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FEATURED Q&A

What Will Holness' Third Term in Office Bring to Jamaica?

Jamaican Prime Minister Andrew Holness won a third term as the country's prime minister earlier this month. // File Photo: Commonwealth Secretariat via CC BY-NC 2.0.

Q Andrew Holness on Sept. 3 won a third term as Jamaica's prime minister in the country's general election; the ruling Jamaica Labor Party won 35 seats in the country's House of Representatives and the opposition People's National Party won 28 seats. Holness, whose administration has faced allegations of cronyism, which he denies, campaigned on a platform of reducing taxes and strengthening security in Jamaica. What factors led to the ruling party's victory? What do the results mean for Jamaica, along with its economy and businesses? What are the biggest challenges that face Holness' government going forward?

A Damion Blake, associate professor of political science and public policy at Elon University: "Andrew Holness etched his name in Jamaica's political history by securing a third consecutive term in power as leader of the Jamaica Labor Party (JLP). The JLP's victory stemmed from its ability to campaign on tangible achievements. Between 2024 and 2025, murders declined by 43 percent, and the government invested heavily in road construction, water projects and port facilities. At the macroeconomic level, Holness' administration stabilized the economy and cut the national debt, which allowed greater public spending on policing and infrastructure. The World Bank praised Jamaica's 'significant strides' in reducing public debt, which fell from more than 140 percent of GDP in 2013 to 73.4 percent in 2023-2024. With unemployment at 3.3 percent, the lowest in the country's history, the JLP persuaded voters with a message of stability and security. By contrast,

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TODAY'S NEWS

ECONOMIC

Mercosur, EFTA Sign Formal Free Trade Agreement

South American trade bloc Mercosur on Tuesday formally entered a trade agreement with the European Free Trade Association, which is comprised of Norway, Switzerland, Iceland and Liechtenstein.

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BUSINESS

U.S. Gov't to End Protections for Delta, Aeroméxico

The U.S. government will revoke antitrust protections, effective in January, for the joint venture between Delta Airlines and Mexican flag-carrier Aeroméxico, U.S. Transportation Secretary Sean Duffy announced Tuesday.

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BUSINESS

Argentina to Sell Part of State-Run Nuclear Company

Argentina's government plans to sell 44 percent of state-owned Nucleoléctrica Argentina, presidential spokesman Manuel Adorni said on Tuesday.

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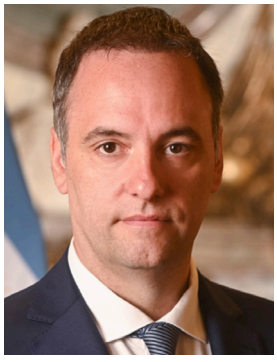

Adorni // File Photo: Argentine Government via CC BY 4.0.

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BUSINESS NEWS

Argentina to Partially Privatize State-Run Nuclear Energy Firm

Argentina's government plans to partially privatize Nucleoléctrica Argentina, the wholly state-run company that oversees operations of the country's three operational nuclear power reactors, presidential spokesman Manuel Adorni announced at a press conference on Tuesday, newspaper El Cronista reported. The administration of Argentine President Javier Milei will soon launch a public international auction seeking to sell 44 percent of the company, Adorni said. Argentina's government will maintain control over Nucleoléctrica Argentina, he added. The company, which recorded $17 million in profit during the first quarter of this year, likely has a total valuation of approximately $1 billion, El Cronista reported. Nuclear energy accounted for 6 percent of Argentina's national electricity production in July of this year, according to the most recent data from energy consultancy Ember. Nuclear power production in Argentina has remained stable since the end of 2014, when a second reactor came online at the Atucha facility located to the northwest of Buenos Aires. Nucleoléctrica Argentina also operates the Embalse Nuclear Center in Córdoba province, which has one operational reactor. The firm remains engaged in negotiations, which began in 2022, with the China National Nuclear Corporation for the construction of a third reactor at Atucha. It's unclear whether those negotiations will be affected by the Milei administration's plan to partially privatize Nucleoléctrica Argentina, Reuters reported. "The idea is to promote private investment to build Argentina's first modular reactor and boost uranium mining," Adorni said on Tuesday, the wire service reported.

U.S. Gov't Ending Immunity for Delta-Aeroméxico Venture

The U.S. Department of Transportation (DOT) on Tuesday announced that it will withdraw antitrust immunity for Delta Air Lines and Aeroméxico's joint venture, effectively terminating the agreement. The companies have until Jan. 1 to wind down competitively sensitive operations including joint pricing, coordinated capacity planning and revenue sharing, though they will still be allowed to cooperate on code-sharing, marketing and frequent-flyer programs, according to a statement from DOT. Delta will also retain its equity stake in Aeroméx-

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the opposition People's National Party (PNP) centered its campaign on allegations about Holness' personal finances and a pledge to introduce a tax-free income threshold of 3.5 million Jamaican dollars ($21,800), but these proposals failed to resonate.

