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## FEATURED Q&A

# What Do Europe & Latin America Need From Each Other?



During her trip to Latin America this month, European Commission President Ursula von der Leyen met with leaders including Brazilian President Luiz Inácio Lula da Silva. // Photo: @vonderleyen via Twitter.

**Q** European Commission President Ursula von der Leyen earlier this month visited Latin America to bolster political and economic ties with the region. The trip included meetings between Von der Leyen and the presidents of Brazil, Argentina, Chile and Mexico. E.U. foreign policy chief Josep Borrell previously said the partnerships had been “taken for granted, or even neglected.” In July, Brussels will host a summit with more than 30 leaders from Latin America and the Caribbean to further strengthen relations. What did Von der Leyen accomplish on her trip to the region, and what were the most important issues under discussion? What kind of political and economic cooperation could develop, and how would it benefit both parties?

**A** Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City: “The European Union has innumerable problems: the Ukrainian conflict, vast migration and a technical recession are just some of them. That is why it was positive news that Ursula von der Leyen came to Latin America and that Mexico was among the countries she visited. The last European Commission president to visit the region was José Manuel Barroso — 11 years ago. The question arises: what drove Von der Leyen to make such a visit? There are several reasons: the climate change agenda is one, the growing clout of China is another and the assurance of minerals that are critical for the energy transition is yet another. According to some estimates, Mexico could have 1.7 million tons of lithium, around 2 percent of the mineral’s total in the planet. That, without a doubt, makes Mexico an attractive country, and most especially to the European Union, since

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Mexico's government is planning to hand over control of Mexico City International Airport to the country's navy. The navy is already in control of security and customs at the airport.

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## Itaú, Bradesco CEOs Back Brazil's Proposed Tax Reform

The chief executives of Brazilian banks Itaú and Bradesco expressed support for the government's planned tax reform.

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U.N. human rights expert William O'Neill on Wednesday called for the deployment of a specialized international force to provide security in Haiti, which has been beset by gang violence.

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O'Neill // File Photo: United Nations.

## POLITICAL NEWS

## U.N. Rights Expert Calls for Specialized Int'l Force for Haiti

A United Nations human rights expert on Wednesday called for the deployment of a specialized international force to provide security in Haiti. The expert, William O'Neill, made the statement at the conclusion of a 10-day trip to the Caribbean country, which has been battered by violence as gangs have increasingly asserted control of the territory. "Unfortunately, I found a country bruised by violence, misery, fear and suffering," O'Neill said in a statement released by the United Nations. "The human rights situation is dramatic, all rights are violated. Gangs continue to terrorize, especially in more than half of the capital, Port-au-Prince, which has become a lawless zone." He added, "Women and girls continue to be raped by gangs, often collectively, to establish their control over the population." O'Neill also said that tens of thousands of people have been displaced by violence in the Caribbean nation. "The deployment of a specialized international force alongside the National Police of Haiti is essential to restore the freedom of movement of populations," said O'Neill. He added that an U.N. Security Council embargo on weapons, which he said mainly come from the United States, "must be implemented immediately." O'Neill said that Haitian authorities face "immense challenges" but added that "the situation is not irreversible." The Haitian state "has a fundamental role to play in this regard, as guarantor of the human rights of the population." O'Neill, who was appointed to the U.N. role in April, visited Haiti as a police department that has too few staff members and not enough resources to effectively operate, has struggled to fight gangs that are at war with each other, the Associated Press reported. Gangs in the country have become more powerful since the power vacuum left by the assassination of President Jovenel Moïse in July 2021. Gangs are now estimated to control some 80 percent of Port-au-Prince, the AP reported.

## Thousands of Venezuelans Abroad Register to Vote

Thousands of Venezuelans living outside the country have registered to vote in the primaries for opposition presidential candidates, Bloomberg Línea reported Wednesday. Some 50,000 Venezuelans have updated their information in a registry of the country's National Primary Commission, the news service reported. As of last week, Chile has the largest number of Venezuelans registered to vote in the primaries, according to Plataforma Unitaria, a coalition of Venezuelan opposition parties. Approximately 12 percent of the updates ahead of the primaries have been made in Colombia, to which some two million Venezuelan refugees have fled. In the United States, as many as 15 cities have been established as possible voting centers for Venezuelans living in the country. The primaries are scheduled for Oct. 22. [Editor's note: See related [Q&A](#) in the June 22 issue of the Advisor.]

