

ATREVIATM



LATIN AMERICAN KEY HIGHLIGHTS

MARCH 2025

Inflation rebounds slightly in Latin America after months of decline

One of the key trends in recent months has been the decline in inflation across most Latin American countries, accompanied by interest rate cuts and moderate GDP growth.

However, in the past month, inflation has seen a slight, widespread uptick. The short term will be crucial in determining whether this marks a turning point or if the region continues its slow but steady path toward stability and growth.

So far, rising prices have been a key factor in Lula da Silva's declining popularity, now at its lowest across his three terms as Brazil's president. At the same time, Argentine leader Javier Milei has also seen a significant drop, though in a context marked by the \$Libra cryptocurrency scandal.

Colombia's government faces a challenging scenario—not only due to inflation and weak approval ratings but also because of legislative gridlock in the Senate, which is blocking its social reforms. Meanwhile, in Chile, corruption scandals have led to the resignation of a minister and the president of the Chamber of Deputies.

Yamandú Orsi has taken office as Uruguay's new leader, and in less than a month, Ecuador will elect his counterpart. The presidential race remains highly competitive, following a first round in which the two contenders were separated by just 0.17% of the vote.

Peru, on the other hand, continues to report strong economic figures, with GDP projected to grow by 4% in 2025. In Mexico, trade tensions with the United States have yet to cause significant disruptions: no investment projects have been canceled, and the peso remains stable.

Amid major geopolitical shifts, the European Union is working to strengthen political, economic, and security cooperation with Latin America. Its new agricultural policy roadmap could play a role in this relationship, with the balance between protectionism and free trade still to be defined.



Peru's economy could grow by 4% in 2025, according to projections from the Ministry of Economy and Finance. This boost would come from investments in infrastructure and mining, as well as increased business confidence and high raw material prices. The National Jury of Elections has released the schedule for the 2026 General Elections, outlining key dates for the registration of alliances and candidates. On the social front, financial inclusion and internet access have improved, although disparities persist based on age and educational level.

After a tightly contested first round of Ecuador's presidential elections, current president Daniel Noboa and Luisa González, candidate of the Citizen Revolution, are seeking support from other parties ahead of the April 13 elections. The outcome could impact the agreement with the IMF, which has postponed the disbursement of \$410 million until after the elections. Monthly inflation stood at 0.09% in February, marking the first positive figure in four months. The country is experiencing a heavy rainy season, causing infrastructure damage and affecting thousands, particularly in the province of Manabí.

Colombia is undergoing political reconfiguration ahead of next year's elections, amid significant challenges for the government. President Petro remains unpopular, with over 50 cabinet changes in the past three years, and his reforms are facing legislative gridlock. The Senate rejected the labor reform, and the healthcare reform could meet the same fate. Despite this, analysts project an economic growth of 2.6% for 2025, compared to 1.7% in 2024, although inflation recorded its first increase in February after two years of decline.

Chile's Minister of the Interior, Carolina Tohá, resigned to run in the November presidential elections. According to polls, she holds 10% of voting intention, falling behind right-wing candidates: Evelyn Matthei, who leads with 18%; Johannes Kaiser, with 13%; and José Antonio Kast, with 11%. The Minister of Defense and the President of the Chamber of Deputies also resigned, both linked to different corruption cases. Twelve-month accumulated inflation reached 4.7%, exceeding the Central Bank's tolerance range.



Inflation in Argentina experienced a slight increase of 0.2 percentage points in February compared to the previous month, reaching 2.4%, although it continues to decline year-over-year. Rising prices continue to affect the purchasing power of the most vulnerable sectors, while unemployment has increased in Buenos Aires over the past year. The scandal surrounding the cryptocurrency \$Libra has placed President Javier Milei in the media spotlight, as his popularity has dropped significantly in the past month.

Brazilian President Lula da Silva recorded the lowest approval rating of all his terms, partly due to rising prices, especially for food and electricity. In this context, the Central Bank may opt for an interest rate rise. Additionally, a program was launched to encourage investments in the industry, benefiting 25 sectors. Meanwhile, Belém is preparing to host COP30 amid criticism from environmental and Indigenous groups.

