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## Latin America Advisor

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### FEATURED Q&A

## Can Petro Still Strike Deals With Armed Groups?



The government of Colombian President Gustavo Petro, whose term expires in August, is resuming peace talks with the Clan del Golfo drug cartel. // File Photo: Colombian Government via Flickr PDM 1.0.

**Q** Colombia's government on Feb. 17 said it would resume peace talks with the Clan del Golfo after a two-week suspension tied to efforts to capture the drug cartel's top leader. Days earlier, on Feb. 15, President Gustavo Petro said he would accept a proposal from the ELN to establish an independent commission to investigate the rebel group's alleged links to drug trafficking, a key issue that has stalled negotiations and remains central to any potential agreement. What do recent developments in talks signal about the viability of Petro's government striking agreements with major organized criminal groups before leaving office later this year? What are the main obstacles to advancing negotiations with Colombia's armed groups? How are these negotiations likely to affect security conditions in the months leading up to Colombia's presidential election in May?

**A** Cynthia Arnson, adjunct lecturer at the Johns Hopkins University School of Advanced International Studies and former visiting professor at Universidad de los Andes in Bogotá: "Of the many incoherencies of the Petro government's Paz Total policy, perhaps the most serious was the failure to link a robust security policy to the process of negotiations. Simultaneous cease-fires provided illegal armed groups with immense opportunities to expand their territorial presence, controlling local populations and multiple illicit economies (particularly drug trafficking and mining). A dynamic of confrontation between and among armed groups has largely replaced the confrontation between such groups and the government, with disastrous consequences for the civilian population. Restrictions on movement (confinements), ex-

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### TODAY'S NEWS

#### ECONOMIC

### Argentine Labor Union Group Sues to Block Labor Reform

Argentina's largest labor union confederation on Monday filed a lawsuit to block implementation of a sweeping labor reform that Congress passed last week.

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### Consortium Eyes Deal Without Terminals in Panama: Report

A consortium led by MSC and BlackRock is reportedly seeking to close a deal to acquire Hong Kong-based CK Hutchison's ports without two key terminals on the Panama Canal.

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#### ECONOMIC

### Cuban Leader Calls for 'Urgent' Economic Reforms

Cuban President Miguel Díaz-Canel on Monday said the country, which is facing a deepening humanitarian crisis, needs "urgent" economic reforms.

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Díaz-Canel // File Photo: Unclimatechange via Flickr CC BY-NC-SA 2.0.

## ECONOMIC NEWS

## Cuba's Díaz-Canel Calls for 'Urgent' Economic Reforms

Cuban President Miguel Díaz-Canel on Monday called for "urgent" economic reforms, a statement that came as U.S. restrictions on Cuba's oil imports have worsened a humanitarian crisis. "We must focus immediately on implementing the most urgent and necessary transformations to the economic and social model," Díaz-Canel told Cuba's Council of Ministers, state-run newspaper Granma reported. Needed reforms are related to "business autonomy, municipal autonomy, the resizing of the state apparatus, the government and institutions," he said. He also said reforms are needed for "the shift in the energy matrix," relating both to renewable energy and oil exports, the state-run newspaper reported. Díaz-Canel said the efforts would help stabilize Cuba's economy and develop national production, particularly of food, Granma reported. After U.S. forces overthrew Venezuelan President Nicolás Maduro in early January, the administration of U.S. President Donald Trump blocked oil exports from Venezuela to Cuba and threatened to impose tariffs on any country that ships oil to the communist nation. The restrictions worsened an energy shortage in Cuba and led to more blackouts that have virtually halted the country's economy, The New York Times reported. Cuba's government has reduced school hours, postponed surgeries at hospitals, limited sales of gasoline and cut back on public transportation, The New York Times reported. At the same time, tons of food imports have been stalled at ports, leading food prices to escalate, the newspaper reported. Maduro's ouster and the attack on Iran that the Trump administration launched on Saturday have raised concerns in Cuba that its government may be next, The New York Times reported. "The Cuban government is talking with us, and they're in a big deal of trouble," Trump told reporters on Friday. "They have no money. They have no anything right now, but

they're talking with us, and maybe we'll have a friendly takeover of Cuba" he added. [Editor's note: See related [Q&A](#) in the Feb. 19 issue of the Advisor.]

