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FEATURED Q&A

What Are the Odds That Bolsonaro Will Face Impeachment?



Already under fire for his handling of the Covid-19 pandemic, Brazilian President Jair Bolsonaro is facing allegations from his former justice minister, Sérgio Moro, who resigned in protest. // File Photo: Brazilian Government.

Q Brazil's Supreme Court on April 28 ordered an investigation of President Jair Bolsonaro after popular Justice Minister Sérgio Moro resigned and leveled explosive allegations against Bolsonaro, alleging that the president's firing of the country's Federal Police chief followed attempts to interfere with the police force's investigations. Where will the allegations against Bolsonaro lead? How likely is Bolsonaro to be impeached, an action that some polls show a majority of Brazilians support? How much political support does Bolsonaro have to fend off efforts to remove him from office?

A Peter Hakim, member of the Advisor board and president emeritus of the Inter-American Dialogue: "The Bolsonaro government is not governing. Its biggest failure so far may be the president's response to Covid-19, which he initially declared harmless and sought to ignore. He has opposed whatever Brazil's health authorities have recommended, leading to the largest outbreak of the disease in Latin America. He fired his highly regarded health minister, disparaged the actions of governors to stem the virus from spreading and fully displayed his disregard for democracy by enthusiastically joining rabid demonstrations clamoring for new presidential powers and the shutdown of competing institutions, such as Congress and the Supreme Court. His promised attack on pervasive graft has been upended by the resignation of Brazil's most admired corruption fighter, Minister Sérgio Moro. Despite some encouraging progress toward rehabilitating Brazil's anemic economy—since damaged further by the pandemic—tensions have escalated between the president and his respected finance minister, who

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TODAY'S NEWS

POLITICAL

Five Brazilian States Tighten Restrictions to Fight Covid-19

Five Brazilian states, including the states of São Paulo and Rio de Janeiro, are tightening restrictions to fight the spread of Covid-19. The moves contrast with President Jair Bolsonaro's attempts to relax restrictions and reopen the economy.

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BUSINESS

Colombia's Avianca Files for Bankruptcy

The airline said the coronavirus pandemic has taken a huge toll on its business.

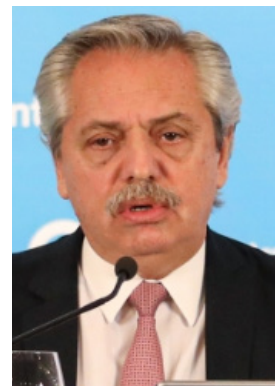
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ECONOMIC

Argentine Gov't Extends Deadline for Debt Talks

The government of Argentine President Alberto Fernández has extended its self-imposed deadline to reach a deal with international creditors on more than \$65 billion in debt.

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Fernández // File Photo: Argentine Government.

POLITICAL NEWS

Five Brazilian States Tighten Restrictions to Curb Virus' Spread

Five Brazilian states, including the states of São Paulo and Rio de Janeiro, are tightening restrictions intended to curb the spread of Covid-19, in contrast to President Jair Bolsonaro's attempts to loosen restrictions and reopen the economy, The Wall Street Journal reported Friday. Authorities in São Paulo and Rio de Janeiro last week required residents to wear masks in public places, including when they are on public transportation. São Paulo Governor João Doria on Friday extended stay-at-home orders until the end of May. The city of São Paulo also will ban half of its car traffic beginning today. Additionally, the states of Ceará, Pará and Maranhão are putting their capital cities and other towns in lockdown, allowing residents to leave their homes only for essential activities. State and local health officials say hospitals in cities including São Paulo and Rio de Janeiro are close to capacity, while the ones in Manaus are already past their limits. Brazil's peak is still weeks away, Brazilian health officials say, The Wall Street Journal reported. Brazil has more than 163,000 cases of Covid-19 and more than 11,000 reported deaths related to it. The moves from state health authorities in Brazil differ widely from Bolsonaro's approach. The president has downplayed the threat of coronavirus and wants businesses to reopen. Last Thursday, Bolsonaro, Economy Minister Paulo Guedes and 15 business leaders met with Supreme Court Chief Justice José Antonio Dias Toffoli to express their concerns about the country's economy. Last month, the high court unanimously ruled that Brazil's governors and mayors can impose social-distancing restrictions even if they go against the president's wishes. After the meeting, Bolsonaro told reporters that he wants more businesses to be deemed essential and allowed to operate in order to help economic activity to start returning to normal. In recent weeks, Bolsonaro has participated in two "anti-lockdown" protests

