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FEATURED Q&A

What Will Laura Fernández Mean for Costa Rica?

Laura Fernández took office last week as Costa Rica's president. She named her predecessor, Rodrigo Chaves, to two powerful cabinet posts. // Photo: Esteban Rojas Saurez/Asamblea Legislativa de Costa Rica.

Q Conservative Laura Fernández was sworn in as Costa Rica's president on May 8. Just days earlier, she announced that her predecessor as president, Rodrigo Chaves, would serve as her minister of the presidency and finance minister. What's behind Fernández's decision to give Chaves powerful cabinet positions, and how much will he influence the new government's direction? What do Fernández's other cabinet selections, including incoming Foreign Minister Manuel Tovar and new Justice Minister Gabriel Aguilar, say about how she will govern? What initiatives is Fernández likely to prioritize as president?

A Anastasia Chacón González, associate director of the Americas Practice at DGA-Albright Stonebridge Group: "Fernández's decision to give former President Rodrigo Chaves powerful cabinet positions is unsurprising and aligns with the continuity message that defined her campaign. Chaves' appointment as both minister of the presidency and finance minister positions him to retain decisive influence over policy direction. These roles place him at the center of executive-legislative relations while granting him direct control over the national budget. This arrangement is particularly relevant as the executive will need support from at least seven opposition deputies to secure the qualified majority required to advance Fernández's flagship initiatives, including the proposed sale of Banco de Costa Rica, electricity sector liberalization and constitutional reforms such as consecutive presidential re-election. A qualified majority will also be required for upcoming magistrate appointments or terminations—another priority

Continued on page 3

TODAY'S NEWS

ECONOMIC

Power Grid Collapse Cuts Power to Eastern Half of Cuba

Cuba's power grid suffered a near-total collapse on Thursday, cutting power to the entire eastern half of the country.

Page 2

BUSINESS

Brazilian Police Arrest Father of Banco Master's Chief Executive

Brazilian police on Thursday arrested Henrique Vorcaro, the father of jailed Banco Master CEO Daniel Vorcaro. The bank collapsed amid a fraud scandal last year.

Page 3

POLITICAL

U.S. Reportedly Planning to Indict Raúl Castro

U.S. authorities are reportedly planning to indict 94-year-old former Cuban President Raúl Castro on charges related to the deadly shootdown of two planes in 1996.

Page 2

Castro // File Photo: kremlin.ru via Wikimedia Commons CC BY 4.0.

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POLITICAL NEWS

U.S. Reportedly Planning to Indict Cuba's Raúl Castro

U.S. authorities are preparing to indict Raúl Castro, Cuba's 94-year-old former president and the brother of late revolutionary leader Fidel Castro, CBS News reported Thursday, citing unnamed U.S. officials familiar with the matter. A grand jury would have to approve charges against Castro, the network reported. The case centers on Cuba's deadly shootdown in 1996 of planes that were being operated by Brothers to the Rescue, a humanitarian group made up of Cuban exiles that searched for Cubans seeking to flee the communist island nation on rafts. A Cuban MiG-29 fighter jet shot down two planes that were being operated by the group in February 1996, killing four people, CBS News reported. The Organization of American States later released a report on the incident, saying the planes had been shot down outside of Cuban airspace. The report accused Cuba's government of violating international law, and then-U.S. President Bill Clinton condemned the incident. Cuban government officials have called the downing of the plane justified, alleging that the humanitarian group had violated Cuba's airspace and had attempted to sabotage infrastructure in the island nation, CBS News reported. The potential indictment against Raúl Castro comes as the administration of U.S. President Donald Trump has increased pressure on Cuba, blocking its fuel imports and threatening to impose tariffs on any country that exports oil to the country. Although Castro stepped down in 2021 as the head of Cuba's Communist Party, he is still viewed as along Cuba's most powerful people. The director of the U.S. Central Intelligence Agency, John Ratcliffe, met Thursday with Castro's grandson, Raúl Guillermo Rodríguez Castro, who acts as a representative for his grandfather and a key contact within Cuba's government for U.S. officials, CBS News reported. During the meeting, Ratcliffe delivered a message from Trump, saying that the United States is "prepared to seriously engage on economic and security issues, but only if Cuba makes fundamental changes," an unnamed CIA official told CBS News. Cuba can "no longer be a safe haven for adversaries in the Western Hemisphere," the official added. Other Cuban officials, including Cuba's interior minister and the head of its intelligence services, were also present at the meeting, the Associated Press reported, citing an unnamed CIA official. The talks followed a meeting between U.S. Secretary of State Marco Rubio and Rodríguez Castro in February on the sidelines of a Caribbean Community summit in St. Kitts and Nevis, the AP reported. U.S. and Cuban officials also met in Cuba in April. [Editor's note: See related **Q&A** in the March 16 issue of the Advisor.]