Trade tensions between Mexico and the United States persist. Donald Trump postponed the implementation of a 25% tariff on goods traded within the USMCA until April 2nd. However, on March 12, he announced a 25% tariff on aluminum and steel, two key Mexican exports. This situation is creating uncertainty in productive sectors due to potential disruptions in economic dynamics with Mexico's main trading partner. Despite this, the peso remains stable, and so far, no investment projects have been canceled, although inflation has risen slightly.

Yamandú Orsi assumed the presidency of Uruguay on March 1, supported by former President Pepe Mujica and accompanied by several regional and international leaders. His government faces financial challenges, including low foreign investment, fiscal deficit, and competitiveness. However, the economy performed well in 2024, and inflation remains within the target range. On the social front, there are also significant challenges in security, child poverty, education, and equality.



| PERU

POLITICAL CONTEXT

The National Jury of Elections published the electoral schedule for the 2026 General Elections, establishing key dates. The official call must be made before April 12 of this year, while political alliances have until May 12 to register.

Applications for pre-candidates will be submitted on July 3, primary elections will be held on November 16, and the final deadline for candidate registration is December 23. Finally, the general elections will take place on April 12, 2026.

Currently, 42 political parties are registered and eligible to participate in the elections. Among them are traditional parties like Acción Popular and the Peruvian Aprista Party (Apra), alongside new movements such as Ahora Nación and Perú Primero. Also included are nationally established parties like Fuerza Popular and Renovación Popular.

Congress approved, with 86 votes in favor, the reinstatement of preliminary judicial detention in non-flagrancy cases. The law allows a judge to order this measure when there is evidence of a crime with a penalty greater than four years and a risk of flight or obstruction of justice. Although some lawmakers proposed adjustments to prevent abuses, the majority agreed that this decision responds to the growing public demand for greater security.

ECONOMIC CONTEXT

The Ministry of Economy and Finance (MEF) projects a 4% GDP growth for 2025, which would place Peru among the fastest-growing economies in the region. This increase would be driven by the acceleration of investments in infrastructure and mining, the consolidation of business confidence, lower financing costs, and high raw material prices.

The government is implementing measures to facilitate private investment and eliminate bureaucratic barriers, while favorable weather conditions are expected to benefit agriculture and fishing.

Public investment grew by 29% in the first two months of 2025, reaching S/ 6.888 billion, with a record execution in February. This increase will positively impact employment and infrastructure, contributing to economic growth.

On the fiscal front, the MEF maintains a prudent management approach, projecting a deficit of 2.2% of GDP, with public debt at 33%. Despite the optimism, the World Bank warns that the country's productivity remains a challenge, highlighting the need for structural reforms to sustain growth.

The Central Reserve Bank of Peru decided to keep the reference interest rate at 4.75%. Future rate adjustments will depend on new updates regarding inflation and its determinants.

SOCIAL CONTEXT

Financial inclusion improved in the fourth quarter of 2024, with 59.7% of men and 57.5% of women aged 18 or older having an account in the financial system. Bank access was higher among young people aged 18 to 29, while the proportion decreased in adults over 60.

Internet usage grew in the same period, reaching 78.8% of women and 81.4% of men. Daily access predominates, with over 91% of the population regularly connected. Education level influences connectivity: 98.2% of women and 97.2% of men with higher education accessed the internet, while the percentage is lower among those with primary education.

In the health sector, 92.7% of women and 90.1% of men have insurance, with the Comprehensive Health Insurance (SIS) being the most common. In the labor market, women dominate in Commerce and Services (70.4%), while men have greater presence in Construction and Agriculture. Additionally, 50.2% of new registered businesses were led by women, with notable participation in beauty salons and retail.



| ECUADOR

POLITICAL CONTEXT

The National Electoral Council proclaimed the official results of the first round of the 2025 General Elections, confirming that Daniel Noboa (ADN) and Luisa González (RC-RETO) will face off in the second round on April 13. Noboa obtained 44.17% of the vote, while González received 44%, a difference of 16,746 votes. Both candidates are working to expand their support base, as together they accounted for 88.17% of the vote in the first round.

Noboa has gained support from Sociedad Patriótica and Construye, while the Christian Social Party has expressed its rejection of the Revolución Ciudadana. He has also received backing from indigenous sectors through the Confederation of Indigenous Nationalities of the Amazon of Ecuador. On the other hand, González has garnered support from the Ecuadorian Socialist Party, Conaice, Fenocin, Conaie, and Pachakutik, the political arm of the indigenous movement.

