



Latin American Keys

ATREVIA

SUMMARY

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RECOVERY IN LATIN AMERICA STRENGTHENS AS COVID-19 INFECTIONS DECLINE AND ECONOMIC ACTIVITY REOPENS

Vaccination plans are progressing at a good pace in the region. As a result, stabilizing the number of Covid-19 cases and the consequent relaxation of sanitary measures are driving economic data that suggest a generalized recovery in 2021. To some degree, the political situation presents instability, whether due to the complicated balance of power in countries such as Peru, the proximity of electoral periods in Colombia, Argentina, and Chile, or the legal issues faced by leaders such as Bolsonaro in Brazil or Jorge Yunda in the capital of Ecuador.

The government formed by Pedro Castillo has generated more uncertainty than stability in **Peru**. It took more than 40 days for the National Jury of Elections to proclaim him president, and experts predict five years of constant confrontation between the Executive and Legislative powers. Covid-19 infections have decreased at the national level, and no region of the country is on extreme epidemiological alert. The vaccination process is progressing at a good pace.

The public approval rating for the administration of **Ecuador's** president, Guillermo Lasso, exceeds 70%, the highest level to date. This popularity is due to successfully implementing the vaccination plan during the first months in government. Likewise, there are high expectations regarding implementing a comprehensive economic program.

These prospects start in the public sector with the development and investment in the oil, mining, electric energy, and telecommunications industries and the private sector with measures that facilitate entrepreneurship and make the economy more flexible.

In **Colombia**, on July 20, the last legislature of the current Congress of the Republic began. President Iván Duque's government is entering its final stretch, the president's administration is already starting to take stock, and the reality is perceived in electoral results. The agenda is marked by the consequences of the "Paro Nacional" (the national strike), the consolidation of the vaccination plan, and an economic recovery accompanied by the possible approval of a tax reform.

The **Argentine** government and the private sector are carrying out initiatives to stimulate economic recovery, especially with the relaxation in one of the countries that had the strictest measures to contain the spread of Covid-19. In a month, primary elections will be held, which will indicate the amount of power that the government will have. In addition, it will demonstrate the strength that Vice-President Cristina Fernández de Kirchner is expected to have, who, along with President Alberto Fernández, has struggled to maintain power.

2021 is proving to be an intense election year for **Chile**. Before the November presidential elections, the primaries marked Chileans' fifth time going to the polls this year. In the previous months, there were municipal elections, the first and second rounds of regional governors, and elections to choose the 155 representatives of the Constituent Convention. The recurrent triumph of independent and non-party candidates has been surprising.

The IMF has praised the **Dominican Republic** as "one of the most dynamic and fastest-growing economies in Latin America and the Caribbean" and that it "entered Covid-19 in a relatively strong position." The economic recovery continues, with good figures in terms of remittances and tourist arrivals to the country. Almost half of the population has received two doses of the vaccine, and the balance of the first year of President Luis Abinader's government is considered positive.

A ministerial reform, the debate over printed ballots, the Parliamentary Commission of Inquiry on Covid-19, and a criminal report against President Jair Bolsonaro dominate **Brazil's** political news. With this year's inflation forecast to reach 7%, the minimum wage readjustment for 2022 could be the largest in six years, but without an actual increase. It is also expected that unemployment will return to pre-pandemic levels due to the normalization of the health situation in 2022.

During the last few weeks, **Mexico** has seen an increase in Covid-19 cases, representing the third wave of the pandemic. Seven Mexican states are in red on the traffic light monitoring system, indicating the highest risk possible. However, economic forecasts are optimistic, and GDP is expected to grow by more than 5.5%. In addition, a meeting was held between Mexican and U.S. leaders to work together on the immigration problem affecting the region.



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Latin American Keys presents a monthly report about the political, economic, and social situation of Latin America. Through this report, ATREVIA's Analysis and Research team provides companies with a first-hand perspective regarding the evolution of the political-institutional scene in the region.

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