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## Latin America Advisor

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### FEATURED Q&A

## Will the Cuban Government Be Able to Placate Trump?



Cuban President Miguel Díaz-Canel has said the country needs "urgent" economic reforms amid intense economic pressure from the administration of U.S. President Donald Trump. // File Photo: duma.gov.ru via Wikimedia Commons CC BY 4.0.

**Q Cuban President Miguel Díaz-Canel on March 2 told the country's Council of Ministers that Cuba needs "urgent" economic reforms, a statement that came amid escalating U.S. economic restrictions on Cuba, which have worsened fuel and food shortages on the island. Díaz-Canel's remarks came after U.S. President Donald Trump on Feb. 27 told reporters that his government is in talks with Havana, adding, "Maybe we'll have a friendly takeover of Cuba." What kind of economic reforms will Cuba's government likely implement? To what extent can policymakers in Cuba feasibly take steps to alleviate the country's fuel and food shortages? What's the state of U.S.-Cuba relations, and what will ultimately result from U.S. pressure on Cuba?**

**A Carlos A. Saladrigas, chairman of the Cuba Study Group and Regis HR Group:** "Cuba's uncertain future leads to one clear conclusion: the reforms required to reverse its economic decline and restore prosperity are the same whether undertaken voluntarily by its government or forced by external pressure from the United States. Gradual, incremental reform is unlikely to work. The time for slow, 'Vietnam-style' sequencing has passed, and piecemeal changes would only prolong the country's current crisis. What is needed instead is a comprehensive transformation that liberalizes not only the economy but Cuban society as well. Broader freedoms and institutional openness are essential to build the trust and confidence investors require. This raises two central questions. First, after 67 years of economic mismanagement and resistance to change, are Cuba's leaders prepared

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### TODAY'S NEWS

#### POLITICAL

### Protesters Attack Communist Party Office in Cuba

In a rare public display of anti-government sentiment in Cuba, protesters in the city of Morón attacked a Communist Party office, pelting the building with rocks and starting a fire in the street.

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#### BUSINESS

### U.K.-Based Firm Gets \$420 Million for Paraguay Project

Britain-based green hydrogen and fertilizer developer Atome has secured \$420 million in financing for a low-carbon plant in Paraguay.

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#### POLITICAL

### Ecuador Deploys 75,000 Police, Troops to Four Provinces

Ecuador on Sunday began an offensive against drug traffickers in four provinces. Interior Minister John Reimberg recently said the country is "at war" with drug gangs.

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Reimberg // File Photo: U.S. Department of Homeland Security.

## POLITICAL NEWS

## Protesters Attack Communist Party Office in Cuba

Protesters on Saturday attacked a Communist Party office in central Cuba, pelting it with rocks and starting a fire in the street with furniture taken from a reception area, state-run newspaper Invasor reported. The protest in the city of Morón, about 280 miles east of Havana, started with a peaceful march late Friday and turned violent in the early hours of Saturday, the newspaper reported. It was a rare public display of anti-government sentiment as the island nation faces worsening shortages of food and medicine and unrelenting blackouts exacerbated by U.S. restrictions on oil shipments to Cuba. Five people were arrested in the protests, which also resulted in damage to other establishments, including a pharmacy and a store, Invasor reported. Videos posted to social media showed a large fire and demonstrators throwing rocks through a building's windows and people shouting "liberty" in the background, Reuters reported. In recent days, protesters have been banging pots and pans at night and in the street to vent frustrations over the shortages and power outages, The Guardian reported. Rolling blackouts have been occurring in Cuba for as long as 15 hours per day. Cuban President Miguel Díaz-Canel has said that he understands the frustrations over the decline in living conditions on the island, but he also said that the government will not tolerate disorderly conduct. "The complaints and demands are legitimate, as long as they are carried out with civic responsibility and respect for public order," he said Saturday in a post on social media site X. Amid the dire fuel shortages, universities have suspended classes, public transport has been sharply reduced and most tourism has come to a halt, with some airlines halting service to Cuba because of a lack of jet fuel, The Wall Street Journal reported. Additionally, hospitals have stopped surgeries except for emergencies, and farmers have struggled to get their crops to market.

Both Díaz-Canel and U.S. President Donald Trump have said their two governments have engaged in talks, and Trump has predicted that Cuba may want to strike an agreement with the United States. On Sunday, he told reporters aboard Air Force One that he wants to conclude the war in Iran before focusing more attention on Cuba. "I think we will pretty soon either make a deal or do whatever we have to do," Trump said, Bloomberg News reported. "We're talking to Cuba, but we're going to do Iran before Cuba," he added.

