

## BOARD OF ADVISORS

### Diego Arria

Director, Columbus Group

### Devry Boughner Vorwerk

Chief Corporate Affairs Officer,  
Grubhub

### Joyce Chang

Global Head of Research,  
JPMorgan Chase & Co.

### Paula Cifuentes

Director of Economic & Fiscal Affairs,  
Latin America & Canada,  
Philip Morris International

### Marlene Fernández

Corporate Vice President for  
Government Relations,  
Arcos Dorados (McDonald's)

### Peter Hakim

President Emeritus,  
Inter-American Dialogue

### Donna Hrinak

Senior VP, Corporate Affairs,  
Royal Caribbean Group

### Jon E. Huenemann

Council Member,  
GLG Inc.

### James R. Jones

Chairman,  
Monarch Global Strategies

### Craig A. Kelly

Senior Director, Americas  
Int'l Gov't Relations, Exxon Mobil

### John Maisto

Director, U.S. Education  
Finance Group

### Nicolás Mariscal

Chairman,  
Grupo Marinos

### Thomas F. McLarty III

Chairman,  
McLarty Associates

### Beatrice Rangel

Director,  
AMLA Consulting LLC

### Jaana Remes

Partner,  
McKinsey Global Institute

### Ernesto Revilla

Head of Latin American  
Economics, Citi

### Gustavo Roosen

President,  
IESA

### Andrés Rozental

President, Rozental &  
Asociados

### Shelly Shetty

Managing Director, Sovereigns  
Fitch Ratings

## FEATURED Q&A

# How Effectively Is Mexico Fighting the Covid Pandemic?



Mexico recently acknowledged that far more of its people have died of Covid-19 than statistics suggest. A worker is pictured unloading Russia's Sputnik V vaccine at Mexico City's airport. // File Photo: Mexican Government.

**Q** Mexico's Health Ministry acknowledged last month in a report that the country's true number of coronavirus-related deaths may exceed 321,000, a nearly 60 percent increase from the official tally. The figure includes 120,000 "excess" deaths that were previously unaccounted for due to reasons including a lack of testing and unreported cases of Covid-19. What is the real state of the pandemic in Mexico, and what major limitations in the country's public health system has it exposed? How well has Mexico's government planned for vaccination rollout? With legislative and local elections scheduled for June, will the new statistics have political consequences?

**A** Julio Frenk, president of the University of Miami and former secretary of health of Mexico: "The Mexican government has finally come to recognize what many experts had warned about for months and what people were enduring as part of their experience with the pandemic, namely that the official number of deaths—alarming as it was—represented a gross underestimation. Like other populist regimes, Mexico's federal government has refused to face reality and has instead downplayed the magnitude of the crisis while accusing adversaries of exaggerating it for political purposes. This bodes ill both for overcoming the pandemic and for Mexican democracy, as the attempt to generate an alternative narrative perpetuates Mexico's poor management of Covid-19—now irrefutably one of the most deficient in the world, with a death rate of 252.7 per 100,000 inhabitants. The federal government's release of the corrected pandemic figures, however, is good news. The revised data is consistent with the death toll

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## Brazil's Bolsonaro Rejects Call for Lockdown

President Jair Bolsonaro said Brazil, where Covid-19 cases and deaths are soaring, will have "no national lockdown." Earlier this week, the Brazilian Association of Collective Health called for a three-week strict lockdown.

Page 2

### BUSINESS

## Colombia Rejects Request From Prodeco to Return Two Concessions

Colombia's national mining agency said it had rejected a request from Prodeco to return two of its concessions.

Page 3

### POLITICAL

## Ecuador's Arauz Would Renegotiate Deal With IMF

Ecuadorian presidential candidate Andrés Arauz said he would renegotiate the country's agreement with the International Monetary Fund if elected on Sunday.

Page 2



Arauz // File Photo: @ecuarauz via Twitter.

