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FEATURED Q&A

Can Brazil Stop Spiraling Covid-19 Cases and Deaths?



Marcelo Queiroga (pictured) was tapped as Brazil's fourth health minister in a year. President Jair Bolsonaro has faced heated criticism over his handling of Covid-19, which has spread relentlessly in Brazil. // File Photo: Brazilian Government.

Q Brazilian President Jair Bolsonaro this month named Marcelo Queiroga as his new health minister, the country's fourth since the Covid-19 pandemic struck a year ago. Brazil has recently seen consecutive record highs of daily deaths from coronavirus as the country continues to struggle amid the unrelenting spread of a particularly contagious strain of the virus, known as P.1. Will new leadership at the health ministry bring significant change in the government's health policy and response to the pandemic? What is the government doing, and what else should it do, to protect particularly vulnerable groups, including Indigenous communities in the Amazon? To what extent is an uncontrolled health crisis in Brazil, with potentially more dangerous mutations of the coronavirus, likely to hinder global efforts to contain the pandemic, and could Brazil face international pressure as a result?

A Nestor Forster Jr., Brazil's ambassador to the United States: "Since the beginning of the pandemic, President Jair Bolsonaro has been leading a relentless effort to protect both the lives and jobs of Brazilians. By March 25, 30 million doses of vaccine had been distributed to states, and with 16 million administered, Brazil ranks fifth in the world for total inoculations. We have already begun producing the vaccine domestically, and the first shipment from the Covax facility Initiative has been received. The development of a Brazilian-made vaccine is approaching the testing phase. Vaccine priority groups in Brazil include health care personnel, the elderly and Indigenous peoples, of whom 70 percent have been vaccinated. The armed forces

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TODAY'S NEWS

POLITICAL

Chile to Lock Down Santiago Area Amid Surge in Covid Cases

Chile's government will impose a quarantine on the capital and neighboring areas amid a surge in Covid-19 cases. The lockdown will affect more than seven million people, or about 40 percent of the country's population.

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BUSINESS

Banks Reverse Plans to Return Employees to Offices in Brazil

Some banks in Brazil are backtracking on their plans to return their employees to on-site work amid escalating Covid-19 cases.

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ECONOMIC

Mexican Central Bank Leaves Key Rate Unchanged

Mexico's central bank, led by Alejandro Díaz de León, left its benchmark interest rate unchanged at 4 percent, its lowest level in nearly four years.

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Díaz de León // File Photo: Mexican Government.

POLITICAL NEWS

Chile to Lock Down Santiago Area Amid Surge in Covid Cases

Chile's government will lock down Santiago and neighboring districts starting Saturday in an effort to curb the spread of its latest and most severe wave of Covid-19 cases, Bloomberg News reported. The quarantine, which will include 14 districts that had not yet been shut down, will affect more than seven million people living in the capital area, or about 40 percent of the country's population. Another 75 percent of the population, about 19 million people, is already under full lockdown, which has seen limited results in stopping the increase of infections. On Wednesday, Chile registered 7,023 new cases for the past 24 hours, the second-highest daily number since the pandemic began a year ago. Covid-19 test positivity is at nearly 10 percent, up from about 4.1 percent in November, Bloomberg News reported. "We are experiencing a worrying situation, and we are concerned as a health authority and as a government," Health Minister Enrique Paris said. "We ask the inhabitants of Chile to share in this concern." The surge in cases in Chile comes despite an effective roll-out of Covid-19 vaccines. The country has been delivering about 225,000 doses per day, NBC News reported. It has administered nearly nine million doses so far, or about 47 doses per 100 people, according to the University of Oxford. [Editor's note: See related [Q&A](#) in the March 2 issue of the Advisor.]

ECONOMIC NEWS

Mexico's Central Bank Leaves Interest Rates Unchanged

Mexico's central bank on Thursday left its key interest rate unchanged at 4 percent, its lowest

level in nearly five years, as inflation accelerated, Bloomberg News reported. Inflation exceeded the Bank of Mexico's target in the first half of March. Mexico's national statistics agency, or INEGI, said Wednesday that the country's annual rate of inflation increased a more-than-expected 4.12 percent, Reuters reported. That is the highest annual rate of inflation for Mexico since the second half of May 2019. Seventeen of 24 economists in a Bloomberg survey expected policymakers to keep rates unchanged on Thursday. The other seven expected the central bank to cut the benchmark interest rate by a quarter point. "In a highly uncertain environment, the risks for inflation, economic activity and financial markets pose major challenges for monetary policy," the central bank's board said in a statement, Bloomberg News reported. "It is necessary to enable an orderly adjustment of financial conditions and a change in relative prices." The Bank of Mexico aggressively cut rates from 8.35 percent in an easing cycle that began in August 2019. However, it has more recently taken a cautious approach, refraining to cut rates at its meetings last November and December before unanimously deciding to cut the benchmark rate by a quarter point in February. "Mexico's main economic problem continues to be anemic investment," Alfredo Coutiño, director for Latin America at Moody's Analytics, told the Advisor in a [Q&A](#) published Nov. 9. "With an anti-private attitude, the government will not be able to restore investment and will consequently condemn the country to mediocre economic growth and deteriorating social well-being."