in Brasília where people crowded outside the gates of the presidential palace in support of him, CNN reported. However, relaxing restrictions designed to slow the spread of Covid-19 would lead to more infections and a greater number of deaths, Carlos Fortaleza, an epidemiologist at São Paulo State University, told The Wall Street Journal. Brazilian officials need to avoid the situation in the South American country getting as bad as that of the Ecuadorian city of Guayaquil, where morgues have been overwhelmed with the number of bodies, Fortaleza added. "We're in a state of calamity, the worst since World War II, and some people minimize it, saying it's just an annoyance," said Fortaleza. "We don't want another Guayaquil, we don't want dead people in the streets."

ECONOMIC NEWS

Argentine Gov't Extends Deadline in Debt Negotiations

Argentina has extended its self-imposed deadline to reach a deal with international bondholders to restructure more than \$65 billion in foreign debt in a bid to prevent the country's ninth default, Bloomberg News reported today. The Argentine government pushed the deadline to May 22 after bondholders rejected its offer last Friday, the original deadline Argentina had set. May 22 is also the day on which a grace period for about \$503 million in delayed interest payments ends, the Financial Times reported. Failure to reach an agreement or make the payment would result in a default. "This will give the government time to revise its proposal on the basis of the feedback it received, about which it is open, in contrast with its last large restructuring," said Richard Segal, a senior analyst at Manulife Investment Management in London, which has \$409 billion in assets including Argentina's debt, Bloomberg News reported. "Investors recognize that Argentina can't afford to pay much near- to medium-term," he added. Argentina's three largest creditor groups last week had reiterated that they would

NEWS BRIEFS

Mexico's López Obrador to Present Plan This Week to Reopen Economy

Mexican President Andrés Manuel López Obrador said Friday that he will present a plan this week to reopen the economy following closures meant to fight the spread of coronavirus, Reuters reported. "They're going to present me with an initial proposal on Monday," López Obrador said at his regular morning news conference. "And we want to announce it to you and to the Mexican public on Wednesday or Thursday." There are more than 35,000 confirmed cases of Covid-19 in Mexico and more than 3,400 reported deaths related to it.

Peru Extends Nationwide Lockdown Until May 24

Peru has extended a nationwide lockdown by two weeks until May 24 after a recent sharp rise in cases, President Martín Vizcarra said on Friday, Reuters reported. It's the fourth time that the government has extended strict stay-at-home orders to fight the spread of the novel coronavirus since they began in mid-March. Peru has confirmed more than 67,000 cases of Covid-19 and more than 1,800 deaths related to it.

Deforestation Increases in Brazilian Amazon

Deforestation in Brazil's Amazon rain forest sharply increased last month, with the area destroyed in April surpassing 405 square kilometers, 64 percent larger than the area destroyed in the same period last year, according to Brazil's space research agency, BBC News reported Friday. The country is preparing to send the military there to curb illegal logging and mining. Conservation groups have said that enforcement of anti-deforestation laws has become laxer during the coronavirus pandemic, with fewer government enforcement agents being deployed.

reject the terms the government had presented, which included a three-year payment hiatus and a major cut to coupon payments, Reuters reported. President Alberto Fernández told a local radio station that creditors could make counteroffers, but he said the government was unlikely to shift positions. “I am very firm in what we have proposed,” he told radio station Futurock, Reuters reported.