## ECONOMIC NEWS

## Mexico Plans to Hand Control of Capital's Airport to Navy

Mexico's government is planning to hand over control of the main airport serving the country's capital to the navy, Reuters reported Tuesday, citing a draft decree. Mexico City International Airport is currently under the jurisdiction of the transportation ministry, but the navy already is in charge of security operations and customs, the wire service reported. President Andrés Manuel López Obrador has said the navy has reduced smuggling and drug trafficking out of airports. Carlos Velázquez, a former navy pilot, was appointed last year as the airport's director. "There's more security, more certainty, the rules are followed better, there's more discipline," with the navy in charge, he said.

## NEWS BRIEFS

## Heat Wave Has Killed at Least 21 in Mexico: State Health Secretary

At least 21 people have died in northern Mexico because of a heat wave that has gripped many parts of the country, CNN reported Wednesday, citing the health secretary of Tamaulipas state. Currently, 29 people are in emergency rooms in Tamaulipas hospitals that are run by Mexico's Social Security Institute, the network reported. Mexico has experienced record-breaking high temperatures for more than 10 days, with temperatures soaring up to 45 degrees Celsius, or 113 degrees Fahrenheit.

## Paraguay's President-elect Wants More Investment From U.S., Taiwan

Paraguay's president-elect, Santiago Peña, wants the United States and Taiwan to invest more in the South American country's economy, said the incoming leader's top diplomat, Bloomberg News reported. "The U.S. is one of the main countries of origin of foreign direct investment, but it's insufficient," said Ruben Ramírez, whom Ramírez tapped as his foreign minister. Taiwan should also do more to create jobs and foster economic development, said Ramírez. Peña is to take office Aug. 15.

## Indian State-Owned Joint Venture to Sign Deal for Argentine Lithium Blocks

Indian state-owned joint venture KABIL is planning to sign an agreement with Argentina's government to secure lithium blocks in the South American country, Reuters reported Wednesday, citing a government source with knowledge of the matter. India has been pursuing agreements with other countries to secure minerals in resource-rich countries, including Argentina, Chile and Australia, the wire service reported.

## BUSINESS NEWS

## Itaú, Bradesco CEOs Back Brazil's Proposed Tax Reform

The chief executive officers of Brazil's largest banks—Itaú Unibanco Holding and Bradesco—on Tuesday expressed support for the government's planned tax reform, Reuters reported. The comments from the executives, made at an event organized by Febraban, Brazil's banking federation, came a week after the government unveiled details of the reform, which is a major part of President Luiz Inácio Lula da Silva's economic growth plan. "We have a very big opportunity to attract foreign investments, the world is looking at what the investment opportunities are because there is a lot of capital to allocate," said Bradesco CEO Octavio de Lazari, Reuters reported. "The tax reform is in the oven and maybe this is the best opportunity we have to implement it," he added. Lazari added that Brazil is a "main destination" for investment, but he added that "it still needs to adjust things." Lazari said the country currently has "an opportunity that might take another 20 years to appear again," the wire service reported. Itaú's CEO, Milton Maluhy Filho also said that the current moment is one in which Brazil should take advantage of unique opportunities. "These windows don't always appear," he said. Maluhy Filho called the tax reform proposal extremely important and said there should be a "collective vision for the country, and not one for each sector," Reuters reported. The tax reform plan is the "cornerstone" of the Lula administration's economic program, Todd Martínez, senior director and co-head of the Americas for sovereigns at Fitch Ratings, told the Advisor in a [Q&A](#) published May 31. "From a macroeconomic perspective, the fiscal framework is crucial for anchoring expectations around improvement in public finances, which could help allay market uncertainties, facilitate a loosening of tight monetary policy, and thus support a virtuous cycle for growth," he said.

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it substantially depends on Russian gas and wants to improve its energy security by adopting clean energy technologies. Another topic of interest for our country was the modernization of the trade agreement with the European Union, which is certainly in the interest of both sides. Let us hope that this visit boosts free trade among our regions and strengthens ties among the liberal democracies of the Atlantic."

**A** **Tiziano Breda, researcher at Istituto Affari Internazionali:** "Ursula von der Leyen's visit to Latin America illustrated the European Union's renewed engagement with the region and offered hints at its priorities. E.U. interests stem from its needs to diversify its energy supply after the collapse of relations with Russia, ensure access to critical raw materials necessary for the green energy transition and revive political cooperation to support a rules-based global order, including on such issues as the war in Ukraine, on which the European Union expected greater regional backing in multilateral forums. For its part, Latin American countries are seeking to diversify their commercial and diplomatic ties in order to mitigate Washington's sway while not getting entangled in geopolitical quarrels between the United States and its rivals, particularly China. In that regard, the European Union represents a sort of third alternative with appealing features: a market of 500 million people, a source of foreign direct investment and a partner with a shared vision on a more green and digital future, also experienced in fostering regional integration. The goal of Von der Leyen's was therefore to fine tune details for the renewal of trade deals with Chile and Mexico, and the ratification of one with Mercosur, in the hopes that these could be announced at the margins of the E.U.-CELAC Summit in July. However, she was confronted with the hesitation of Mercosur leaders Brazil and Argentina regarding unilateral E.U. restrictions on deforestation and some of

its member states' own historic resistances toward opening their agro-industrial markets, hindering the prospects for success. Both blocs are well aware that the conjuncture is propitious to deepen trade and diplomatic ties, but greater will to meet halfway will be needed on both sides to turn intentions into concrete agreements that survive the volatile political momentum."