BUSINESS NEWS

Banks Backtracking on Returning to On-Site Work in Brazil

Some banks in Brazil are reversing their moves to bring their employees back to the office amid a surging number of Covid-19 cases and deaths in the South American country, Reuters reported today. Less than a month ago, the

NEWS BRIEFS

Peru Registers Record High Number of Covid Cases for Single Day

Peru's health authorities said Thursday that the country had recorded 11,260 new cases of Covid-19, a record total for a single day, Reuters reported. The country is struggling with a shortage of medical equipment, overburdened hospitals and a more contagious variant of the disease that was first identified in Brazil.

Chilean Comptroller's Office Opens Probe of Piñera's Blind Trusts

Chile's comptroller's office on Thursday requested additional information from the local financial market regulator and private brokerages as part of an investigation into possible conflict of interest over blind trusts of President Sebastián Piñera, Reuters reported. The move came after a congressional committee found that two entities that manage some of the president's money have investments in the local Enjoy casino, which benefited from a decree Piñera issued recently. The president's office said in a statement it was in favor of the request, describing it as "the best way to clarify any doubt" and "disprove false accusations."

Santander Offering to Buy Portion of Mexico Unit It Doesn't Already Own

Spain's Banco Santander said today it will offer to buy the 8.3 percent stake in its Mexican unit that it does not own, proposing to pay about 24 pesos per share, which represents a 24 percent premium above Thursday's closing price and a total of nearly 550 million euros (about \$648 million), Reuters reported. The offer, while above the Mexican business' share price over the past year, is well below pre-pandemic levels and about 22 percent lower than in 2019, when Santander first sought full ownership of the unit, Reuters reported.

Brazilian unit of Spain's Banco Santander had almost 65 percent of its staff back in their offices, a contrast to other large lenders, which were keeping more of their employees working from home. However, with Brazil hitting record numbers of daily deaths from Covid-19 and an escalating number of cases, workers and health authorities have been putting pressure on Santander to allow more employees to remain at home. "There are no hospital beds left, so banks are sending workers back home," Ivone Silva, the head of the union of bank workers in the São Paulo area, told Reuters. "After a lot of pressure, Santander reduced the number of employees in their offices to about 30 percent." Santander said Wednesday that it would further reduce the number of employees working at its main office in Brazil, but it did not give specific numbers. A third wave of Covid-19 cases in Spain has also led Santander to reduce the number of employees working at its headquarters. Banco BTG Pactual, Brazil's largest independent investment bank, has also backtracked on plans to bring more employees back to its offices. It was planning to bring 30 percent of its workers back to its headquarters in São Paulo but reduced that figure to 10 percent, Mateus Carneiro, a partner and head of human resources at BTG Pactual, told the wire service. Even with health protocols in place, remote work is "unavoidable," said Carneiro. "We expected to be in a different situation now, but now it's a safety issue," he said. On Thursday, Brazil registered 100,158 new cases of Covid-19 within 24 hours, a record one-day total, according to the Health Ministry, the Rio Times reported. The record number of new cases, along with 2,777 additional daily deaths, came a day after Brazil surpassed 300,000 total deaths during the pandemic. Brazil, where a variant of the novel coronavirus has been spreading, has recorded more than 12.3 million cases of Covid-19 and more than 303,000 deaths since the pandemic began, according to a count by Johns Hopkins University. Brazil has the second-highest total of Covid-19 cases and deaths in the world, following the United States, which has more than 30 million reported cases of the disease and more than 546,000 reported deaths.

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have been deployed to ensure access to vaccines in remote areas, such as riverside villages in the Amazon. Covid-19 cases are on the rise worldwide, and in Brazil the upward trend is being addressed through greater access to ICU beds and an increased supply of oxygen and respirators to hospitals. To face the economic consequences of the crisis, the federal government implemented the largest social assistance program in the Southern Hemisphere. In 2020, the Brazilian federal government spent more than 320 billion reais (\$56 billion) in cash transfers to rescue 68 million people from the effects of extreme poverty. In total, more than 8 percent of Brazil's GDP was allocated to counter the pandemic. Brazil has been working in close cooperation with U.S. authorities, including by sharing information on Covid-19 variants in regular meetings coordinated by the White House with chief science officials from partner countries."

