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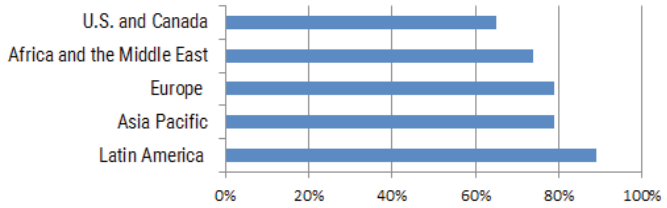
THEDIALOGUE

FEATURED Q&A

What's Driving Youth Mobility in Latin America?

Would-be entrepreneurs, by region

Percentage of respondents who want to work for themselves, or to start or grow a business



Data: Accelerating Pathways.

Q The Accelerating Pathways survey, commissioned by the Citi Foundation and conducted by the Economist Intelligence Unit, found that 77 percent of youth polled in São Paulo and 65 percent polled in Panama City have moved in the last five years for work, school or in search of a better life. The figures contrast with 39 percent of respondents in Buenos Aires and 35 percent of those polled in Mexico City who said they moved for those reasons. What factors are driving youth mobility in the region, and why have the residents of some cities been more mobile than others? What do the migration trends mean for governments and urban planners? What do they mean for businesses as they seek to attract talent?

A Matthew Carnes, associate professor of government and director of the Center for Latin American Studies at Georgetown University: "Young adult mobility, as an indicator, is enigmatic. At its best, it indicates promising new opportunities for growth and innovation, indicating that highly motivated youths are being drawn to cities to study or work. But at its worst, it may reflect the lack of good job or educational offerings, which lead to short-term, vulnerable employment and churn without growth. Let's start with a baseline: on average, 47 percent of global youth reported migrating to cities to better their life chances or pursue work or education. In Latin America, cities such as São Paulo and Panama City significantly exceed the average, while others such as Mexico City and Buenos Aires fall significantly shorter. What is happening? On one level, it's a question of optimism and hope. Looking further into the survey data, Latin American youth—espe-

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TODAY'S NEWS

POLITICAL

Armed Men Abduct 12 People in Puerto Vallarta

Mexican officials took strains to make clear they did not believe those abducted were innocent bystanders, but rather members of a rival criminal gang.

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ECONOMIC

PDVSA Oil Output Falls to Lowest Level in a Decade

Venezuela's annual oil output is set to drop to its lowest level in 14 years, as international trade data shows that crude exports from state oil company PDVSA fell to 1.19 million barrels per day in June.

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POLITICAL

Brazil's Temer to Sit Out Olympics Closing Ceremony

After being booed during a brief speech in the opening ceremony of the Olympics, interim Brazilian President Michel Temer has decided he will not attend the closing of the 2016 Rio Games on Sunday.

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Temer // File Photo: Government of Brazil.

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POLITICAL NEWS

Armed Men Abduct 12 People in Popular Mexican Resort City

Mexican authorities said Monday that armed men in the beach resort of Puerto Vallarta have abducted approximately a dozen presumed members of a crime gang patronizing an upscale restaurant, the Associated Press reported. Officials took strains to make clear they did not believe those abducted were innocent bystanders. "They were not tourists or residents who work in legal activities," Eduardo Almaguer, the Jalisco State prosecutor, told reporters. "They were people tied to a criminal group we can very clearly presume." Witnesses reported that four women in the targeted group

Almaguer // File Photo: Government of Mexico.

were not taken by the gunmen, Almaguer said, noting that authorities were looking for those women. Extraordinary violence continues to make headlines in Mexico and beyond. On Sunday, assassins dropped three iceboxes with a severed head in each one near a government building in Chilpancingo, the capital of the Pacific state of Guerrero, with a written message warning "traitors" and "blackmailers."

Brazil's Temer to Sit Out Olympics Closing Ceremony

After being booed during a brief speech in the opening ceremony of the Olympics, interim Brazilian President Michel Temer has decided he will not attend the closing of the 2016 Rio Games next Sunday, Agência Brasil reported Monday. Temer consulted Brazil's Ministry of Foreign Affairs about protocols for his participation, according to the report, which advised that it has not been customary for presidents of countries hosting the games to attend their closure, rather only the opening. Rodrigo Maia, who was elected president of Brazil's Chamber of Deputies last month and is second in line of succession to Temer for the presidency, will be attending. The ceremony will also be attended by Japan's Prime Minister, Shinzo Abe, and the new governor of Tokyo, Yuriko Koike, who is representing the city scheduled to host the next Summer Olympic Games.

