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FEATURED Q&A

Which Candidates Are Best Positioned for Chile's Election?

Former Chilean Labor Minister Jeannette Jara last month won the primary for the country's left-leaning political parties. The first round of the presidential election is in November. // File Photo: @jeannette_jara via X.

Q Former Labor Minister Jeannette Jara of the Communist Party won the presidential primary for Chile's left-leaning political parties on June 29, securing 60.2 percent of the vote. A late June poll from Cadem showed Jara placing second in the Nov. 16 general election and likely advancing to a runoff vote on Dec. 14 against right-wing lawmaker José Antonio Kast. How does Jara's primary victory affect the left's chances in Chile's presidential election? With right-wing parties remaining fragmented, which candidates are best situated to advance to a runoff? What issues will decide the election?

A Jorge Heine, former Chilean government cabinet minister: "Jara's victory in the June primary is among the most significant political upsets in the country's recent political history. When Carolina Toha stepped down as minister of home affairs in March to run for the left's nomination, she was considered the favorite to clinch it, given her extended career in public office and proven managerial and communications skills. Yet, having been minister of home affairs, at a time when law and order is a critical issue, turned out to be too heavy a burden. Jara, in turn, who served as minister of labor, chalked up one of the few governmental victories on the legislative front, with the passing of a pension reform law, as well as increases in the minimum wage, leveraged her modest origins and common touch into winning assets. That said, Jara's victory has weakened the chances of the left winning in November. While the right remains fragmented, Chile's balloting system allows voters to regroup after the first round, thus limiting the

Continued on page 3

TODAY'S NEWS

POLITICAL

U.S. Imposes New Sanctions on Top Cuban Officials

The U.S. State Department on Friday imposed new visa restrictions on Cuban President Miguel Díaz-Canel, as well as the country's defense and interior ministers.

Page 2

BUSINESS

PDVSA Sees 19% Increase in Daily Crude Output

Venezuelan state oil company PDVSA recorded average daily crude oil production of 952,000 barrels last year, a 19 percent increase from 2023.

Page 3

ECONOMIC

Trump Threatens Tariffs of 30% on Goods From Mexico, E.U.

U.S. President Donald Trump on Saturday threatened to impose 30 percent tariffs on imports from Mexico and the European Union, effective Aug. 1. He said Mexico must do more to fight drug cartels.

Page 2

Trump // File Photo: White House.

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ECONOMIC NEWS

Trump Threatens 30% Tariffs on Goods From Mexico, E.U.

U.S. President Donald Trump on Saturday threatened to impose 30 percent tariffs on imports from Mexico and the European Union, which are among the United States' biggest trading partners, The Wall Street Journal reported. In letters Trump posted to his Truth Social platform, Trump said the tariffs would take effect Aug. 1. He said that he would consider lowering the levies if Mexico takes more aggressive action to fight drug cartels, which he said want to turn "all of North America into a Narco-Trafficking Playground," and if the European Union offers "complete, open Market Access to the United States, with no Tariff being charged to us." The new levies would replace Trump's 25 percent tariff on imports from Mexico that do not comply with the U.S.-Mexico-Canada, or USMCA, trade accord, The Wall Street Journal reported. The tariffs on E.U. goods would replace existing 10 percent tariffs on most goods from the bloc. It is unclear whether goods that comply with the USMCA would remain exempt—as the administration has said would apply to imports from Canada—the newspaper reported. As a bloc, the European Union is the United States' largest trading partner, with $975.9 billion in two-way trade in goods last year, while Mexico has the greatest amount of trade with the United States of any one country, with close to $840 billion in two-way trade last year, The Wall Street Journal reported. Trump made the announcements a day after Mexican Economy Minister Marcelo Ebrard arrived in Washington for talks on an "integral agreement" with the United States on trade, border security, migration and water management, The New York Times reported. Ebrard said in a post on social media site X that his delegation was notified of Trump's letter on Friday. "We said in the working group that it was unfair and that we disagreed," Ebrard said. "Mexico is already negotiating," he added. Mexican President Claudia Sheinbaum said Saturday at an event that she believed her government would be able to reach a deal with the Trump administration, The New York Times reported. "We know very clearly what we can work out with the government of the United States and what we can't," she said.

POLITICAL NEWS

U.S. Imposes New Sanctions on Top Cuban Officials

The United States on Friday imposed new sanctions on Cuban President Miguel Díaz-Canel as well as other top government officials, over what Secretary of State Marco Rubio called "their involvement in gross violations of human rights." The announcement, which imposed visa restrictions on Díaz-Canel, Defense Minister Álvaro López Miera and Interior Minister Lázaro Alberto Álvarez Casas, came on the fourth anniversary of the largest anti-government protests in Cuba in recent decades. "Four years ago, thousands of Cubans peacefully took to the streets to demand a future free from tyranny," Rubio said in his statement. "The Cuban regime responded with violence and repression, unjustly detaining thousands, including over 700 who are still imprisoned and subjected to torture or abuse," he added. Rubio added that the United States is also taking actions to impose visa restrictions on several officials of Cuba's judiciary and prisons who are "responsible for, or complicit in, the unjust detention and torture of July 2021 protestors," Rubio added. Rubio added, "The U.S. will continue to stand for the human rights and fundamental freedoms of the people of Cuba, and make clear no illegitimate, dictatorial regimes are welcome in our hemisphere." Johana Tablada, the deputy director of the U.S. department at Cuba's foreign ministry, responded by calling Rubio a "defender of genocide, prisons and mass deportations," the Associated Press reported. Rubio also announced Friday that the State Department was adding 11 hotels to its Cuba Prohibited Accommodations list, saying

