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FEATURED Q&A

How Vulnerable Is Latin America to Cyberattacks?



The number of cyberattacks in Latin America has soared during the Covid-19 pandemic. // File Photo: Sohanhosen01 via Creative Commons.

Q The number of cyberattacks in Latin America and the Caribbean soared 600 percent at the height of the Covid-19 pandemic last year, Marc Asturias, the vice president of marketing at cybersecurity company Fortinet, told Trinidad & Tobago's Daily Express newspaper in March. What are the main reasons behind the increase in hacking, phishing, ransomware and other cyberattacks, and how bad has the problem become? How prepared are businesses to prevent such attacks, and which industries are particularly vulnerable? What more must businesses and governments do to prevent cyberattacks, and which countries in the region have put in place best practices to address the problem that others might follow?

A **Adriana Villasenor, senior director at FTI Consulting:** "Two major trends led to the exponential increase in cyberattacks. First, with the pandemic-induced acceleration of business digitization, coupled with the adoption of remote work, security professionals found themselves having to protect not just their firm's systems but also an exponentially larger digital supply chain fraught with cyber risks. Second, cybercriminals also grew in sophistication and business prowess. Ransomware-as-a-service kits and call centers for victims, are just an example of how much cyber criminals have professionalized their craft. No organization anywhere in the world is free of cyber risk. Whether it is by hitting company-owned systems or those of their third parties, criminals can easily find the weak link and make a good profit. Within an industry and country, you will find the full gamut of cybersecurity maturity, from firms with sophisticated cybersecurity

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TODAY'S NEWS

POLITICAL

U.S., Cuban Officials Hold Migration Talks

U.S. and Cuban officials on Thursday held migration talks in the highest-level discussions between officials of the two countries since U.S. President Joe Biden took office last year.

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BUSINESS

BHP Reports Declines in Chile Copper, Nickel Output

Mining firm BHP said Covid-19 outbreaks and social protests have led to declines in copper and nickel output at its operations in Chile.

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POLITICAL

Honduras' Hernández Extradited to U.S.

Former Honduran President Juan Orlando Hernández was extradited Thursday to the United States where he faces drug trafficking and weapons charges. Hernández left office in January.

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Hernández // File Photo: Honduran Government.

POLITICAL NEWS

Honduras Extradites Hernández to U.S. to Face Charges

Honduras' government on Thursday extradited former President Juan Orlando Hernández to the United States, where he faces drug trafficking and weapons charges, the Associated Press reported. Hernández, who left office as Honduras' president in January following eight years in office, was escorted onto a plane by U.S. Drug Enforcement Administration agents and flown to New York, where he faces trial. Hernández "abused his position as president of Honduras from 2014 through 2022 to operate the country as a narco-state," U.S. Attorney General Merrick Garland said in a statement, the AP reported. U.S. prosecutors allege in court documents that Hernández was part of a "corrupt and violent drug-trafficking conspiracy" that transported more than 550 tons of cocaine to the United States. Hernández stands charged with participation in a drug trafficking conspiracy, possession of machine guns and destructive devices as well as conspiracy to possess destructive devices and machine guns, the AP reported. U.S. prosecutors also allege that the former president pocketed millions of dollars from drug traffickers, including Mexican drug lord Joaquín "El Chapo" Guzmán, the AP reported. Hernández is alleged to have used the payments to finance his political campaigns and took part in voter fraud in Honduras' presidential elections in 2013 and 2017. "In return, drug traffickers in Honduras were allowed to operate with virtual impunity," said Garland, the AP reported. "We allege that Hernández corrupted legitimate public institutions in the country—including parts of the national police, military and national Congress," he added. "This case should send a message—to all political leaders around the world that trade on positions of influence to further transnational organized crime—that the DEA will stop at nothing to investigate these cases and dismantle drug trafficking organizations that threaten the safety and health of the American

people," the administrator of the Drug Enforcement Administration, Anne Milgram, said in a statement, CBS News reported. Hernández has repeatedly denied wrongdoing and has said he is the victim of drug traffickers who have lied about him in order to seek revenge for his government's anti-drug policies. "I am innocent; I have been and I am being unjustly subjected to prosecution," Hernández said in a video message released Thursday, the AP reported. Honduran agents had arrested Hernández at his home in Tegucigalpa in February at U.S. authorities' request.