However, not all left-wing sectors support González, as Unidad Popular has called for a null vote, and the Democratic Left has remained neutral. In this context, the support of undecided voters and the strategies both candidates implement will be crucial in determining the next president, in a polarized scenario where alliances and the presidential debate will play a key role.

ECONOMIC CONTEXT

The IMF delayed the second review of the Extended Fund Facility (EFF) until after the second round of elections, postponing the disbursement of USD 410 million. The electoral outcome could influence the continuity of the agreement. The country has received USD 1.5 billion of a total financing of USD 4 billion, agreed upon in April 2024.

Annual inflation was 0.25% in February, a decrease of 1.18 percentage points compared to the 1.43% recorded in the same month of 2024, according to the National Institute of Statistics and Census. The drop was driven by lower electricity costs. However, on a monthly basis, there was the first positive variation in four months, with a 0.09% increase, following a -0.15% in January.

Sales grew by 11.8% in January, and tax collection increased by 20.3% in the first two months of the year compared to the same period in the previous year.

The Sacha oil field is facing difficulties following the cancellation of its concession to Sinopetrol, which will affect production and fiscal revenues due to infrastructure problems and a lack of investment.

The government reaffirmed the dollar as the official currency through Decree 565, aiming to strengthen dollarization and avoid parallel currencies, which is crucial for maintaining the country's economic stability.

SOCIAL CONTEXT

President Daniel Noboa proposed that the United States classify Ecuadorian criminal groups "Los Lobos," "Los Choneros," and "Los Tiguerones" as terrorist organizations, arguing that they have between 14,000 and 15,000 members and engage in illicit activities such as drug trafficking, illegal mining, and human trafficking. He emphasized the need for international cooperation to combat organized crime, suggesting support from special forces from the United States, Europe, and Brazil.

Ecuador is facing a severe rainy season, with 108,294 people affected, 20 dead, and 96 injured, according to the National Risk Management Secretariat. Manabí is the hardest-hit province, followed by Guayas, Los Ríos, El Oro, Pichincha, Loja, Esmeraldas, and Santa Elena. The rains have caused landslides, flooding, and damage to road infrastructure, with 13 water bodies overflowing.



| COLOMBIA

POLITICAL CONTEXT

One year before the elections, Colombia is undergoing a political reconfiguration amidst challenges for the government. President Gustavo Petro faces a 32% approval rating (Invamer, March 2025), while his party, Pacto Histórico, leads the reorganization of the left. The president is betting on a "broad front" that includes traditional sectors to sustain his project, with Gustavo Bolívar as the most visible pre-candidate.

In the opposition, Cambio Radical supports former vice president Germán Vargas Lleras, while former Bogotá mayor Enrique Peñalosa has officially announced his candidacy. On the other hand, Vicky Dávila, a well-known journalist, is rising in the polls.

The center is trying to reorganize amid the fracture of Alianza Verde. Although Claudia López stepped away from the party, several congress members aligned with her line are seeking to break away, feeling misaligned within the governing coalition. In this context, López is emerging as a presidential candidate.

The government has made over 50 cabinet changes in three years. The latest restructuring included the ministries of Defense, Energy, Environment, Equality, Culture, Sports, Technology, Labor, Commerce, Transport, and Interior. Additionally, Minister of Finance, Diego Guevara, resigned.

Armando Benedetti, in charge of the Interior, is working to rebuild alliances. However, the Senate remains a significant obstacle.

ECONOMIC CONTEXT

Annual inflation was 5.28% in February, compared to 7.74% in the same month of 2024, according to the National Administrative Department of Statistics. Nevertheless, this marked the first increase after two years of decline, and it remains above the Central Bank's target of 3%, which is causing concern among analysts.

GDP grew by 1.7% in 2024, surpassing the 0.7% in 2023, but still far from pre-pandemic levels. The agricultural sector was the main driver of growth, while manufacturing and mining continue to face challenges.

Additionally, foreign direct investment fell by 27.5% in the first two months of 2025, reaching USD 1.641 billion, compared to USD 2.265 billion in 2024.

