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FEATURED Q&A

How Can Businesses in Latin America Reopen Safely?



Debate in Latin America is turning to how and when to reopen businesses that have been shuttered during the Covid-19 pandemic. A pharmacy in Mexico's Morelos state is pictured. // File Photo: State of Morelos.

Q As in other countries around the world, Latin American nations are planning gradual reopenings of businesses following the nearly total shutdowns of their economies to curb the spread of Covid-19. Among them, Ecuador is readying a plan for productive and commercial sectors to restart, and Costa Rica is allowing businesses including theaters and gyms to reopen with limited capacity. What are the most important factors for the region's governments to keep in mind in order to reopen businesses safely? What lessons can Latin American and Caribbean decision makers draw from other countries, such as ones in Asia, that have begun restarting their economies?

A Jarbas Barbosa, assistant director of the Pan American Health Organization: "While some countries in the world are beginning a phased transition away from social-distancing measures to enable social and economic activities to resume, it is important to remember that in Latin America and the Caribbean, we are not quite there yet. As one of the last regions to experience cases, Covid-19 transmission is still increasing, and the social-distancing measures that many countries have in place are what's keeping our critical health care services, including ICU beds and ventilators, available to save lives. We know that the measures required to reduce Covid-19 transmission can be disruptive, but failing to keep them in place will risk prolonging the crisis. What we do recommend, however, is that countries ensure that social distancing be accompanied by comprehensive social

Continued on page 2

TODAY'S NEWS

POLITICAL

Brazil Reports Daily Record for New Covid Deaths

For the second day in a row, Brazil reported a record number of deaths related to Covid-19 and also reported a new record number of cases of the disease.

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POLITICAL

Maduro Shows Video of American Apparently Confessing to Plot

In an appearance on state television, Venezuelan President Nicolás Maduro showed a video of a U.S. citizen apparently confessing to a plot to overthrow him.

Page 2

ECONOMIC

Chilean Central Bank Holds Key Rate Near Zero

Chile's central bank, led by Mario Marcel Cullell, held its key policy rate near zero. The bank said it was holding the benchmark interest rate at a record low in order to support the economy amid the coronavirus pandemic.

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Marcel Cullell // File Photo: Chilean Central Bank.

POLITICAL NEWS

Brazil Reports New Records for Daily Covid Cases, Deaths

Brazil recorded its highest jump in number of confirmed cases of coronavirus and related deaths on Wednesday, prompting the new health minister to consider the possibility of strict lockdowns in particularly hard-hit areas, Reuters reported. The South American country is emerging as one of the world's coronavirus hot spots, registering 10,503 new confirmed cases of the virus on Wednesday, well above the previous record of 7,288 cases on April 30, according to health ministry data. Brazil also registered 615 deaths on Wednesday, up from the previous record of 600 a day earlier. Additionally, there are more than 100,000 completed coronavirus tests that have not yet been registered in the national database, Deputy Health Minister Wanderson Oliveira said, forewarning a possible spike in the coming days. Health Minister Nelson Teich told reporters that a growing number of local authorities may have to institute lockdowns as a result of the sharp increase in cases. Teich took office last month after President Jair Bolsonaro fired his

predecessor over differences on how to best approach the health crisis, with the president publicly snubbing the recommended social-distancing measures. Public health data shows that in recent weeks there has been a shift in the national hot spots of coronavirus cases in Brazil, moving from wealthy boroughs in São Paulo, Rio de Janeiro and Fortaleza to the cities' shantytowns, where there is little access to running water, septic systems and health care facilities, Reuters reported last Friday.

American Apparently Confesses to Plot in Venezuela Video

Venezuelan President Nicolás Maduro on Wednesday showed a video on state television in which a U.S. citizen apparently confesses to participating in what he said was a plot to overthrow Maduro, BBC News reported. In the video, Luke Denman said he was hired to lead a group of insurgents to seize the Caracas airport, topple Maduro and fly him to the United States, The Wall Street Journal reported. However, as the incident played out, Denman, a 34-year-old resident of Austin, Tex., and another American, Airan Berry, 42, who has addresses in Texas and Florida, were among 13

NEWS BRIEFS

Ecuador Indigenous Groups File Lawsuit Over Oil Spill

Indigenous communities in Ecuador's Amazon region have filed a lawsuit against the government and oil firms over a massive oil spill that left them without access to water, Agence France-Presse reported Wednesday. A landslide on April 7 ruptured three pipelines, sending 15,000 barrels of oil into local rivers in the Orellana province near the Peruvian border. The spill affects some 27,000 indigenous people from the Kichwa and Shuar tribes, according to María Espinosa, a lawyer with the Amazon Frontlines NGO.

