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FEATURED Q&A

What Will Rodrigo Paz's Victory Mean for Bolivia?

Rodrigo Paz, pictured last month at the Inter-American Dialogue, on Sunday won Bolivia's presidential runoff election. // File Photo: Inter-American Dialogue.

Q Senator Rodrigo Paz won Bolivia's presidential runoff election on Sunday, defeating former President Jorge "Tuto" Quiroga by a margin of 55 percent to 45 percent with approximately 98 percent of votes counted, according to preliminary data from Bolivia's electoral authority. "Bolivia is gradually regaining its international presence," Paz said at a rally in La Paz late Sunday evening, adding that the administration of U.S. President Donald Trump has already offered its support to his incoming government. What ultimately decided the race for Paz? What policies will Paz prioritize after assuming office on Nov. 8? What will Paz's presidency mean for the future of Bolivia's political institutions, economic development and foreign relations?

A Steven E. Hendrix, managing director of Hendrix LLC and former coordinator for foreign assistance of the U.S. Agency for International Development: "Rodrigo Paz's near-landslide victory marks a decisive break from the populist cycle that has defined Bolivia for two decades. Voters chose stability and competence over ideology. Paz's disciplined, technocratic message—'capitalism for all'—resonated with a weary electorate facing high inflation, an 8 percent fiscal deficit and a chronic shortage of dollars. His promise of gradual reform, transparency and inclusive growth was more credible than Jorge Quiroga's call for rapid liberalization. Paz's priorities will be restoring macroeconomic stability, rebuilding public confidence in institutions and re-establishing Bolivia's credibility with investors and lenders. Expect early moves to rationalize subsidies, strengthen fiscal

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Belize Agrees to Host Migrants Seeking Asylum in United States

Belize has agreed to host migrants who are seeking asylum in the United States, the two countries' governments announced Monday.

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Petrobras Gets License for Exploration at Key Site

Brazilian state oil company Petrobras has received a license from the country's environmental agency to start exploration activities at a key drilling site north of the mouth of the Amazon River.

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POLITICAL

Colombia Recalls Ambassador Amid Petro-Trump Feud

Colombia's government on Monday recalled its ambassador to the United States, Daniel García-Peña, amid a feud between the two countries' presidents.

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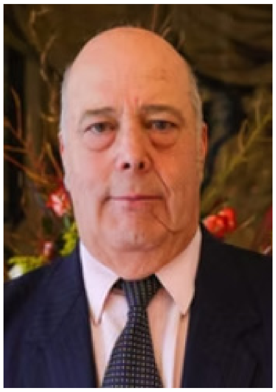

García // File Photo: Colombian Government.

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POLITICAL NEWS

Colombia Recalls Ambassador to U.S. Amid Feud

Colombia's government announced Monday that it has recalled its ambassador to the United States, intensifying a feud between Colombian President Gustavo Petro and U.S. President Donald Trump, Reuters reported. "Daniel García-Pena, Ambassador of Colombia in the United States of America, has been recalled for consultations by President Gustavo Petro and is now in Bogotá," the country's foreign ministry said in a statement. The recall followed Trump's statements on Sunday that he would slash aid to Colombia and impose tariffs on the country's goods, calling Petro "an illegal drug leader." The comments came in response to Petro's criticism of the Trump administration's campaign of attacking what it alleges are drug-laden boats in the Caribbean. The U.S. military is publicly known to have destroyed six vessels at sea, killing at least 29 people. The latest airstrike, on Oct. 16, killed two people and left two survivors—a Colombian and an Ecuadorean—Trump said on social media, the Associated Press reported. The U.S. military sent the two survivors back to their home countries. On Sunday, Petro said in a post on social media site X that the Colombian survivor would be prosecuted. However, Ecuadorean authorities released the other survivor after prosecutors said they had no evidence he had committed a crime in the country, the AP reported.

Belize Agrees to Host Migrants Seeking Asylum in U.S.

Belize has agreed to host migrants who are seeking asylum in the United States, the two countries' governments said Monday, Agence France-Presse reported. Belize's government said in a Facebook post that it had reached an agreement with the United States to act as a "safe third country," hosting migrants whose applications for asylum in the United States are under consideration. In a post on social media site X, the U.S. State Department's Bureau of Western Hemisphere Affairs called the agreement "an important milestone in ending illegal immigration, shutting down abuse of our nation's asylum system and reinforcing our shared commitment to tackling challenges in our hemisphere together."