The debate over the Free Trade Agreement (FTA) with the U.S. is creating uncertainty. President Petro has expressed support for its termination, arguing that it harms local corn and dairy producers. That said, some sectors warn that the FTA facilitates key exports such as coffee, flowers, and oil.

Even so, analysts project economic growth of 2.6% for 2025, driven by the agricultural sector, entertainment, and financial services.

SOCIAL CONTEXT

The government's social reforms are facing legislative blockages. The Seventh Commission of the Senate rejected the labor reform, and the health reform could face the same fate. In response, the government announced nine decrees to partially implement labor-related changes. As an alternative, it will appeal to the full Senate.

Measures such as advancing the night shift or increasing holiday pay cannot be approved by decree, so President Gustavo Petro insists on calling for a popular consultation to push forward his proposals. However, he faces significant hurdles: first, he must overcome the Senate's filter, and if approved, at least 13.6 million people would need to vote for the consultation to be valid—a threshold that no consultation has ever reached in Colombia.

In light of this, the president has reactivated his social mobilization strategy, gaining the support of unions and allied movements. On March 18, 2025, the first marches were held.

On the security front, after two months of crisis due to conflicts between armed groups in Catatumbo, the government has launched a military and social intervention. The strategy aims to replace coca crops with legal crops, offering USD 313 monthly to farmers who decide to abandon their coca cultivation.



| CHILE

POLITICAL CONTEXT

Interior Minister Carolina Tohá resigned to focus on her presidential candidacy. This departure marks a turning point in the race for the November elections. In her place, President Gabriel Boric appointed Álvaro Elizalde, who was serving as Minister Secretary General of the Presidency. The decision has been seen as a strategy to strengthen governance in a context of growing polarization.

Defense Minister Maya Fernández Allende also resigned following the controversy over the failed purchase of her grandfather's house, former President Salvador Allende, which the government planned to turn into a museum. The acquisition was questioned by the opposition, as the law prohibits ministers from entering into contracts with the state while in office. This led to the suspension of the process and, in January, the resignation of the Minister of National Assets.

Deputy Karol Cariola stepped down from the presidency of the Chamber of Deputies after her home was raided by the police as part of an investigation into alleged influence peddling. Although she had survived a censure motion in Congress, she ultimately resigned from the position on March 16, citing the need to focus on her son and personal well-being.

ECONOMIC CONTEXT

Monthly inflation was 0.4% in February, according to the National Institute of Statistics. The rise was driven by increases in transportation, housing, and basic services. As a result, the 12-month accumulated inflation reached 4.7%, surpassing the Central Bank's tolerance range, which could prompt restrictive monetary measures to curb price increases.

On the other hand, public debt is raising concerns among authorities, who have emphasized the need to implement fiscal policies to ensure the country's financial sustainability in the medium and long term.

The boom in shopping tourism from Argentina is having a positive impact on the Chilean economy. In the past year, over two million Argentinians visited the country, with an 8.4% increase in January 2025 compared to the same month in 2024.

This phenomenon is explained by the favorable exchange rate difference, resulting from the appreciation of the Argentine peso against the dollar and the depreciation of the Chilean peso. As a consequence, the local retail sector has been revitalized in several cities across the country.

SOCIAL CONTEXT

A blackout left 98.5% of the population without electricity on February 25, affecting more than 19 million people. The interruption was caused by a failure in the country's main transmission lines. In response to the emergency, the government declared a state of emergency and imposed a curfew in various regions while the service was restored, which in some areas took several hours.

Looking ahead to the presidential elections in November, polls reflect a fragmented electoral scenario. On the right, Evelyn Matthei (UDI) leads with 18% of voter intention, while Johannes Kaiser (National Libertarian Party) and José Antonio Kast (Republican Party) register 13% and 11%, respectively. Kast has focused his campaign on security and migration issues, while Kaiser attracts a more radical electorate.

On the left, the ruling coalition remains divided; Vlado Mirosevic (PL) and Carolina Tohá (PPD)—who launched her candidacy after leaving the government and is at 10% in the polls—compete in an environment with no clear leadership, especially after former President Michelle Bachelet decided to rule out her candidacy. Furthermore, 29% of respondents have not yet decided their preference, leaving the competition wide open.