## Ecuador Deploys 75,000 Police, Troops to Four Provinces

Ecuador's government on Sunday began a two-week offensive against drug traffickers in four provinces, deploying tens of thousands of troops and police officers, CBS News reported. The operation, which targets the provinces of Guayas, Los Ríos, Santo Domingo de los Tsáchilas and El Oro, includes 35,000 soldiers. With police officers, the operation has more than 75,000 personnel, BBC News reported. Last week, Interior Minister John Reimberg said a "very strong offensive" would target drug-related violence in the country, CBS News reported. "We're at war," he told reporters. "Don't take any risks, don't go out, stay at home," he added. On March 3, Ecuadorean and U.S. forces started joint operations against drug gangs in the South American country. U.S. forces were likely participating by supplying Ecuadorean forces with intelligence and logistics support, The New York Times reported.

## BUSINESS NEWS

## PDVSA to End Deal With Ecopetrol on Repairs: Palma

Venezuelan state oil company PDVSA is likely to end an agreement with Colombia's state-run

## NEWS BRIEFS

## Peruvian Presidential Candidate Becerra Killed in Car Crash

Peruvian presidential candidate Napoleón Becerra, 61, was killed in a car crash on Sunday as he headed to a political rally, the Associated Press reported. Becerra, the candidate of the Workers and Entrepreneurs Party of Peru, was among 36 candidates ahead of the April 12 election and was polling with less than 1 percent. His car went off the road near the city of Pilpichaca in a remote part of the Andes, the wire service reported.

## Bolivian Authorities Capture Alleged Uruguayan Drug Kingpin

Bolivian police captured suspected Uruguayan cartel boss Sebastián Marset on Friday in a raid in the city of Santa Cruz de la Sierra, Reuters reported. Marset was immediately extradited to the United States, where he faces federal money-laundering charges. No one was killed or injured in the operation to arrest Marset, who is the alleged leader of the First Uruguayan Cartel, Bolivian Interior Minister Marco Antonio Oviedo said Friday at a press conference, the wire service reported. The U.S. Drug Enforcement Agency did not participate in Marset's arrest, but it facilitated his transfer to the United States, Oviedo added.

## Economists Expect Higher Inflation This Year in Brazil

Economists in a new Brazilian central bank survey raised their expectations for inflation this year in the South American country, Bloomberg News reported today. Analysts estimate that inflation at the end of this year will be 4.1 percent, up from an expectation of 3.91 percent. The central bank is expected to begin a rate-cutting cycle on Wednesday.

Ecopetrol over a plan to repair the Antonio Ricaurte pipeline, saying there was not enough investment to complete the project, Reuters reported Saturday, citing Colombian Energy Minister Edwin Palma. The 140-mile pipeline between the two countries has been dormant for years. Palma said that while there is “political will” between Ecopetrol and PDVSA to revive the agreement next year, U.S. sanctions on Venezuela’s energy sector would have to be lifted first.

## U.K. Firm Gets \$420 Mn for Fertilizer Project in Paraguay

U.K.-based green hydrogen and fertilizer developer Atome has secured \$420 million in financing from five public lenders to build a low-carbon fertilizer plant outside of Paraguay’s capital city Asunción, the firm announced in a statement on Friday. Atome did not disclose the exact distribution of funding for the Villeta project, but it named the five institutions that provided financing for it: the Inter-American Development Bank, the World Bank’s International Finance Corporation, the United Nations’ Green Climate Fund, the European Investment Bank and the Netherlands’ state-owned Dutch Entrepreneurial Development Bank. The financing announced on Friday represents 65 percent of the project’s estimated costs of \$650 million; the remaining costs will be funded with equity investments, Atome said. The Villeta project will use hydrogen produced with electricity sourced from the Itaipú hydroelectric dam. The current industry standard for fertilizer production uses natural gas, news site Renewables Now reported. “Villeta will enable fertilizer to be produced at industrial scale without reliance on fossil fuels, supported by a stable, long-term renewable power supply, which we believe will be a game changer for the fertilizer sector,” said Peter Levine, Atome’s chairman. Atome said on Friday that it expects the Villeta project to begin full commercial operations in 2028. The project would become the country’s first large-scale domestic fertilizer production facility.

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to truly unleash the potential of the private sector? Second, does the U.S. administration understand that meaningful reforms in Cuba must be matched by reciprocal actions—specifically, substantial sanctions relief? Without such reciprocity, any surge in private-sector initiative could quickly falter. Complicating matters further is whether the United States has the capacity and political bandwidth to engage in yet another long-term nation-building effort, especially amid other geopolitical conflicts. Such processes take years, not months. Moreover, Cuba’s long and difficult history of struggle for independence suggests that excessive U.S. control over a transformation process could undermine Cuban sovereignty and national dignity, potentially creating lasting political resentment. A more constructive path may still exist. A national dialogue that includes Cubans on the island and in the diaspora—perhaps convened under the moral authority of a respected institution such as the Catholic Church—could help define a broadly supported path forward. Such an outcome would benefit all sides and offer the possibility of a genuine and peaceful breakthrough for Cuba’s future while securing Mr. Trump’s legacy in the region.”