## POLITICAL NEWS

## Brazil Will Have ‘No National Lockdown’: President Bolsonaro

Despite a soaring number of Covid-19 cases and deaths in Brazil, President Jair Bolsonaro on Wednesday said the country would have no national lockdown, the Associated Press reported. Bolsonaro's comments came a day after Brazil recorded its deadliest day yet during the pandemic, with 4,195 deaths from the disease in the previous 24 hours. “We’re not going to accept this politics of stay home and shut everything down,” Bolsonaro said in a speech in the city of Chapecó in Santa Catarina state. “There will be no national lockdown.” Bolsonaro, who over the past year has consistently downplayed the threat of Covid-19, eschewed face masks and recently told Brazilians to “stop whining” about the disease, on Wednesday again touted malaria drug hydroxychloroquine, which no scientific studies have found effective at preventing or treating Covid-19. “There is not enough vaccine today in the world. We need to find alternatives,” said Bolsonaro, the AP reported. The Covid-19 death rate in Chapecó recently fell from peak levels. Last month, the city implemented some restrictions on economic activity as hospital intensive-care units exceeded their capacity. However, Bolsonaro attributed the subsequent fall in cases there to early treatment protocols, newspaper Estadão reported. Bolsonaro's rejection of a national lockdown bucked a call from the Brazilian Association of Collective Health, which called for a strict three-week lockdown in an open letter published Tuesday in newspaper O Globo. “The serious epidemiological situation that is leading to the collapse of the health system in several states requires the immediate adoption, without hesitation, of strict restrictive measures,” said the association, which has nearly 20,000 members. In addition to the P.1 coronavirus variant that is running rampant in Brazil, the country also recorded its first case of another highly contagious variant that was first identified in South Africa, Reuters reported

Wednesday. With 174 people dying of Covid-19 every hour in Brazil, the country's cemeteries are scrambling to make room for new burials. The city of São Paulo said it would start opening approximately 600 new graves per day, far beyond the city's previous record number of burials, 426 on March 30, Reuters reported. The city is also planning a “vertical cemetery,” a crypt with 26,000 drawer-like graves that, once approved, can be constructed in 90 days. Brazil has more than 13.1 million recorded cases of Covid-19 and more than 340,000 reported deaths from the disease, more recorded cases and deaths than any other country in the world, except for the United States, according to Johns Hopkins University.

## Arauz Would Renegotiate IMF Deal if Elected in Ecuador

Leftist presidential candidate Andrés Arauz said he would renegotiate Ecuador's agreement with the International Monetary Fund if elected on Sunday, when he is to face conservative banker Guillermo Lasso in the country's runoff vote, Agence France-Presse reported today. Arauz, 36, told AFP that he wants to renegotiate the \$6.5 billion debt with the IMF, as well as modify anti-narcotics agreements Ecuador has with the United States. However, he added, “we’re not going to declare a moratorium against the IMF.” In potential renegotiations, Arauz said he would seek a slower reduction in public spending and insist on the maintenance of the U.S. dollar as Ecuador's currency “so there's greater economic activity.” The anti-drug agreements he cited allow the United States to conduct operations against drug trafficking and illegal fishing in Ecuadorean territory. Arauz said that, given that the United States is the “main consumer country of drugs in the region and on the planet, we aim to adjust the cooperation conditions,” AFP reported. The latest polls show Arauz and Lasso neck-and-neck ahead of Sunday's runoff, with Lasso edging closer to reduce Arauz's initial lead, El País reported. [Editor's note: See related [Q&A](#) in the Feb. 9 issue of the Advisor.]

## NEWS BRIEFS

## U.S. Reportedly Seeking to ‘Surge’ Assistance to Central America

The administration of U.S. President Joe Biden is seeking to “surge humanitarian assistance” to Central American countries amid an influx of migrants attempting to cross into the United States from Mexico, ABC News reported today. Vice President Kamala Harris spoke by phone Wednesday with Mexican President Andrés Manuel López Obrador, and U.S. Special Envoy Ricardo Zúñiga is meeting this week with top officials in Guatemala and El Salvador.

## Argentina Imposes New Restrictions as Covid-19 Cases Surge

Argentina imposed tougher movement restrictions on Wednesday, including tighter limits on the leisure industry and banning nonessential workers from using public transportation as the country reached a record number of Covid-19 cases amid a second wave of infections, Reuters reported. President Alberto Fernández also announced a curfew between midnight and 6 a.m., as well as the closure of bars and restaurants at 11 p.m. Among other restrictions, casinos, bingo halls and nightclubs will be completely shuttered in some areas of the country.

## Colombia Needs Tax Reform For Fiscal Sustainability: Minister

Colombia will not be fiscally sustainable in the medium term without a government-backed tax reform, Finance Minister Alberto Carrasquilla said on Wednesday, Reuters reported. The government's plan, which it submitted to Congress, aims to raise the equivalent of 2.2 percent of GDP, or about \$7.1 billion, Carrasquilla said. The country's fiscal deficit surged to 7.8 percent of GDP last year given increases in expenditure to fight the Covid-19 pandemic.

