelan Opposition to Discuss Sanctions in U.S., Brussels

Venezuelan opposition members will discuss the lifting of sanctions with officials in Washington and Brussels, said opposition leader Juan Guaidó.

Page 2



Guaidó // File Photo: Facebook Page of Juan Guaidó.

POLITICAL NEWS

Nicaraguan Agents Arrest Fifth Potential Presidential Hopeful

Nicaragua's government continued its crackdown on the opposition over the weekend as authorities on Sunday night arrested a fifth potential presidential candidate, journalist Miguel Mora, Agence France-Presse reported. Mora was detained at his home on charges of "inciting foreign interference in internal affairs and requesting military intervention," authorities said. Mora's arrest raised to at least 17 the number of opposition figures that authorities have arrested since the beginning of this month. The detentions come five months before Nicaragua's Nov. 7 presidential election, in which President Daniel Ortega is

CORRECTION

In the Featured Q&A of last Friday's issue, the Advisor mistakenly published the wrong version of a commentary by Jonathan Heath, deputy governor of the Bank of Mexico. The corrected issue is available [here](#), and we apologize for the mistake to Mr. Heath and our readers.

FEATURED Q&A / Continued from page 1

rules established in federal standards that deal with the implementation and sharing of telecommunications infrastructure, which aim to stimulate the expansion of networks. The rules issued by the federal government seek to harmonize and simplify the rules and procedures for the implementation of telecommunications network infrastructure throughout the country, in order to promote the expansion of network coverage and improving the quality of services provided to the population. Due to features including high data transmission rates and low response time, 5G technology offers a wide range of possibilities for use by people and

widely expected to seek a fourth term. Mora was the director of television channel 100% Noticias, which Ortega's government shut down in 2018, the Los Angeles Times reported last year. Mora was previously detained that year as part of a crackdown on wide-scale anti-government protests, which left 325 people dead, AFP reported. Mora was among those freed six months later in a prisoner amnesty. This month's detentions of people who could challenge Ortega started on June 2 with that of Cristiana Chamorro, who was placed on house arrest. The arrests stem from a law that Nicaragua's National Assembly passed in December purporting to defend the country's "sovereignty." The assembly is dominated by Ortega's supporters.

Brazil Surpasses 500,000 Deaths From Covid-19

Brazil, among the countries hit worst by the Covid-19 pandemic, over the weekend surpassed 500,000 deaths from the disease, the Associated Press reported. As the country passed the grim milestone, protesters took to the streets in Brasília and at least 22 of Brazil's states, blaming President Jair Bolsonaro. In Rio de Janeiro, thousands demonstrated, including

also by machines. The innovative services provided through the 5G networks will contribute to increasing the efficiency of various activities, enabling the digital transformation of the Brazilian economy and benefiting the entire society."



Oliver Della Costa Stuenkel, associate professor at the School of International Relations at the Getúlio Vargas Foundation:

"The announcement that Brazil's spectrum auction for 5G networks will take place in July is good news after delays had threatened to turn the country into a laggard. The

Continued on page 4

NEWS BRIEFS

Venezuelan Opposition to Discuss Sanctions With Officials in U.S., Brussels

A committee of Venezuelan opposition figures will travel to Washington and Brussels in a bid to secure support and consult allies on their thoughts about eventually lifting sanctions on the South American country, opposition leader Juan Guaidó said Friday, Reuters reported. He said the group has also been meeting with Norway in recent weeks as it seeks to establish a dialogue with President Nicolás Maduro. Guaidó last month said he would support a progressive lifting of sanctions on Maduro's government if the president agrees to hold "free and fair" presidential elections.

At Least 27 Dead as Bus Carrying Mine Workers Runs Off Road in Peru

At least 27 people were killed and at least 13 others were injured Friday in Peru when a bus carrying mine workers ran off a road, the Associated Press reported, citing Hochschild Mining and local officials. The crash happened in Lucanas province. The workers aboard the bus were traveling from the Pallancata gold and silver mine to the city of Arequipa. Police said it was unclear what caused the crash.

Gunmen Firing From Cars Kill 18 in Mexican Border City of Reynosa

A series of attacks by gunmen firing from cars in several neighborhoods of the northern Mexican city of Reynosa left 18 people dead, state security forces said on Sunday, Reuters reported. The incidents, which took place a day earlier, were committed by "individuals who were aboard several vehicles," according to a group of security forces of the border Tamaulipas state. Members of the army, state police and National Guard police officers were deployed to the area following the attacks.

some with signs reading “500 thousand deaths. It’s his fault.” Brazil has been registering nearly 100,000 new infections and some 2,000 deaths every day. Brazil has recorded more than 501,000 deaths from Covid-19, more than any other country except the United States, which has more than 601,000, according to Johns Hopkins University.

BUSINESS NEWS

Mexico to Probe Alleged Violations at Auto Parts Factory

Mexican officials said Saturday that they would investigate alleged violations of labor rights at the Tridonex auto parts factory in the northern city of Matamoros, following a request by the U.S. government to review the facility under the terms of the United States-Mexico-Canada Agreement, or USMCA. The Office of the U.S. Trade Representative last week made the request, the second one it has filed under the labor provisions of the new trade accord. The Mexican government said it would review whether workers at Tridonex had the right to freedom of association and collective bargaining. [Editor’s note: See related [Q&A](#) in the June 2 issue of the Advisor.]

ECONOMIC NEWS

Region’s Wealthiest Should Pay More in Taxes: IMF’s Werner

Latin America’s wealthiest should pay “much more” in taxes, the outgoing head of the Western Hemisphere department at the International Monetary Fund said in an interview with the Financial Times published today. Alejandro Werner, who is stepping down from his post in August after eight years, added that Latin America, the world’s most unequal region, will not develop unless a fairer economic system is

THE DIALOGUE CONTINUES

Does Colombia Need to Overhaul its National Police?

