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## FEATURED Q&A

# How Will Artificial Intelligence Change Latin America?



Governments in Latin America and the Caribbean have been working on strategies to promote the development of artificial intelligence. // File Photo: Pixabay.com.

**Q** Latin American governments in recent years have formulated national strategies and public policies in order to promote the development of artificial intelligence, or AI. Among them, Chile's government has formed an AI policy in order to increase innovation in areas including health and education, and Brazil's science minister last year announced the creation of several AI laboratories to focus on areas including health, agribusiness and smart cities. How important is AI to Latin America's economic growth, and which areas hold the most promise for innovation? What regulations and policies are the most important as governments seek to foster AI's development? What are the downsides and potential risks of AI, and what do governments, the private sector and civil society need to be focused on now in order to avoid unintended consequences of unprecedented technological changes ahead?

**A** Diogo Brunacci, government affairs and public policy director for Latin America at Oracle: "Artificial intelligence is already present to improve lives and help solve intractable problems. In Latin America, AI's ability to enable governments to provide better and more responsive services can be useful in areas such as health care, education and security, to name a few. AI can help Latin American citizens have access to robust tools in a stronger cybersecurity environment. This means increased productivity and competitiveness in public and private sectors. A flexible policy framework is key and necessary to enable successful deployment of AI products and services. Latin American governments play a crucial role in facilitating

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## Mexico Plans to Begin Vaccinations This Month

Mexico is planning to start vaccinations against Covid-19 at the end of the third week of December, President Andrés Manuel López Obrador's government announced. López Obrador added that the vaccine will be "universal and free."

Page 2

### ECONOMIC

## Cuba Attracts Investments of \$1.9 Billion: Gov't

Despite tough U.S. sanctions, Cuba has attracted \$1.9 billion in foreign investment over the past year, Trade Minister Rodrigo Malmierca told an online conference.

Page 3

### POLITICAL

## Maduro Says He's Open to Dialogue With Biden

Venezuelan President Nicolás Maduro told reporters that he's open to dialogue with the incoming administration of U.S. President-elect Joe Biden.

Page 2



Maduro // File Photo: @nicolasmaduro via Twitter.

## POLITICAL NEWS

## Venezuela's Maduro Says He's Open to Dialogue With Biden

Venezuelan President Nicolás Maduro said Tuesday that he's open to dialogue with the incoming administration of U.S. President-elect Joe Biden, Agence France-Presse reported. "We have always been willing and will always be willing to establish relations with communication, dialogue and respect with the government of the United States," Maduro told reporters in Caracas, AFP reported. "Let's hope that the new government of Mr. Joe Biden is installed, let's hope that they have time to think and let's hope that channels of communication and dialogue between Venezuela and the United States are opened." Maduro's comments come amid years of tension between his government and the administration of current U.S. President Donald Trump, which has imposed multiple sanctions on Maduro's government and its officials in efforts to force him from office. The United States, along with approximately 60 other countries, broke off relations with Maduro's government last year when they recognized opposition leader and National Assembly President Juan Guaidó as the country's president. However, Maduro has worked to strengthen his grip on Venezuela's government and on Monday declared victory following his allies' sweeping victory in Sunday's legislative elections. "Donald Trump's policy on Venezuela failed spectacularly," Maduro said Tuesday, AFP reported. The United States has called the election a "farce" and has said it will continue recognizing Guaidó as Venezuela's president. Guaidó's ambassador to the United States, Carlos Vecchio, called the election a "fraud" in a [Q&A](#) published Tuesday in the Advisor and said Guaidó remains president, according to the constitution. "In the absence of a valid presidential election, the elected president of the National Assembly became the interim president of Venezuela and will remain in that position until free and fair presidential elections are held," said Vecchio.

## Mexico Plans to Begin Vaccinations This Month

Mexico is planning to start vaccinations against Covid-19 at the end of the third week of December, the government of President Andrés Manuel López Obrador announced Tuesday, the Associated Press reported. Health care workers will be the first group to get vaccinated, the government said. Additionally, the vaccine will be "universal and free," said López Obrador. The government has agreed to a contract for 34.4 million doses of the vaccine developed by Pfizer and BioNTech, and it previously said that 250,000 doses of the vaccine are expected to arrive by Dec. 17. The government added that the military will distribute the vaccine to the sites where it will be administered, beginning with Mexico City and the northern state of Coahuila, the AP reported. Starting in February, people over 60 will receive the vaccine, followed by people over 50 in April and people over 40 in May. López Obrador, who is 67, said he will get vaccinated in February along with others from his age group. Mexico's assistant health secretary, Hugo López-Gatell, who has been leading the government's response to the pandemic, said the country's health regulatory agency is expected to approve the vaccine on Friday, a day after the U.S. Food and Drug Administration is expected to take the same action. Britain was the first country to start inoculating its people on Monday. López-Gatell added that Mexico could speed up its vaccinations as it receives vaccines from other sources. This week, the government is planning to agree to a deal to buy 35 million doses of China's CanSino vaccine, the AP reported. Mexico has the world's fourth-highest reported death toll from Covid-19 at more than 110,000 fatalities, according to Johns Hopkins University. Only the United States, Brazil and India have more reported deaths from the disease. Mexico has more than 1.18 million reported cases of Covid-19, the 12th highest in the world and the fourth highest in Latin America, after Brazil, Argentina and Colombia.