## BUSINESS NEWS

## Colombia Rejects Prodeco's Request to Return Concessions

Colombia's national mining agency, or ANM, announced Wednesday that it had initially rejected a request by coal miner Prodeco, a unit of mining company and commodity trader Glencore, to return two of its Colombian concessions, Reuters reported. Glencore said in February that Prodeco would give up control of its operations at the Calenturitas and La Jagua mines in the Andean nation after the ANM



Durán // File Photo: @JuanMiguelDurán via Twitter.

denied its request to keep operations there suspended. The two concessions had been placed on care and maintenance since March of last year amid the Covid-19 pandemic. Obligations that must be met before returning two of the contracts for concessions included within La Jagua, among them for environmental management, are still pending, the ANM said in a statement, making the request to return them "legally inviable," Reuters reported. "It's not possible for the [agency] to approve the request for resignation because it is not up-to-date in complying with all contractual obligations at the time of submitting the resignation, as required by the mining code," ANM President Juan Miguel Durán said in a separate statement, the wire service reported. Prodeco is the country's third-largest thermal coal producer, América Economía reported. In an email to Reuters, Prodeco said it was "acting in full accordance with the legal and regulatory framework governing our operations and the mining sector."

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

for Mexico City, published a few months ago by different groups of experts, who sounded the alarm on the underreporting of deaths from Covid-19. It is encouraging that decades of investments in independent information systems financed by Mexican taxpayers, such as those of INEGI and the National Council for the Evaluation of Social Development Policy (CONEVAL), are bearing reliable results. Revised data indicates that these institutions are working and should be defended against any attack that seeks to compromise their autonomy and technical rigor. The Mexican people ought to demand accountability and credible information. In the final analysis, respect for truth is the best vaccine against authoritarian decline."

**A Pamela K. Starr, professor of international relations at the University of Southern California and senior advisor at Monarch Global Strategies:** "After the adjustment to Mexico's coronavirus death figures, the country now ranks third in the world in total deaths from Covid-19. This outcome reflects, among other things, inconsistent government messaging about masks and social distancing and a large informal economy that made an effective economic shutdown difficult. Meanwhile, the vaccine rollout has been slow and plagued with problems. As a result, less than 10 percent of the population has been vaccinated, and this number is unlikely to rise rapidly. And yet, the government's failure to respond effectively to the pandemic is unlikely to have a significant impact on the June 6 mid-term elections. Support for AMLO reflects a deep emotional tie to the first politician in modern Mexican history who stands for the concerns of average citizens—the more than half the population that is poor. Most Mexicans are thus willing to give AMLO and his Morena party the benefit of the doubt on a wide range of issues. It is too soon to blame AMLO for the economic and security problems that he inherited and unfair to

blame him for a pandemic he could not control. Meanwhile, AMLO is an adept politician who never misses an opportunity to polarize the electorate and to tar his opposition as the cause of Mexico's problems, including any of his administration's shortcomings. He also faces a profoundly weak opposition that lacks the new faces and new ideas that might attract voters."

**A Andrés Rozental, member of the Advisor board, president of Rozental & Asociados in Mexico City and senior policy advisor at Chatham House:** "Mexico's handling of the Covid-19 pandemic has been disastrous from any point of view. Following initial denials of its seriousness, through a lengthy and sterile debate about the benefits of masks and social distancing, continuing with false promises of vaccine purchases and availability and ending with the admission that fatalities due to the virus were significantly underreported, Mexico has seen the consequences of chaos and changing strategies in the public health sector as Covid-19 fatalities reach alarming proportions. When President López Obrador took office, before the arrival of Covid-19, he proceeded to terminate existing public health institutions that historically had given Mexicans one of the most effective national vaccination programs in the world. He then decided to fight private-sector pharmaceutical manufacturers and distributors, which led to a critical shortage of medicines and health care. When the pandemic struck, the government belittled its gravity and proceeded to deliver confusing and contradictory messages about how to confront the disease. When cases and hospitalizations started to rise dramatically, authorities panicked and began to understate the numbers of cases and fatalities. Finally, vaccination rollout has been very slow and, in many cases, sporadic and contradictory. While López Obrador first announced that frontline medical personnel would be a priority, this has only applied

Continued on page 4



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

to those working in public-sector facilities. Fewer than 10 million Mexicans have had at least a first jab of a half-dozen vaccines that are currently authorized. When the arrival of vaccines fell far short of promised deliveries, López Obrador was forced to plead with President Biden for an emergency loan of 2.5 million doses to meet urgent needs. The government has proved to be a disastrous example of what not to do in fighting a pandemic. Public opinion has confirmed this, and the results of midterm elections in June will most likely reflect dissatisfaction with the way in which the health crisis has been managed."

