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FEATURED Q&A

Why Is the U.S. Investigating Copper Imports?

U.S. President Donald Trump ordered an investigation into whether copper imports threaten U.S. national security. Trucks at the Chuquicamata open-pit copper mine in Chile are pictured. // File Photo: NICOLA via Adobe Stock.

Q The governments of Chile, Peru and Canada in mid-April objected to U.S. President Donald Trump's ordering of an investigation into copper imports on the grounds that they could threaten U.S. security interests. In letters to the U.S. Commerce Department, the major copper exporters said their exports of the metal to the United States pose no such threat and should not face new duties. The three countries provide 94 percent of U.S. imports of refined copper and copper alloys, according to the Trade Data Monitor. What's behind the Trump administration's probe into copper imports? How could the results of the investigation lead to further changes in U.S. trade policy? How could a disruption in copper shipments to the United States affect the economies of Chile, Canada and Peru?

A Jessica Bedoya, founding managing partner of the LARA Fund and former National Security Council deputy senior director for Western Hemisphere Affairs (2018-2020): "It should come as no surprise that the Trump administration is looking at copper imports as part of its strategy to correct for the United States' gross over-reliance on foreign markets for critical materials. The real question is how to correct for it, and how to use this as an opportunity to strengthen North-South ties. The United States imported roughly $17 billion in copper products in 2024, mostly from Chile and Canada, with Peru and the Democratic Republic of the Congo following suit. However, the United States produces more than half of what it consumes. Imports, mostly from the Americas, fill the remainder. So, how do we solve this?

Continued on page 2

TODAY'S NEWS

POLITICAL

U.S. Judge Orders Return of Another Deported Migrant

A U.S. federal judge has ordered the Trump administration to return a Venezuelan man, saying his deportation violated a court settlement.

Page 2

BUSINESS

Nubank Unit Gets Banking License to Operate in Mexico

Mexican financial regulators have granted a banking license to a subsidiary of Brazil-based Nubank. The license will allow Nu México to offer payroll services in Mexico.

Page 2

POLITICAL

Ecuador Electoral Authorities Deny Recount Request

Ecuadorean electoral authorities on Thursday denied a request by the party of challenger Luisa González for a recount of votes from the country's April 13 election. President Daniel Noboa was re-elected in the runoff election.

Page 2

González // File Photo: @LuisaGonzalezEc via X.

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POLITICAL NEWS

U.S. Judge Orders Return of Another Deported Migrant

A U.S. federal judge has ordered President Donald Trump's administration to return a second man deported to El Salvador, saying his removal from the country was in violation of a court settlement, Reuters reported Thursday. In the order, U.S. District Judge Stephanie Gallagher in Baltimore said a settlement that she approved last November barred authorities from deporting the 20-year-old Venezuelan, identified only as "Cristian," before processing his application for asylum, the wire service reported. The man was deported to El Salvador on March 15. He arrived in the United States as an unaccompanied minor and was among the plaintiffs in a lawsuit against the government, The Washington Post reported. The suit argued that he and other migrants who arrived in the United States as children should be allowed to remain in the United States while their claims for asylum are being decided, the newspaper reported. The Trump administration has admitted to deporting another man, 29-year-old Kilmar Abrego García, to El Salvador despite a 2019 court order that shielded him from deportation. The U.S. Supreme Court has ordered the Trump administration to facilitate Abrego García's return, but it has refused to do so.

BUSINESS NEWS

Nubank Subsidiary Gets Banking License to Operate in Mexico

Mexican financial regulators have granted a banking license to a subsidiary of Brazil-based fintech Nubank, the company announced on Thursday. The license will allow Nu México, which has offered credit and savings services in Mexico since 2019, to expand its portfolio in the country to include payroll services, the company announced. Nu México has more than 10 million customers in Mexico. The subsidiary's deposits reached $5.3 billion in February, a 225 percent increase from the same month of 2024, Bloomberg Línea reported. "Nu has already gained the trust of nearly a quarter of Mexico's banked population ... we will continue working to strengthen our differentiated

FEATURED Q&A / Continued from page 1

The solution is ramping up domestic refining capacity—the United States is dwarfed by China. However, the other piece is strengthening ties to our partners in Latin America. There is an opening now for the United States to start building a stronger North-South link with our hemispheric friends. Even as we look to boost domestic production and refining, countries like Chile, Canada and Peru can play a role in this expansion. U.S. policymakers should use the review to find ways to bring in our partners in Latin America to harness these commodities to fuel our domestic refining capacity rather than have it go to China. The only reason these markets export to China is because of demand. Shifting that demand serves two purposes. It poaches market share from China and makes us a partner of choice in Latin America. The reality is that Latin America can play a huge role in realigning global supply chains, and the United States can lead the way."