## Argentina's Largest Union Group Sues to Block Labor Reform

Argentina's largest labor union confederation on Monday filed a lawsuit to halt the implementation of a major labor reform that the country's Congress approved last week, the Associated Press reported. The Senate approved the reform, a key priority of President Javier Milei, in a vote of 42-28 on Friday, The Wall Street Journal reported. The lower chamber of Congress approved it the previous week. The measure gives employers more flexibility in hiring, firing, collective bargaining and severance, the AP reported. It also seeks to limit unions' power. "This law represents a serious infringement of collective and individual rights that expressly violate constitutional principles," the General Confederation of Labor, or CGT, said in a statement after its lawyers filed the lawsuit, the wire service reported. Milei on Friday called the reform "historic" and said it is needed to help attract foreign investment and also increase job creation and productivity.

## Mexico's Remittances Fall 1.4% in January: Central Bank

The amount of remittances sent to Mexico amounted to \$4.59 billion in January, a decline of 1.4 percent as compared to the same month last year, the country's central bank said Monday. As compared to December, remittances fell 13.5 percent in January, the central bank said. The decline extended a downturn in the money transfers to Mexico. Last year, remittances to Mexico fell 4.6 percent to \$61.79 billion. The decline was the largest in percentage terms in 16 years and the first since 2013, Mexico News Daily reported. The bulk

## NEWS BRIEFS

## Haiti Opens Registration Period for Parties Ahead of General Election

Haiti's government on Monday opened a period for parties to register in what would be the country's first general election in a decade, the Associated Press reported. The offices of the country's Provisional Electoral Council were surrounded by soldiers as political operatives picked up paperwork, the wire service reported. Gangs are estimated to control 90 percent of Port-au-Prince.

## Huawei to Provide Tech for Energy Storage Project in Brazilian Amazon

Chinese technology giant Huawei will supply batteries for a project run by U.K.-based Aggreko to install solar microgrids in 24 remote communities located in Brazil's Amazon rain forest, the firms told Reuters on Monday. The microgrids will have a combined capacity of 110 megawatts of solar power generation and 120 megawatts of battery storage. The firms will invest more than \$160 million to develop the project in Brazil's Amazonas state, with the first microgrids expected to become operational in 2027 or 2028, Reuters reported.

## Iranian Drone Strike Hits Honduras-Flagged Tanker

Iranian military forces struck a Honduras-flagged bitumen tanker with two explosive drones while it was attempting to transit the Strait of Hormuz on Monday, Reuters reported, cutting Iranian state media. The Strait of Hormuz has been effectively closed to all commercial activity since the outbreak of war on Saturday between Iran and the United States, Israel and multiple Gulf nations. Iran's Revolutionary Guards said in a statement that the vessel, the Athe Nova, was acting "in unison with America," Reuters reported.

of Mexico's remittances come from the United States, where the administration of President Donald Trump has pursued sweeping raids targeting unauthorized immigrants.

## BUSINESS NEWS

# Consortium Seeking Deal Without Panama Terminals: Report

A consortium led by Swiss-Italian shipping giant MSC and U.S. investment group BlackRock is pushing to close a new deal to acquire Hong Kong-based CK Hutchison's global assets of ports without two key terminals on the Panama Canal, the Financial Times reported today, citing two unnamed people familiar with the talks. Panama's Supreme Court on Jan. 29 ruled unconstitutional CK Hutchison's contracts to operate facilities at the ports of Balboa and Cristóbal, with the court citing irregularities in regulators' 2021 decision to grant the company a 25-year extension of its concession. Panamanian President José Raúl Mulino announced last week that Panama's government would take over CK Hutchison's two ports along the Panama Canal and allow MSC and Danish shipping and logistics company Maersk to temporarily operate them, Reuters reported. The removal of CK Hutchison's Panama assets could reduce the scope of the deal to acquire its remaining 41 port facilities located elsewhere in the world; the firm has sought as much as \$19 billion in cash for its assets, Bloomberg News reported. Chinese state-run shipping firm COSCO is also still in talks to join the Blackrock-MSA consortium, sources told the Financial Times. COSCO's ownership stake in the new consortium would vary on a case-by-case basis, with carve-outs likely for certain countries or regions that may be opposed to China's government, the sources added. It's unclear whether COSCO will be involved in CK Hutchison's other terminals in the Americas—the embattled Hong Kong-based firm currently operates four container ports in Mexico and another in the Bahamas.

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tortion, forced recruitment and displacement constitute elements of a perverse criminal governance in Colombia's rural areas where the state has historically been absent. The increase in the number of combatants comprising Colombia's eight principal illegal armed groups has been staggering since the Colombian government's peace agreement with the FARC: from approximately 6,500 in 2017 to more than 27,000 today, according to government figures compiled by the Bogotá-based think tank Fundación Ideas para la Paz. While significant increases took place under the previous government of President Iván Duque, the pace of growth accelerated between 2023 and 2025 during the present administration. Joint Venezuelan-Colombian operations along the two countries' common border could eventually degrade the ELN's current control, but such actions have yet to materialize. Moreover, it is unlikely that stepped up Colombian military campaigns that have taken place over the last year will fundamentally alter the current security dynamic, leaving it to Colombia's next government to couple military advances with any offers at the negotiating table."