**A** **Carla Hobbs, program manager for the Madrid Office and tech initiative at the European Council on Foreign Relations:** "Ursula

von der Leyen's visit to Latin America and announcement of Global Gateway funding for the region is a welcome step in the right direction. Following on the heels of visits from other high-ranking European officials including European Commission Executive Vice President Margrethe Vestager and German Chancellor Olaf Scholz, it reinforces the message that the European Union is finally committed to reinvigorating E.U.-LAC relations, which have long punched below their weight. However, is it too little, too late? Years of E.U. neglect and indifference toward the region have left a void filled by other actors—primarily China—spanning countries and sectors. Latin American leaders, conscious that the European Union's 'return' to the region is motivated by a need for partners in an increasingly contested international environment and access to critical raw materials, may be skeptical and need some convincing. The European Union will need to make a compelling offer that can compete with those of other actors and responds to Latin America's needs and interests, including its own strategic autonomy. While the 10 billion euros announced in Global Gateway funding for the region is a positive signal that the European Union intends to resource its efforts, the sum is minimal compared to that promised to Africa thus far. Lukewarm efforts will achieve little. If the European Union truly hopes to build a strategic partnership with Latin America

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and the Caribbean, it will need full, long-term commitment and to cater toward the region's reindustrialization, social welfare and numerous other burning priorities."

**A** **Áurea Moltó, executive editor of Política Exterior in Madrid:** "The European Union's current objective toward Latin America is twofold. First, in the very short term, is to ensure the greatest possible success at the E.U.-CELAC summit in Brussels in July. Second, there is the strategic objective of building a more stable and deeper biregional relationship. This goal is outlined in the New Agenda for Relations Between the E.U. and Latin America and the Caribbean, which the European Commission and the European Parliament unveiled on June 7, five days before Von der Leyen's trip. It proposes a stronger and modernized strategic partnership, through reinforced political engagement, boosting trade and investment, and building more sustainable, fair and inter-connected societies through Global Gateway investments. In addition to a renewed and defined policy agenda, the president of the European Commission arrived with an investment plan for infrastructure and the essential mineral industries for the digital and green transition. One of those promising stages in the biregional relationship is now underway, in which shared values, common needs and potentialities await. Once again, Spain is the country that places Latin America among Brussels' priorities. On this occasion, however, Madrid has managed to commit the European Union as a whole to boosting relations with Latin America. Europe's influence in the region has clearly declined since the 2010 financial crisis. Two factors have converged to accelerate this loss of influence are the emergence of China, which has penetrated the economies of most Latin American states, and political distancing due to the different roles of the regions in the current geopolitical context."

**A** **Bartłomiej Znojek, Latin America analyst at the Polish Institute of International Affairs:** "Von der Leyen's four-country visit came just a few days after the European Union published its new strategy of relations with Latin America and the Caribbean (LAC). Both events are key elements of a few years-long E.U. attempts to revive the biregional strategic partnership. For the European Union, defending a rules-based global order, enhancing economic cooperation and working toward social cohesion should be the main areas of collaboration. The European Union aspires to be LAC's 'partner of choice' so that they can build a robust, trustful and mutually beneficial partnership. Restoring a regular top-level political dialogue is one of the top priorities, and the July E.U.-CELAC summit—the first since 2015—is a key step in that direction. The European Commission president traveled to LAC to reconfirm the European Union's genuine interest in the region. She presented the E.U. Global Gateway investment program as a new flagship tool and hallmark of the union's engagement in LAC. Building stable and safe supply chains in the green-transition-related industries—critical raw materials, green hydrogen—along with digital infrastructure are E.U. priority targets for financing. Still, progressing on free trade agreements with various LAC partners, particularly with Mercosur, remains a significant challenge. With the new strategy, the European Union clearly wants to compete with other top players in LAC—China in first place. Unlike the United States with the Summit of Americas, the European Union invites all CELAC leaders, including those from authoritarian regimes. The question is whether this year's intense E.U.-CELAC agenda will be enough to ensure a long-term mutual interest."

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

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