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## FEATURED Q&A

# Will Caribbean Tourism Be Able to Bounce Back?



The Covid-19 pandemic has taken a toll on the Caribbean's tourism industry. But companies including Carnival, one of whose ships is pictured above, are making plans to restart operations. // File Photo: Carnival Cruise Line.

**Q** Carnival Cruise Line has announced that some of its ships will begin sailing again to the Caribbean on Aug. 1, about a week after the expiration of a U.S. ban on cruises. The coronavirus pandemic has hit tourism-dependent economies in the Caribbean, where millions of people have lost their jobs as the world went into lockdown. How well will cruise lines, resorts and other companies in the Caribbean's tourism sector be able to recover from the pandemic? What should governments and the private sector do in order to safely revive tourism in the region? Should Caribbean governments seek to make their economies less dependent on tourism, and how might they go about that?

**A** Edmund Bartlett, Jamaica's minister of tourism: "The industry's ability to recover will depend on its adaptability to deal with what will become a new normal. Research and data show that Covid-19 will be with us for a while, so we will need to create the infrastructure and protocols required to manage this disease even as we carry out our daily activities. Jamaica has already developed a set of protocols for tourism entities and workers to reduce the spread of the disease, and this will be how we operate in this new paradigm. The good thing is that tourism has always been resilient and has always rebounded from disruptions of this nature. We have experience in this area and can recover. The best way to revive tourism will be for people to travel and travel safely under the new health protocols. Everyone will need to take their safety seriously and follow the protocols so that we can

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## TODAY'S NEWS

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## Puerto Rico to Spend \$2.2 Bn in Federal Aid to Fight Covid-19

Puerto Rico Governor Wanda Vázquez said the funding will go in part to increasing testing, expanding contact tracing and helping the unemployed.

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## Venezuela Says Troops Captured 39 Army Deserters

Venezuela's government said those captured along the country's border with Colombia were part of a failed plot two weeks ago to overthrow President Nicolás Maduro.

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### ECONOMIC

## WTO Chief Stepping Down a Year Early

Roberto Azevêdo, who has led the World Trade Organization since 2013, cited personal reasons for his stepping down this August, a year before the scheduled end of his term.

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Azevêdo // File Photo: World Trade Organization.

## ECONOMIC NEWS

## WTO Chief Resigns, Will Leave Office a Year Early in August

The World Trade Organization's director general, Roberto Azevêdo, on Thursday announced that he will step down on Aug. 31, a year before his term was set to expire. A 62-year-old Brazilian career diplomat, Azevêdo has headed the organization since September 2013. "It is a personal decision—a family decision—and I am convinced that this decision serves the best interests of this organization," Azevêdo said in an online meeting of WTO members. "I also want to be clear about what this is not. It is not health-related, thank goodness. Nor am I pursuing any political opportunities. I hope the future holds new challenges in store, but as of right now, I do not know what they will be." Azevêdo added, "between the lockdown and my recent knee surgery, I have had more time than usual for reflection." In his statement, Azevêdo mentioned the Trade Facilitation Agreement, the expansion of the Information Technology Agreement and decisions on food security among the highlights of his time leading the intergovernmental trade group. Azevêdo also cited the elimination of agricultural export subsidies and the enabling of more exports

of goods and services from less-developed countries as accomplishments. However, Azevêdo said "much more remains to be done," including ensuring "that trade contributes to the global economic recovery from Covid-19." During his tenure, Azevêdo has been known to have frustrations over the U.S.-China trade war and the U.S. refusal to allow appointments to the organization's appellate body, The Guardian reported.

## Puerto Rico to Spend \$2.2 Bn in Federal Aid to Fight Coronavirus

Puerto Rico will spend more than \$2.2 billion in federal aid to combat the spread of coronavirus, the governor said on Thursday, the Associated Press reported. A large proportion of the money, \$300 million, will go toward efforts to increase testing, expand contact tracing and help the unemployed, whom two months of lockdown have hit the hardest. Another \$100 million will go to the island's 78 municipalities for coronavirus-related expenditures and \$100 million to government agencies to clean and implement social-distancing measures in public offices. Additionally, \$486 million will be placed in reserve. Puerto Rico has 2,542 confirmed cases of coronavirus, with the number of additional cases reported today by the health de-

## NEWS BRIEFS

## Guyana's Government Blasts Golding's Statement on Election as 'Partisan'

Guyana's government on Thursday blasted statements by former Jamaican Prime Minister Bruce Golding on the country's fraught March 2 election as "partisan, biased and incredulous," the Jamaica Gleaner reported. On Wednesday, Golding, who heads an Organization of American States observer mission on the election, said he had "never seen a more transparent effort to alter the results of an election." Guyana is undergoing a recount amid fraud allegations.