U.S., Cuba Hold Migration Talks Amid Surge at Border

U.S. and Cuban officials met Thursday in Washington to discuss migration in the highest-level talks between officials of the two countries since U.S. President Joe Biden took office last year, The Washington Post reported. Migration talks between the United States and Cuba were previously held twice a year following then-U.S. President Barack Obama's opening with Cuba in 2015. However, Obama's successor, Donald Trump, halted the talks as part of his reversal of Obama's policies toward the island. Thursday's talks came as the Biden administration is seeking to halt a surge of Cuban migrants who have been seeking to cross into the United States from Mexico. In March, U.S. border officials processed more than 32,000 Cuban migrants at the border, a record high and double the figure from February, according to figures released earlier this week from the U.S. Department of Homeland Security. That total in March made Cuba the second-largest source of migrants at the border after only Mexico. Thursday's talks focused on how to address illegal migration, as well as changing migration trends, as well as embassy functions and deportations, Reuters reported. Emily Mendrala, the U.S. deputy assistant secretary of state for Western Hemisphere affairs, and Cuban Vice Foreign Minister Carlos Fernández de Cossio led the talks, the State Department said in a statement.

NEWS BRIEFS

Venezuela Asks Int'l Criminal Court for Authority on Rights Probe

Venezuela's government has requested that the International Criminal Court defer to authorities in the South American country as it investigates extrajudicial killings and torture allegedly committed by security forces, the court's prosecutor said Thursday, the Associated Press reported. If the court accepts Venezuela's request, the probe would effectively be shut down, with Venezuelan authorities left in charge of the investigation, the wire service reported. The ICC's judges could take months to rule on the request, but court prosecutor Karim Khan said he wants to proceed with the probe.

IACHR Calls on El Salvador's Government to Respect Human Rights

The Inter-American Commission on Human Rights on Thursday called on El Salvador to respect human rights, a move that comes amid the country's crackdown on gangs, the Associated Press reported. Late last month, Salvadoran lawmakers approved President Nayib Bukele's request for 30-day state of emergency following a surge in homicides. The emergency declaration led to the arrests of 14,000 suspected gang members. Many of the arrests "have been carried out illegally, arbitrarily and through the use of violence," the IACHR said in a statement. [Editor's note: See related [Q&A](#) in the April 12 issue of the Advisor.]

Castillo Heading to Cusco to Address Protesters

Peruvian President Pedro Castillo plans to travel today to the Andean city of Cusco to address demonstrators who have protested over the rising cost of food, fuel and fertilizer, the Financial Times reported. Thousands of protesters have blocked roads in the area and the railway leading to the ruins of Machu Picchu.

BUSINESS NEWS

BHP Reports Copper, Nickel Output Declines in Chile

Copper and nickel mining output is down by 10 percent and 13 percent, respectively, at mining firm BHP's Chile operations, largely the result of Covid-19 outbreaks at the mines and sporadic social protests, according to BHP's quarterly report released Thursday, the Financial Times reported. BHP's output was down as of March 31 year-on-year, and the mining giant said the labor shortage and protest constraints were likely to last the rest of the year, according to the Financial Times. "Our Chilean assets experienced a challenging operating environment in the March 2022 quarter due to a reduction in our operational workforce as a result of a significant increase in Covid-19 cases in Chile," the company said in its latest production report, according to Reuters. "While we expect conditions to improve during the course of the 2023 calendar year, we anticipate the skills shortages and overall labor market tightness in Australia and Chile to continue in the period ahead," BHP chief executive Mike Henry said in a statement, the Financial Times reported. But there are concerns that protests in Chile might persist or even grow larger, with many demonstrations aimed at mining. The anti-mining sentiment may also have taken hold in the new Chilean government, said Glyn Lawcock, head of resources research at Australian research firm Barrenjoey. "They are talking about, at the extreme level, nationalization of assets," said Lawcock, the Financial Times reported. "They are also talking higher royalties and taking water rights from the mining industry," he added. Earlier this month, the Chilean government filed a lawsuit against BHP and other mining companies over environmental damage allegedly caused by mining operations in the Atacama salt flats, Reuters reported. Chile produces about 30 percent of the world's copper. [Editor's note: See related [Q&A](#) in the Feb. 16 issue of the Advisor.]

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programs and cultures, to those who do not even have a dedicated team responsible for mapping and managing cyber risks, nor have they purchased cyber insurance or devised a crisis communications plan that's fit for this purpose. The most vulnerable are those who are vastly reliant on digital tools to conduct business but have yet to prioritize cybersecurity. These companies are at high risk of facing costly consequences, including litigation, fines, material revenue loss, higher insurance premiums and brand damage. A culture of cyber preparedness is critical to the sustainability of any business today. Companies must look at cyber risk through the same lens of other enterprise risks, know its legal implications and identify financial exposures. From a regulatory point of view, data protection regulations in Brazil, Chile and Mexico are a good start. There is, however, an opportunity to accelerate the region's cyber maturity by creating dedicated agencies and regulatory frameworks to enhance the private sector's cybersecurity."