In the center-right, Ximena Rincón (Democrats), and in the center-left, Alberto Undurraga (DC), have been declared candidates by their respective parties.



| ARGENTINA

POLITICAL CONTEXT

The focus of the media agenda in recent weeks has been on the case of the cryptocurrency \$Libra. President Javier Milei posted a controversial message on his official X account promoting a digital asset, which led to an increase in the cryptocurrency's value. After this surge, the founders of \$Libra reportedly took advantage of the situation to sell their assets and make millions in profits, causing an estimated loss of USD 250 million for over 10,000 investors.

In response to the cryptocurrency's crash, Milei deleted the post, triggering a wave of negative comments against him. According to the consulting firm Synopsis, negative opinions in the digital conversation reached 80%.

This incident gained international attention and severely impacted the president's image. As a result, he decided to give a recorded interview to journalist Jonathan Viale to clarify the situation. However, the strategy was not entirely successful, as while he managed to express his stance in the interview, fragments of the recording were leaked, revealing several contradictions and interventions by political consultant Santiago Caputo. Although Caputo does not hold an official government position, he acts as a representative of the president's closest circle.

ECONOMIC CONTEXT

Inflation reached 2.4% in February, slightly above the 2.2% recorded in January. As a result, it accumulates a variation of 4.7% so far this year, while, on a year-over-year basis, it decreased to 66.9%, marking a reduction from the previous month's 84.5%, according to data from the National Institute of Statistics and Censuses (INDEC).

Unemployment in the City of Buenos Aires saw a significant increase over the past year, rising from 4.6% to 7.5%, which represents 38,000 more unemployed people, according to a report published by the Buenos Aires Statistical and Census Institute (DGEC). The study also details that the number of unemployed individuals grew from 75,500 in the fourth quarter of 2023 to 113,500 in the same period of 2024.

The report shows that unemployment increased by 50.7% year-over-year, with a more pronounced impact on women. The female unemployment rate reached 7.8%, while the male rate stood at 5.7%. Additionally, it highlights that the Southern zone of the city registers the highest levels, with unemployment rising to 9.2%, compared to 5.1% a year ago.

SOCIAL CONTEXT

The Total Basic Basket (CBT), which serves as a reference to measure the poverty line, increased by 2.3% in February, surpassing the Minimum Vital and Mobile Wage (SMVM). This situation has persisted for several months, directly affecting the lowest income sectors.

The so-called "Federal Health March" brought together workers, students, and dismissed personnel from the health sector, especially in the public sector, protesting against the government's budget cuts and cost-cutting measures. The main demonstration took place in Buenos Aires, where protesters marched from Plaza de Mayo to the Ministry of Health.

The murder of a seven-year-old girl in La Plata, during a car robbery by two young individuals aged 14 and 17, shocked society. The incident has reignited the debate on security and the age of criminal responsibility.

According to a study by the consulting firm Atlas Intel, President Javier Milei's popularity suffered a significant drop in February. The latest survey shows that his disapproval rating rose from 41% in January to 50% in February, marking a loss of almost 10 points in just one month.



| BRAZIL

POLITICAL CONTEXT

A Datafolha poll revealed that only 24% of Brazilian voters approve of President Lula da Silva's government, while 41% disapprove, marking the lowest approval ratings of his three terms. The previous study, conducted in December 2024, showed a 35% approval rate and a 34% disapproval rate. This significant decline has been attributed to factors such as inflationary pressure, the devaluation of the real, the spread of fake news on social media, and difficulties in passing measures in a Congress dominated by conservatives.

With rising food prices as a key factor in this decline in popularity, the government is considering lowering credit costs for the production of staple foods like rice, beans, and coffee. This measure aims to make more affordable products accessible and encourage investment in family farming.

The presidents of Brazil, Chile, Colombia, and the elected president of Uruguay, Yamandú Orsi, met at the Brazilian embassy in Montevideo before Orsi's inauguration. During the meeting, they strengthened ties and emphasized the importance of strengthening democracy in their countries.

ECONOMIC CONTEXT

Annual inflation reached 5.06% in February, the highest level since September 2023. On a monthly basis, the increase was 1.31%, marking the largest rise for a February in the last 22 years.