ECONOMIC NEWS

PDVSA Oil Output Falls to Lowest Level in a Decade: Report

Venezuela's annual oil output is set to drop to its lowest level in 14 years, Reuters reported Monday, citing analyst estimates and interviews with employees of state oil company PDVSA. While the company would not formally comment to Reuters on its sales figures, international trade data shows that crude exports from PDVSA fell to 1.19 million barrels per day (bpd) in June, excluding independent sales made by PDVSA's joint ventures. In the period from July 2015 to June this year, Venezuela's crude output fell by 9 percent to 2.36 million bpd. The average output of all member countries of the Organization of Petroleum Exporting Countries combined during the same period rose by 4 percent, by comparison. Venezuela's oil minister, Eulogio Del Pino, confirmed an approximately 8 percent decline in production last month, but later reversed himself and said output had rebounded to 2.54 million bpd in July, figures that have not yet been officially logged with OPEC. Experts warn, moreover, that any increase in production will not likely be permanent. "They achieve a temporary relief, but the declining trend continues," Luisa Palacios, an analyst at Medley Global Advisors told Reuters.

NEWS BRIEFS

Protesters March Against Paraguayan President

Leftist activists numbering in the hundreds marched in the Paraguayan capital of Asunción on Monday to demand the resignation of conservative President Horacio Cartes, EFE reported. The protest, which marked the anniversary of when Cartes took office three years ago, was organized by the People's Democratic Congress, a coalition of groups that includes ousted President Fernando Lugo. Participants demanded the release of 11 peasants sentenced last month to prison terms of up to 30 years for the so-called Curuguaty massacre, an armed clash in 2012 that resulted in 17 deaths.

Mercedes-Benz Plant Stoppage in Brazil Affects 10,000 Workers

Mercedes-Benz on Monday suspended production at its factory making trucks and buses in São Bernardo do Campo, Brazil, O Globo reported. The stoppage, which reports said will last an "indefinite" period, affects 10,000 workers, who will receive paid leave. The local union of auto works has been negotiating with the company over the factory, which the company said employs 2,000 more workers than is necessary due to a dramatic reduction in sales of commercial vehicles in recent years.

Cath Kidston Enters Latin America Retail Market

British retailer Cath Kidston has hired Under Armour's head of international franchising, Michael Engelhaupt, to lead their expansion into Latin America, Retail Gazette reported Monday. The company has plans to focus on Mexico and Chile first by opening stand-alone stores and concessions, before expanding across the region, including Brazil. Engelhaupt will be based in Panama City, according to the report. The 20-year-old company currently has more than 100 stores in Europe and Asia.

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Her firm projects that Venezuelan oil output will decline by an average of 250,000 to 300,000 barrels per day from last year's production. PDVSA workers have complained that rampant equipment theft, low wages, power cuts and uncompleted maintenance have stifled production. "Some companies say PDVSA owes them money, there are also halted rigs due to lack of spare parts" said Luis Hernández, a union representative in the hard-hit region of Norte de Monagas. The result, Hernández says, has been the complete shutdown of "many rigs" and extensive layoffs. According to a Gulf News report on Monday, market traders have expressed doubt that OPEC's upcoming meeting will lead to higher prices in the near term. On Friday, Baker Hughes released data showing that the United States recently added 15 new active oil rigs, a sign that low prices have not undermined U.S. production to reestablish OPEC's market domination, long considered the cartel's strategy behind continuing high levels of output. PDVSA's output shortfall further complicates Venezuela's economic crisis, as the government lacks revenue from exports that is needed to invest in production capital and import goods.

Bolivian Miners Demand Release of Arrested Colleagues

Cooperative miners who have been protesting for weeks against what they believe is a lack of development in the Potosí region of Bolivia and other labor issues said Monday they will set up new blockades unless officials release 10 colleagues who had been arrested last Friday when their street protests turned violent, La Razón reported. Some 5,000 cooperative miners in recent weeks have occupied major transportation arteries. "We are giving 48 hour deadline for the release of our colleagues. No response to this the government, well, again we return to pressure measures," said the president of Fedecomin La Paz, FEederico Escobar. At least four people were injured last Friday when protesters threw dynamite and police retaliated with tear gas.

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cially in the higher-mobility cities—are very optimistic: Lima, Bogotá and São Paulo all make the top ten of 35 cities surveyed for the optimism of their young people, and Panama City comes in at number eleven. Buenos Aires and Mexico City, on the other hand, fall further down the list, perhaps reflecting a perception of less dynamism in those cities. Troublingly, though, the optimism in the region may not be finding much support from local governments. No Latin American country was in the top half of a ranking of 35 global cities for the efforts made by the city to support their young people. So youth may find themselves dissatisfied when they arrive in these new places, and as a result, may soon be moving again. Policymakers and business leaders would do well to take advantage of this moment. An eager crop of young people is arriving, ready to learn and to work. Building a robust infrastructure of educational and job-training opportunities, as well as the social supports to aid during moments of transition, could produce significant growth. But failing to do so could lead to widespread disenchantment, and even unrest, as the hopes of youth go unfulfilled. The moment is enigmatic, but with the right investments and policies, it need not be."