Yazaki Laying Off 20% of Mexico Work Force

U.S. automotive part maker Yazaki North America, a unit of Japan-based Yazaki Group, said on Wednesday that it was reducing its work force in Mexico by about 20 percent, a move that will leave the supplier with some 58,000 employees in Mexico as it faces plunging demand due to the coronavirus pandemic, Reuters reported. The reduction, which represents about 14,500 layoffs, would be effective this week, Brad Warner, director of corporate communications, said in a statement.

Chile's Central Bank Holds Policy Rate Near Zero

Chile's central bank on Wednesday left its policy rate near zero as policymakers brace for the economic fallout of the coronavirus pandemic, Bloomberg News reported. The bank left the key rate at 0.5 percent, a record low, and said that monetary policy will remain expansive "for an extended period of time" in order to support the economy. Chilean businesses were already suffering when the pandemic struck following months of social unrest. The country has seen a plunge in consumer spending and lower demand for copper, its chief export.

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support measures so that the most vulnerable can comply without severe risk to their livelihoods. When it is time to transition to more flexible measures, we must do so with the utmost caution. This decision should always be informed by disease transmission patterns, Covid-19 testing and contact-tracing capacity, as well as the availability of hospital and ICU beds, and ventilators. Without those firmly in place, we will remain vulnerable to an upsurge in transmission. We are experiencing difficult times, but the implementation of science-based recommendations, combined with the solidarity for which our region is known, will soon have us back on our feet."

A **Manuel Agosin, professor in the school of economics and business at the University of Chile:** "In most Latin American countries, confinement is unlikely to work as well as in more developed countries. Living conditions are much worse, and overcrowding makes confinement very difficult to sustain. This is what is leading some countries to change tack. In addition, many countries have a large informal sector, which makes public assistance difficult or impossible to implement. People don't have bank accounts, or don't pay taxes that can be postponed. Some have to choose between being exposed to the virus or going hungry.

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people whom Venezuela's government said its forces captured on Sunday morning when the group tried to come ashore in two boats. "They were playing Rambo," Maduro said in a television address as he held up what he said were the two Americans' passports. The Venezuelan government said it captured 13 "terrorists" and killed another eight. "I thought I was helping the Venezuelans take back their country," Denman said in the 10-minute edited video that Maduro played twice on state television before posting it to social media. Denman held up what he said contained a contract signed by the plot's apparent mastermind, retired U.S. Green Beret Jordan Goudreau. Denman said the contract was also signed by Venezuelan opposition leader Juan Guaidó, but Guaidó in a statement called the contract a fake and denied any ties to Goudreau's company. Guaidó accused Maduro's government of using the incident as a smokescreen in order to justify political persecution, The Wall Street Journal reported. In his televised appearance, Maduro also accused U.S. President Donald Trump of being "the direct chief of this invasion," BBC News reported. However, Trump earlier this week denied any U.S. government involvement in the incident.

ECONOMIC NEWS

Colombia's Duque Declares Emergency to Support Economy

Colombian President Iván Duque on Wednesday declared a second state of emergency to support sectors that will remain shut down for an extended period of time in the fight against the spread of coronavirus, Reuters reported. The declaration allows the president to issue decrees without Congress' approval during times of crisis or a threat to Colombia's security. Under the country's constitution, the government can declare a state of emergency for as long as 30 days, and the period of rule by presidential decree cannot surpass more than 90 days per year. "We are signing this emergency today so that we can introduce measures to

TECH BRIEFS

Duque Names New Colombian Technology Minister

Colombian President Iván Duque last week appointed Karen Abudinen as his new technology minister following the resignation of Sylvia Constaín from the post, Portafolio reported. Duque said Constaín was starting a "new process in her professional life" and thanked her for her work in announcing her resignation on April 29. Constaín is heading to Visa where she will be the company's director for Latin America, Colombian news website La Silla Vacía reported. Duque said Abudinen faces important challenges, among them working alongside the education ministry to foster "digital formation," as well as strengthening teleconferencing and virtual work and telemedicine, El Heraldo reported. Abudinen previously worked as the director of Colombia's institute for family well-being, known as ICBF. She has also served as education secretary and social management secretary in Barranquilla. Before that, Abudinen had worked at the Inter-American Development Bank and the World Bank, in Washington.

