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FEATURED Q&A

Will Protests in Honduras Threaten Hernández's Gov't?



Honduran President Juan Orlando Hernández has faced violent anti-government demonstrations in recent weeks. // File Photo: Honduran Government.

Q Social unrest, which has been simmering in Honduras for months, erupted again into violent protests in recent weeks, forcing President Juan Orlando Hernández to repeal decrees that had raised concerns about the possible privatization of the country's health and education sectors. Anti-government demonstrators burned and looted dozens of shipping containers of the local subsidiary of U.S.-based Dole Food and set fire the U.S. Embassy in Tegucigalpa. Are the protests becoming generalized demonstrations against Hernández's government, similar to those last year in Nicaragua, and do they threaten the president's ability to remain in power? Why have demonstrations taken on an anti-U.S. aspect? What effects are the protests, which have shuttered public hospitals and schools, having on the functioning of the country and its economy?

A Jorge J. Kawas Mejía, partner at K&M Abogados: "Honduras has been plagued with social turmoil for decades due to a lack of public policies in critical areas such as education, energy, social security, legal security, health services, economic stability and investment protection, among others. The recent demonstrations that turned violent in several regions of the country are signs of growing civil unrest against a government overwhelmed with corruption scandals of high-ranking officials and rampant impunity of those responsible. Now, add to this explosive mixture a government that to an important segment of the population is illegitimate due to an unconstitutional reform that, in 2015, allowed for a second presidential term for

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TODAY'S NEWS

POLITICAL

Ecuador High Court Approves Gay Marriage

In a 5-4 ruling, Ecuador's Constitutional Court approved same-sex marriage. The decision followed a lengthy legal battle.

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ECONOMIC

Venezuela Issuing New High-Denomination Banknotes

Venezuela's central bank is issuing new banknotes of 10,000, 20,000 and 50,000 bolívars as the country struggles with six-digit hyperinflation.

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POLITICAL

Mexico to Use Presidential Plane Sale Proceeds for Migration Actions

Mexican President Andrés Manuel López Obrador said his government will use the proceeds of the previously announced sale of his presidential jet on efforts to curb illegal migration through the country.

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López Obrador // File Photo: Mexican Government.

POLITICAL NEWS

Ecuador's High Court Approves Same-Sex Marriage

Ecuador's Constitutional Court on Wednesday authorized same-sex marriage following a lengthy legal battle to expand LGBT rights in the Andean country, *El Comercio* reported. Magistrates voted 5-4 in favor of legalizing same-sex marriage, making Ecuador the sixth Latin American country to allow such unions through judicial rulings or, less frequently, legislative action. In the ruling, magistrates ordered Congress to pass legislation guaranteeing equal treatment for all under the country's marriage law. Same-sex unions have been legal in Ecuador for 10 years, but such partnerships enjoy fewer rights than married couples in terms of inheritance and estate laws. It is "a joy for our entire community and Ecuador," plaintiff Efraín Soria, who also heads the Ecuadorean Equality Foundation, an LGBT rights group, told the Associated Press. Soria said he would immediately start planning a wedding with his partner, Xavier Benalcázar, with whom he has been in a civil union since 2012, the AP reported. The ruling followed a decision issued in January of last year by the Inter-American

Court on Human Rights (IACHR) affirming that Latin American countries should allow same-sex couples the right to marry. Since then, at least eight Ecuadorean couples attempted to get legally married through the civil registry. Their requests were denied, paving the way for judicial action based on the IACHR decision, *El Comercio* reported. Argentina, Brazil, Costa Rica, Colombia and Uruguay have also legalized same-sex marriage.

ECONOMIC NEWS

Venezuela to Issue New Banknotes Amid Hyperinflation

Venezuela's central bank announced Wednesday that it is introducing new high-denomination banknotes amid the country's struggle with hyperinflation. Beginning today, new notes of 10,000, 20,000 and 50,000 bolívars will begin circulating "in order to make the payments system more efficient and facilitate commercial transactions," the bank said in a statement on its website. Hyperinflation has made Venezuela's currency virtually worthless, and Venezuelans generally pay for purchases with cards or electronic transfers despite the

NEWS BRIEFS

Guatemala's Top Electoral Crimes Prosecutor Takes Leave Amid Threats

Guatemala's top prosecutor for electoral crimes has taken a leave of absence amid unspecified threats, just days before the country's presidential election, authorities announced Wednesday, the Associated Press reported. Óscar Shaad said he needed the three-month leave "to ensure my family's safety and mine in the face of tangible threats to my person," according to the country's chief prosecutor.

