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FEATURED Q&A

What Did the APEC Summit Mean for Latin America?



The two-day Asia-Pacific Economic Cooperation summit wrapped up last Saturday in Lima. Among the developments was a meeting between outgoing U.S. President Joe Biden and Chinese President Xi Jinping. // Photo: Xinhua.

Q Leaders of the Asia-Pacific Economic Cooperation (APEC) countries met last Friday and Saturday in Peru for a summit that included a meeting on the sidelines between outgoing U.S. President Joe Biden and Chinese President Xi Jinping. Before the gathering, the White House said Biden would “highlight U.S. economic leadership and engagement in the Indo-Pacific region.” What were the most important developments at the APEC summit for Latin America and the APEC member countries in the region—Chile, Mexico and Peru? What goals did China accomplish at the summit? How might the incoming administration of U.S. President-elect Donald Trump affect political and economic relations between China and Latin America?

A Jorge Heine, research professor at the Pardee School of Global Studies at Boston University and former Chilean ambassador to China: “The most significant development at the APEC gathering in Lima was the meeting between Presidents Biden and Xi to review the U.S.-China agenda and to agree that the management of nuclear weapons will not be left in the hands of artificial intelligence. Peru, which hosted its third APEC summit, added quite a feather to its diplomatic cap, with the opening of the \$3.6 billion deep-water Port of Chancay, which will cut travel time for cargo from South America to Asia from 35 to 25 days. This shows Peru’s success in focusing on the Asia-Pacific region for its foreign trade and foreign direct investment. Peru is one of only six countries in the world to have free trade agreements with both the United States and China and has effectively applied a policy of active nonalignment. Chilean President Gabriel Boric held a

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TODAY’S NEWS

POLITICAL

Five Arrested in Alleged Plot to Kill Brazil’s Lula

Police in Brazil have arrested four members of the military and a federal police officer in an alleged plot to kill Brazilian President Luiz Inácio Lula da Silva and Vice President Geraldo Alckmin in December 2022, just weeks before they took office.

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ECONOMIC

Banco Santander Launches Digital Bank in Mexico

Spain-based Banco Santander on Tuesday launched the website and app for its digital bank, known as Openbank, in Mexico.

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ECONOMIC

Nicaragua Strikes Deal With China for Port Project

The government of Nicaraguan President Daniel Ortega and a Chinese state-owned enterprise have finalized an agreement to build a deep-water port on Nicaragua’s Caribbean coast.

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Ortega // File Photo: Nicaraguan Government.

POLITICAL NEWS

Five Arrested in Alleged Plot to Kill Brazil's Lula

Police in Brazil have arrested five people—four members of the military and a federal police officer—in an alleged plot to overthrow the government and assassinate President Luiz Inácio Lula da Silva and Vice President Geraldo Alckmin, police in Brasília said Tuesday, the Financial Times reported. Four of the people arrested are special operations military personnel, including a brigadier general, and one is a federal police officer, the Associated Press reported. The alleged conspirators are accused of planning to kill Lula and Alckmin on Dec. 15, 2022, after they were elected but before they took office, the Financial Times reported. The group is also accused of planning to kidnap and possibly kill Supreme Court Justice Alexandre de Moraes, whom the suspects had allegedly placed under surveillance, the Financial Times reported, citing a document from the court that granted the arrest warrants. Police said they carried out three search warrants and also seized the suspects' passports, the AP reported. It was unclear when they would be charged, the wire service reported. "The objective was to prevent the inauguration of the legitimately elected government and undermine the free exercise of democracy and the authority of Brazil's judiciary," said De Moraes, who authorized the arrests, the AP reported.

ECONOMIC NEWS

Bolivian Truckers Protest Shortages of Diesel Fuel

Bolivian truck drivers set up at least three new roadblocks in Santa Cruz department on Monday to protest the lack of diesel in the country, Infobae reported. Gasoline supplies at stations

around the country have stabilized since separate protests by supporters of former President Evo Morales destabilized fuel markets weeks earlier, but diesel supply remains significantly less than domestic demand, Infobae reported. "It's been 12 days since we received a single liter of diesel at the pump where we are waiting," José Ernesto Viruez, one of the truck drivers blocking traffic along the route between Santa Cruz and Cochabamba, said in an interview Monday with a local TV station. Bolivia imports 86 percent of the diesel it consumes, and the country's lack of foreign currency reserves poses challenges to the government of President Luis Arce as it tries to alleviate the ongoing shortage, according to Infobae. Last week, Arce promised striking drivers that diesel and gasoline supplies will return to normal by this Saturday, Infobae reported. Bolivia's diesel shortage has also inhibited public service provision, La Paz-based newspaper El Diario reported. Gabriel Pari, the water and health secretary for the city of El Alto, told El Diario on Tuesday that the diesel shortage has made it impossible for local authorities to clean and maintain rivers in the city, which is Bolivia's second-largest by population. This could lead to more damaging flooding during the rainy season, which typically begins in December, Pari said.