A **John deCraen, associate managing director of Kroll Cybersecurity Risk Advisory Services:** "Digital attacks have soared globally, and it is no surprise that the same is true in Latin America and the Caribbean. Cybercriminals have increased the frequency and methods of their attacks, and the field of targets has also soared. Increased web traffic spurred by the Covid-19 pandemic has provided more opportunity and new targets. The number of companies forced to allow work-from-home situations has skyrocketed, and with that comes a natural reduction in awareness as people work from the perceived security of their homes. A lack of dependable corporate training, poor defensive postures and weak detective capabilities amplify the damage caused by an attack. In many Latin American countries, a political situation plagued with endless bureaucracies offer little coordinated defensive mechanisms to organizations and

are too often unable to offer law enforcement support once an attacker has struck. Across Latin America, there is too little public strategy to heighten awareness of the dangers of the digital domain, and private companies have no regulatory compulsion to spur the development of defense strategies or protect privacy concerns. Given the wide chasm in the areas of training, public awareness and regulatory support between the United States and Europe as compared to Latin America and the Caribbean, it seems that the best way to move these underserved regions forward is to give people more easily available access to cybersecurity-specific higher education in order to increase the number of individuals qualified to educate citizens, raise awareness and develop governmental policies."

A **Wally Swain, principal consultant for Latin America at Omdia:** "Hackers move their targets to where there are interesting things to attack and to where defenses are not well developed. Latin America has an unfortunately well-deserved reputation for not having invested as much in cybersecurity as other regions. There is a debate about whether this is because there are fewer attacks (less interesting targets) or because there is lower detection and reporting. Some reports suggest that less management appreciation of the criticality of IT (in general) has led to cyberattacks being under-detected in the region. Also, a fear of customer, investor and regulatory criticism (a global problem) has caused detected attacks to be under-reported. Many countries' lack of data protection laws, which would require companies to contact customers once a data breach is detected, does not help. Fortinet's comments are welcome because a credible player is bringing the Latin American reality to light. The pandemic migrated many transactions from offline to online, including emergency funds for low-income households and real-time pay-

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ments (such as PIX in Brazil). That became a natural target for digital criminals. Omdia believes the Ukraine conflict will continue to be the cause or source of a new wave of cyberattacks by state-sponsored Russian hacking groups aimed at disrupting allies and creating pressure on the United States and Western Europe to drop sanctions. This could target economic partners like Mexico and oil exporters like Brazil or Colombia. Latin American governments should raise awareness, and companies need to realize that cybersecurity is not just a 'first world' concern."

A **Alberto Arebalos, chief executive officer of MileniumGroup Inc.:** "Cyberattacks have been increasingly serious, disruptive and costly as our lives are lived more and more in the cloud. From bank accounts to family pictures, from online shopping to online dating, more and more of our human experience is lived through and in the digital realm. It was back in the 1990s when networking hardware company Cisco Systems, one of the main builders of the Internet infrastructure, developed a tag line saying 'The Internet will change the way we live, work play and learn.' Though it seemed too ambitious at the time, it was actually not ambitious enough. Twenty years later, the pervasive digital world has changed our lives and has brought a lot of benefits and great efficiencies to the world's economy. At the same time, it is our greatest Achilles' Heel as a civilization. Countries, businesses and people have a hard time assessing the real risks and fail to take measures to prevent cyberattacks. Those attacks will keep growing and will demand a stronger response from all parties involved if we want to keep our interconnected world. The fact that people are being robbed of their digital identities, big banks and data companies are suffering hacking of their databases containing critical data of users, and hospitals or power companies are subject to ransomware attacks reveal that much can and must be

done, not only in Latin America but around the world. Cybersecurity is not just a set of measures to avoid attacks; it is a whole way of doing things. Because of that, there is long road to achieve the goal of a completely secure digital world."

A **Pierluigi Paganini, CEO of Cybhorus and a cybersecurity and intelligence expert:** "During the pandemic, private and public organizations and businesses were forced to adopt a new model for their working operations. Almost every company adopted remote working, but they did not provide employees the proper training in terms of cybersecurity risks. Attacks on organizations dramatically increased due to the adoption of remote work, but most employees still don't know how to protect their digital assets from cyber threats. The lack of knowledge on cyber threats and threat actors is among the root causes of the dramatic increase in the number of successful attacks. The consolidation of the model known as cybercrime-as-a-service (CaaS) also caused a spike in the number of attacks. In the CaaS model, skilled cybercriminals offer their services and products to other criminal organizations, lowering the barriers for entry in the cybercrime ecosystem and attracting a growing number of threat actors. Most businesses were totally unprepared. They have not implemented cybersecurity best practices in a historical period during which cyberattacks have become more frequent and sophisticated. Some industries were more exposed in the last years, including health care, financial services and retail. Almost any country in the region has to improve its cybersecurity posture and should be sharing information on cyber threats with other countries. Every state needs more investments in technology and human cyber capacity. IT is important to create new scholarly programs and training paths to create a new generation of professionals that can help their countries fill the gap between them and more advanced countries."

LATIN AMERICA ADVISOR

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

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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

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