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FEATURED Q&A

Can Venezuela Cope With a New Disease Epidemic?



Cases of malaria, which is spread by the Anopheles mosquito, are on the rise in Venezuela. // File Photo: U.S. Centers for Disease Control.

Q Venezuela's public health indicators are getting worse by the day. The number of malaria cases has soared 69 percent over the past year, the World Health Organization warned April 24, and the highly contagious measles virus, which the WHO two years ago had declared Latin America to be free of, has infected more than 800 Venezuelans since last June. The flood of Venezuelan migrants leaving their home country is also contributing to the spread of diseases to other nations, the U.N. agency said. What needs to be done to fight malaria and other infectious diseases in and around Venezuela? To what extent will Venezuelan President Nicolás Maduro's government work with the international community to control outbreaks? How prepared are Venezuela's neighbors to deal with the medical needs and health consequences of fleeing migrants?

A Katherine Bliss, principal at Girasol Global Policy Consulting and senior associate at the CSIS Global Health Policy Center: "A few decades ago, Venezuela's health system was one of the region's strongest, with a model malaria program and wealthy foreigners traveling to Caracas for medical treatment. Under Hugo Chávez, programs to ensure the poor benefited equally from healthcare further extended services into urban slums and remote rural areas. But since the collapse of the country's economy following the rise of Nicolás Maduro, the health system has fallen apart. Increasing rates of malaria, tuberculosis and HIV/AIDS, the return of vaccine-preventable diseases such as measles and diphtheria, and higher numbers of

Continued on page 2

TODAY'S NEWS

POLITICAL

Tens of Thousands Take to Streets in Nicaragua Protests

The march was one of the largest since violent protests broke out last month, which left at least 43 people dead, over planned pension reforms and other grievances with the government of President Daniel Ortega.

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ECONOMIC

Mexico Inflation Rises at Slowest Rate Since 2016

The new data should assure central bankers that inflation is easing after sharp increases last year, analysts said.

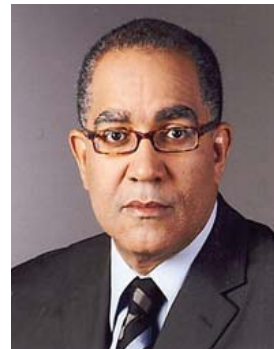
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ECONOMIC

Jamaican Gov't Worried About Rising Oil Prices

Rising oil prices present a risk to Jamaica's economic growth, Bank of Jamaica Governor Brian Wynter said Wednesday. Oil prices have risen 25 percent since January, causing concerns over growth projections set on prices at \$56 per barrel.

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Wynter. // File Photo: Jamaican Government

POLITICAL NEWS

Tens of Thousands Take to Streets for Nicaragua Protests

Tens of thousands of Nicaraguans took to the streets of Managua Wednesday to protest political repression by authorities that left at least 43 dead in street violence last month, La Prensa reported. The march was one of the largest since unusual protests broke out last month over planned pension reforms and other grievances with the government of President Daniel Ortega. Supporters of Ortega held a concert in another part of the city and steered clear of direct conflict with the protesters, the Associated Press reported. Four police officers, two of them women, were shot at on Wednesday following the anti-government protest, but officials said the attack was not related to the march, BBC News reported. "A group of vandals... fired their guns at a police patrol which was directing traffic," Deputy Police Director Francisco Díaz said. President Ortega, who has governed Nicaragua for much of the past 40 years, has revoked the plans to overhaul the pension system and promised to install a truth commission to investigate the violence, but the moves thus far have failed to quell the protests. [Editor's note: See related [Q&A](#) in the April 30 edition of the Advisor.]

ECONOMIC NEWS

Mexico Consumer Prices Rise at Slowest Rate Since 2016

Mexican consumer prices through April this year rose at the slowest pace since late 2016, Reuters reported Wednesday. Annual inflation rose 4.55 percent during the period, data from the national statistics agency INEGI showed, slightly lower than market expectations. The new data should assure central bankers that inflation is easing after sharp increases last year, analysts said. "The central bank is likely to draw comfort from the fact that the core inflation annual rate continues to moderate," Goldman Sachs economist Alberto Ramos told clients in a research note Wednesday. Ramos added that interest rate cuts toward the end of 2018 are possible but conditioned on a smooth and relatively market-friendly resolution of the macro issues currently facing Mexico, such as successful renegotiation of the North American Free Trade Agreement, a July 1 presidential election outcome that is perceived to have low risk of policy reversals, and predictable monetary policy revisions in the United States. Inflation in Mexico rose to a 16-year high in 2017, although the peso currency has since stabilized to less than 20 pesos per U.S. dollar. Economic activity in Mexico accelerated in the first

NEWS BRIEFS

Palestine President Presses Latin America on Embassy Controversy

Palestinian Authority President Mahmoud Abbas on Wednesday arrived in Chile's capital, Santiago, for a two-day official visit, making his final stop on a tour of Latin America this week that also included Venezuela and Cuba, Agence France-Press reported. Abbas has been lobbying for Latin American countries not to emulate the controversial U.S. decision to move its embassy to Jerusalem. Guatemala has already announced it will relocate its embassy in Israel to Jerusalem, and Israel on Monday said Paraguay will be next.