The rise was driven by a 16.8% increase in residential electricity prices. Although food prices rose less than in January, inflation continues to exceed the target of 4.5%. Under the new leadership of Gabriel Galípolo, the Central Bank could raise the interest rate, currently at 13.25%, which would further cool the economy that grew by only 0.2% in the last quarter of 2024.

Geraldo Alckmin, Vice President of Brazil, launched the second phase of an accelerated amortization program to encourage investments in industry, allowing companies to quickly deduct investments in new equipment from their income tax. The government will invest R\$ 3 billion (USD ≈528 million) between 2025 and 2026, in addition to the R\$ 1.9 billion (USD ≈334 million) already invested in 2024.

This measure, which benefits 25 sectors, aims to increase productivity and offset the impact of the high interest rate, enabling companies to recover tax value within two years, stimulating industrial renewal and efficiency.

SOCIAL CONTEXT

The National Civil Aviation Agency suspended operations of the airline Voepass, citing non-compliance with required safety measures following a 2024 accident that resulted in 62 deaths. Voepass, which primarily operated in São Paulo with six planes, was the fourth-largest airline in Brazil, holding a 0.4% market share, behind the three giants dominating the sector: Latam, Gol, and Azul.

Brazil is constructing a highway in a protected area of the Amazon to host the COP30 in Belém this November, a move that has sparked environmental concerns. The city, with inadequate infrastructure and lacking basic sanitation for 80% of its population, is expected to welcome 50,000 visitors. The G-9, a coalition of Amazonian indigenous leaders focused on banning hydrocarbon exploration, is expected to play a significant role in the summit.

Since the creation of the Femicide Law in 2015, Brazil has recorded at least 11,859 victims, reaching the highest number of cases in 2024 with 1,459. The Ministry of Justice allocated R\$ 116 million (USD ≈20 million) to protect women and strengthen preventive programs.



| MEXICO

POLITICAL CONTEXT

Amidst the commercial uncertainty between Mexico and the United States, President Donald Trump has paused, until April 2, the imposition of a 25% tariff on products traded under the USMCA. However, as of March 12, he imposed a 25% tariff on aluminum and steel, key Mexican exports, as well as on other goods not covered by the trade agreement's clauses. Additionally, the escalation of the tariff war between the United States, Europe, and China could impact supply chains and production between Mexico and its main trading partner.

The imposition of these tariffs has generated tensions in productive sectors due to the economic interdependence between the two nations. These measures have also been seen as a form of pressure from the White House on the Mexican government to curb the flow of fentanyl and address illegal migration.

Following Rogelio Ramírez de la O's departure from the Ministry of Finance and Public Credit (SHCP), the Chamber of Deputies ratified Edgar Amador Zamora as the new head of the Ministry. Proposed by President Claudia Sheinbaum, Amador will take on the responsibility of tackling public finance challenges and ensuring economic growth amid the commercial instability.

ECONOMIC CONTEXT

Despite the uncertainty, the Mexican peso remains stable, trading around 20.0 units per dollar. Additionally, the Ministry of Economy confirmed that none of the investment projects totaling USD 220 billion have been canceled to date. Between January 2023 and September 2024, the private sector made 575 investment announcements in the country, with 60% originating from Mexico and 40% from abroad. Meanwhile, the Bank of Mexico reported a record USD 36.872 billion in Foreign Direct Investment in 2024, a 2.3% increase compared to 2023.

The Mexican government and business leaders in the gasoline sector signed a national agreement to stabilize the price of regular gasoline, setting it at 24 pesos per liter for the next six months. This measure is part of a strategy to contain inflation and avoid disruptions to trade flows. As a result, the price index slightly increased to 3.77% after three months of decline.

Production and export of heavy vehicles saw a 27.5% drop in February 2025 compared to the same month in 2024, according to the National Institute of Statistics and Geography (INEGI). The industry reported the assembly of 13,629 units, 5,163 fewer than in February of the previous year.

SOCIAL CONTEXT

The National Public Security System presented the results of the National Security Strategy, showing a 15% decrease in the daily average of intentional homicide victims. The states with the highest homicide rates are Guanajuato, Baja California, Mexico State, Chihuahua, and Sinaloa.