**A Henry Ziemer, associate fellow in the Americas Program at the Center for Strategic and International Studies:** "Petro's recent moves show that the president is not quite ready to give up on his dreams of 'Total Peace,' even as elections to determine his successor are fast approaching. Lasting peace deals will likely remain elusive as armed groups will not be sure whether Petro's successor will honor their terms. Still, some resumption of peace processes and negotiations are positive signs ahead of Colombia's legislative and presidential elections taking place in March and May, respectively. Even an ephemeral peace is welcome to ensure the democratic process can move forward smoothly. However, cease-fires can also give armed groups time

to regroup and reconstitute their forces. In the case of the ELN, which declared a unilateral cease-fire on Feb. 23, renewed interest in negotiations may reflect a weakening of the group's strategic positioning. Following the capture of Venezuelan dictator Nicolás Maduro by the United States, the interim Chavista government in Caracas has taken steps to push the ELN out of their camps in Venezuela. Having come to rely upon a safe harbor across the border, the ELN risks finding itself caught between two fires if both Colombia and Venezuela begin targeting its forces. Colombia should recognize this and continue pressing forward with key security priorities, like the acquisition of new counter-drone systems, while the peace still lasts. A final consideration is how resumed peace talks might affect the still-volatile U.S.-Colombia relationship. While the United States has dropped its rhetoric around potential military strikes in Colombia following the Petro-Trump meeting, there is a risk that a resumption of peace talks with armed groups could trigger a return to a more acrimonious period. A sudden crisis in U.S.-Colombia relations could therefore represent a wild card, especially as the presidential race draws near."

**A Sergio Guzmán, director of Colombia Risk Analysis:** "President Petro's Total Peace policy is a governability risk as negotiations remain reactive to the electoral cycle. While there is an incentive for Petro to reach partial agreements or make important announcements on advances with multiple groups, success is highly unlikely before the end of his term. The resumption of talks with the Clan del Golfo and concessions to the ELN signal a desperate attempt to secure a symbolic win, yet any agreement will depend on multiple internal and external factors outside of Petro's control, including approval by Congress, the courts, public opinion and implementing partners like the United States. Petro's ability to translate any

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agreement into an implementable text with a schedule and measurable objectives is a distant proposition and should not be taken as a fact until there is a real document with a timeline that is later certified by Congress and other parties. Meanwhile, security conditions are expected to deteriorate ahead of the May elections as criminal groups exploit cease-fires to expand territorial control and exert pressure on voters in rural areas. Historically, violence intensifies during electoral cycles as armed groups seek to prevent candidate registration and influence local outcomes, directly challenging the state's operational integrity."

**A** **Jim Marckwardt, program administrator and adjunct professor at the Johns Hopkins University School of Advanced International Studies:** "Recent efforts by Colombia's government to resume peace talks with Clan del Golfo and entertain ELN's proposal for an independent drug-trafficking commission signal both ambition and strain in Total Peace, President Petro's signature policy. Coming in the final months of his term, these efforts appear partly driven by a desire to leave a legacy on Colombia's internal conflict and reflect the political pressure facing Petro and his allies. Successful progress before elections would enable Iván Cepeda to argue for continuity, but without

durable agreements, these efforts risk being judged a desperate 'Hail Mary.' From Clan del Golfo's perspective, its priority is safeguarding and expanding illicit profits. The group is likely hedging—preferring continuation of talks, which ease immediate military pressure, over risk of a tougher security crackdown under a potential right-leaning successor. Meaningful progress is unlikely, as Petro must balance pressure to pursue high-value targets from the United States with the need to show advances under Total Peace. On the ELN front, the acceptance of an independent commission to examine alleged drug ties reflect concern about being labeled primarily a narco-trafficking organization and an effort to reposition itself amid uncertain political winds in Venezuela and Colombia. By demonstrating limited good faith now, the ELN is also hedging—to reduce political isolation and future military pressure while preserving leverage for whatever government emerges next. Despite potential advances, security conditions before elections are unlikely to improve. Armed groups retain territorial control and continue administering violence, even as some unilateral truces occur around electoral dates."

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

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**Gene Kuleta**  
Editor

**Jack Quinn**  
Reporter



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

**Lila Abed**, Director, Mexico Program

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**Peter Hakim**, President Emeritus

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