## Twenty-Three Truckers Test Positive for Covid-19 at Costa Rica Borders

In the week since Costa Rica began testing truck drivers arriving at its borders with Nicaragua and Panama, 23 who were asymptomatic tested positive for Covid-19 and others who showed symptoms were turned away without tests, officials said Thursday, the Associated Press reported. The results suggest that the spread of the virus in Nicaragua could be greater than what its government has acknowledged. Nicaragua has reported only 25 confirmed cases and eight deaths, but it has also registered an unusually high number of pneumonia-related deaths in recent weeks, the Miami Herald reported.

## Kerry Reportedly Cutting Work Force in Brazil

Irish food and ingredients company Kerry is cutting its work force in Brazil as part of its response to the economic fallout brought by the coronavirus pandemic, Reuters reported today, citing three union leaders. The job cuts will affect nearly 8 percent of the company's workers in Brazil, according to Reuters' estimate. In a statement, Kerry said all of its six facilities in the South American country were "fully operational" and declined to comment further.

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reduce the spread of this disease. Essentially, all stakeholders will need to work together to ensure our health security. Although highly tourism-dependent, the fact is that the region has not fully tapped into the potential earnings of the industry. The Caribbean is uniquely positioned to capitalize more on its tourism receipts by strengthening links with other sectors. While tourism revenue in the Caribbean for 2019 amounted to \$32 billion, there is potentially more earnings if the inputs needed for the industry are sourced locally. This is the area we need to focus on to drive more growth and earnings."

**A**nton Edmunds, St. Lucia's ambassador to the United States and to the Organization of American States: "The rebooting of Caribbean tourism is critical, especially considering the adverse economic impact of the pandemic on the region—an estimated GDP loss of more than \$1 billion. The ability to earn foreign exchange and stem unemployment is top priority to ensure social stability, which, if lost, can equally affect the countries of the Caribbean and the United States. Partnership programs built to address illicit trafficking and hemispheric

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partment at 115, the second time the daily toll has surpassed 100 since the reopening of the economy began, El Nuevo Día reported. There have been a total of 122 confirmed deaths in the U.S. territory related to the virus. Concerns have emerged about the potential mismanagement of the federal funds earmarked for the health crisis, the AP reported. In a nod to such concerns, Governor Wanda Vázquez said her administration will create a team charged with overseeing and auditing the aid. Economists have warned that Puerto Rico's unemployment rate could soar beyond 30 percent due to the pandemic. [Editor's note: See related [Q&A](#) on Puerto Rico Thursday's issue of the Latin America Advisor.]

## POLITICAL NEWS

### Venezuelan Gov't Says Troops Capture 39 Army Deserters

Venezuela said Thursday that its troops had captured 39 army deserters on the Colombian border, accusing them of being part of a recent failed attempt to oust President Nicolás Maduro, Agence France-Presse reported. "We have captured 39 deserters trying to enter by the Colombian border," Defense Minister Vladimir Padrino told state television. He said those detained were "part of the general scheme" to overthrow Maduro, referring to a botched sea-borne plot two weeks ago that the Venezuelan government claims the United States and Colombia backed. U.S. President Donald Trump has denied involvement in the plan, dubbed Operation Gideon by its organizers, the Associated Press reported. Eight attackers were reportedly killed in the incident, and Venezuela arrested a total of 91 people with alleged links to the attack, including those detained on Thursday. Among them are two former U.S. soldiers, Luke Denman, 34, and Airan Berry, 41, who are now in jail and charged with "terrorism, conspiracy, illicit trafficking of weapons of war and (criminal) association," Agence France-Presse reported.

## CAPITOL HILL WATCH

A Look at U.S. Congressional Activity on Latin America

### Bipartisan Group Calls for Carter Center Oversight of Guyana's Vote Recount

Six U.S. representatives from both the Democratic and Republican parties on May 12 expressed support for the recount of votes underway in Guyana but called for the return of the observers from the U.S.-based Carter Center and International Republican Institute, Stabroek News reported. The South American country is carrying out a recount of votes cast in its March 2 election. "We welcome the decision to initiate a vote recount in Guyana and reiterate our bipartisan commitment to supporting a fully transparent election process that reflects the will of the Guyanese people," the legislators said in a statement. "At the same time, we urge the Government of Guyana to allow the observation team from the Carter Center and technical advisor team from the International Republican Institute to return to the country to join Caricom in observing the recount process," it added. The six legislators mentioned in statement are Representatives Albio Sires (D-N.J.), Gregory W. Meeks (D-N.Y.), Stanford Bishop (D-Ga.), Francis Rooney (R-Fla.), Jeff Duncan (R-S.C.) and Jenniffer González-Colón (R-P.R.).