NEWS BRIEFS

Police In Colombia Arrest Alleged Italian Mafia Leader

Police in Bogotá on Friday captured the alleged leader of the Italian 'Ndrangheta organized crime group's operations in Latin America, the Associated Press reported. Giuseppe Palermo was arrested in a joint operation between Colombian, Italian, British and European Union police authorities, the AP reported. Palermo is believed to manage trafficking routes for drugs, weapons and human smuggling between South America and Europe for the Italian mafia.

Son of Mexico's 'El Chapo' Pleads Guilty in U.S. in Deal With Government

Ovidio Guzmán López, a son of imprisoned Mexican drug lord Joaquín "El Chapo" Guzmán, on Friday pleaded guilty to federal drug charges in Chicago in a deal with the U.S. government, The Washington Post reported. Authorities have accused Guzmán López and three of his brothers of taking over for their father in the Sinaloa drug cartel following his capture. One of the brothers, Joaquín Guzmán López, is also in custody in Chicago and is seeking to negotiate his own plea agreement, The New York Times reported.

Brazil's Petrobras Names New Head for Energy Transition, Sustainability

Petrobras, Brazil's state-run oil firm, on Friday appointed Angélica Laureano as its new head of energy transition and sustainability, the company announced in a statement from its board of directors. Laureano is currently the president of the firm that oversees operations of the Gasbol natural gas pipeline connecting Brazil and Bolivia. She replaces Maurício Tolmasquim, who in May was fired from his role leading the state-run firm's decarbonization strategy.

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they are linked to Cuba's government. They include the new 42-story Torre K hotel. The restrictions are an effort to "prevent U.S. funds from reaching the island's corrupt repressors," Rubio said.

BUSINESS NEWS

Venezuela's PDVSA Sees 19% Increase in Daily Crude Output

Venezuelan state-run oil firm PDVSA recorded average daily crude oil production of 952,000 barrels per day last year, an increase of 19 percent from 2023, according to company documents viewed by Reuters on Friday. PDVSA, which has a stake in all upstream oil production ventures in the country, exported an average of 805,500 barrels per day of crude oil and finished fuels to foreign markets last year, according to the wire service. The total value of PDVSA's oil sales abroad last year was $17.5 billion, Reuters reported. Venezuela's oil exports had jumped last year due largely to increased shipments to western oil majors, which had benefited from U.S. sanctions waiver licenses allowing them to continue marketing fuel from their existing operations in Venezuela, Reuters reported. The licenses, which applied to companies including U.S.-based Chevron and Spain's Repsol, expired at the end of May after U.S. President Donald Trump moved up their termination dates at the urging of multiple top U.S. officials, Axios reported. Since the end of U.S. license-enabled oil exports in Venezuela—which accounted for more than one quarter of the country's oil output at the beginning of this year—Venezuela's crude oil and fuel exports have increased by around 5 percent, averaging 844,000 barrels per day in June, according to Reuters. Oil shipments sent directly to China, as well as those sent via unregistered intermediary "shadow" tankers, have accounted for the recent uptick, according to the wire service. [Editor's note: See related **Q&A** in the May 23 issue of the weekly Energy Advisor.]

FEATURED Q&A / Continued from page 1

effects of this fragmentation. On the right, the surprise has been the flailing candidacy of Evelyn Matthei of Chile Vamos, who many considered to be a shoo-in to win the presidency, but who has failed to deliver a consistent message. She has been dropping in the polls, as her efforts to outflank on the right José Antonio Kast, the candidate of the far-right Republicanos, have fallen flat. Key issues are law and order and economic growth, on both of which the government has failed to deliver. At this point (and much can happen in four months) the most likely outcome of the first-round presidential election on Nov. 16 is for Kast and Jara to go on to the second round, and Kast to beat Jara in it."

