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FEATURED Q&A

How Quickly Is Tourism Bouncing Back in the Region?



Tourism in Latin America and the Caribbean suffered staggering losses amid the Covid-19 pandemic. Low vaccination rates in the region could slow the sector's recovery, Jamaica's tourism minister says below. // File Photo: Bahamas Ministry of Tourism.

Q **Losses from tourism amid the Covid-19 pandemic could cost global gross domestic product more than \$4 trillion for 2020 and 2021, the United Nations Conference on Trade and Development said in a June 30 report. The report said the Caribbean has been among the least-affected tourism destinations in the world. However, on the same day, the Pan American Health Organization discouraged leisure travel in the Americas, saying vaccination rates in Latin America and the Caribbean are low and infection rates are rising. To what extent is tourism reviving in Latin America and the Caribbean—and what will that mean for that sector, and for infection rates? How adequate are health safeguards taken by companies and countries in the region? What would be the economic impact of continued tourism-sector losses this year in the region?**

A **Edmund Bartlett, Jamaica's minister of tourism:** "The full scale of the economic impact of the Covid-19 pandemic on tourism destinations across Latin America and the Caribbean can only be measured by analyzing the pandemic's total economic impact, including direct, indirect as well as induced effects. Beyond direct employment, income and gross domestic product, the tourism sector forges linkages with other segments of the regional economy, such as agriculture, manufacturing, entertainment, the cultural and creative industries and transportation. Through these linkages, additional income, employment and GDP are generated. Unfortunately, low vaccination rates have hampered the prospect of recovery for tourism in the region. Only about a tenth of the region's population has received at least one dose of

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TODAY'S NEWS

POLITICAL

One Dead, at Least 140 Detained or Missing in Cuba

One person has been killed and at least 140 others have been arrested or are missing following massive anti-government demonstrations in Cuba.

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ECONOMIC

Lobbying Group Lauds Brazil's Move on Biodiesel

An official at Brazilian oilseeds lobby group Abiove applauded the government's move to increase the mandatory blend of biodiesel into diesel to 12 percent, calling it a "positive development."

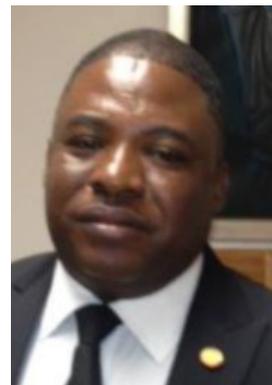
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POLITICAL

Haiti Seeking Five Fugitives in Connection With Moïse's Killing

Haiti's national police force is seeking five people in connection with last week's assassination of President Jovenel Moïse. Among them is opposition politician John Joël Joseph.

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Joseph // File Photo: Facebook Page of John Joël Joseph.

POLITICAL NEWS

One Dead, More Than 140 Arrested or Missing in Cuba

At least one person is dead and more than 140 people have been arrested or reported missing amid rare anti-government demonstrations in Cuba, BBC News reported Tuesday. Diubis Lauerencio Tejada, 36, was reportedly killed Monday in a clash between police and protesters outside Havana. Cuba's interior ministry did not specify Tejada's cause of death, but it alleged that he was among a group that attacked a government facility. Witnesses, however, said Tejada was killed when Cuban security forces attacked protesters, BBC News reported. State media reported that several other people, including members of security forces, had been injured in the incident in the La Güinera suburb of the capital. Massive demonstrations erupted across Cuba on Sunday, but they largely died out by that evening as Cuba's government deployed forces into the streets. Thousands of people joined the protests, the largest in Cuba in decades. Hundreds filled the streets in La Güinera, shouting chants such as "down with communism" and "freedom for the people of Cuba," Reuters reported, citing two residents and video footage of the demonstrations. Some protesters threw rocks at security forces, who responded by opening fire, one resident told the news service. Cuba's government restricted access to social media and messaging platforms including WhatsApp and Facebook, according to NetBlocks, a global Internet monitoring firm, Reuters reported. Cubans have endured a deep economic crisis, including shortages of many basic goods, and power outages have also hit the island. Protesters have also been angered by the government's handling of the Covid-19 pandemic and restrictions on civil liberties. Cuba's government has blamed the United States for the protests, accusing Washington of financing counterrevolutionaries in Cuba. On Monday, U.S. President Joe Biden expressed support for Cubans amid the protests. "We stand with the Cuban

people and their clarion call for freedom and relief from the tragic grip of the pandemic and from the decades of repression and economic suffering to which they have been subjected by Cuba's authoritarian regime," Biden said in a statement. "The Cuban people are bravely asserting fundamental and universal rights. Those rights, including the right of peaceful protest and the right to freely determine their own future, must be respected. The United States calls on the Cuban regime to hear their people and serve their needs at this vital moment rather than enriching themselves." On Tuesday, the U.S. State Department said it was considering several options in order to help Cubans. People on the island have "profound" needs because of the "actions and inactions, mismanagement, corruption of the Cuban regime," said State Department spokesman Ned Price, CNBC reported.