Zurich Insurance Reports Business Up in Latin America 14 Percent

Zurich Insurance Group grew its gross written premiums, or GWP, in Latin America to \$684 million in the first quarter, up 14 percent as compared to the same period in 2017, Intelligent Insurer reported Wednesday. The Swiss insurer's overall GWP fell, however, as it cut back premium-writing in North America to focus on profitability. Last month, Zurich bought the personal and group life insurance operations of Euroamerica in Chile.

China's Cofco to Purchase More Soy From Brazil Under U.S. Tariff Cloud

Chinese food trader Cofco has hired twelve new agents to increase its soybean purchases from Brazil amid rising trade tensions with the United States, Bloomberg News reported Wednesday. Though Chinese tariffs on U.S. soy exports have yet to go into effect, U.S. government data shows that the country's food traders are already canceling shipments. Brazil is the world's largest producer of soy, and this year is set to have a record harvest, Reuters reported in March.

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maternal and infant deaths reflect a lack of basic services in hospitals and shortages of everything from surgical supplies to antiretroviral medicines. Despite the economic crisis, Venezuela is not eligible for support from the Global Fund or Gavi, the Vaccine Alliance, and Maduro's response to offers of international support has been inconsistent. Venezuelans have flooded into neighboring countries, straining already overburdened health systems. In Brazil's northernmost state of Roraima, the governor last year declared a public health emergency because

of the influx of Venezuelans with infections and chronic conditions. UNHCR has asked countries in the region to grant Venezuelan migrants legal protections and humanitarian assistance, at least until the crisis is resolved. With inflation continuing to rise, and with Maduro threatening revolution if the May 20 elections fail to reaffirm the government's agenda, however, countries in the region may have to increase resources for immunization programs and disease surveillance, and to address Venezuelan migrants' health needs, for some time to come."

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quarter at its fastest rate in a year and a half, as industrial production recovered and services picked up pace, The Wall Street Journal reported last month. The increase, which translates into an annualized rate of 4.6 percent, came in above market analysts' expectations.

Jamaican Authorities Concerned Over Rising Oil Prices

Rising oil prices present a risk to Jamaica's economic growth, Bank of Jamaica Governor Brian Wynter said Wednesday, the Jamaica Gleaner reported. Oil prices have risen 25 percent since January, causing concerns over growth projections set at the outset of the year that were based on prices at \$56 per barrel. "Things have changed, and oil is now notoriously volatile. We are now seeing higher oil prices for a few months," Wynter told Parliament's Public Administration and Appropriations Committee. Oil prices this week shot past \$70 per barrel for the first time since 2014, the Associated Press reported, and Jamaica currently has no hedging arrangements in place. While Wynter said the current increase could be absorbed by the economy and has not yet become "the shock that we have to worry about," he added that the price of oil "remains an important risk to all projections and, indeed, a risk to Jamaica's own economic livelihood and its welfare."

BUSINESS NEWS

PDVSA Halts Caribbean Activities Amid Conoco Row

Venezuelan state-run oil firm PDVSA has ceased all export, transfer and storage operations at Caribbean island facilities after ConocoPhillips seized its assets on four islands, Reuters reported Wednesday, citing company data and a PDVSA source. Houston-based oil major ConocoPhillips seized five

THE DIALOGUE CONTINUES

Will Cloud Services Bring More Growth to Latin America?

Q The cloud services business in Latin America will grow to around \$7.4 billion by 2022, up from just \$1.8 billion in 2017, consulting firm Frost & Sullivan forecast in a recent report. What are the forces behind the growth? How does Latin America compare to other parts of the world in its adoption of cloud computing, and which countries have made biggest gains in taking advantage of cloud services for their economic development? How are public policy debates over privacy and restrictions on the international transfer of "big data" shaping the outlook for cloud services in Latin America and the Caribbean?