The Ministry of Public Education (SEP) launched the national campaign "Vive Saludable, Vive Feliz" (Live Healthy, Live Happy), aimed at promoting healthy lifestyles, encouraging physical activity, preventing diseases, and eliminating the sale of high-calorie foods in public educational institutions across the country. This initiative aligns with recent regulations banning the sale and consumption of highly caloric foods in educational centers.

On the occasion of International Women's Day, the National Occupation and Employment Survey by INEGI revealed that, by the end of 2024, the female labor force participation rate stands at 46.1%, compared to 77% for men. This disparity highlights the gender employment gap in Mexico.



| URUGUAY

POLITICAL CONTEXT

On March 1st, Yamandú Orsi assumed the presidency of Uruguay in a ceremony at the Legislative Palace in Montevideo, marked by a significant international presence, the largest since 1985. Among the invited guests were notable figures such as King Felipe VI of Spain and the presidents of Germany, Armenia, Brazil, Chile, Colombia, Bolivia, and Paraguay. Argentine President Javier Milei did not attend the event, citing his commitment to preparing his speech for the opening of the ordinary sessions of Congress.

Orsi, 57, and former mayor of Canelones for two terms, had the backing of former president José "Pepe" Mujica, an iconic figure of the Uruguayan left. In his speech to the General Assembly, Orsi emphasized that his government is not focused on a complete overhaul but on presenting new proposals and ongoing construction. He reflected on the end of the dictatorship 40 years ago and reaffirmed his commitment to freedom, truth, and justice.

Orsi's government will focus on combating child poverty, insecurity, and restarting economic growth through investment and the development of knowledge. The left-wing coalition, with Carolina Cosse as vice president, will need to negotiate, as they do not have a majority in the Lower House but hold a majority in the Senate.

ECONOMIC CONTEXT

The new government faces significant economic challenges. Although the Uruguayan economy showed signs of recovery in 2024, with a GDP growth of 4.1% in the third quarter compared to the same period the previous year, structural issues persist. Investment remains below regional and global averages, representing 17% of GDP. Poverty affects 10% of the population, with a rate of 18.6% among children, posing challenges for social policies. The fiscal deficit, currently at 4.4% of GDP, limits the government's ability to increase spending without genuine financing. Inflation has stayed within the target range, but maintaining public finances in order will be crucial to avoid inflationary pressures. Minister of Economy and Finance, Gabriel Oddone, emphasized the need to further open the economy, increase competitiveness, and foster innovation for sustainable growth.

The annual inflation rate stood at 5.1% in February, showing a slight increase from January, marking the 21st consecutive month within the target range. The Consumer Price Index (CPI) recorded a monthly increase of 0.69%, influenced by a 0.26% rise in the category of Food and non-alcoholic beverages, a 2.48% increase in Housing, water, and electricity, and a 1.1% rise in Furniture and household goods.

SOCIAL CONTEXT

Another key challenge for the new government is security. While crime rates are lower than in other countries in the region, with 10.8 homicides per 100,000 inhabitants, they are still higher than those in developed nations. In recent years, conflicts between drug trafficking gangs have been reported, especially in the outskirts of Montevideo.

In education, the country faces problems with school dropout rates and low academic performance. According to PISA tests, 62% of 15-year-old students do not reach the minimum proficiency level in mathematics, reading, or science. While high school completion rates have improved from 43% in 2018 to 52% in 2023, they still remain low compared to advanced economies.

Child poverty is another critical challenge. While overall poverty stands at 10%, the impact on children and adolescents is more significant. Social organizations urge the government to strengthen protection and assistance policies.

In terms of gender equality and gender-based violence, while legislation ensures equity, women's political participation remains historically low, and gender-based violence persists at a high prevalence. In the current cabinet, five out of the 14 ministers are women. When considering all members of the team, female representation reaches 11 out of a total of 30 senior officials.



| EUROPEAN PERSPECTIVE FOR LATIN AMERICA

STRENGTHENING EU-LATIN AMERICA SECURITY COOPERATION: JOINT ACTIONS AGAINST ORGANIZED CRIME AND DRUG TRAFFICKING

On March 5, the Interior Ministers of the European Union and the Latin American Committee on Interior Security (CLASI) met to address shared security threats, including transnational organized crime and drug trafficking. During this third ministerial meeting, the participating countries agreed on a joint declaration and a roadmap to enhance operational cooperation between the two regions for 2025-2026. Key priorities include strengthening information exchange on transnational crimes, combating dangerous criminal networks, and implementing measures to secure ports and supply chains.