BUSINESS NEWS

Colombia’s Avianca Files for Bankruptcy in Wake of Pandemic

Colombian airline Avianca, one of Latin America’s largest carriers, on Sunday filed for Chapter 11 bankruptcy in the wake of the coronavirus pandemic, CNN reported. The company filed for bankruptcy in the U.S. Southern District of New York, citing “unforeseeable impact of the Covid-19 pandemic” as the reason for its struggles and estimating liabilities of between \$1 billion and \$10 billion, Reuters reported. The airline is also planning to shut down its business in Peru. Avianca, which was founded in 1919, claims to be the world’s second-oldest continuously running airline. Based on market share, the airline is Latin America’s third-largest, following Chile’s LATAM Airlines and Brazil’s GOL Linhas Aéreas. The Colombian carrier said countries’ lockdowns amid the Covid-19 pandemic hit its finances hard, adding that the decision to file for bankruptcy was made with the intention to “protect and preserve operations” as the world continues to grapple with the virus. Avianca directly employs 21,000 people throughout Latin America, including more than 14,000 employees in Colombia. Of the countries where the carrier operates, 88 percent are under total or partial travel restrictions, the company said. The pandemic has resulted in a 90 percent decline in passenger traffic worldwide, and it is estimated to reduce global industry revenues by \$314 billion, Avianca said, citing the International Air Transport Association.

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may also soon resign. Internationally, Brazil’s reputation has reached its lowest point in a generation. Fortunately, Brazil’s political and civil institutions—the judicial system, congressional leaders, state governors, the press, civic and business groups, and key ministers and presidential advisors—have so far proven strong enough to resist the president’s authoritarian assault. But democracy remains at risk. A powerful case exists for Bolsonaro’s impeachment, but there are considerable obstacles to Brazil’s third presidential impeachment (out of the five elected presidents) since 1990. Bolsonaro retains a faithful support base of about one-third of the electorate—and could well mobilize enough votes in Congress to avoid his ouster. There is also justifiable fear that another impeachment trial, following the harsh pandemic disruption, could produce a period of political havoc across Brazil, which might spark some form of military intervention to restore order. Should Bolsonaro be exonerated, Brazil’s institutions would end up weaker, while he emerges to push his authoritarian agenda harder and perhaps succeed in winning re-election.”

A Lucas Fernandes, consultant at BMJ Consultores Associados: “This is undoubtedly the biggest threat facing the president since he took office. Polls show the presence of relevant support for an impeachment process, but Bolsonaro has been able to maintain a solid support base that represents about one-third of the Brazilian electorate. This level places Bolsonaro’s support far above those of former Presidents Rousseff and Collor before impeachment proceedings began against them. However, this can change if Moro’s accusations are proven. To strengthen himself on other fronts, Bolsonaro also seeks private-sector support by harshly criticizing governors’ social isolation measures. On another front, Bolsonaro is closing ties with the so-called *centrão*—a multi-party group of politicians

that accounts for approximately half of the votes in Congress. To this end, the president will grant commissioned government posts and adopt pork-barrel practices in exchange for congressional support. The *centrão* politicians have participated in almost all government coalitions since the country’s return to democracy and are fundamental to presidents’ ability to govern. However, the public has a negative image of them. Bolsonaro’s biggest danger lies in this factor. Getting closer to the political class could cost him public support because it goes against his campaign promises. This means that the elements capable of sustaining Bolsonaro in power are not convergent, and the strengthening of one may weaken the other. The already embattled president’s situation is aggravated as Brazil rises in the sad ranking of countries affected by Covid-19.”