A Jean Atelsek, analyst for the Cloud Services Index at 451 Research: "Market share for public cloud infrastructure in Latin America is very concentrated—the top five vendors account for 87 percent of public cloud market share, compared to 73-75 percent in other regions. For now, Latin America's market lags other regions in terms

of PDVSA's facilities on the islands of Aruba, Bonaire, Curaçao and St. Eustatius in an effort to force Venezuela to pay a settlement Conoco received following expropriations by then-President Hugo Chávez's government more than a decade ago. The facilities exported an average of 400,000 barrels per day last year, amounting to approximately 24 percent of PDVSA's total exports. A source confirmed to Reuters that PDVSA has shifted all of its exports to its main port in the city of José and has recalled all of its tankers into Venezuelan waters. PDVSA has not commented on the seizures. Curaçao's prime minister, Eugene Rhuggenaath, told the wire service that the island is preparing for a "potential crisis" with the 335,000 barrel-per-day Isla refinery now out of commission. Conoco's actions are an effort to enforce a \$2

of cloud adoption and service availability, and prices remain stubbornly high. In 451 Research's Cloud Price Index for the first quarter of 2018, the benchmark price for virtual machines was 37 percent higher in Latin America than in the United States, and the object storage cost is 30 percent higher. Lower prices and greater cloud adoption can be expected in the coming years as global providers increase their presence and competition heats up. Google opened a cloud data center in Brazil last September and is building a private intercontinental subsea cable (scheduled for deployment in 2019) connecting the United States with Chile, the first subsea cable to land in Chile in over 20 years. Alibaba also has interest in the region and is targeting similarly underserved markets for Alibaba Cloud services."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in Wednesday's issue of the Advisor.

billion settlement it received from the International Chamber of Commerce on April 25 over Chávez's expropriation of oil assets in 2007. Venezuela called the award a "tough lesson" for Conoco, which was far less than the \$22 billion it had previously sought. Conoco, which lost more assets than any other firm during the expropriations, is awaiting another settlement decision from the World Bank's International Centre for the Settlement of Investment Disputes. Also on Wednesday, PDVSA was sued in New York for more than \$25 million over its alleged failure to pay on notes issued for work done by Canada-based engineering and construction contractor SNC-Lavalin, one of 10 companies that accepted promissory notes in 2016 worth \$1.15 billion from PDVSA, the Financial Times reported.

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A **Andrew Rudman, managing director at Monarch Global Strategies:** “The increasing infection rates for malaria and other vector-borne diseases in Venezuela is a tragic development for a country that once had entire regions declared malaria-free, and is a tangible indication of the deteriorating social conditions and lack of adequate medical care in the country. While the situation in Venezuela is acute, the impact on neighboring countries shows that infectious diseases do not respect national borders. The spread of these diseases, as Venezuelans seek economic opportunity elsewhere, is neither surprising nor unique. Costa Rica, for example, faced a similar challenge in combating Zika due to Nicaraguan workers becoming infected while visiting their families at home before returning to Costa Rica. This surge in Venezuela should prompt a more fulsome response to the economic and social challenges posed by rising rates of these diseases globally. For instance, nine new vector-borne diseases have been introduced into the United States since 2004, according to the U.S. Centers for Disease Control. Biopharmaceutical and synthetic biology companies are working to develop solutions to both prevent and treat these diseases. Governments, public and private universities, NGOs and other stakeholders can collaborate with them by sharing data, facilitating access to potential clinical trial participants and current patients, and expediting regulatory approvals (while maintaining appropriate scientific rigor). In addition, governments should emphasize infrastructure improvements to permit preventative and curative solutions to reach affected populations and to generate enhanced economic opportunities to improve living conditions across the region. Public-private partnerships and other collaborative ventures are an important tool in the fight to eliminate the diseases and the conditions that facilitate their proliferation.”

A **Ricardo Izurieta, associate professor, and Miguel Reina Ortiz, assistant professor, both at the College of Public Health at the University of South Florida:** “Voluntary or forced migration has an important and often neglected impact on the health of individuals as well as on public health systems, both of the originating and recipient country. Among others, missed vaccinations and mobilization of infectious disease agents are a concern. The recent massive exodus of Venezuelans is no exception. On March 27, Ecuador detected its first measles case in more than a decade in a Venezuelan child. With both falciparum and vivax malaria circulating in Venezuela, the recent increase in malaria incidence can potentially affect the successes of elimination and control efforts in Ecuador. Other countries with a high influx of Venezuelans may also be affected, as highlighted by the cluster of measles cases reported in Colombia. Combating infectious diseases at origin and en route is essential to achieving their control and elimination. Infectious agents understand no borders, and therefore our efforts should be multinational. The Global Health Security Agenda (GHSA) works toward developing global and national capacities to prevent, detect, and respond to human and animal infectious disease threats. An appropriate coordination and response mechanism, within the framework of the GHSA, could be an effective means to fight these threats. Such an international effort can only be accomplished via appropriate diplomatic mechanisms to deliver humanitarian assistance and health aid. Hence, health diplomacy is to play a pivotal role benefiting Venezuela, its neighbor countries and, most importantly, their people.”

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

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