BUSINESS NEWS

Petrobras Receives Final Environmental License From Ibama

Brazilian state-run oil firm Petrobras has received a license from federal environmental agency Ibama to begin exploration activities at a key offshore drilling site north of the mouth of the Amazon River, the firm announced in a statement on Monday. "The drill rig is already at the well site, and drilling is expected to start immediately, with an estimated duration of five months … there is no oil production at this stage," Petrobras said on Monday. Last month, Petrobras had announced Ibama's conditional approval for exploration activities at Block 59, a deep-water deposit that the firm believes to hold more than five billion barrels of crude oil resources. Ibama requested additional technical details before issuing final approval for Petrobras' exploration permit, Reuters reported last week. The company had incurred at least $40 million in fees from a drilling ship that had been waiting since last month to begin exploration activities at Block 59, according to the wire service. Ibama long opposed Petrobras' plans to develop oil production activities in the ecologically sensitive Foz do Amazonas region off the coast of Amapá state; the agency denied Petrobras' past attempt to secure an environmental license in 2023, but relented this year after Petrobras conducted an oil spill disaster response test near the drilling site in August. "Petrobras has met all requirements set forth by Ibama, fully adhering to the

NEWS BRIEFS

Argentine Peso Falls to Record Low Against U.S. Dollar

The Argentine peso on Monday fell to a new record low against the U.S. dollar, despite purchases of pesos by the U.S. Treasury in recent weeks, the Financial Times reported. The Argentine currency fell nearly 1 percent on Monday to 1,477 pesos to the dollar. Argentina's market turmoil has escalated since President Javier Milei's party suffered a defeat last month in local elections in Buenos Aires province. Midterm legislative elections are scheduled for this Sunday.

Embraer's Order Backlog Up 38% in Third Quarter

Brazilian aircraft manufacturer Embraer ended the third fiscal quarter with $31.3 billion in backlogged orders, a 38 percent year-on-year increase, the company announced today in a securities filing, Reuters reported. Embraer delivered 62 aircraft to companies in the third quarter, up from 59 in the same period of 2024. The firm's order backlog reached its highest-ever level in the third quarter, Reuters reported.

Atlas Renewables Secures $475 Million for Major Solar Project in Chile

Miami-based energy developer Atlas Renewable Energy has secured $475 million in financing for a solar energy and battery storage facility in northern Chile with more than 350 megawatts in capacity, the firm said in a statement on Monday. The Copiapó Solar project is set to begin full operations by the end of next year; Atlas has already secured power-purchase agreements tied to the facility with iron producer Grupo CAP's mining and water desalination subsidiaries, news site PV Tech reported. Multiple banks have provided Atlas with financing, the company said.

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environmental licensing process," the firm said on Monday. "The company remains committed to the development of the Brazilian Equatorial Margin, recognizing the importance of new frontiers to guarantee Brazil's energy security and access the resources needed for a fair energy transition," it added. The administration of Brazilian President Luiz Inácio Lula da Silva had pushed for Ibama to approve Petrobras' exploration permit at Block 59 over objections from several of the environmental agency's staff, Reuters reported last month.

Order to Sever Three Mexican Firms From U.S. Takes Effect

An order by the U.S. Treasury to sever links between three Mexican financial firms and the U.S. financial system took effect on Monday, though the impact of the order has already had an effect on Mexico's banking sector, Bloomberg News reported. In June, the Treasury banned U.S. entities from transacting with CIBamco, Intercam Banco and Vector Casa de Bolsa, with the Treasury's Financial Crimes Enforcement Network declaring them "primary money laundering concerns," Reuters reported. The order marked the first actions under the U.S. Fentanyl Sanctions Act and the FEND Off Fentanyl Act, the Treasury said at the time. Since then, the three firms have been broken apart, and their clients have taken their business to other banks and brokerages, Bloomberg News reported. Beyond the effects on the three targeted entities, lenders at other financial services firms have strengthened internal controls, purged some clients and increased communication with U.S. and Mexican regulators in efforts to avoid becoming future targets of the U.S. government, Bloomberg News reported. "This was a shot across the bow in terms of telling banks that Treasury has this tool and intends to use it" Craig Timm, a former U.S. Justice Department lawyer and senior director at ACAMS, an association anti-money laundering specialists, told Bloomberg News.

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discipline and modernize management of gas and lithium. He is also likely to pursue a cautious opening toward new trade and energy partnerships while maintaining social protections that remain broadly popular. Institutionally, Paz faces a divided legislature and fragile bureaucracy. His success will depend on forming a coalition capable of governing by consensus. Having worked within Bolivia's public sector, I've seen how fragile that balance can be—progress will hinge on professionalism and rule-based administration. In foreign policy, Paz offers Washington a pragmatic partner but not a proxy. U.S. engagement should focus on investment, technical cooperation and clean-energy collaboration, not political signaling. If both sides proceed pragmatically, Bolivia can rejoin the global economy on its own terms—showing that moderation still wins in Latin America."

A **Michael Shifter, former president of the Inter-American Dialogue:** "Against the backdrop of a profound economic crisis, Bolivians clearly voted for change—but change that is measured and gradual, as proposed by President-elect Rodrigo Paz, in contrast to the radical shock therapy advanced by Jorge 'Tuto' Quiroga. It appears that key to Paz's success was his ability to win over disaffected MAS voters who are desperate for improvements in their economic conditions but wary about draconian prescriptions that risk undermining social programs for the Indigenous population and plunging the country into a recession. The Paz administration will confront an array of formidable challenges. The most urgent will be fixing Bolivia's economic mess, getting access to dollars to finance imports and reducing high inflation and the massive fiscal deficit. He will also have to fashion a more diversified economic strategy for the longer term. To pursue his agenda, Paz will need to make alliances in the Legislative Assembly and seek to forge a consensus behind a sensible economic program and other critical institutional reforms, including of the judiciary. After two decades of leftist rule, he will be able to count on considerable goodwill of foreign investors and the international community, including the U.S. government. His task, however, will not be easy. If he moves too slowly or his policies get bogged down and fail to get Bolivia out of its economic hole, Paz risks losing political capital. Bolivia's new moment will test both the political skills of its new president—particularly his ability to manage expectations—and the patience of its people."