Victor Burguete Vidal, senior research fellow at the Barcelona Centre for International Affairs: "The U.S. Commerce Department is investigating copper imports as part of a broader strategy to secure critical value chains and boost manufacturing. In the great power competition against China, the United States wants to reduce vulnerabilities and ensure unrestricted access to minerals and metals whose scarcity could impair national security. Copper is essential to the

Continued on page 4

NEWS BRIEFS

Condition of Brazil's Bolsonaro Worsens: Medical Staff

The medical condition of former Brazilian President Jair Bolsonaro has worsened, according to a note signed by his doctors and posted on his X account. Bolsonaro has been hospitalized in Brasília for two weeks and underwent a 12-hour surgery for a bowel obstruction on April 13, the Financial Times reported. Bolsonaro's blood pressure has increased, and liver laboratory tests have worsened, his medical team said.

Ecuador Electoral Authorities Deny Request for Recount

Ecuadorean electoral authorities on Thursday denied a request from the leftist Revolución Ciudadana party (RC) to recount votes from the April 13 presidential runoff election, newspaper El Comercio reported. Incumbent President Daniel Noboa defeated RC's candidate, former lawmaker Luisa González, by more than 10 percentage points, according to official tallies. RC alleged irregularities at more than 13,000 ballot boxes; Ecuador's National Electoral Council on Thursday said there was insufficient evidence to continue investigating the allegations, the newspaper reported.

Shell Exits Offshore Gas Exploration Projects With Colombia's Ecopetrol

Dutch oil major Shell will divest from three offshore natural gas blocks in Colombia that it was exploring alongside state-run Ecopetrol, the companies announced on Thursday, Reuters reported. Ecopetrol still intends to develop the fields off of Colombia's Caribbean coast, at which natural gas production is expected by 2031 at the very earliest, it said in a statement, Reuters reported.

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offering, which has already made a significant impact in Mexico by promoting savings and improving access to credit," said Iván Canales, general manager of Nu México, in a statement. The company says it currently reaches 98 percent of Mexican municipalities through its all-digital platform. Around half of Nu México's credit customers received their first-ever credit card from the company, Nubank said.

Chile Antitrust Agency Approves SQM-Codelco Deal

Chile's antitrust regulatory agency on Thursday announced that it has approved a proposed deal between Sociedad Química y Minera (SQM), the world's largest lithium-producing company, and state-run copper miner Codelco, Bloomberg News reported. Privately owned SQM plans to relinquish its majority stake in its mine in the Atacama salt flat—one of just two operational lithium mines in Chile—to Codelco in exchange for a three-decade extension of its contract, according to the news service. Approval from antitrust regulator FNE means the deal is on track for full implementation sometime in the second half of this year, likely before Chile's general election in November, Bloomberg News reported. Former senator and center-right presidential candidate Evelyn Matthei announced last week in a post on social media site X that she intends to "review" the proposed merger between SQM and Codelco. Matthei led a crowded field of candidates with 17 percent vote intention in a presidential election survey released on April 20 by pollster Cadem. The SQM-Codelco merger is still subject to approval from Chinese regulators—Chinese firm Tianqi Lithium is a major shareholder of SQM—as well as an ongoing consultation process with Indigenous groups, according to Bloomberg News. Chile is currently the world's second-largest lithium-producing country behind only Australia, according to data from the U.S. Geological Survey. The government of current President Gabriel Boric wants to double national output of the battery metal, Bloomberg News reported. [Editor's note: See related **Q&A** in the April 16 issue of the Advisor.]

IN FOCUS

Trump's Policies Economically Damaging to Caribbean: Ambassador

By Jack Quinn

WASHINGTON—U.S. President Donald Trump's trade policies, including the broad range of tariffs that he has announced, will be economically damaging to the Caribbean if they remain in place, the ambassador of Antigua and Barbuda to the United States told the Advisor in an interview this month.

"The United States seems to be retreating into a unilateral isolationist position," said Sir Ronald Sanders, who also serves as the country's ambassador to the Organization of American States. "I wonder whether that will really be to America's benefit in the long run—I know it will not be to the benefit of the Americas in the long run," Sanders said.