A Gabriela Lotta, professor of public administration at the Getúlio Vargas Foundation (FGV): "Brazil is a clear example of the power of the virus when there is a denialist president who refuses to face the pandemic. The fourth minister of health, who recently took office, has already announced that he will represent continuity from the previous, military minister. More than that, he announced that he will continue to follow the president's orders. Therefore, it seems that the shift in ministers will not bring about change. The country is adrift. We have a new strain circulating freely and a population that no longer adheres to preventive measures, which the president has discredited. The vulnerable population is increasingly poor and exposed to the virus. Mayors and governors do not want to assume the cost of decreeing a lockdown by themselves. In the meantime, we have surpassed 3,000 daily deaths and have a collapsed health system—without ICUs, without oxygen and, soon, without medication. The purchase of

vaccines remains slow. In this context, the only possible solutions are the purchase and urgent application of vaccines and enacting a coordinated lockdown throughout the country, with support from an income transfer program. For both measures, the federal government's adhesion is necessary, but the president shows no signs that he will do so. Brazil has become a global threat with possible mutations of the virus. The international community should increase pressure on the Brazilian government to adopt the required measures and provide support with medicines, oxygen, vaccines and health professionals. Brazil is experiencing a real humanitarian tragedy, aggravated by government decisions."

A Paulo M. Buss, president of the Latin American Alliance of Global Health: "This week, Brazil surpassed 300,000 deaths from Covid-19. The pandemic has reached new records of cases and deaths, and the country is now the global epicenter of the disease. The health system is exhausted, with a lack of intensive-care beds and critical inputs such as oxygen and devices and medicines for intubation. The more contagious P.1 variant, which originated in the Amazon, is already spreading across Brazil and represents a real threat to the global control of the pandemic, due to the uncertainties regarding existing vaccines' response to the variant. Vulnerable populations such as Indigenous people in the Amazon and the poor in urban areas are still waiting for the small emergency aid that the federal government has promised to pay. In this bleak situation, the appointment of a fourth health minister fails to offer much hope. He has already declared that the Ministry of Health is executing policies, but the presidency is formulating these policies, which have already proved harmful and have contributed substantially to the current chaos within the health system. However, a crisis committee was recently announced during an event with

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Bolsonaro and the presidents of the legislative and judicial branches. The committee includes the minister of health and representatives of Congress, governors and mayors. Reacting to popular outcry, including from civil society groups and business elites, the president of the Chamber of Deputies made a threatening speech shortly after the meeting, demanding changes in Bolsonaro's behavior. This strained political environment will be decisive for eventual changes in facing the pandemic—to be seen in the next chapters of this sad national soap opera.”

A **Monica de Bolle, senior fellow at the Peterson Institute for International Economics:** “Brazil's dismal handling of the pandemic has now led to a full-blown humanitarian crisis. Health systems across the country have collapsed—intensive-care units in nearly every state are full and are running out of needed resources for intubation and treatment of Covid-19 patients. Vaccination is moving at an extremely slow pace, and there continues to be a lack of doses for the population at large. The government has made no serious efforts to buy more vaccines from pharmaceutical companies other than AstraZeneca and Sinovac. The latest change in leadership at the helm of

the health ministry is unlikely to change this scenario. Brazilian President Jair Bolsonaro has rejected calls for a national lockdown, which the country desperately needs to contain viral transmission. Viral transmission is therefore likely to remain unabated, particularly with the prevalence of the highly transmissible P.1 variant of concern that emerged in Manaus late last year. Little to nothing is being done to help the vulnerable population—Indigenous communities in the Amazon have been completely abandoned and are not a focus of current policies. The uncontrolled health crisis in Brazil is already affecting neighboring countries, as the P.1 variant spreads across the region. Moreover, the uncontrolled pandemic will likely lead to the emergence of yet other variants of concern, presenting a threat not only to Latin America, but to the rest of the world as well. At this juncture, Brazil should already be facing international pressure to change its behavior with respect to the pandemic. The extremely dangerous situation warrants not only warnings, but also possibly sanctions to force the government to change course.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at ekuleta@thedialogue.org.

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Advisor Video

Peru's Presidential Election

A Latin America Advisor interview with Mercedes Aráoz, former vice president of Peru



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