## NEWS BRIEFS

## Brazil Signs Agreement for More Than 70 Mn Doses of Pfizer Vaccine

Brazil's government has signed a letter of intent for more than 70 million doses of the Covid-19 vaccine developed by Pfizer and BioNTech, Health Minister Eduardo Pazuello said Tuesday, Reuters reported. Pazuello added that the country has arranged for more than 300 million doses of Covid-19 vaccines through various deals.

## El Salvador's Deputy Security Minister Resigns

El Salvador's deputy security minister, Mauricio Arriaza, has resigned, President Nayib Bukele announced Tuesday, following pressure from opposition legislators amid allegations that Arriaza plotted to cover up financial wrongdoing by the government, Reuters reported. Bukele in October named Arriaza deputy security minister in a move that gave Arriaza immunity from prosecution after opposition lawmakers ordered an investigation of him in connection to allegedly unlawful government spending during the coronavirus pandemic. Arriaza's resignation is seen as a blow to Bukele, though Arriaza retains his position as chief of police.

## Fitch Affirms 'Excellent' Rating for Bradesco's Asset Management Unit

Fitch Ratings on Monday affirmed its investment management quality rating of excellent for Brazilian state-owned bank Bradesco's asset management unit, known as BRAM, the credit ratings agency said in a statement. The rating outlook for the financial services company is stable. Fitch said the rating reflects the asset manager's "very strong investment capabilities and operation characteristics in relation to the investment strategies offered." BRAM's rating applies only to the company's business in Brazil, Fitch added.

## ECONOMIC NEWS

## Cuba Has Attracted \$1.9 Bn in Investment in Past Year: Official

In spite of tougher U.S. sanctions, Cuba attracted \$1.9 worth of foreign investment over the past year, the government announced Tuesday, adding that it continues efforts to remove internal obstacles for investors, Reuters reported. During an online conference, Trade Minister Rodrigo Malmierca said the 34 investments approved since October 2019 were notable given what he called the “economic war” waged by the administration of outgoing President Donald Trump against the communist Cuban government. Over the past four years, the



Malmierca // File Photo: United Nations.

White House has slapped new sanctions on Venezuelan shipments of oil to Cuba, tightened restrictions on U.S. travel to the Caribbean island and sought to curb the amount of remittances that Cuban Americans in the United States send home. Malmierca also mentioned the coronavirus pandemic’s effects on Cuba’s tourism industry as well as reduced economic activity due to a partial lockdown. “All this has created a lot of restrictions in hard currency supply, delays in payments to providers and companies that have relations with Cuba,” he said. According to Cuban state news agency Prensa Latina, more than 1,240 representatives from 93 countries, including China, Russia, Spain, Turkey and Venezuela, participated in the Cuba 2020 Business Forum conference. During the event, Malmierca presented the island’s new investment portfolio, which includes a total of \$12.7 billion in 503 projects.

## FEATURED Q&amp;A / Continued from page 1

several fronts to respond to AI innovation: 1.) building confidence and trust in AI systems; 2.) sound data innovation policy; 3.) cybersecurity and privacy protection; 4.) research and development; and 5.) work force development. There must be a long and necessary debate on the risk-based approach to AI regulation as benchmark countries (Germany, France, South Korea, Japan, the United States and China), have already had. It must be targeted and focused on problems that are not already covered by existing regulation. With this, the intention is to cover the key concern present in AI adoption: the high-risk applications to user safety and its potential unethical use. It is also important to build trust between Latin American society and technology, as an understanding of technologies will be necessary for them to be accepted, trusted and used by citizens and to improve their lives. In summary, AI policies should avoid legal uncertainty, fragmentation and an uneven playing field. For this purpose, regular knowledge sharing between policymakers, industry and academia can ensure a clear and consistent AI policy framework.”