Sanders // Photo: Latin America Advisor.

If the tariffs that Trump announced earlier this month stay in effect, Caribbean economies "will go into a decline," Sanders said. He added that U.S. tariffs against China are especially threatening to members of the Caribbean Community, or Caricom. More than 60 percent of all goods consumed by the organization's members are imported from the United States, the supply chains for many of which indirectly rely on goods from China, the ambassador said.

"We cannot generate enough foreign exchange through the service industries that we have to be able to compensate" for tariff-induced price increases on U.S. imports to the Caribbean, Sanders said. Compared to major economies, quickly turning to alternative trading partners is especially challenging for the Caribbean, Sanders added.

"If we wanted to divert our trade, we couldn't—we don't have the transportation links. We don't have the ability to get to Africa or to Asia. The United States is right on our doorstep—it's our natural trading partner," Sanders told the Advisor.

In the face of global competition, Trump has an opportunity to forge "the natural alliance with the other nations of the Americas to develop a region that is strong enough—collectively and jointly—to resist the challenges from Europe and from China," said Sanders. "But that's not what's happening," he added.

"We have a symbiotic relationship: We live in the same hemisphere, and we have common challenges, including organized crime, drug trafficking and money laundering," Sanders told the Advisor.

The ambassador said the United States should consider updating its existing trade agreements with Caribbean countries to better incorporate service industries. Trump administration officials have yet to engage with requests for those talks, Sanders told the Advisor.

If the current trajectory of U.S. isolationism persists, "the future look would look pretty bleak and pretty dismal. But it could be a different future," Sanders said. "Whether you believe that you can make America great again by yourself, I think history is proven that that is not possible," the ambassador added.

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FEATURED Q&A / Continued from page 2

defense, energy and critical infrastructure sectors. This investigation is part of a broader U.S. strategy, including a mineral deal with Ukraine, efforts to purchase Greenland and domestic policies aimed to revive mining in the United States. Among the latest are easing environmental regulations and taxes, considering tariffs and quotas and luring mining investment into the country.

> **"Copper is essential to the defense, energy and critical infrastructure sectors."**
>
> **— Victor Burguete Vidal**

The reopening of Mountain Pass Rare Earth Mine in California during President Trump's first term shows that the ongoing interest in minerals is not new. But the novelty resides in the emphasis of this administration on using tariffs and rejecting industrial policy (which is fiscally more costly) to achieve its aims. It is doubtful that imposing tariffs or quotas on countries such as Chile, Peru and Canada will enhance U.S. national security. The United States domestically produces just over half the refined copper it consumes each year. Trade restrictions will raise domestic copper prices, hurting U.S. competitiveness, with limited short-term supply response. China remains the world leader in refining copper and is expanding its control through major investments in countries such as Congo. Thanks to these investments, the Democratic Republic of the Congo is now the world's second-largest copper miner after overtaking Peru in 2023. Instead of targeting countries such as Chile, Peru and Canada, the United States should invest in these countries and integrate them into its supply chains, similar to China's strategy."

Beatriz De la Vega, director of corporate compliance and transformation business tax services at KPMG: "The investigation launched by the Trump administration into copper imports aligns with the broader goals of Agenda 47: protecting American workers, reducing foreign dependency and achieving self-sufficiency in strategic resources. Copper, now designated as a critical mineral under Executive Order 14220, is central to the United States' energy and technological security. While this executive order permits the assessment of tariffs on copper imports from countries considered as a threat to the United States, it does not specify which nations fall under that definition. Although copper is currently exempt from the 10 percent to 50 percent tariffs imposed under the 'Fair and Reciprocal Plan,' this status could change. With 45 percent of U.S. copper consumption relying on imports, primarily from Chile, Canada and Peru, any future restriction would create supply chain disruption. For these countries, the stakes are high. In 2024, Chile exported $5.88 billion, Canada $4 billion and Peru $917 million worth of copper to the United States. A reversal in tariff exemptions could undermine their economies and destabilize their mining sectors. If U.S. domestic capacity expands, future policy shifts could tighten trade restrictions, especially amid rising geopolitical tensions. In this context, Chile and Peru—being among the largest copper producers globally and holding 19 percent and 12 percent of global reserves (2023), respectively—faced both risk and opportunity. The mineral's rising geopolitical relevance presents a chance to boost exploration and production, enhancing their role as key suppliers to the U.S. market."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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