Patricio Navia, clinical professor of liberal studies at New York University and professor of political science at Universidad Diego Portales in Chile: "Jeannette Jara's victory in the left-wing ruling coalition primaries makes it more likely that the next presidential election will present Chileans with two ideologically extreme options. Jara is a member of the Communist Party and has explicitly indicated her opposition to the market-friendly economic model in place in Chile. Although she will likely adopt more moderate positions as she becomes the candidate of the larger left-wing coalition, it will not go unnoticed for many moderate voters that she is a lifetime member of the Communist Party and that she won a primary election with very low turnout. The right remains divided among three candidates. The leading right-wing candidate in the polls is José Antonio Kast, the runner up in the 2021 presidential election and leader of the far-right Republicanos Party. He is more extreme than Evelyn Matthei, the candidate of the traditional right-wing parties. A Jara vs. Kast runoff would force Chileans to choose between two extreme candidates. Since 2009, Chileans have voted against the ruling party in every presidential election. That gives the right-wing candidate an advantage this year. As President Gabriel Boric is unpopular and Chileans want change, Kast has an electoral advantage. As crime is the main concern people have, Kast's tough law-and-order and anti-immigrant message resonates well with the electorate. But if the election turns into a choice between the business elite and the marginalized people, Jara will be competitive. Predictions are difficult, especially because voting will be mandatory. Turnout will increase from 7.5 million in 2021 to close to 14 million voters. Nobody really knows how those new voters will behave. Polls predict that a right-wing opposition candidate will win in the runoff in December."

Carla Alberti, assistant professor in the Department of Political Science at the Pontificia Universidad Católica de Chile: "The left's ability to unite behind a single candidate, Jeannette Jara, after the primary, despite important internal divisions, has strengthened its position. However, its chances of winning the presidential election largely depend on presenting Jara as a moderate, rather than as the hard-left figure associated with the Communist Party. While Jara has proven to be a charismatic leader, she will need to convince voters that, if elected, she would govern from a center-left platform. The fragmentation of the right into three candidacies, combined with the left's ability to unify behind a single candidate, has made a runoff between two right-wing contenders—once seen as possible—increasingly unlikely. The two right-wing candidates with the best chances of advancing to a runoff are Evelyn Matthei and José Antonio Kast. Recent polls show Kast pulling ahead of Matthei, the candidate from the traditional center-right coalition. However, the outcome still remains uncertain. The main issues shaping the election are public security, economic growth and immigration. Public security has long been a key concern in

Continued on page 4

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FEATURED Q&A / Continued from page 3

Chilean politics, but the recent surge in organized crime has made it even more salient. Economic growth and the strategies to improve the country's position after years of poor performance have also taken center stage in all presidential campaigns. Lastly, immigration and border control have also become central topics for voters, issues that all presidential candidates now have to address."

Gregory Ross, associate for Brazil and the Southern Cone at McLarty Associates: "Jeannette Jara carried the headlines after her wide margin of victory, but ultimately her primary triumph boosts Chile's already-favored conservative opposition. While Jara mobilized voters in the Communist Party base, overall turnout fell 20 percent below the 2021 primaries won by Gabriel Boric. Jara now faces an uphill battle to appeal to centrist voters turning away from the governing progressives and toward frontrunners Evelyn Matthei and José Antonio Kast. As Jara looks to energize skeptical factions of the progressive coalition and fend off the right's portrayal of her candidacy as extremist, the spotlight turns to the conservatives, who despite divisions appear poised to retake the presidency. In recent months, Matthei has lost ground to Kast's disciplined hard-on-crime platform and risks becoming increasingly squeezed between a polarized Kast-versus-Jara dichotomy. Yet Matthei's campaign is betting that her common-sense pitch of growth and governability will still capture enough of the middle, from center-right to center-left, to lift her into the December runoff. For Jara, a head-to-head against Kast would give her a better shot at winning over centrist voters than against the more moderate Matthei. Jara could campaign on her more pragmatic achievements as labor minister, such as passage of Chile's pension reform and 40-hour work week laws. For now, however, Jara trails both conservative candidates in hypothetical runoff polling as top voter concerns around organized crime and irregular migration continue to drive this cycle's electorate to the right."

Mariano Machado, Americas principal analyst at Verisk Maplecroft: "The key takeaway for the presidential primaries is that the race to succeed Gabriel Boric remains volatile. Pollsters had detected late momentum for Jara before the pre-election blackout, yet her resounding win nevertheless highlights the perils of reading too much into fleeting trends. With nearly a quarter of voters still undecided, unpredictability is likely to persist. Jara will now lead a broad progressive coalition into the Nov. 16 election—an asset and a constraint. Low primary turnout (just 1.4 million voters, less than 10 percent of the electorate) suggests the left's base is not apathetic but rather selective, voting despite an exhausted administration and a disparate progressive offering. Yet, compulsory voting will bring more than 12 million voters to the polls, many of them alienated, volatile or hostile to established figures. With right-wing parties remaining fragmented, Jara's rise has disrupted expectations of a straight fight between Evelyn Matthei and José Antonio Kast. The conservative wing now faces a strategic dilemma: Matthei will position herself as the moderate antidote to polarization, hoping to woo disillusioned centrists and disaffected Boric voters. Meanwhile, Kast is likely to gamble on ideological purity to force a runoff, buoyed by the apparent implosion of libertarian Johannes Kaiser. The risk is mutual neutralization—giving Jara space to tack toward the center and pursue what some already describe as a 'Bachelet 2.0' strategy. Beyond electioneering, voters remain focused on more immediate concerns: corruption, crime and inflation. The candidate who best addresses these is likely to pull ahead."

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

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