**A** **Rafael Pérez-Escamilla, professor of public health and director of the Office of Public Health Practice and the Global Health**

**Concentration at Yale School of Public Health:** "In Mexico, as in other countries in the region such as Brazil, the response to the pandemic has been highly politicized and erratic, to the detriment of public health. The government had several months to prepare for the pandemic but did not do so. This was reflected in the lack of testing, contact tracing and promotion of the use of face masks and social distancing. Furthermore, the government refused to provide low-income families with cash transfers to allow them to follow social-distancing measures. As a result, Mexico not only has one of the highest Covid-19 fatality rates in the world, but its reliance on sustenance from the informal economy, household food insecurity and anxiety have exploded during the pandemic. The vaccine rollout has also been very slow, although it is now starting to gain some traction—ironically perhaps as a result of the upcoming midterm elections in June. The mind-boggling impulsive decisions by the administration to dismantle both the Seguro Popular universal public health care system and the quite effective PROSPERA's conditional cash transfer program without proper planning made it extremely difficult for Mexico to have a well-coordinated and

effective response to the pandemic. Additionally, President López Obrador has not embraced science to guide his decisions. Instead, he has put populist politics before public health. He has a lot to explain about why Mexico has had to experience such a huge number of unnecessary excess deaths and suffering during this pandemic."

**A** **Carin Zissis, editor-in-chief of AS/COA online:** "On the Saturday before the start of Semana Santa, Mexico's Health Ministry quietly revealed devastating excess death figures, even as the confirmed tally already meant the second-highest per capita death toll in Latin America after Peru. The scale of tragedy is hard to pin down, given a public health strategy with one of the lowest coronavirus test rates in the world. The lack of testing left thousands of Mexicans watching loved ones die at home, unable to confirm Covid-19 as the cause. Communication has been another hurdle. While the Health Ministry urges people to stay home or mask up, the message from the top isn't always clear. The country's senior coronavirus official went on a beach vacation when contagion was at its worst. President Andrés Manuel López Obrador has rarely worn a mask in public, and catching the virus didn't convince him to start. When it comes to the vaccine rollout, news is also mixed. On Christmas Eve, Mexico was among the first Latin American countries to administer the vaccine and has secured contracts for enough doses to cover 129 percent of its population. Given the government's schedule to complete vaccinations by March 2022, it should administer 500,000 doses daily, but it is falling far short of that mark. As of Easter Sunday, only 1 percent of Mexicans had been fully vaccinated. June midterms serve as another vaccination deadline. A March poll shows AMLO's approval runs higher among the vaccinated. With legislative control in play and, given AMLO's figurehead role, his party would benefit if his government can pick up the vaccination pace."

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

**Erik Brand**

Publisher  
[ebbrand@thedialogue.org](mailto:ebbrand@thedialogue.org)

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Anastasia Chacón González**

Reporter & Associate Editor  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)

**Diana Roy**

Editorial Intern  
[droy@thedialogue.org](mailto:droy@thedialogue.org)



**Michael Shifter**, President

**Rebecca Bill Chavez**, Nonresident Senior Fellow

**Bruno Binetti**, Nonresident Fellow

**Sergio Bitar**, Nonresident Senior Fellow

**Joan Caivano**, Senior Advisor

**Michael Camilleri**, Director, Rule of Law Program

**Kevin Casas-Zamora**, Nonresident Senior Fellow

**Julia Dias Leite**, Nonresident Senior Fellow

**Ariel Fiszbein**, Director, Education Program

**Sandra García Jaramillo**, Nonresident Senior Fellow

**Selina Ho**, Nonresident Senior Fellow

**Edison Lanza**, Nonresident Senior Fellow

**Nora Lustig**, Nonresident Senior Fellow

**Margaret Myers**, Director, Asia Program

**Manuel Orozco**, Senior Fellow

**Xiaoyu Pu**, Nonresident Senior Fellow

**Jeffrey Puryear**, Senior Fellow

**Tamar Solnik**, Director, Finance & Administration

**Lisa Viscidi**, Director, Energy Program

**Denisse Yanovich**, Director of Development

**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

Subscription inquiries are welcomed at [ebbrand@thedialogue.org](mailto:ebbrand@thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.