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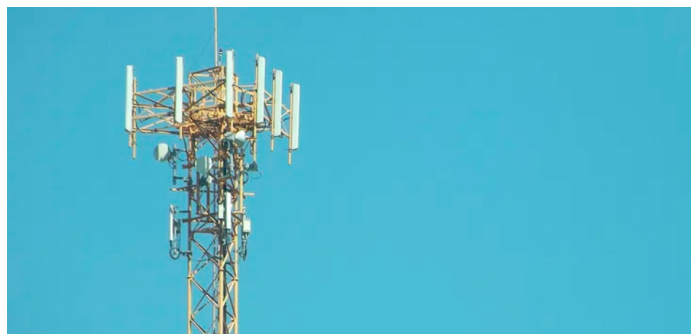
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FEATURED Q&A

Why Is 5G Rollout Lagging Behind in Latin America?



5G technology is being rolled out more slowly in Latin America as compared to other regions of the world. // File Photo: Rawpixel.com.

Q The rollout of 5G technology in Latin America is lagging behind other regions of the world, with only “a few countries showing tangible progress” in spectrum allocations, Bloomberg Línea reported Aug. 7. The current adoption rate for 5G in Latin America is just 2 percent of the total connections, the news service reported, citing global operators’ association GSMA. What factors are standing in the way of the 5G rollout in Latin America? What promise does the technology hold for the region, and what are the consequences of delays in the technology’s adoption? How important is 5G for Latin American consumers and businesses?

A Karim Lesina, executive vice president and chief external affairs officer at Millicom: “The slower development of 5G technology in Latin America when compared to regions like the United States and Europe, can be attributed to the interplay of different factors. These encompass consumer demand, spectrum costs, regulatory requirements, market needs and demographic characteristics. With this in mind, our current investment strategies do not target the development of just one specific technology; our goal is to enhance overall connectivity. The Latin American markets and their consumers today demand for our investments to consolidate 4G, increasing traffic capacity and broadening the reach of this technology, and offering a solid base for the next-generation networks our digital economies will need in the long term. For a successful rollout of technologies, collaboration with regulatory authorities is paramount. Their ability to efficiently allocate the spectrum and provide it at affordable costs to telecommunications com-

Continued on page 3

TODAY'S NEWS

POLITICAL

At Least Seven Killed When Gang Opens Fire on Protesters in Haiti

At least seven people were killed Saturday when a gang opened fire on protesters demonstrating outside Haiti’s capital against gang violence.

Page 2

ECONOMIC

Board Files New Debt Plan for Puerto Rico Power Authority

A federal control board that oversees Puerto Rico’s finances filed a new plan to restructure debt of the island’s power authority.

Page 2

POLITICAL

Losing Candidate’s Party Alleges Fraud in Guatemala Vote

The party of former First Lady Sandra Torres alleged fraud in Guatemala’s Aug. 20 election, which she lost to former diplomat Bernardo Arévalo.

Page 2



Torres // File Photo: Torres Campaign.

POLITICAL NEWS

Gang Opens Fire on Haiti Protesters, at Least Seven Killed

At least seven people were killed Saturday when a gang opened fire on protesters demonstrating against gang violence just outside of Haiti's capital, CNN reported. Hundreds of people, some armed with machetes, were marching through the squatter community of Canaan, north of Port-au-Prince, when the attack happened, the Associated Press reported. Several other people were injured, Marie Yolène Gilles, the director of human rights group Fondasyon Je Klere, told the AP. A local Christian church leader had organized the demonstration, CNN reported. "There is a double responsibility to be established: that of the pastor who took these innocent people to the butchery, and especially that of the judicial and police authorities who had not prevented this," Gédéon Jean, the director of the Center for Analysis and Research in Human Rights, told CNN. "This shooting is symptomatic of the state's inability to protect its citizens," Jean added, The New York Times reported. Jean added that an unknown number of people were injured in the attack and that some 10 others were believed to have been kidnapped, CNN reported. Videos shared on social media from the scene of the shooting show people marching down the street, with many demonstrators wearing yellow shirts associated with the religious group affiliated with the march. Other videos, shared online by a human rights group, show people with the same yellow shirt, lying bloody on the ground. Haiti has suffered soaring violence since the July 2021 assassination of President Jovenel Moïse, which led to a power vacuum in the country. Gangs have filled that vacuum and have perpetrated killings, rapes and kidnappings as they have taken over large parts of Port-au-Prince, The New York Times reported. In response, vigilantes have unleashed several gruesome executions of people suspected to be gang members. Kenya's government has said it would offer to lead

a multinational force including 1,000 Kenyan police officers, to retake control of Haiti from the gangs. The Bahamas has also said it would send 150 security force members in support of such an effort. The United States said this month that it would present a resolution to the United Nations Security Council to authorize a Kenya-led force, The New York Times reported. [Editor's note: See related [Q&A](#) in the Aug. 17 issue of the Advisor.]