A **Mareike Winchell, assistant professor in the Department of Anthropology at The London School of Economics and Political Science:** "Senator Rodrigo Paz Pereira's election to the presidency marks a sea change for Bolivian politics. While Paz's centrist Christian Democratic Party constitutes a less dramatic turn to the right than that of his opponent, former President Jorge 'Tuto' Quiroga, it nonetheless brings to a definitive end the socialist platform of the long-ruling Movimiento al Socialismo (MAS) party. Paz promises to clamp down on government corruption and forge a path toward greater economic security at a time marked by devastating inflation and debilitating fuel shortages. Last month, in the rural Santa Cruz region where I was visiting, diesel truck drivers had to wait more than 10 hours for fuel. Inflation has pushed up food prices by around 31 percent, the highest spike in 15 years. Basics like rice, sugar, eggs and oil, too, are scarce and require long waits, if they are available at all. But for many Bolivians, this most recent food and fuel crisis only confirms what they already felt: that the nation needs a change, and that the MAS status quo is no longer feasible. Paz campaigned on the promise of 'capitalism for all.' This milder, more centrist call for economic justice is this time paired not to state socialism or neo-extractivism (the

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funding of social programs via state-controlled resource exports), but internationalism. To many onlookers in Bolivia, Paz marks the end of an era of isolationism and the dawn of a new time defined by necessary reintegration into world politics and global, capitalist markets. To others, his election represents the lesser of two evils in the face of a divided, largely delegitimized MAS that could no longer carry the vote, nor the backing of its erstwhile supporters."

A **Nicolás Saldías, senior analyst at the Economist Intelligence Unit:** "President-elect Rodrigo Paz's landslide victory was a result of his more moderate approach to unwinding the economic distortions caused by 20 years of socialist rule under the leftist Movimiento al Socialismo (MAS). His opponent Jorge Quiroga's promise of front-loaded fiscal austerity turned off voters, especially in the rural areas that are poorer and traditionally vote for the left. Another reason Paz appealed to more voters was that Quiroga was associated with the traditional political establishment, as he was president between 2001 and 2002. As governing looms, Paz's more piecemeal economic proposals raise questions about whether the adjustments he is proposing will be sufficient to address Bolivia's severe economic crisis. He has said that he will not go to the IMF to enter into a program, at least not initially, but foreign exchange reserves, excluding gold, were a meager $162 million in September. Moreover, an IMF program would provide his government with the policy credibility that it currently lacks. The market's reaction to his win was relatively muted, with the informal exchange rate actually weakening immediately after the election result. Country risk premiums also remain higher than their Oct. 17 level. Paz will foster better relations with the United States, which has had extremely poor bilateral relations under MAS. Paz will likely distance Bolivia from close ties with Venezuela, Cuba, Nicaragua, Russia and Iran, but maintain pragmatic ties with China. A challenge for Paz will be how to balance likely U.S. demands for a forceful coca production crackdown with the power of coca producers' organizations."

A **Eduardo Ruiz, analyst at Control Risks in Bogotá:** "The victory of Rodrigo Paz in Bolivia's runoff election marks a decisive turning point in the country's political trajectory. His win can be explained by two key dynamics: first, the alignment of opposition forces behind his candidacy, particularly the endorsement of Samuel Doria Medina (who finished third in the first round), and second, his pragmatic centrist platform that appealed to moderate left-wing voters disillusioned with the increasingly fragmented Movement Toward Socialism (MAS). During his first 100 days, Paz will likely prioritize stabilizing the economy, addressing persistent fuel shortages and containing inflation. His administration faces an immediate and politically costly dilemma: the reduction of state subsidies, a move deemed essential to contain the fiscal deficit but likely to trigger social unrest. In the medium term, it's highly likely that the new government will pursue structural reforms aimed at redefining Bolivia's economic model. Paz aims to reduce the role of the state and open greater space for foreign direct investment, especially in strategic sectors such as mining and energy. His administration will seek to overhaul regulatory frameworks, streamline taxation and restore investor confidence after years of state interventionism. A notable foreign policy shift is also anticipated. Paz will recalibrate Bolivia's regional alignments, prioritizing pragmatic diplomacy and rebuilding ties with traditional partners such as Argentina and the United States after years of strained relations under MAS governments. This move would signal a broader realignment toward economic cooperation and away from the ideological blocs that shaped Bolivia's foreign policy in the 2000s and 2010s."

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Gene Kuleta
Editor

Jack Quinn
Reporter

Yael Sternberg
Reporter

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Rebecca Bill Chavez, Ph.D., President & CEO
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