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THEDIALOGUE

FEATURED Q&A

Which Sustainable Development Goals Are Most Crucial?

Staying committed to the United Nations' sustainable development goals, as well as multilateralism, are "essential to ensuring peace and security," Wu Hongbo, the U.N. undersecretary general for economic and social affairs, said recently. // File Photo: United Nations.

Q Government representatives as well as U.N. agencies, international financial institutions, businesses and other groups met April 26-28 in Mexico City at the first Forum of the Countries of Latin America and the Caribbean on Sustainable Development. At the meeting, organized by Mexico's government and the U.N. Economic Commission for Latin America and the Caribbean, participants discussed the United Nations' sustainable development goals, or SDGs, which include fighting poverty and hunger, as well as improving health, education and gender equality, among others. What are the most important SDGs to prioritize for Latin America and the Caribbean, and what will it take to achieve such goals on a regional scale? Is the SDG framework and schedule well designed for success, or will the effort fall short of expectations? Where in the region have multilateral efforts to foster sustainable development succeeded, where have they failed, and what can be learned from past experiences?

A Jonah Busch, senior fellow, and Nancy Birdsall, senior fellow and president emeritus, at the Center for Global development: "Latin America has already shown notable leadership on Sustainable Development Goals related to climate and forests. For example, from 2004-2014 Brazil cut climate emissions more than any other country by reducing deforestation in the Amazon by 80 percent. It did so even while increasing beef and soy production during a period of robust economic growth, and it cost the Brazilian government just one-third as much as the Rio Olympics. By protecting its forests, Brazil contributed to SDGs related to energy and ending hunger, too.

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Eight Convicted of Planning Attack at Rio Olympics

The eight Brazilians were sentenced to prison time for planning the attack, which prosecutors said was inspired by the Islamic State.

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ECONOMIC

U.S. Trade Deficit With Mexico at Highest Level Since 2007

The trade deficit was fueled at least in part by the weakness in the peso relative to the dollar, which has made Mexican goods cheaper in the United States and U.S. goods more expensive in Mexico.

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BUSINESS

América Móvil Gets Approval to Buy Spectrum From Grupo MVS

Mexico's América Móvil, which is controlled by billionaire Carlos Slim, received regulatory approval to buy the rights to 60 megahertz of spectrum from Grupo MVS.

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Slim // File Photo: Carlos Slim Foundation.

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POLITICAL NEWS

Eight Convicted of Planning Attack at Rio Olympics

Eight Brazilians were convicted Thursday in federal court in the South American country for planning an attack at last month's Olympic Games in Rio de Janeiro, Reuters reported. The judge in the case sentenced the men, who were arrested in July, two weeks before the Games began, to between six and 15 years in prison. Authorities characterized the plotters as a

The men were arrested in July, two weeks before the Summer Games began.

group of amateurs loosely connected through social media. Though they were inspired by the Islamic State, they did not actually have contact with the terrorist organization, lacked funding and had not met in person, though they did try to purchase guns, the wire service reported. The group's leader, Leonid el Kadre de Melo, 33, was convicted of recruitment with the intention of carrying out acts of terrorism and was sentenced to 15 years and 10 months in prison. The others were found guilty of criminal association and promoting a terrorist group and received sentences of six years and five months behind bars. De Melo was "without a shadow of a doubt the person who took over the role of leader among the accused," said the judge in the case, Marcos Josegrei da Silva, BBC News reported. A lawyer for de Melo said her client was on a hunger strike, and the other seven said they would appeal their sentences. In the sentencing, prosecutors presented evidence that included photos of the defendants posing with black Islamic State flags as well as a discussion on a chat page of how to produce homemade bombs, Reuters reported. The U.S. Federal Bureau of Investigation had also monitored the group's activities, BBC News reported.

ECONOMIC NEWS

Output at Argentina's Vaca Muerta Expected to Surge

Production at the seven most advanced developments at Argentina's Vaca Muerta shale play, which totals only about 8 percent of play acreage, is expected to increase by 43 percent to 77,000 barrels of oil equivalent per day this year, and is expected double last year's average production levels by next year, to 113,000 boed, according to an analysis published by Wood Mackenzie on Thursday. "Our scenarios from the study demonstrate that production could peak between 0.7 and 1.25 million boed by 2031," said Elena Nikolova, Wood Mackenzie's Latin America upstream oil and gas research analyst. New pilot and development agreements at Vaca Muerta since January have totaled more than $3.5 billion, signaling increased interest in the shale formation, especially in natural gas. It is also expected that Argentina will soon be able to compete with U.S. shale. "Vaca Muerta operators are still in the early stages of the learning curve. Production gains driven by drilling speed and completion intensity in the United States will materialize in Argentina, as more and more operators enter the play," Nikolova said.