Nicaragua Strikes Deal With China for Deep-Water Port

Nicaragua's government has finalized an agreement with a Chinese state-owned enterprise to build a deep-water port along the country's Caribbean coast, Nicaraguan government-run media announced on Monday, CNN reported. The agreement between the government of Nicaraguan President Daniel Ortega and China CAMC Engineering Co. (CAMC) was signed as the focal point of a summit of Chinese and Latin American business leaders in Managua, the news service reported. CAMC plans to build a new commercial port in the city of Bluefields in eastern Nicaragua, which would become Nicaragua's first major port facility on

NEWS BRIEFS

U.S. Recognizes Venezuela's González as President-elect

The United States has recognized the Venezuelan opposition's Edmundo González as president-elect, the State Department said Tuesday, CNN reported. "The Venezuelan people spoke resoundingly on July 28 and made Edmundo González the president-elect. Democracy demands respect for the will of the voters," Secretary of State Antony Blinken said on social media site X. The opposition has released vote tally sheets, which the U.S.-based Carter Center said appear to be authentic, showing that González won more than twice as many votes as President Nicolás Maduro. Venezuela's electoral council named Maduro the winner.

Brazil's Lula Discusses Greater Energy, Pharma Trade With India's Modi

Brazilian President Luiz Inácio Lula da Silva spoke with Indian Prime Minister Narendra Modi on Tuesday about expanding energy and pharmaceutical trade between the two countries, Lula announced in a post on social media site X. "India is an important partner of Brazil," Lula said on Tuesday during the G20 summit in Rio de Janeiro. Lula said he invited Modi to visit Brazil in 2025, adding that he is interested in taking a trip to India next year, as well.

Paraguay's Peña Briefly Hospitalized for Chest Pains

Paraguayan President Santiago Peña was released from a hospital in Brazil on Tuesday after experiencing chest pains, Reuters reported. Peña, 46, was attending the G20 summit in Rio de Janeiro as a guest. He posted a video of himself on social media site X on Tuesday morning, in which he said he had "already recovered" from the incident.

its Caribbean coast. Nicaraguan officials did not disclose the project's timeline or expected investment, Infobae reported. The Nicaraguan government thanked China "for supporting economic growth" in a statement on Monday, CNN reported. The announced port project came less than a week after the inauguration of the Port of Chancay in Peru, which state-run Chinese shipping firm Cosco operates. The port outside of Lima has served as a source of controversy for some Western Hemisphere security analysts, who warn that Chinese commercial ports could be retrofitted for military purposes in the future, Reuters reported. The Chinese government owns more than 60 percent of shares in CAMC, according to publicly available data. Chinese and Nicaraguan officials this week also reportedly signed agreements for Chinese enterprises to build a wind farm, a recycling plant and medical distribution center in the Central American country. [Editor's note: See related [Q&A](#) in the Nov. 5 issue of the Latin America Advisor.]

BUSINESS NEWS

Spain's Santander Launches Digital Bank in Mexico

Spain Based Banco Santander announced on Tuesday that it has launched its digital bank, known as Openbank, in Mexico. The launch of the Openbank website and mobile app "brings a competitive offer of debit and savings products, no minimum balance or hidden fees, and one of the world's most advanced technology platforms," Santander said in a statement. Santander said savings in Openbank's accounts will earn a return of as much as 12.5 percent, adding that debit cards and credit cards will also be available with accounts. Account holders will also be able to transfer withdraw cash at Santander ATMs, the bank said. In the coming weeks, customers who signed up on Santander's waiting list will receive instructions on how to open their accounts using the Openbank app, Santander said.

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bilateral meeting with President Xi in which he reiterated Chile's interest in joining the Regional Comprehensive Economic Partnership, Asia's—and the world's—biggest trade agreement. Unfortunately, Mexico's new president, Claudia Sheinbaum, skipped the meeting. Given that the Port of Chancay was built by Cosco, a Chinese company, as part of that country's Belt and Road Initiative, and that it was inaugurated jointly by Peruvian President Boluarte and by President Xi, the meeting was a bit of a victory lap for China. An announcement by a former Trump administration official that goods reaching the United States from Chancay would be slammed with a 60 percent tariff went down badly across the region, both because of its ineffectuality (Chancay will only handle trans-Pacific trade) and the seeming determination it reveals to block Latin America's efforts to reduce its huge infrastructure deficit, come what may."