Costa Rica Maps Complete Genomes of Six Samples of Novel Coronavirus Present in the Country

The Costa Rican Institute for Research and Teaching in Nutrition and Health, or INCIENSA, has successfully mapped the complete genomes of six samples of the novel coronavirus present in the country, the government announced April 30, The Tico Times reported. It is the first time in history that the institute successfully sequenced the genome of a virus. "We are going to use that information to find and compare the viruses, to know if they are similar to each other, where they come from, if the patients are sharing the same virus, or if the cases are related," said the coordinator of the INCIENSA genomics laboratory, Francisco Duarte. "It is very useful for the prevention, control and diagnosis of diseases," he added. Two of the genomes INCIENSA found are close to those in samples analyzed in the United States, while the four other genomes are associated with clusters from different parts of the world.

Brazil Tech Firms Working on App to Provide Controversial 'Risk-Free' Health Certificates

Brazil-based technology firms are working on a mobile app that seeks to mitigate the economic impact of the coronavirus pandemic by providing "risk-free certificates" to patients who have recovered from Covid-19, Forbes reported May 1. The app is currently being developed, and it will be initially tested on a potential audience of nearly one million people working in the country's technology and communications industry, according to the report. Economy Minister Paulo Guedes suggested last month that Brazil could use such certificates to allow citizens to return to work once they have recovered from the virus. The World Health Organization has warned against the use of so-called "risk-free certificates," as there is no evidence that suggests that a patient is immune to contracting the virus again after having recovered from it.

return the country from this situation," Duque said in a televised broadcast Wednesday night. Among the announced measures, the government will subsidize workers' pay for as much

as 40 percent of minimum wage in companies whose business has fallen by at least 20 percent due to the economic fallout of the coronavirus pandemic, Semana reported.

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This is what is behind some countries' decisions to begin a cautious opening of their economies. However, it needs to be pointed out that most Latin American countries are still experiencing a sharp increase in the number of infected people and deaths, which makes the decision to go back to work very difficult and harrowing. Most countries will need international assistance if they are to cushion a sharp contraction in economic activity, which is turning out to be the steepest since the Great Depression."

A **Sun Hongbo, associate professor at the Institute of Latin American Studies of the Chinese Academy of Social Sciences in Beijing:** "Mankind is a community with a shared future. During the global fight against Covid-19, China and Latin American countries have supported each other in ways such as sharing their anti-epidemic experiences and providing medical emergency supplies. With respect to China restarting its economy, it is a systematic, multidimensional and complicated process of accurate policy-making and implementation. China has strictly followed four policy guidelines. First, the top priority, governments at all levels have put people's health and safety front and center. Therefore, China has made great contributions to and great sacrifices for epidemic control. Second, with the precondition of regular epidemic control and prevention, China has been ready to accelerate the return to normal work and life. Third, regarding the principles of reopening, businesses are doing so in a safe, orderly and gradual manner, according to a comprehensive risk assessment of different economic activities and services in public places. For example, sports venues, libraries

and museums should be opened by appointment in order to avoid crowded clusters. Fourth, the policy package in the pipeline is greatly needed to restart the economy and specifies measures on fiscal, taxation, financial, credit, investment and trade aspects. It includes preferential policies for micro

“With respect to China restarting its economy, it is a systematic, multidimensional and complicated process of accurate policy-making and implementation.”

— Sun Hongbo

and small business. In view of practically balancing epidemic control and economic growth, it is not easy for some Latin American countries to reopen business. That will require broad political consensus, sophisticated policy-making and effective capacity for implementation. There is no doubt that Sino-Latin American relations have become deeply rooted, both economically and politically, in this highly globalized world. As China takes the initiative to lead the next round of world economic growth, it continues to play an important role driving Latin America's economic recovery. In the post-epidemic stage, both sides can deepen and extend their diversified economic cooperation under the Belt and Road Initiative in the long term."

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