Mexican Antitrust Regulator Fines Pension Managers

Mexico's antitrust regulator, the Federal Competition Commission, on Thursday fined four pension fund management companies and 11 individuals for restricting competition in the market by making agreements to limit transfers of retirement accounts from one manager to

NEWS BRIEFS

U.N. Employee Kidnapped During Security Council's Visit to Colombia

An employee of the United Nations has been kidnapped in Colombia by a member of a rebel group during a visit by the U.N. Security Council on Thursday to support of the country's recent peace deal between the government and the Revolutionary Armed Forces of Colombia, or FARC, rebel group, the Associated Press reported. The captors are part of a unit of the FARC that has refused to disarm as part of last year's peace deal, according to President Juan Manuel Santos' top aide for post-conflict planning, Rodrigo Pardo. A group of U.N. officials and Colombian authorities are attempting to negotiate the terms of the employee's release.

América Móvil Gets Approval for Spectrum Purchase From MVS

Mexican telecommunications company América Móvil, owned by billionaire Carlos Slim, received approval from telecoms regulator IFT to purchase the rights to 60 megahertz of spectrum from Grupo MVS, Reuters reported today, citing América Móvil. The company added it expects that the acquisition will be complete by the second quarter of this year. The additional 60 megahertz of spectrum will increase the company's offering of high-speed data services. The acquisition comes after Mexico approved reforms aimed at curbing the company's dominance in the county's telecoms market.

Starbucks Makes Deal to Expand Into Jamaica

Seattle-based Starbucks Corp. said Thursday that it had agreed to a deal with Caribbean Coffee Traders Ltd. to to open Starbucks cafes in Jamaica, MarketWatch reported. The consortium will have the exclusive right to own and operate Starbucks locations on the island.

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another, The Wall Street Journal reported. The commission fined the firms and individuals a total of 1.1 billion pesos, or $58 million for creating six bilateral agreements between November 2012 and June 2014 that were signed by pension fund managers, called Afores, which manage mandatory work retirement savings accounts. Profuturo GNP Afore, Afore Sura, Afore XXI Banorte and Principal Afore were the Afores fined, in addition to the 11 individuals. The Federal Competition Commission said the agreements put weekly caps on the number of transfers between two Afores, which was meant to lower the commercial cost involved in competing for accounts, but that the savings that resulted from the agreements did not translate into better commission for pension fund customers. "In a market where the investments and commissions charged by Afores are regulated, transfers are a fundamental source of competition," the commission said. "Agreeing to limit them reduces incentives to offer better service, and eliminates the possibility for workers to reward or punish their Afore based on their level of satisfaction." The agreements were monitored through emails that were meant to obscure the identities of the Afores, the commission said, indicating that those involved in the scheme knew that what they were doing was illegal.

U.S. Trade Deficit With Mexico at Nearly 10-Year High

The United States trade deficit with Mexico widened to $7 billion in March, its highest level since November 2007, the U.S. Commerce Department said Thursday, The Wall Street Journal. The $28.1 billion in goods shipped from Mexico into the United States was an all-time high. "The United States can no longer sustain this inflated trade deficit with our closest trading partners," Commerce Secretary Wilbur Ross said in a statement. The U.S. trade deficit with Mexico jumped 14 percent in this year's first quarter, n increase at least partially attributed to the drop in the value of the peso amid U.S. President Donald Trump's tough rhetoric about Mexico, which has rattled investors. Trump has repeatedly vowed to build a massive wall along the U.S.-Mexico border and force Mexico to pay for it and has also demanded a renegotiation or withdrawal from the North American Free Trade Agreement, or NAFTA. The peso's weakness against the dollar has helped to fuel demand in the United States for goods from Mexico. The Mexican currency is down more than 8 percent this year against the dollar. The strength of the dollar in relation to the peso has curbed demand in Mexico for U.S. imports.