The discussion also emphasized the use of new technologies, such as artificial intelligence and predictive analytics, to improve data collection and investigations into illicit assets, including cryptocurrencies.

Cooperation with international agencies like Europol and AMERIPOL—expected to become fully operational once final ratifications are completed—was a central focus of the talks. Additionally, tracking and confiscating criminal assets were highlighted as crucial strategies. The ministers agreed that judicial and operational collaboration, along with the development of robust legal frameworks, is essential to counter organized crime infiltration and ensure public security in both regions.

THE EUROPEAN COMMISSION UNVEILS ITS ROADMAP FOR AGRICULTURAL POLICY WITH IMPLICATIONS FOR LATIN AMERICA

The European Commission has presented its roadmap for agricultural and food policy, with significant implications for Latin American exports. A key aspect is the revision of the Unfair Trading Practices Directive, aimed at preventing sales below production costs, which could impact agricultural exports from the region. Additionally, the Commission plans to tighten border controls and introduce a trade reciprocity plan in 2025 to ensure equal standards for imported products.

Although full details of these measures have yet to be disclosed, the Commission has softened its initial stance on banning pesticides prohibited in the EU but potentially reintroduced through imported goods. This decision follows criticism from free trade advocates and opposition from the Commission's Directorate-General for Trade, which argued that such restrictions could be seen as protectionist and potentially illegal under WTO rules.

Countries like Brazil may face challenges to their competitiveness due to these regulatory changes, as they operate under less stringent regulations compared to the EU. Given the direct impact on Latin American exports, ongoing negotiations and the results of the impact assessment scheduled for 2025 will be crucial.



| EUROPEAN PERSPECTIVE FOR LATIN AMERICA

HIGH-LEVEL SEMINAR “THE EUROPEAN UNION AND LATIN AMERICA: COMMON CHALLENGES AND OPPORTUNITIES”

The European Parliament hosted the seminar “The European Union and Latin America: Common Challenges and Opportunities”, aimed at strengthening political and economic ties between the two regions. Organized by the Euroamerica Foundation and the Euro-Latin American Parliamentary Assembly, the event gathered European diplomats, Latin American representatives, and members of Parliament to discuss shared challenges and explore areas of cooperation.

During the event, Kaja Kallas, the EU High Representative for Foreign Affairs, emphasized Europe's strategic autonomy and its alignment with Latin America's sovereignty goals. She underscored the importance of long-term partnerships based on trust to foster stability and prosperity in an uncertain global landscape.

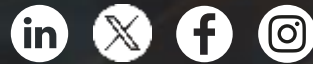
Kallas' presence at the seminar highlights the EU's renewed interest in strengthening its relationship with Latin America, following criticism for prioritizing the war in Ukraine. She reiterated European Commission President Ursula von der Leyen's message that the EU will continue to uphold its values while taking a pragmatic approach to securing mutually beneficial agreements.

The upcoming CELAC-EU summit, scheduled for November 2025 in Colombia, was identified as a key opportunity to deepen collaboration between the regions in addressing global challenges.

ATREVIA™



www.atrevia.com



AGENCY

PUBLIC RELATIONS

MARKETING INFLUENCERS

COMMUNICATION AND DIGITAL MARKETING

ADVERTISING & ACTIVATIONS

CONSULTING

CORPORATE AND PUBLIC AFFAIRS

CULTURE & PEOPLE

SOCIAL TREND, MONITORING AND TRACKING

For more information, please contact:



ALEX BONET

VP ATREVIA LATAM
(Mexico, Colombia, Ecuador, Central America, and
the Caribbean)

abonet@atrevia.com



MIGUEL ÁNGEL LÓPEZ

VP ATREVIA LATAM
(Peru, Brazil & Southern Cone)

malopez@atrevia.com



SPAIN PORTUGAL BRUSSELS ARGENTINA BOLIVIA BRAZIL CHILE COLOMBIA
ECUADOR MEXICO PANAMA PARAGUAY PERU DOMINICAN REPUBLIC URUGUAY