The results suggest continuity: Jamaica is poised to deepen its trajectory of economic stability, job creation and crime reduction, while local businesses should gain from policies that encourage productivity and growth. Yet serious challenges remain. Chief among them is modernizing public health care and expanding access to quality hospitals, followed by improving education and addressing weak productivity levels. Finally, the government must sustain falling murder rates, dismantle entrenched gangs and strengthen the justice system. Holness' third term offers opportunities, but progress depends on meeting these challenges head-on."

Stacey-Ann Wilson, senior lecturer in the Department of Government at The University of the West Indies, Mona Campus: "Voter turnout was 39.5 percent, and the electorate seemed generally uninspired by both parties. Voters are dissatisfied with the

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NEWS BRIEFS

Mexican Gov't Sells $13.9 Bn in Bonds to Assist Pemex: Bloomberg

Mexico's government put $13.9 billion of its sovereign bonds up for sale on international debt markets this week in an effort to shore up the finances of state-run Pemex—the world's most indebted oil company—sources close to the matter told Bloomberg News on Tuesday. The issuance includes $8 billion in dollar-denominated bonds, as well as euro-denominated bonds equaling $5.9 billion, all of which will mature after 2030. A number of financial institutions including Citigroup, JPMorgan and Goldman Sachs were involved in this week's transactions, the news service reported.

Mercosur and EFTA Bloc Finalize Free Trade Deal

Representatives from the four-country European Free Trade Association (EFTA) and South American trade bloc Mercosur signed a formal deal to implement a free trade agreement on Tuesday in Rio de Janeiro, Reuters reported. The final agreement, which was first announced in July, loosens market barriers between Brazil, Argentina, Paraguay and Uruguay and the EFTA, which is comprised of four non-E.U. countries (Iceland, Norway, Switzerland and Liechtenstein). [Editor's note: See related Q&A in the July 21 issue of the Advisor.]

Databricks Buys Stake in Brazilian AI Company

San Francisco-based technology firm Databricks has acquired a minority stake in Indicium, a Brazilian artificial intelligence consultancy, the firms announced in a statement on Tuesday. More than 50 percent of Indicium's revenue came from Latin America last year, according to Reuters. The firm was founded in Florianópolis in 2017 and last year moved its headquarters to New York. Databricks, which is valued at $100 billion, already has offices in São Paulo and Mexico City.

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ico, and both carriers can maintain their existing service in the U.S.-Mexico market, the Associated Press reported. U.S. officials under both the Biden and Trump administrations had warned that Mexico's handling of airport access may have breached the 2015 U.S.-Mexico Air Transport Agreement, according to Reuters. DOT claims Mexican authorities rescinded other U.S. carriers' slots at the long-established Benito Juárez International Airport in Mexico City and later ordered cargo flights to relocate to the newly built Felipe Ángeles International Airport, where promised infrastructure has lagged. Delta said it was "disappointed" by the ruling, warning in a statement on Tuesday that it would "cause significant harm to U.S. jobs, communities and consumers traveling between the U.S. and Mexico." Aeroméxico said Tuesday that the order "does not affect our customers" and that code-sharing and frequent-flyer reciprocity will continue. Both airlines said flights are expected to operate normally unless otherwise notified.

POLITICAL NEWS

Bolsonaro, Under House Arrest, Hospitalized Again

Brazilian President Jair Bolsonaro was taken to a hospital Tuesday in the capital city of Brasília after falling ill, his son Flávio announced on social media site X. Bolsonaro, who was sentenced to more than 27 years in prison last week by a panel of Brazil's supreme court for his role in a coup plot after his 2022 election defeat, has been under house arrest since last month. The former president has had multiple health issues stemming from a 2018 stabbing attack, the Associated Press reported. Also on Tuesday, a federal court in Brazil ordered Bolsonaro pay nearly $190,000 in damages for offensive statements that he allegedly made while in office, Reuters reported. Bolsonaro has denied wrongdoing in the incident, in which the former president in 2021 described a Black supporter's hair as a "cockroach breeding ground," according to the wire service.

THE DIALOGUE CONTINUES

What Did Rubio Accomplish on His Latin America Trip?

Q U.S. Secretary of State Marco Rubio traveled to Mexico and Ecuador last week to discuss security cooperation with Mexican President Claudia Sheinbaum and Ecuadorean President Daniel Noboa. Rubio's visit came amid the U.S. deployment of more than 4,000 military personnel to the southern Caribbean, which marks the largest escalation of U.S. armed forces' presence in Latin America and the Caribbean since 1989. What did Rubio accomplish on his trip to Mexico and Ecuador? To what extent are Mexican, Ecuadorean and U.S. officials making progress in the fight against transnational cartels? What more could be done to tackle the problem?