ECONOMIC NEWS

Board Files New Debt Plan for Puerto Rico Power Authority

A federal control board that oversees Puerto Rico's finances on Friday filed a new plan to restructure the debt of the U.S. territory's power company, the Associated Press reported. The Puerto Rico Electric Power Authority is \$10 billion in debt, and the plan, which would cut its debt by almost 80 percent to \$2.5 billion, is the third such plan attempting to put an end a lengthy bankruptcy process. "We hope that we will be closing not just the chapter but most of the book on the largest public sector bankruptcy in the United States," Robert Mujica, the board's executive director, said in a statement. If the plan is approved by Puerto Rico's Energy Bureau, it would raise the already elevated power bills for many residents of the island by almost \$9 a month, to \$35, the AP reported. Customers who consume less than 425 kilowatt-hours a month, some 1.4 million people, would be exempt from the new charge, the plan says. Electric bills have increased in the wake of hurricanes, frustrating citizens with frequent power outages. "Hurricane Fiona emphasized the need for a transformation of Puerto Rico's electrical system to a resilient, decentralized grid based on rooftop solar and storage," Ingrid M. Vila Biaggi, the president and co-founder of CAMBIO, told the weekly Energy Advisor in a [Q&A](#) published last October. "Hurricane Fiona also revealed what Puerto Ricans have known for more than a year—that the privatiza-

NEWS BRIEFS

Losing Candidate's Party Alleges Fraud in Guatemala Election

The party of former Guatemalan First Lady Sandra Torres, who lost the country's Aug. 20 presidential election to former diplomat Bernardo Arévalo, filed a complaint on Friday, alleging fraud in the method of counting the votes, the Associated Press reported. Torres has remained silent since the vote and has not conceded to Arévalo. [Editor's note: See related [Q&A](#) in the Aug. 23 issue of the Advisor.]

Argentina Announces Aid for Workers, Pensioners

Argentina's economy ministry on Sunday announced a series of measures for workers and pensioners to help them through the country's economic crisis, Reuters reported. The government will offer nearly 7.5 million pensioners a package of 37,000 pesos (approximately \$105) over the next three months, Economy Minister Sergio Massa said on social media. Workers will also receive 400 billion pesos in loans, self-employed workers will benefit from tax breaks and those on benefits will receive additional stipends. Massa is the ruling party's presidential candidate for the country's Oct. 22 presidential election.

Chile Launches Investigation Into Deadly Accidents at Mines

Chile's government launched an investigation into accidents over the weekend at two mines in the South American country's metropolitan and Tarapaca regions that killed three workers, it said on Sunday, Reuters reported. Newly appointed Mining Minister Aurora Williams is monitoring the inspection, her ministry said in a statement. "The mining ministry expresses its heartfelt condolences to the workers' families and co-workers," it added.

tion effort that resulted in the transfer of grid operations to Luma Energy has been a failure," she added.

BUSINESS NEWS

Binance, Mastercard Ending Crypto Card Programs in Region

Cryptocurrency exchange Binance and Mastercard will end their crypto card programs in Argentina, Brazil and Colombia, as well as in Bahrain, Reuters reported last Thursday. The partnership has allowed users to make purchases in local currencies that are funded by their holdings in cryptocurrencies on the Binance exchange, the wire service reported. The card service will end in the Latin American countries on Sept. 21, Binance told CoinDesk. The card has been available in Latin America for less than a year, the website reported. Binance added that just 1 percent of its total number of users would be affected by the decision. Mastercard also has partnerships with other crypto exchanges, including Gemini, Reuters reported. The decision will not have an effect on any of Mastercard's other programs with crypt exchanges, a spokesman for Mastercard told the wire service. Binance has been facing regulatory and legal challenges in the United States. U.S. regulators have sued the exchange and its chief executive officer, Changpeng Zhao, accusing it of operating a "web of deception," Reuters reported. Binance has said it would defend itself "vigorously" in the case. Last April, Mastercard's head for crypto and blockchain, Raj Dhamodharan, told the wire service that the company was seeking to establish more partnerships with cryptocurrency firms. He did not comment specifically on Binance, but he said that any such partnership "goes through full due diligence" and is subject to constant monitoring. A spokesperson for Mastercard declined to comment to Reuters on the reason for the end of the card partnership with Binance or who made the decision to terminate it.

FEATURED Q&A / Continued from page 1

panies—while balancing consumer demand—is vital to the development and implementation of infrastructure and technology. There are examples of efforts in some countries where, in order to achieve a rapid 5G deployment, spectrum has been granted for free or at very low costs. Sometimes, less is more. Additionally, there is a clear need to cultivate a robust digital ecosystem that empowers citizens to fully leverage the benefits of 5G technology. This requires the proactive implementation of effective public policies, digital education and inclusion, smart cities endeavors and comprehensive e-government initiatives. Finally, another critical area of focus for us is bridging the usage gap, to have a deeper impact on our societies and economies. It's fundamental to educate individuals who have Internet access but are not fully exploiting the potential of digital tools. As per estimates of GSMA, about 31 percent of the region's population, nearly 190 million residents across both urban and rural areas, live within the coverage of mobile networks but don't use the Internet."