> **"Youth may find themselves dissatisfied when they arrive in these new places."**
>
> **— Matthew Carnes**

Julia Yansura, associate for the Migration, Remittances and Development program at the Inter-American Dialogue: "The Accelerating Pathways survey, which focuses on young people between the ages of 18 and 25 living in major cities around the world, provides some fascinating insights into mobility. One particularly interesting finding of the survey is that 85 percent of respondents in Latin American cities who have moved before express willingness to move again, for similar reasons, and more than one third of them believe this will be to a different country. The survey's focus on young people arriving in cities takes on a very positive tone. Indeed, mobility can be a wonderful thing, allowing young people to access education, jobs and new experiences while also allowing employers, universities and neighborhoods to tap into new talent. What is missing from this discussion, and what is less positive, is findings on the reasons why young people are leaving their communities and, in many cases, their countries. The phrase 'in search of a better life' is euphemistic. The unfortunate reality is that for many young people in Latin America, migration is not so much a question of migrating to enjoy new opportunities as it is escaping from untenable situations involving violence, lack of opportunities and poverty. Often, it involves undocumented migration across international borders, which exposes them to severe risks. In the first half of 2016, for example, over 25,000 unaccompanied youth were apprehended trying to cross the border into the United States. In this context, the factors driving mobility are as much about leaving home as they are about arriving in a new city. For example, a 2014 survey by the Inter-American Dialogue found that 38 percent of young people in El Salvador are considering migrating, mainly due to lack

> **"The factors driving mobility are as much about leaving home as they are about arriving in a new city."**
>
> **— Julia Yansura**

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of opportunities and high levels of violence. Countries like Costa Rica, Chile and Brazil, despite greater levels of economic development, struggle with high levels of youth unemployment. Each country is different, but unemployment, lack of opportunities, and violence are common threads."

Karen A. Woodrow-Lafield, research professor and faculty associate at the Maryland Population Research Center at the University of Maryland, College Park: "Whether the recent migrants are internal or international migrants, they migrated voluntarily rather than involuntarily. From Gallup surveys in more than 150 countries over 2010-2012, about 13 percent say they would like to move to another country. Globally, only 3.3 percent were living outside their native countries in 2015, so the practicalities are deterrents. It is worth noting that Buenos Aires and Mexico City have greater shares of 'stayers,' or long-term, more settled residents, than São Paulo and Panama City. As noted in the 2015 SICREMI report of the OAS and OECD, Latin American and Caribbean migration to Canada and the United States has not rebounded from diminished levels after the global economic downturn. Intra-regional migration has increased, due to greater economic integration associated with international agreements. A country of emigration, Brazil has had increases to temporary migrants due to building the skilled talent pool and due to the demand for more workers for World Cup and Olympics events. Gallup surveys show favorability toward maintaining present immigration levels or increasing immigration levels. Panama's migration levels are on a smaller scale, but immigration and the influx of foreign workers increased after 2010. Argentina has had more immigration than emigration, with sizable temporary migration from recent regularization and foreign worker programs. Argentina attracts Bolivians, Chileans, Uruguayans and neighbor Paraguayans. Sentiments about immigration are more split among Argentines, with two in five wanting to maintain immigration levels and two in five wanting decreased levels. Mexico has more emigration than immigration, despite diminishing Mexico-United States flows. Mexico has focused on controlling the southern border and other Central American migrants. The majority—54 percent—of Mexican residents prefer decreased immigration levels."

> **"Latin American and Caribbean migration to Canada and the United States has not rebounded..."**
>
> **— Karen A. Woodrow-Lafield**

Advisor Video

Peru's Outlook Under PPK

An Inter-American Dialogue discussion with Luis Oganes of JP Morgan and Marcello Estevão of the International Monetary Fund

View the webcast of the July 27 discussion.

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Nicole Wasson
Reporter, Assistant Editor
nwasson@thedialogue.org

Michael Spak
Reporting and Editorial Intern

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Latin America Advisor
Inter-American Dialogue
1211 Connecticut Avenue NW, Suite 510
Washington, DC 20036
Phone: 202-822-9002
Fax: 202-822-9553
www.thedialogue.org

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Subscription Inquiries are welcomed at freetrial@thedialogue.org

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