Haiti Seeking Five Fugitives in Probe of President's Killing

Haiti's national police force is seeking five fugitives allegedly linked to the killing of President Jovenel Moïse a week ago, including a former Haitian senator, a fired government official and an informant of the U.S. government, the Associated Press reported. Police said the fugitives are armed and dangerous. Among them is former Senator John Joël Joseph, a well-known opposition politician. Suspects also include Joseph Felix Bladio, a former employee of Haiti's Ministry of Justice who joined the government's anti-corruption unit in March 2013. Bladio was fired in May over what the unit called "serious breaches" of undetailed ethical rules. A third suspect is Rodolphe Jaar, who was born in Haiti and speaks English but is not a U.S. citizen. Jaar, also known as "Whiskey," was indicted in 2013 in federal court in South Florida on charges of conspiring to smuggle cocaine from Colombia and Venezuela through Haiti and into the United States. He pleaded guilty and was sentenced to nearly four years in prison. At Jaar's 2015 sentencing hearing, his attorney told the court

NEWS BRIEFS

Mexico Reports Largest Daily Jump in Covid-19 Cases Since February

Mexico on Tuesday reported the largest daily increase in new Covid-19 cases since February, with health ministry data showing the number of reported infections up by 11,137 in the previous 24-hour period as well as deaths linked to Covid-19 up by 219, Reuters reported. Mexican Deputy Health Minister Hugo López-Gatell, who has been in charge of managing the pandemic, said in a statement that, compared to earlier waves of infection, there were 75 percent fewer hospitalizations and deaths due to the vaccination rollout.

Peru Tribunal to Name Winner of Presidential Election on July 20

Peru's new president will be announced on July 20, the country's electoral tribunal said Tuesday after more than a month of delays in the proclamation of an official winner, the Buenos Aires Times reported. Socialist Pedro Castillo maintained a razor-thin edge of just around 44,000 votes over right-wing rival Keiko Fujimori as ballot-counting in the June 6 election closed, but Fujimori challenged the results, alleging fraud. Election jury officials have been examining disputed ballots, which could potentially overturn Castillo's victory. The new president is set to be sworn in on July 28.

Itaú Corpbanca Shareholders Approve Capital Increase

Shareholders of Chile's Itaú Corpbanca on Tuesday approved a \$1.1 billion capital increase, the bank said in a filing with regulators, Reuters reported. The capital increase is part of the bank's efforts to boost growth and also adhere to Basel III capital requirements, the lender said. The bank operates in Chile, Colombia and Panama.

that Jaar had been a confidential source for the U.S. government for several years before his indictment. Also on Tuesday, the U.S. Drug Enforcement Administration confirmed that one of the Haitian-Americans arrested in connection with Moïse's assassination had "at times" worked as an informant and had reached out to his contacts at the DEA following the murder, CNBC reported. The anti-drug agency also said it was aware of reports that the suspects reportedly yelled "DEA" during the attack but said the individuals were not acting on its behalf. Tensions continue to build in Haiti as Moïse's killing has left a power vacuum, with at least three officials claiming to be the legitimate head of government, the AP reported.

ECONOMIC NEWS

Lobbying Group Lauds Brazil's Move on Biodiesel Blend

An official at Brazil's oilseeds lobby Abiove on Tuesday responded to the government's move to raise the mandatory blend of biodiesel into diesel from 10 percent to 12 percent, a lower figure than expected, calling it a "positive development" although he said the industry was ready for a 13 percent blend, Reuters reported. "The Brazilian biodiesel industry is entirely prepared for delivering the 13 percent mixture," Daniel Amaral, chief economist at Abiove, said in a statement on Tuesday. "Yet raising the blend to 12 percent is already a positive development that stimulates soy processing and grain use in Brazil." His comments came after the Mines and Energy Ministry announced a day earlier that Brazil's National Energy Policy Council, or CNPE, had decided to increase the biodiesel level to 12 percent rather than 13 percent in a bid to "avoid an excessive increase" in retail prices of diesel, Biodiesel Magazine reported. Approximately 70 percent of the South American nation's biodiesel is produced from soy oil, whose prices have surged amid strong demand and tight supply of soybeans.

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the vaccine. As more and more citizens from major source markets such as the United States, Canada and the United Kingdom are fully vaccinated, the fear is that those seeking to make international trips will overlook Latin American and Caribbean destinations in favor of destinations with high vaccination coverage. The tourism-dependent Latin America and Caribbean region is thus likely to experience the negative impacts of the crisis for much longer than other economies. This is why I caution against a wholesale designation of destinations in the region as being unsafe for leisure travel. The efforts of individual countries in terms of adopting strict health and safety protocols that have kept both tourism workers and visitors safe, and infection rates within the sector low, must be recognized. It is also equally important that there is sensitivity to the moral failure that has disproportionately affected developing countries associated with the uneven global distribution of vaccine supplies. Against this backdrop, Latin American and Caribbean tourist destinations that are Covid-resilient, measured by infection rates within the tourism sector, must be given the necessary international support so that they may recover in the shortest time possible as the livelihoods of millions of people in the region now hang in the balance."