A Melvyn Levitsky, professor of international policy and practice at the University of Michigan’s Gerald R. Ford School of Public Policy and former U.S. ambassador to Brazil: “There is a perfect storm rising against Bolsonaro’s presidency. I believe the odds are now in favor of his removal from office. He campaigned on ridding the country of endemic corruption, but he has shown through his appointments and rewards to his sons that he is infected by the same political disease. His attempt to put a ‘family friend’ in as the director of the federal police and the respected Sérgio Moro’s bombastic resignation were only the latest events in the growing dissatisfaction with his governance. His pooh-poohing of the spread of the coronavirus, his lack of action against the infection and the increase in the number of deaths from Covid-19, with Brazil leading South America in those categories, have heightened public concern and greatly diminished his popularity. He is also at a disadvantage in having neither an established political party nor a strong supporting coalition to defend him in Congress.

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The 'Lava Jato' and other investigations of corruption by the Brazilian courts put the bit in their teeth. It seems clear that further probes will continue; this will increase the pressure, with Moro's help, from outside the system. The final blow could come from the military—not through a coup as in 1964, but rather through pressure on Congress and the courts to press forward with investigations and eventual impeachment. It is relevant that Bolsonaro's successor would be a retired general, Hamilton Mourão, and that a number of high-ranking military officers serve in important civilian positions. They and their institution will not, I think, want Brazil to be tarred by Bolsonaro's inept and dangerous presidency."

A **Gene M. Smith, president and CEO of Smith Brandon International:** "Brazilian citizens are divided over the impeachment of President Jair Bolsonaro: 45 percent support impeachment proceedings, while 48 percent are opposed. While Bolsonaro has not been a media darling in Brazil, he appears to have been able to count on his base (estimated at roughly one-third of Brazilians). Meanwhile, possibly bolstering voter confusion, two of the president's sons, Carlos Bolsonaro and Eduardo Bolsonaro, have reportedly been associated with alleged 'fake-news' operations targeting Brazilian officials. Brazil is in the throes of multiple simultaneous crises, not the least of which is the Covid-19 pandemic. In a country where more than 80 percent of the population is concentrated in urban areas, social distancing is difficult. Meanwhile, little to no leadership has come from President Bolsonaro. He has characterized Covid-19 as a 'little flu' and fired Health Minister Luiz Henrique Mandetta due to their disagreements over addressing the pandemic. Add the political crisis in which Justice Minister Sérgio Moro resigned over Bolsonaro's firing of the head of the Federal Police, Maurício Valeixo, in relation to an ongoing investigation of a third son, Flávio Bolsonaro, allegedly involved in organized

crime operations. Moro is virtually a folk hero in Brazil for his role in Operation Car Wash, yet Brazilians appear uncertain over whether to believe Moro or Bolsonaro on allegations of corruption aimed at the president. Impeachment efforts swirled around former President Michel Temer, with strong evidence (a recording) discussing bribery. The likelihood of Bolsonaro's impeachment is slim. Bolsonaro has been wily in his multi-party political affiliations over his long career, and a strong base never hurts."

A **Carlos Eduardo Lins da Silva, global fellow at the Woodrow Wilson International Center for Scholars and professor at Insper College in São Paulo:** "Bolsonaro has not lost the support of the one-third of Brazilian voters who faithfully support him. The lower house of Congress would have to approve the start of formal criminal charges against the president by a simple majority of its members' votes. Former President Michel Temer survived two such votes. In order to assure a majority, Bolsonaro has started negotiating with lawmakers who belong to a bloc known as 'the big center' (centrão), which has been associated with suspicious deals in Congress for 20 years. By doing so, Bolsonaro is turning away from one of his key campaign pledges: getting rid of what he has called 'old politics,' based on the exchange of votes in Congress for federal government jobs. It remains to be seen whether this behavior shift will harm him among his core constituency. Another campaign promise, a radical fight against corruption, had Moro as its main symbol. The struggle between the two men has so far not affected Bolsonaro's popularity. It is unlikely that any impeachment process attempt against Bolsonaro would succeed as long as he is able to maintain his current support from his very loyal and vocal followers. Much will depend on how badly the economy is hurt in the coming months and on the strength of the evidence Moro can offer to prove his allegations against Bolsonaro."

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