**A** **María José Espinosa Carrillo, executive director of the Center for Engagement and Advocacy in the Americas (CEDA):** “President Miguel Díaz-Canel’s call for ‘urgent’ economic reforms—including reducing the size of the state sector, strengthening domestic production and granting greater autonomy to private enterprises and municipal actors—reflects the severity of Cuba’s current economic and energy crisis. Cuban authorities have announced similar reform agendas in the past, and while some changes have taken place—most notably the legalization of small and medium-sized private enterprises—the pace and consistency of implementation has been slow and insufficient. This has contributed to significant public skepticism

about whether reforms will be deep enough to address the scale of the island’s crisis. Even so, expanding the private sector and encouraging public-private partnerships are increasingly recognized as essential components of any viable recovery strategy. If implemented consistently, reforms that allow greater flexibility for private businesses, farmers and local governments could help stimulate domestic production and improve the availability of goods over time. U.S.-Cuba relations remain highly strained, and economic pressure from Washington continues to shape the environment in which reforms unfold. At the same time, the changes required inside Cuba are deeper than the incremental adjustments that have been discussed for years. The current crisis is unfolding in a country with fewer economic buffers, weaker public services and a population that is far more skeptical that announced reforms will translate into real change. While U.S. policy will inevitably influence Cuba’s economic outlook—and Washington currently holds significant leverage—the credibility of any recovery strategy ultimately depends on steps taken in Havana.”

**A** **Pavel Vidal, professor in the Department of Economics at Pontifical Xavierian University in Cali, Colombia and former analyst in the monetary policy division at the Central Bank of Cuba:** “The Cuban economy needs a broad program of stabilization and liberalization, together with a new strategy for international integration that would allow it to generate exports, service its debts and begin investing in a productive infrastructure that is now practically in ruins. The Cuban government has resisted these changes because they would necessarily entail dismantling the command-economy model that the Communist Party has defended for decades. However, under the pressure of the Trump administration, the energy squeeze and military threats, one could ex-

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pect greater pragmatism among the Cuban elites and a greater willingness to accept deeper transformations—something that a large part of Cuban society is also demanding. As a first step, some priority measures could include removing the 100-worker cap on private businesses and expanding their rights through a business law, dismantling the military business conglomerate GAESA and introducing market-oriented reforms in agriculture to strengthen farmers' property rights. The United States will likely push for guarantees for foreign investment, with a view to opening space for U.S. and Cuban-American capital in sectors such as tourism, real estate and mining. That, in turn, would likely require progress toward some resolution of the properties nationalized in the 1960s. Still, for these transformations to be credible and sustainable, they would need to be accompanied by institutional and political changes—an area where resistance on the Cuban side is likely to be much stronger.”

**A** **Michelle Chase, associate professor of history and director of Latin American studies at Pace University:** “The U.S. government’s current strategy of trying to force Cuba toward a breaking point is dangerous. It is edging Cuba toward a humanitarian crisis without guaranteeing the significant political and economic change that would satisfy the Trump administration. If history is any guide, Trump’s repeated prediction that Cuba will fall of its own accord is probably wishful thinking. The past half century

of Cuban history offers several lessons. First, extreme material hardship does not automatically lead to political upheaval. The severe deprivations of the 1990s showed this unequivocally. There were some major popular protests, and Cuba’s internal opposition arguably flourished in this period, but Cuba’s government was able to weather the storm. Widespread material hardship and political disaffection are more likely to result in disorderly mass migration events—such as the 1980 Mariel boatlift or the 1994 rafter crisis—than in a sustained mass protest movement. Second, the Cuban government has been willing to implement economic reforms that bolster the private sector but has tended to pause or roll back these economic openings when faced with their unintended social or political consequences—as we saw in the 1980s with Rectification and the 2010s when Raúl Castro’s economic reforms stalled. And finally, history has shown that in periods of heightened crisis or U.S. aggression, the Cuban government has successfully closed ranks, mobilizing anti-imperialist sentiment or nationalist pride. The government’s capacity to do so may be waning, but the lingering authority of the aging revolutionary leadership and the historic loyalty of Cuba’s armed forces will preclude the overnight solution the Trump administration engineered in Venezuela.”

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

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## Upcoming Event

**ONLINE EVENT: Evidence in Motion – A Regional Dialogue on the Challenges of Measuring Child Development**

March 25, 2026 | 11:00 a.m. ET