A Katherine E. Bliss, senior fellow at the CSIS Global Health Policy Center: "Lockdowns, border closures and the suspension of regional and international air travel after the World Health Organization declared the Covid-19 outbreak to be a pandemic have dealt a severe blow to the region's tourism industry. In 2019, the tourism economy represented 10 percent of GDP in Latin America and 26 percent of GDP in the Caribbean, where nearly one-fifth of employment was linked to the sector. After the outbreak of Covid-19, the World Travel and Tourism Council estimated losses of more than 12 million tourism-associated

jobs in Latin America and the Caribbean, with an estimated cost of \$230 billion to the region's economy by the end of 2020. While many countries have recently relaxed border restrictions and established Covid-19 task forces to coordinate activities among hotel and travel industries, public health agencies and transportation authorities in an effort to renew the flow of tourism, the low level of Covid-19 vaccine coverage in most countries of the region, a persistent high number of Covid-19 cases and circulation of highly transmissible viral variants is likely to keep the brakes on tourism for the foreseeable future. Providing credit and support to enable the battered industry to retain skilled personnel, educating the tourism work force on Covid-19 prevention and mitigation strategies and developing regional standards related to testing requirements, hygiene protocols and cross-border travel can help the sector weather the pandemic crisis. Securing sufficient access to Covid-19 vaccines and ensuring their efficient and equitable delivery will be critical to restoring and sustaining tourism-related income in the long run."

A André Pousada, associate vice president of government relations for Latin America and the Caribbean at Royal Caribbean Group: "Tourism has long been a catalyst for economic development, helping to diminish social disparity around the world and generating millions of direct and indirect jobs. With this unprecedented epidemiological global crisis, tourism came to a grinding halt. According to various world tourism reports, the industry suffered a decline of between 66 percent and 80 percent. However, we have seen again and again how resilient the tourism industry is during times of economic, geopolitical and natural disaster. The cruise industry, as well as so many Caribbean and Latin America destinations reliant on cruise tourism, have been severely affected after a 16-month

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shutdown of operations in the region. We have used this time rigorously, planning and preparing for a healthy return and collaborating with destination partners to ensure the health and safety of our crew, our guests and the communities we visit. For months, we have already been sailing successfully in other parts of the world and feel confident that the best practices learned and tested have prepared us well for our return to this region. As much as 80 percent of the income in these destinations relies on tourism. Covid-19 vaccines are indeed a game changer and vital to the recovery of tourism and the economic health of tourism destinations. For decades, cruise lines have worked hand in hand with Caribbean nations to provide outstanding experiences for guests from all over the world. We continue to build on these strong relationships to tackle and overcome adversity together. Latin America's diversity of landscapes, culture, history and way of life continue to make it an incredibly appealing destination for cruise visitors. And while 2021 is still the year for recovery and rebounding, we can say with great optimism that cruising in the region is back, and the future looks brighter than ever."

A Ricardo Izurieta, professor at the College of Public Health at the University of South Florida: "Pandemics have historically affected tourism services and commercial trade. The Americas have been recognized for their achievements in eradicating, eliminating and controlling various pandemics and epidemics, including smallpox, poliomyelitis, measles, rubella, cholera, yellow fever, onchocerciasis and malaria, among others. The current Covid-19 pandemic has upended world tourism more than any other pandemic in modern history and has left strong lessons, such as accepting that economies depend on the health of our global and local communities. The limited economic conditions of Latin American countries constitute the main barrier to have access to preventive

and health care services. The tourism sector in Latin America for decades has taken for granted the advances in the control of infectious diseases in the region. We hope the tourism industry has learned the lesson that public health is not an expenditure, but rather an investment. Evidence of this main concept is the considerable expenditures by the tourism sector in the control of vector-borne diseases in Florida. Therefore, to reactivate the global economy and its tourism sector, it will be necessary to invest in public health and bring the pandemic under control."

A Eliseo Llamazares, partner and head of Latin America aviation and tourism at KPMG: "The United Nations' comment may be influenced by the fact that the tourism industry in Latin America, with exceptions such as Mexico or the Dominican Republic, represents a small part of the region's GDP. However, the impact has been very relevant, as companies in Latin America haven't received enough liquidity stimuli to support the crisis. Some Caribbean countries have been able to motivate tourism. Despite the slow pace of vaccination of their populations, they have prioritized personnel in this industry, which has generated a rapid recovery of confidence on the part of tourists. The outlook for the next few months is positive. Latin America is specialized in 'outdoor' tourism, such as beaches, national parks and adventure trips. These make up the main recovery trends in the industry. On the demand side, the United States has a very high vaccination rate, which has motivated the increase in flights outside the country. However, countries such as Brazil and Argentina, which were the major tourism-issuing countries in South America, remain in a very complex epidemiological situation. If at some point restrictions resume, as has happened in Argentina and Chile, this industry with a large number of microenterprises and without the capacity for private financing could suffer."

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