A Lourdes Casanova, senior lecturer and director of the Emerging Markets Institute at the Cornell S.C. Johnson College of Business at Cornell University: "The worldwide push for 5G technology is gaining momentum, yet in Latin America, its rollout is advancing at a relatively slow rate. As of March 2023, 5G is mainly available in the larger cities in Latin America: all state cities in Brazil, 100 cities in Mexico and parts of Colombia, Argentina, Chile, the Dominican Republic, Peru, Guatemala and Uruguay. The slow rollout of 5G can be attributed to several factors including political and economic turmoil and the significant upfront costs of upgrading the infrastructure to make them 5G ready. 5G-enabled phones aren't mainstream yet in most Latin American countries, and hence there is also low customer demand for upgrading from 4G to 5G. Besides being faster, 5G provides more reliable and

secure broadband access. 5G is key for the successful deployment of the Internet of Things, or IoT, and will accelerate the provision of enhanced services in multiple sectors including finance, health, education and manufacturing. When implemented successfully in rural regions, 5G could improve the quality of life for those who need it the most by allowing greater access to education, health and other basic services. 5G will also drive innovation and stimulate the creation of new products and services and artificial intelligence enabled solutions. If we look at the macroeconomic perspective, some estimates put the 5G economic impact at 0.9 percent of the region's GDP. However, there is hope for the region. It is estimated that 5G adoption will overtake 4G by 2029. This will serve as a much-needed boost for innovation and economic growth in the region."

A Richard Cane, executive vice president and president of international at SBA Communications: "Several factors delaying 5G implementation in Latin America include investment capacity and adequate returns for operators, lack of sufficient spectrum allocation, absence of 'killer apps' that truly require 5G and low penetration of 5G-capable smartphones. Considering capital constraints, operators remain focused on coverage expansion and increased capacity in dense urban areas, both needs met in a more efficient manner through 4G technology and fiber. Currently, improvements offered by 5G do not generate enough demand to justify the level of investment required to deploy this technology. Latin America's delayed adoption of 5G is not atypical for emerging markets. Such a delay may in fact benefit from 5G equipment becoming more functional and affordable as the technology continues to evolve. The tower industry is critical to this end, since its infrastructure sharing business model will support macro towers and small cell densification, reducing

Continued on page 4

FEATURED Q&A / Continued from page 3

Capex and Opex costs for the operators, accelerating coverage, lowering consumer fees and thus incentivizing adoption, as detailed in a recent study published by Professor Raul Katz. 5G's greatest potential near-term application in Latin America is fixed wireless access (FWA). 5G can serve as a competitive alternative to terrestrial broadband and can speed the connection of households and businesses to true broadband Internet services. FWA networks can be deployed more selectively and incrementally, targeting where there is demand instead of needing to support wide area coverage."

A **Ernesto Haikewitsch, executive director of Mazaltech Consulting in São Paulo:** "The rollout of 5G in Latin America is being hindered by several factors, such as the high cost of spectrum licenses, low service adoption and uneven deployment, due to the level of economic development, availability of spectrum and government support. While Mexico and Brazil have deployed 5G networks at a rapid pace, Bolivia and Paraguay have made little progress. In Brazil, 5G has been available for a year, but network is currently concentrated in major cities and has a spotty coverage, which is frustrating some users. Despite the challenges, 5G has already surpassed the eight million user mark, faster than 4G's seven million users in a year and a half. 5G has the potential to revolutionize the economy and society of Latin America by enabling new applications in health care, education, security and manufacturing. 5G can provide high-speed Internet access in rural and underdeveloped areas, boosting the agricultural sector, improving productivity and sustainability, and reducing the digital divide. It can also improve public safety, such as emergency response, crime reduction and traffic management, by optimizing communication between services. The health care sector, which is very lacking, could undergo a revo-

lution, optimizing the quality and efficiency of health care through remote consultations and monitoring to detect problems early on. In Mexico, the government is beginning to use 5G to connect rural hospitals to specialists in urban areas. 5G is a key enabler of economic growth and social development in Latin America. It has the potential to improve the lives of millions of people and create new opportunities for businesses. The region needs to make the necessary investments and overcome the challenges that are delaying the rollout of 5G if it wants to reap the benefits of this technology and compete in the global market."

A **Nathalia Foditsch, director of international programs at Connect Humanity:** "A recent study by Ofcom, using data from OpenSignal, found that 4G is the dominant cellular network technology in the United Kingdom. Between October 2022 and March 2023, mobile users spent an average of only 4 percent of their time connected to 5G and 62 percent of their time connected to Wi-Fi. Latin America is thus not the only region where 5G adoption is just beginning. Commercial networks are already seeing benefits from 5G, but most 5G releases from the 3GPP (Third Generation Partnership Project) have had a greater impact on businesses than on individual consumers. 5G is a powerful technology that can have a significant impact on businesses, but it is definitely not a silver bullet for the problem of digital inclusion. 5G has limitations in its ability to help with digital inclusion, especially in remote and rural areas. Therefore, digital inclusion discussions in Latin America should never solely focus on cellular connectivity. Rather, a variety of technologies will be necessary to achieve digital equality in the region."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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