



Latin American Keys

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SUMMARY

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THE SPREAD OF OMICRON THROUGH LATIN AMERICA CAUSES A SLIGHT DECREASE IN THE PREVIOUS HIGH GROWTH PROJECTIONS

Latin America has already surpassed the peak of infections caused by the Omicron variant. Despite its lower viral load, it has led to a slight reduction in growth projections for 2022.

In the political arena, Peru's president, Pedro Castillo, appointed his fourth cabinet in seven months, while Chile's president-elect, Gabriel Boric, presented his first cabinet, which is young and mainly composed of women.

In Colombia, polls indicate that Gustavo Petro will advance to the second round of the presidential elections, but there is uncertainty as to who his opponent will be. Mexico will also have two electoral proceedings regarding the revocation of AMLO's mandate and the local elections.

The social and political rejection of the IMF's agreement is at the center of Argentina's news. At the same time, the Ecuadorian president renegotiates the country's debt with China, seeking to distance itself from a rising oil price.

In Brazil, judicial investigations into Bolsonaro and his associates continue, now for possible computer-related crimes, while the Dominican Republic shows good economic data. Finally, high temperatures in Paraguay are causing power and water outages and raising concerns about the effects on soybean harvests.

The Peruvian government suffers a new political crisis. President Pedro Castillo appointed his fourth ministerial cabinet in seven months in office. The ministerial changes took place in the midst of the largest oil spill in history reported off the coast of Lima. The environmental authorities and the company involved continue with the clean-up and rescue of marine species. At the same time, Covid-19 infections have been on the rise, but the number of deaths has not increased significantly.

The Ecuadorian government is seeking to renegotiate its US\$ 5,176 million debt with China, in addition to detaching its oil payment, which already exceeds US\$ 90 per barrel. The Investment Bill proposal generates expectations, seeking to strengthen public-private alliances. The Judicial Power, which is plagued by several controversies, could be subject to reforms through widespread consultation in 2023. At last, the number of Covid-19 infections decreased.

The Colombian electoral arena has been stirred up by Ingrid Betancourt's announcement to run in the presidential elections through her own party, Verde Oxígeno. There is no doubt that Gustavo Petro will go through to the second round, but there is more uncertainty as to who will run with him. Some polls point to Rodolfo Hernandez, while others point in the direction of Alejandro Char. Conflicts along the border continue, and the Colombian peso proves to be one of the most devalued currencies in the region.

The IMF agreement is at the center of **Argentina's news** and is causing significant setbacks for the president. It has caused a division between Alberto Fernández and his vice-president, who is against the agreement. Also, with Máximo Kirchner, who has resigned from the presidency of the Frente de Todos block in the Chamber of Deputies as a sign of his rejection. He was one of the few remaining supporters of the ruling party in Congress. President Fernandez traveled to China and Russia in search of support to cover the IMF debt payment due in March, a move that will undoubtedly agitate the diplomatic environment.

Chile's president-elect, Gabriel Boric, officially presented the Government Cabinet that will accompany him. A young team composed chiefly of women. Foreign investment figures show the best-recorded statistics since 2015, demonstrating international markets' confidence in the country. However, inflation also reached the highest figures reported in 14 years. The fourth dose of the vaccine has been initiated, and tensions related to immigration are causing public alarm along the Bolivian border.



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The economic situation in the Dominican Republic shows very positive data, closing 2021 with a 10.7% GDP increase. According to the IMF, these results “place the country as the best performer in real terms with respect to pre-pandemic levels.” Foreign shipments and exports increased. Tourist arrivals also increased but still fell short of pre-2020 figures. Finally, year-on-year inflation stood at 8.5%, rising 0.73% in December.

Alexandre Moraes, **Brazil’s Federal Supreme Court minister**, investigates Jair Bolsonaro and his associates for alleged computer-related crimes and fake news attacks against democracy and institutions. The president travels to Russia to meet with his Russian counterpart and business associates to strengthen trade relations between the two countries. January inflation was 0.54%, falling for the third consecutive month. In addition, retail sales fell 0.1% in December compared to the previous month, but trade closed in 2021 with a 1.4% increase.

Mexico will hold two electoral proceedings this year. First, the recall referendum against President López Obrador in April, a process initiated by the president to mobilize his supporters, according to his critics. In addition, the governor elections in several states, among other local positions. The energy reform generates concerns in neighboring Canada and the US, and a GDP growth of 2.6% is expected.

Paraguay’s Interior Minister, Arnaldo Giuzzio, filed a complaint against former president Horacio Cartes, accusing him of money laundering and other crimes. Expected GDP growth for 2022 has been lowered to 0.5%, from a previous 3.0%. High temperatures lead to water and power outages and expected lower soybean harvests. qAlso, a vaccination campaign has been launched to vaccinate more than one million school-age children.



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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