**A Carolina Costa, head of Latin America government affairs at RELX Group:** “Placing AI front-and-center is essential for nations to remain competitive in today’s technology-driven world. AI offers efficiency improvements that can strengthen the competitiveness of businesses and advance the well-being of its citizens. AI and its applications greatly contribute to finding solutions to many societal challenges in a broad range of sectors, from health care to life sciences to finance and many others. For instance, in response to the Covid-19 pandemic, RELX businesses such as Elsevier have partnered with entities to apply machine learning and AI to uncovering new insights into viral research; they have employed their own sophisticated analytical tools to help surface research articles related to Covid-19

and prepare them for peer review as quickly as possible; and they are mining millions of events to produce real-time dashboards that give valuable insights to hospitals. Considering the many benefits AI can bring, it is encouraging to see that Latin American policymakers are seeking to establish national policies addressing AI. But while it can solve many societal problems, AI can also create challenges that threaten to erode trust in its systems. And without trust, the full benefits of AI will not materialize. To address this, governments should adopt a collaborative approach with the private sector and civil society actors, to create ethics rules for AI that include principles of fairness, accountability and transparency. The set of regulatory frameworks should also accommodate further technological developments, considering how fast AI evolves. In sum, the responsible development and use of AI, grounded in human rights and innovation, can be a driving force for Latin American countries to achieve sustainable economic development for generations to come.”

**A Michelle DiGruttolo, senior managing director, and Miyako Yerick, senior associate, both at Ankura:** “Artificial intelligence is a promising driver of accelerated growth and productivity in Latin America, but AI faces substantial headwinds with respect to policy and wholehearted adoption. On the upside, Latin America has embraced the digital economy and is entering a period of technology transition. Eighty percent of large businesses have already launched AI programs, and many governments are developing AI policies. According to the IDB, the expansion of AI in key areas such as logistics and supply chains could add a percentage point of GDP to the five largest economies by 2035. But there are also downside risks. The IDB estimates that AI could eliminate between 36 percent and 43 percent of jobs, particularly low-skilled jobs that still constitute a large proportion of

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

employment. In the context of a fragile post-Covid recovery, with rising inequality and poverty, AI and automation-driven pressures on the labor market could generate more unrest and increase pressures on both the public and private sectors to expand the social safety for people. Additionally, Washington is closely watching China's economic investment and hardware as it increasingly powers the tech revolution in Latin America. Beijing is trying to set the groundwork for global 5G, big data, cloud computing and AI through its China Standards 2035 plan, and Latin America will likely become a battleground for influence that will have compliance and financial consequences for companies and customers. In response, the United States will continue to try to thwart or reverse China's influence. In this battle, the continent's political fragmentation and instability limits its ability to shape global AI governance framework to its advantage."

**A** **Tetsuro Narita, senior specialist in the investment unit at IDB Lab:** "Artificial intelligence is omnipresent, permeating all sectors of citizens' lives, in the public and private spheres. Latin America and the Caribbean (LAC) cannot be left out of the trend and conversation of how AI is used and will be used, and the impact it can have. The move to digitization has further accelerated due to Covid-19, including the use of (big) data and AI-based solutions, and the LAC region cannot miss this opportunity. However, at the same time, we have to be aware that, as several publications remind us, LAC remains one of the world's most unequal regions, a trend that has increased since 2015. In addition to this socioeconomic challenge, the region also reports high levels of digital disparity in terms of connectivity concentration and data availability. Moreover, distrust prevails

in the region about what governments and companies do with personal data. The structural inequalities (economic and digital), combined with generalized distrust, pose a major challenge for the development and deployment of AI-based solutions that are free of bias and error, particularly in the fields

**“Distrust prevails in the region about what governments and companies do with personal data.”**

— Tetsuro Narita

where we believe AI could disrupt traditional approaches for a greater inclusion, such as education, productivity, health and access to finance. For tackling this challenge, the IDB Group launched in 2019 an initiative called fAIr LAC for promoting the ethical use of AI and responsible data handling. fAIr LAC is a public-private initiative. Under the framework of fAIr LAC, IDB Lab (the innovation laboratory of the IDB Group) is co-creating tools that help entrepreneurial ecosystems in the LAC region (entrepreneurs, investors, business incubators and accelerators) to design and deploy trustworthy AI solutions that harness social impact and mitigate risks, bias, injustice, exclusion and discrimination. In parallel, the public side of fAIr LAC is developing different tools for governments—such as ethical self-assessment, technical guides and manuals for design and implementation of AI projects—to help them mitigate risks from the use of sensitive data and the potential unintended consequences on citizens."

*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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