Q **Colombian President Iván Duque on June 6 announced a police reform initiative in response to myriad accusations of human rights violations during anti-government protests that began in April. The announcement came after a national strike committee, which includes unions, student groups and other civil society organizations, halted talks with the government aimed at ending the demonstrations. Is an overhaul to Colombia’s police system needed, and to what extent will the proposed reform have significant results? What are the most important components of Duque’s proposal, and does it effectively respond to protesters’ concerns? What else should the government do to curb human rights violations and instances of police brutality in the Andean nation?**

A **Gimena Sánchez-Garzoli, director for the Andes at the Washington Office on Latin America:** “The Duque administration should have advanced police reforms after the death of Dilan Cruz in November 2019. Perhaps this could have prevented or

at least mitigated the abuses that took place during the 2020 protests and 2021 national strike. While police reform is welcome, like all Colombian initiatives, the devil will be in the details, as well as what is actually implemented, not what is announced in the media. For the reform to be effective, it will require input and buy-in from civil society experts and stakeholders, including human rights organizations and victims’ families. On the proposals released to the media, it is concerning that a directive is formed that talks about international humanitarian law, but there is insistence in militarizing the police. Internal reforms should be based not on results and efficacy but rather on sanctioning members who commit abuse. Human rights violations should be investigated through ordinary justice. Racial sensitivity, gender and LGBT training is required. International standards should be applied, not just ‘best practices’ from other countries.”

EDITOR’S NOTE: The comment above is a continuation of the [Q&A](#) published in the June 17 issue of the Advisor.

installed. He said recent unrest in Latin America emphasized the need for a much more equal distribution of income, adding that a good place for the region to start is on what he said were “underused” property taxes. “You need to have a much more progressive taxation system where ... the upper segments of the population pay much more and then you have to have an economic system in which economic competition is much stronger than it is today,” Werner told the newspaper. “Latin America cannot be the most unequal region in the world and jump into the next stage of economic development,” he added. Amid the pandemic, countries including Argentina, Bolivia, Chile and Peru have either implemented or are considering

so-called “Robin Hood” taxes, or levies that are raised on high-net-worth individuals. As Latin America deals with the economic consequences of Covid-19, “all efforts should be made to secure a sustainable recovery that may imply an expansive policy and thus a reduction—not a hike—in taxes,” Maria F. Valdés, coordinator of tax issues at Friedrich-Ebert-Stiftung in Colombia, told the Advisor in a [Q&A](#) published March 4. “However, most Latin American countries’ debts are reaching unsustainable paths, and a wealth tax or an excess profits tax looks like a good alternative that allows countries to increase tax revenue without compromising low- and middle-class consumption,” Valdés added.

FEATURED Q&A / Continued from page 2

regulator's decision that operators will have to deploy standalone 5G networks—rather than use dynamic spectrum sharing (DSS) technology, which permits that 4G and 5G utilize the same spectrum band—is ambitious but also makes deployment more costly. Once successfully implemented, however, 5G technology is likely to have a significant impact on many areas of Brazil's economy, including agriculture, and large farms are eager to utilize the new technology to enhance productivity, for example by using drones to monitor crops. The logistical challenge is enormous and involves, for example, providing broadband connectivity along all federal highways and the installation of thousands of kilometers of optical fiber cabling in river beds in the Amazon. Yet despite these efforts of digital inclusion, there is a risk that the arrival of 5G will deepen the digital divide in the country, boosting innovation in rich urban areas while leaving less affluent rural regions behind. About 40 million Brazilians—about 20 percent of the population—still lack Internet access. Particularly in remote areas, however, 5G also represents an opportunity for the government to provide better public services, ranging from public health to education, two areas severely affected by the pandemic.”

A **Lourdes S. Casanova, senior lecturer at the S.C. Johnson College of Business and Gail and Roberto Cañizares Director of the Emerging Markets Institute at Cornell University:** “In spite of all the rumors saying that the auction may be rescheduled, the Brazilian government is pushing ahead with the spectrum auction for the award of 5G frequencies. As part of the agreement, Brazil's communications minister, Fábio Faria, wants all state capitals to have 5G stand-

alone working in a year, and operators will also be obliged to cover the Amazon region with broadband and deploy a network for the federal government as well. Brazil's bet on 5G will have a great influence in improving Internet access and speed. In a moment of electrical vehicles and the Internet of Things, having 5G is essential for the digitalization

“**Having 5G is essential for the digitalization of the Brazilian economy.”**

— **Lourdes S. Casanova**

of the Brazilian economy. Last year, and in line with President Trump's views, Brazilian President Jair Bolsonaro criticized Chinese company Huawei. It seems that he wanted to allow Huawei to participate only in local 5G auctions, not national ones. Huawei arrived in Brazil more than 20 years ago and provides about 50 percent of the telecom equipment to the main Brazilian telecom operators, Telefónica (Vivo), América Móvil (Claro), Oi and Telecom Italia. Also, China is Brazil's main trade partner and, in the last year, exports from Brazil to China have increased. However, Anatel, the Brazilian telecom operator regulatory agency, has opened the 5G auction to all companies. Brazil is Latin America's biggest economy, and this decision may influence the rest of the region, where Huawei is a major telecom equipment provider and, after this decision, will continue to be so.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Anastasia Chacón González

Reporter & Associate Editor
achacon@thedialogue.org



Michael Shifter, President

Rebecca Bill Chavez, Nonresident Senior Fellow

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