### Leahy Expresses Concern Over Military Spying Scandal in Colombia

Senator Patrick Leahy (D-Vt.), the vice chairman of the Senate Appropriations Committee, who has worked on U.S. policy in Colombia for more than 20 years, has expressed concern over allegations that the South American country's armed forces used U.S.-provided intelligence equipment to spy on more than 130 politicians, journalists and human rights activists, The Wall Street Journal reported this month. "The use of U.S. aid to spy on opposition politicians, journalists and social activists would be a flagrant violation of the purposes for which the aid was provided and an abuse of government power," Leahy said. "If that is what happened, those responsible, and anyone in a position of authority who knew it was happening, should be punished in the manner that sends a strong message that such acts will not be tolerated," he added. [Editor's note: See related [Q&A](#) in the May 12 issue of the Advisor.]

### Rubio, Menendez Urge Pompeo to Raise Awareness of Cuba's 'Exploitation'

U.S. Senators Marco Rubio (R-Fla.) and Bob Mendendez (D-N.J.), both of whom serve on the U.S. Senate Foreign Relations Committee, sent U.S. Secretary of State Mike Pompeo a letter expressing concern about what they referred to as Cuba's "forced labor scheme" with respect to its doctors and medical personnel, the Florida Daily reported May 7. "We firmly believe that the abuses perpetrated against Cuba's doctors constitute human trafficking and urge the Department of State to continue warning governments about tacit involvement in the Cuban regime's forced labor schemes," they wrote. Cuba has sent hundreds of doctors around the world, including to Italy and South Africa, amid the coronavirus pandemic.

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security are diminished if the region is not able to regain its footing, as is the trade relationship, in which the United States currently enjoys a surplus and trading states are direct beneficiaries. Regional governments and hoteliers are already working on protocols to protect nationals and visitors, and discussions with the airline and cruise industries on implementation of possible frameworks are ongoing. While recovery will be gradual, a public-private partnership between governments (including the United States) and industry that positions the region as a 'closed and trusted travel loop' could be most helpful. More immediately, a lowering of the State Department's Global Level Advisory from 4, specific to the near-space Caribbean, would be ideal. Longer term, an agreement on a common virus testing regime between U.S. federal and state authorities and Caribbean officials would protect everyone. To the question of economic diversification, while governments are already developing initiatives to address the current dependence on tourism, the fact remains that this industry currently leads all others in terms of employment and revenue. In order for any plans to be put in place for other industries, access to much of the revenue that tourism and associated industry provide will be the key."

**A** **Vangie Bhagoo-Ramrattan, head of the economic research unit at First Citizens in Port-of-Spain, Trinidad and Tobago:**

"Activity in the Caribbean tourism sector has ground to a halt due to the pandemic. Cruise passengers represent a significant proportion of visitor arrivals, which has grown sharply over the past decade. The recovery process will be slow and uncertain, and activity may only restart when there are definite responses to Covid-19—a vaccine. It is imperative that governments play a role in ensuring the sector is protected and that

jobs are safeguarded as much as possible while protecting citizens from the spread of the virus. It is necessary for governments to provide support to the tourism sector and related businesses through possible tax relief, grants and/or credit lines. In Trinidad and Tobago, for example, grants have been made available to hoteliers for upgrade of

**“The recovery process will be slow and uncertain...”**  
— Vangie Bhagoo-Ramrattan

their facilities, while in Barbados, a tourism loan facility was established to provide urgent working capital and investment loans to hotels. The region is heavily dependent on tourism, and there is an acknowledged need for economic diversification. However, the challenges associated with economic diversification are inherent by nature—small size, narrow economic bases, very small populations that limit labor market competitiveness as well as the geographic location of the region, which increases our exposure to natural disasters. It would be very difficult to meaningfully diversify out of tourism given these challenges in the short to medium term. However, the countries of the region can build resilience in the tourism sector, so that it is able to reasonably withstand shocks from the external environment. The creation of contingency funds, establishing economic linkages with other sectors of the economy and providing a more enabling environment for the tourism industry through tax and other incentives will assist in cushioning the impact of exogenous shocks on the tourism sector in the Caribbean."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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