A Diego Andrés Almeida, managing partner at Almeida Guzmán & Asociados in Ecuador: "Both Ecuador and Mexico are aligned with the United States in their efforts to fight crime and cooperate on security issues. However, Ecuador went a step further by recognizing the existence of the Cartel de los Soles and Maduro's involvement. Rubio's visit represents an unequivocal signal of U.S. support, especially in the fight against drug trafficking. Ecuador recognizes the importance of U.S. support in its extensive efforts to abolish criminal organizations that cause serious social, economic and political damage. The visit demonstrates the strength of cooperation and Washington's intention to deepen its support for Ecuador. After the extradition of 'Fito,' it has become clear that both parties are liaising, sending a clear message to criminal organizations operating in Ecuador. The pledge to provide funds and equipment to fight crime is another clear sign of the trust both parties have in each other. Recent operations aimed at dismantling criminal organizations and money-laundering schemes are a sign that U.S. assistance is generating positive results. Going forward, all parties are faced with the difficult task of untangling criminal networks that have penetrated schools, neighborhoods and rehabilitation centers, creating a subculture that contaminates and corrupts new generations. In this sense, efforts must focus on combating crime at the very foundations of society. Thus, education and job creation are vital to incentivize the formal economy."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Sept. 12 issue of the Advisor.

Sheinbaum Holds Military Parade on Independence Day

Mexican President Claudia Sheinbaum oversaw a military parade in Mexico City on Tuesday in celebration of Mexico's Independence Day, the Associated Press reported. "No foreign power makes decisions for us," Sheinbaum said in a speech the day prior, the wire service reported. Sheinbaum, Mexico's first female president, is navigating unprecedented trade and military tensions with the United States; the administration of U.S. President Donald Trump has repeatedly called on Sheinbaum's government to do more to combat drug trafficking groups, even suggesting that U.S. troops could be unilaterally deployed against cartels in Mexico, the AP reported. [Editor's note: See related Q&A in the Aug. 15 issue of the Advisor.]

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government but skeptical of the opposition. While both parties had targeted economic and social messaging, perceptions of leadership steadiness in a time of macroeconomic stability and decreased homicide rates favored the incumbent. It may be too early to speculate on what this win means for the economy and businesses beyond what is already in place, because there is no timeline on the implementation of Holness' election promises that would most affect the economy, such as decreasing the income tax rate from 25 percent to 15 percent and doubling the weekly minimum wage. There are disagreements among economists on the feasibility of the income tax reduction and disquiet among business owners on what doubling the minimum wage would mean for the profitability (and viability) of small and micro-businesses. Going forward, the Holness government faces the challenge of translating the positive macroeconomic performance to the microeconomic realities of the working poor. There is a sense that many people across the island are not experiencing the 'prosperity' that the government speaks of. The government will also be challenged to continue to reduce the homicide rate without pursuing policies that violate the human rights of citizens living in or near communities that have a history of outbreaks of violence or gang activities (such as the use of states of emergencies)."

Hume Johnson, associate professor of communication at Roger Williams University:

"Andrew Holness' victory reflects his political brand as a decisive pragmatist—assertive and ambitious, though often regarded with skepticism on matters of trust—and the enduring weight of party loyalty in Jamaica's electoral culture. In focusing on stability, tax relief and his performance in crime and security, Holness tapped into enduring concerns about the economy and crime, even as party loyalty ultimately shaped voting behavior. At the same time, the People's National Party is still in the process of regaining ground. While Mark Golding now appears firmly rooted in his role and enjoys the full support of his party, the PNP's message has yet to fully capture the imagination of the electorate. For Jamaica's economy and businesses, the results signal continuity. Holness has pursued fiscal discipline, debt reduction and policies that favor investment and entrepreneurship. Tax relief, if delivered responsibly, could ease burdens on households and businesses while boosting investor confidence. Political stability, reinforced by the electorate's decision to return an incumbent, also reassures international partners that Jamaica will remain on its current economic trajectory. Persistent crime, inequality and lingering perceptions of corruption continue to erode trust. Cronyism, whether real or perceived, continues to raise questions about governance and accountability. Structural weaknesses, including youth unemployment, dependence on remittances and exposure to external shocks, further complicate Jamaica's growth prospects. Holness is offered another opportunity to lead. But to convert this mandate into lasting national gains, his administration must not only manage the economy but also deepen trust in institutions, strengthen transparency and deliver on the promise of security and opportunity for all Jamaicans."

> **"For Jamaica's economy and businesses, the results signal continuity."**
>
> **— Hume Johnson**

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

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Gene Kuleta
Editor

Jack Quinn
Reporter

Yael Sternberg
Reporter

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Rebecca Bill Chavez, Ph.D., President & CEO
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