Mexico to Use Proceeds of Presidential Plane Sale for Migration Enforcement

Mexican President Andrés Manuel López Obrador said Wednesday that the money raised from the sale of his presidential plane would be diverted toward efforts to curb illegal migration as part of the deal reached with the United States last week to avoid blanket tariffs on Mexican goods, BBC News reported. The Boeing 787 Dreamliner plane has an estimated value of \$150 million, he said. During his campaign, López Obrador had promised to sell the presidential plane and fly commercially instead. The jet has been on sale for months.

Number of Indebted Brazilian Families Grows for Fifth Month in a Row

The number of indebted Brazilian families rose for the fifth consecutive month in May, according to a survey by the National Confederation of Trade in Goods, Services and Tourism released Tuesday, the *Rio Times* reported. The percentage of indebted families reached 63.4 percent last month, the highest level registered since September 2015. The figure was 4.4 percentage points higher than in the same month last year. The number of defaulters also increased, from 23.9 percent in April to 24.1 percent in May.

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Juan Orlando Hernández. The situation is reminiscent of the situation in neighboring Nicaragua, which has deeply disrupted the frail democracy of that country, which was ruled by a succession of dictators from the early 1920s until 1982. While Hondurans do not widely accept the use of violence as a means of protest, the fact is that the attack on American interests in Honduras is a desperate cry for help by hundreds of thousands of people who live in utter poverty, who don't have a voice, who are only remembered every four years during political campaigns and who resent the U.S. government's support of the current administration.

For Honduras' sake, the president and his ministers should adopt a conciliatory position to return things to normal as soon as possible. Otherwise, the economic effects of prolonged chaos may plunge the country into a deeper abyss."



Hugo Llorens, former U.S. ambassador to Honduras:

"The Hernández government's announcement of privatization decrees for the health and education sectors triggered the anti-government demonstrations in Honduras. A case can be made that both sectors need significant, even radical,

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unreliability of banking systems in the country, Bloomberg News reported. They are also increasingly relying on U.S. dollars and other hard currencies, but public transportation and regulated goods such as gasoline still require cash payments with bolívares, the news service reported. Last August, Venezuela devalued its currency by 95 percent and introduced new banknotes that eliminated five zeros from the bills that had previously been circulating. Before today, the highest banknote in circulation was the 500 bolívar note. Many vendors have stopped accepting lower denomination notes, while banks limit cash withdrawals to the equivalent of about \$1, which is paid out using dozens of bolívar banknotes. On Monday, Venezuela's opposition-controlled National Assembly said inflation fell below one million percent in May for the first time since last year, Reuters reported. Consumer prices in the 12 months ending in May rose 815,194 percent, as compared to 1.3 million percent in April.

BUSINESS NEWS

Workers at Codelco's Chuquicamata Mine to Begin Strike Friday

More than 3,200 workers at the Chuquicamata copper mine in Chile's Antofagasta region plan to go on strike Friday after talks between three unions and management fell through, state-run miner Codelco said Wednesday, Agence France-Presse reported. "The company rejects the decision of the assembly," Codelco, the world's largest copper producer, said in a statement. "The offer made by Codelco is serious, responsible and realistic." After two weeks of talks aimed at avoiding the strike, the miner had offered an improved contract offer, including a 1.2 percent salary increase and a one-time benefits package with an estimated value of around \$20,000. The workers rejected the offer, saying it did not address their concerns regarding medical expenses and pensions, according to the report. Codelco said it was the best offer it could make amid uncertainty over global trade.

TECHNOLOGY BRIEFS

Panama's Banco General to Use Facial Recognition Technology to Boost Security

Panama's Banco General announced it had reached a deal with Spanish biometrics company FacePhi to use its facial recognition technology to boost security, *Expansión* reported June 7. The private lender will use the SelphiD facial recognition solution to allow clients to open mobile accounts with just a photograph of themselves. It is the first financial institution in Panama to deploy FacePhi technology. "The Latin American market is still one of our main business hubs, where we enjoy a strong implementation of our technology that we hope to increase with new contracts," said FacePhi CEO Javier Mira, *BiometricUpdate.com* reported. Earlier this year, FacePhi announced partnerships with HSBC Uruguay and Argentina's Banco Supervielle, and it was a partner in a project to deploy biometrics technology at CaixaBank ATMs, according to the report.

