



Latin American Keys

ATREVIA

SUMMARY

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LATIN AMERICA IS ONCE AGAIN SOMEWHERE BETWEEN OPTIMISM AND REALISM AFTER GAINING CONTROL OF THE PANDEMIC

Vaccination plans are achieving their objectives: Ecuador's government fulfilled its promise to vaccinate 9 million people with two doses in its first 100 days, and Chile has one of the highest vaccination rates in the world. Other countries are also making positive progress, such as Argentina, which has managed to fully vaccinate more than a third of its population, or Mexico, where more than 65% of its citizens have received at least one dose.

Two noteworthy outcomes stem from the pandemic's management. On the one hand, there is optimism surrounding the improved macroeconomic state due to economic recovery. On the other hand, the realistic approach of facing structural problems: political, such as tension among the different government branches in Brazil and Peru; and social, such as the increase in social insecurity in Colombia and the persistence of inequality throughout the region.

Constant controversies surrounding the first ministerial cabinet of Pedro Castillo have been **Peru's** main topic in the news during August. The alleged association of one of his ministers with terrorist groups was one of the principal causes. Consequently, public governmental disapproval increased and conflicts between the Legislative and the Executive intensified. On the other hand, the number of infections has decreased, but a third wave has been ruled out at the end of September due to the Delta variant.

Successfully reaching the goal of vaccinating more than 9 million **Ecuadorians** with two doses during the first 100 days of his mandate has significantly increased President Guillermo Lasso's popularity. However, the government faces several challenges:

the approval of essential reforms, such as the labor and tax reforms, in a National Assembly where it does not have a majority; and the announcement of possible social protest, mainly due to the increase in fuel prices.

Colombia is at the beginning of the 2022 presidential campaign. Voting intention polls are already being published regularly, and even though the leftist candidate Gustavo Petro leads the polls, he shows a downward trend. Security is one of the main concerns for citizens; therefore, it is clear that it will occupy an essential part of the political and media agenda. The expected tax reform, with a strong social plan, has been approved in the legislative sector.

Argentina's legislative primaries caused a significant setback to Alberto Fernández's Peronist government, as the opposing center-right alliance candidates, Juntos por el Cambio (Together for Change), gained the most votes for next November's mid-term elections. The Argentinian economic markets reacted positively to these results, and the index rose by a maximum of 15%. Inflation increased on average 20% more than income, and the government has implemented the Covid-19 passport in the "Mi Argentina" application.

Chilean political organizations have already registered the candidates that will compete in the next presidential elections. The Constituent Convention will significantly influence the campaign, which has one year to draft a new constitution to replace the current one inherited from the Pinochet era. **Chile** is one of the countries with the highest vaccination rate globally, and its economy is recovering strongly driven by copper exports. However, the social unrest caused by inequality continues, generating a lack of confidence in the traditional political establishments.

During the last month, the **Dominican Republic's** new government has completed its first year in office. There is a certain optimism due to the encouraging economic recovery data, the return to on-site classes, and control of Covid-19 due to the vaccination plan. Although the pandemic still afflicts the country, there is a gradual return to normality from an economic, social, and health perspective.

Brazilian current affairs have been shaken by the intense confrontations between the different government branches after President Jair Bolsonaro attacked the Supreme Electoral Tribunal and several members. Numerous protests for and against the President took place. The unrest ended after Bolsonaro made a statement reiterating his respect for other government authorities. Labor market indicators are positive, while inflation continues to rise. In addition, 34% of the population has already received full immunization against Covid-19.

Mexico began the LXV Legislature of the Congress of the Union by achieving gender parity in the Chamber of Deputies for the first time in its history. The "Federal Mandate Revocation Law" that regulates the revocation process of the President of the Republic has been issued, establishing that the final decision will depend on the citizens' vote through a referendum. The 2022 Economic Package forecasts GDP growth of 4.1% and inflation of 3.4% for the coming year. In addition, significant state investments in infrastructure have been announced.



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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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