A **Tara Hariharan, managing director of global macro research at NWI Management LP:** "APEC

showcased stark contrasts between proactive Chinese and muted U.S. overtures to Latin America. Xi inaugurated Peru's Chinese-built Chancay port to expedite Peru-Brazil-China trade, criticized protectionism and touted China as open to business. Biden's Amazon rain forest visit urging climate action was overshadowed by prospects of President-elect Trump's administration imposing universal and China-focused tariffs. China's Belt and Road has strategically invested in Latin American agriculture and minerals, renewables, electric vehicles and telecommunications. China, however, has a trade surplus with Latin America, and faces pushback against exported Chinese steel overcapacity. The United States meanwhile has prioritized curbing Latin American migration and drug flows over promoting trade, trends likely to persist under Trump. The U.S. economy's strength should attract Latin America even

as slowing Chinese growth faces downside from tariffs. But U.S. International Development Finance Club and Partnership for Global Infrastructure and Investment efforts to fund Latin American public infrastructure have been dwarfed by China's scope and consistency, and they face discontinuities during a new administration. China is top trade partner to Peru and Chile—U.S. tariffs targeting China might discourage these ties, but universal tariffs could reinforce them. Mexico's choice, however, looks clearer. Trump has suggested steep tariffs on Mexican cars to forestall Chinese automakers using Mexico for transshipment. The 2026 USMCA review will also likely feature U.S. concerns about Chinese investment in Mexico. Furthermore, annual cross-border trade exceeds \$800 billion, and Mexico is integral to the U.S. supply chain and bipartisan nearshoring attempts to reduce China dependencies. These considerations make closer U.S.-Mexico ties at the expense of further China-Mexico alignment a logical mutually beneficial decision."

A **Guo Cunhai, coordinator of the Center for Chinese and Latin American Studies (CECLA) in Beijing:** "The APEC summit in

Peru provided a platform for member economies to deliberate on pressing economic issues amid shifting global dynamics. The biggest winner is the host country, Peru, which not only promoted its global influence but attracted more attention and potential investment. But the other two Latin American members, Chile and Mexico, also showed their discourse and presence by reiterating their dedication to free trade and multilateral cooperation. Amid growing uncertainties surrounding U.S. trade policies, these Latin American member countries emphasized the need for regional frameworks to enhance economic resilience. Mexico and Chile in particular sought to leverage APEC to strengthen ties with Asian markets. For China, the summit positioned itself as a leader

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advocating for open markets amid rising protectionism. President Xi also held productive talks with leaders of Peru, Chile and Mexico, resulting in agreements to enhance cooperation in infrastructure, agriculture and digital technology. In addition, China emphasized multilateralism and collaborative efforts to address global changes, such as climate change, digital transformation and global health, which are resonating with Latin American priorities while contrasting with the priorities of President-elect Donald Trump. As the incoming Trump administration potentially reshapes U.S. engagement with Latin America, China's strategic engagement is poised to strengthen, presenting mutual benefits for Latin America and China in the evolving global landscape."

A **Andrea M. Ewart, CEO of DevelopTradeLaw:** "For APEC member countries, an important development from the APEC summit was the launch of the Lima Roadmap to Promote the Transition to the Formal and Global Economies (2025-2040). The roadmap is aimed at supporting the Putrajaya Vision 2040 of driving regional trade and investment and inclusive growth by encouraging the transition of economic actors from the informal to the formal economy.

The informal sector is characterized by low productivity and high poverty and accounts for about 31 percent of Mexico's and 60 percent of Peru's economies. The plan targets reduced barriers for the transition and fewer administrative and tax burdens on formal businesses; an increased number of informal actors gaining access to markets, credit and investment; and enhanced data collection and analysis as a result of increased digitalization. Success of this initiative promises increased participation in the benefits of trade and investment by larger numbers of citizens in APEC economies. For China, the summit provided the opportunity to position itself as a driver for increased trade and cooperation among APEC members. Accompanying its rhetoric was the inauguration of the \$1.3 billion megaport in Peru which has the potential to become South America's biggest shipping hub. Contrasted with the reality of a diminished Biden and likelihood of a disengaged Trump, the summit prefaced the very real possibility of further strengthening political and economic relations between China and Latin America."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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