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Amazon forests are the source of clean water that powers Brazil's hydroelectric dams and atmospheric moisture that brings rain to farms in the southern breadbasket. Brazil curtailed Amazon deforestation using a raft of policies: protected areas, recognition of indigenous territories, forest law enforcement backed by satellite monitors, suspension of rural credit to high-deforesting municipalities, and soy and beef industry-imposed moratoriums on purchasing from high-deforesting farms. In recognition of the global climate services Brazil provided by reducing deforestation, Norway paid $1 billion into Brazil's results-based Amazon Fund. Many of those policies are now threatened. Deforestation, while still far below its 2004 peak, has risen by 60 percent over the last two years. Whether Brazil continues to lead on climate and forests hinges on domestic political will, backed by civil society and science. Outsiders can help tip the balance toward the provision of global climate services and domestic sustainable development goals by offering results-based finance."

Ariel Fiszbein, director of the education program at the Inter-American Dialogue: "The experience with the Millennium Development Goals (MDGs) tells us that setting international development goals does not, by itself, guarantee they will be achieved and that progress depends on the extent to which countries themselves are committed to their achievement. In the case of Latin America, unlike a region like Africa, there isn't even a presumption of large foreign assistance associated with the goals, which further emphasizes the importance of domestic commitment. At the same time, the SDGs (as was the case with the MDGs) can serve as an incentive for governments and societies to focus attention on specific goals. In particular, the MDG experience suggests that international goals can have a powerful effect on what gets measured,

> **"The MDG experience suggests that international goals can have a powerful effect on what gets measured."**
>
> **— Ariel Fiszbein**

and that regular monitoring of indicators can create pressures on governments to focus attention on these goals. This was certainly the case with the poverty and child/maternal health targets under the MDGs. We are already observing some of these same effects in other areas. In the case of SDG 4 (which focuses on education) there is a growing movement to measure and report not just on schooling, but on learning and child development outcomes. This does not guarantee that the targets will be met, but measuring and reporting on them is a precondition for the necessary actions countries in Latin America must take to improve those outcomes."

Juan Gonzalez, associate vice president at The Cohen Group and former deputy assistant secretary of state for Western Hemisphere affairs: "Achieving gender equality is a global challenge, but it is paramount to regional development. According

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to the Economic Commission for Latin America and the Caribbean, the labor participation rate for women has stagnated at around 53 percent, the majority of which is employed in low-productivity sectors where the pay is also low. One in three women over age 15 in the region had no income of their own in 2014. To meet the Sustainable Development Goals, the region's governments must do more to achieve full and productive employment for women with equal pay. Despite having elected several women presidents,

> **"The region's governments must do more to achieve full and productive employment for women with equal pay."**
>
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Latin America and the Caribbean also lags behind the United States, Europe and Canada on gender diversity in corporate boardrooms. Today, less than half (46 percent) of the corporate boards in the region have at least one female director, according to Egon Zehnder's 2016 Latin American Board Diversity Analysis, compared to Europe's 88 percent and 80 percent in the United States and Canada combined. The link between the gender diversity and increased financial performance should lend the necessary impetus to regional companies wanting to compete at the next level. Whether in the boardroom or the mailroom, increasing the number of women in the workforce contributes to a country's overall economic prosperity, and can help fill the region's glaring productivity gap. But getting there requires long-term political leadership and policies that promote gender equality and nondiscrimination, and that guarantee women access to education and a social safety net to balance professional and family life. Achieving gender diversity also requires a paradigm shift toward viewing women in the workplace as an integral part of the value proposition for families, companies and countries. Regional trends may be positive, but urgency is necessary if the region hopes to meet the SDGs and compete globally."

Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City: "Each country is different and needs to work in its own way, but there are successful stories that can be replicated. Among them is Mexico's Prospera cash-transfer program (previously known as Oportunidades), which has led to improvements in levels of schooling, nutrition, rural development, health and financial inclusion and has been replicated in 52 countries. This was one of the first government programs to provide conditional aid. The key with the United Nations' sustainable development goals is that there must be ownership. Constant monitoring and evaluation are also critical. The United Nations' 17 sustainable development goals and 169 targets are all important, and the idea is that every country works on them through their federal and local agencies. It has to be done within the country, not for the country. Nevertheless, the objectives related to education and also peace, justice and strong institutions are crucial for Latin America. The first pillar that the World Economic Forum evaluates to obtain the competitiveness index is institutions, areas in which Latin America and the Caribbean do not perform well. That means the region desperately needs more transparency, less crime, better rules and stronger rule of law. That is the foundation of trust and a prerequisite to achieve progress in any other goal."

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

Nicole Wasson
Reporter, Assistant Editor
nwasson@thedialogue.org

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