Brazilian VP Says Government Will Not Bar China's Huawei From 5G Network

Brazilian Vice President Hamilton Mourão said June 7 that the government will not bar Chinese telecommunications company Huawei from operating a 5G network in the South American nation, Reuters reported. The administration of U.S. President Donald Trump has asked countries to reject Huawei in the development of mobile phone networks, saying the company's technology is vulnerable to eavesdropping by the Chinese government. Huawei denies its equipment is a security risk. Mourão said Trump had raised the issue with Brazilian President Jair Bolsonaro when he visited the White House in March. However, Mourão, who met with Huawei CEO Ren Zhengfei during an official trip to China last month, said there was "no fear" within the Brazilian government with regards to Huawei technology, *Valor Econômico* reported. Wireless carrier TIM Brasil announced earlier this month that it was using Huawei technology to carry out 5G network tests in southern Brazil, Reuters reported.



Mourão // File Photo: Brazilian Government.

Audi México Lays Out Future Plans; Technology Key

The Mexico unit of car manufacturer Audi laid out its long-term objectives in the country, emphasizing the use of technology as a key part of its plan, *El Economista* reported June 10. Among the most important goals is that its energy consumption comes entirely from solar sources by 2020, in addition to other environmentally friendly approaches to business. Erich Auer, director of plant services and environment at Audi México, said the company is employing technology to avoid having a negative environmental impact at its San José Chiapa location, including installing water treatment plants to save, purify and reuse water gathered from rain and wells.

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reforms, but the Honduran government badly mishandled the initiative, failing to socialize the proposals and seek broader public and institutional support prior to the announcement. The public messaging vacuum played into the hands of sector employees who fear that the reforms would harm their privileges and interests. In the heat of the moment, the demonstrations turned violent, and in the ensuing chaos, radical anti-U.S. elements infiltrated the demonstrations and targeted the private sector and the U.S. Embassy. These events have occurred in the context of an increasingly polarized political and social situation. Hernández's undermining of the Honduran Constitution by seeking a second term and the questionable result of the 2017 presidential election have seriously weakened the Honduran state's institutional legitimacy. The hope must be that Hernández not seek a third term and allow young blood to vie for the National Party leadership. All of this is worsened by the ham-fisted manner in which the Trump administration has managed ties with Honduras and more broadly with Central America. While Trump deserves credit for seeking to deal with the flow of illegal immigration, his inept tactical engagement has alienated the region, needlessly heightened tensions and strengthened anti-Americanism in the isthmus. The designation of a U.S. ambassador in Tegucigalpa would be a necessary start."

A **Christine Wade, professor of political science and international studies at Washington College in Chestertown, Md.:**

"The most recent protests against the privatization of services related to health care and education are a continuation of the anti-corruption protests that occurred in the summer of 2015 and the anti-fraud protests that followed the 2017 election. They are a manifestation of growing, generalized discontent with the Hernández government

and politics as usual in Honduras. Whether Hernández will withstand pressure to resign remains to be seen, but he appears to maintain the support of the armed forces and the U.S. Embassy. Unsurprisingly, state security agencies have responded to the protests with repression and may have even

“There can be little doubt that many Hondurans blame the United States, at least in part, for the country's current state of affairs.”

— Christine Wade

directed acts of violence during the protests as a pretense for a crackdown. Though it is not at all clear who set the fire at the U.S. Embassy, there can be little doubt that many Hondurans blame the United States, at least in part, for the country's current state of affairs. Approaching the 10th anniversary of the coup, there is understandable animosity toward the United States. Washington has supported or been the architect of highly unpopular policies from the 2009 coup to the present. Many Hondurans feel the United States supported a fraudulent election that re-elected a corrupt president. Violence and insecurity remain at epidemic levels. Two-thirds of Hondurans live in poverty, and the poor have become poorer in recent years. There's epidemic malnutrition. Honduras has marginal economic growth, but like security, it is only for the rich. This is why hundreds of thousands of Hondurans have been in the streets in recent weeks—and why they are likely to continue for some time to come."

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