ECONOMIC NEWS

Eastern Half of Cuba Loses Power as Grid Collapses

Cuba's electrical grid suffered a near-total collapse on Thursday, with the entire eastern half of the island losing power for most of the day, the Associated Press reported. Officials did not say when they expect power service to be restored to eastern Cuba, including the cities of Santiago de Cuba, Camagüey and Holguín. Havana and other areas in western Cuba were already experiencing forced power cuts of up to 20 hours per day, which sparked protests earlier this week, Reuters reported. Cuba's power grid is crumbling in the fifth month of an effective U.S. blockade of oil products entering the island; imported fuel oil sustains some 60 percent of Cuba's demand for electricity generation under normal conditions. With the exception of a Russian crude oil tanker that unloaded a cargo in northern Cuba in April under a sanctions exemption from the U.S. Treasury Department, Cuba has not received a single large-scale shipment of fuel since Jan. 9, The New York Times reported. In January, a second Russian oil tanker had departed the Baltic port of Vysotsk on an apparent course toward Cuba,

NEWS BRIEFS

Miners Protest in Bolivia's Capital, Clash With Police

Miners protesting in Bolivia's capital, La Paz, clashed Thursday with police in the city's central square, Reuters reported. Protesters threw what appeared to be sticks of dynamite during the demonstration. Miners have demands including greater access to fuel and revisions to mining regulations.

BRICS Nations End Summit Without Issuing Statement

BRICS nations failed to issue a joint statement today after a two-day summit of foreign ministers in New Delhi, Reuters reported. Disagreements arose between two of the group's newest members, Iran and the United Arab Emirates, which have been engaged on opposite sides of the conflict in the Middle East this year. Iran's foreign minister had called on BRICS countries to condemn the United States and Israel, which the UAE rejected, Reuters reported. Brazil is a founding member of BRICS.

FEMSA to Roll Out Digital Payment System at OXXO Gas Station Network

Mexican retail and beverage conglomerate FEMSA announced Thursday that it will implement a digital payments system at its OXXO chain of gas stations, Reuters reported. The system, operated by FEMSA subsidiary NetPay, will let gas stations accept various forms of digital payments. The move is part of the government of President Claudia Sheinbaum's push to incentivize cash-heavy industries to adopt modern payment methods, Reuters reported. Last year, Sheinbaum's government issued guidance that limited the fees financial institutions are allowed to charge for card payments at gas stations.

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but the ship has been moored in the same spot of the Atlantic Ocean for the last several weeks, the AP reported, citing shipping data. On Wednesday, Cuba's energy minister warned that fuel stocks have reached critical levels on the island. We have absolutely no fuel (oil), and absolutely no diesel," Vicente de la O Levy said in a broadcast on state-run media, Reuters reported. Last week, experts from the Office of the United Nations High Commissioner for Human Rights released a statement calling on the administration of U.S. President Donald Trump to end its "energy starvation" of Cuba.

BUSINESS NEWS

Brazilian Police Arrest Father of Jailed Bank CEO

Brazil's federal police on Thursday arrested Henrique Vorcaro, the father of jailed Banco Master CEO Daniel Vorcaro, on allegations that he helped to oversee some operations of a criminal enterprise allegedly connected to his son, Bloomberg News reported. Daniel Vorcaro is at the center of a scandal in which he is accused of defrauding several of the bank's clients by persuading them to make spurious investments. He has repeatedly denied wrongdoing. Brazil's central bank liquidated the bank last November. Investigators in Brazil accuse Henrique Vorcaro of leading one part of the scheme that focused on intimidation, threats and access to confidential government data, and another that focused on hacking and cyberattacks, Bloomberg News reported. Eugenio Pacelli, a lawyer for Henrique Vorcaro, said the Brazilian supreme court's authorization of his client's arrest was based on facts whose economic rationale and legality have not yet been determined, the news service reported. The elder Vorcaro's arrest came a day after The Intercept Brazil reported that presidential candidate Flávio Bolsonaro had sought millions of dollars from Daniel Vorcaro to produce a movie about his father, former President Jair Bolsonaro. Flávio Bolsonaro denied wrongdoing.

FEATURED Q&A / Continued from page 1

for Chaves. Security will remain a focus area amid rising violence linked to organized crime and drug trafficking. Gabriel Aguilar's appointment as justice minister reinforces an emphasis on a hardline law-and-order agenda and stronger coordination on public security. On foreign policy, Fernández will continue close alignment with the Trump administration, and Manuel Tovar is likely to retain some influence over the trade portfolio, particularly on OECD matters. The administration will take an assertive approach to advancing its agenda, with Chaves playing a central role in legislative coordination. The key variable to watch will be whether the administration can translate political capital into concrete outcomes with an opposition legislature. At the same time, persistent confrontation with democratic actors, including the press, will be an important indicator of the broader trajectory of governance and institutional checks and balances."

Felipe Félix Méndez, fellow at Global Americans: "President Laura Fernández's inauguration and cabinet appointments sent a clear message: She plans for her administration to be defined by continuity and an increased focus on security. What remains to be seen is how her relationship with her predecessor, Rodrigo Chaves, will shape her presidency. President Fernández appointed Chaves, her political mentor, to lead two of her government's most important portfolios: the ministries of finance and the presidency. While she has described herself as the 'heiress' to various aspects of the Chaves administration's legacy, Fernández has also insisted that she will have the final word in policy disagreements between them. Recent regional precedents suggest that such power-sharing agreements often work temporarily while incentives align, but may become unstable once the successor develops an independent political base. Emblematic cases include Evo Morales-Luis Arce in Bolivia and Rafael Correa-Lenín Moreno in Ecuador. Still, these arrangements have been a tempting mechanism for leaders seeking to retain power, particularly when facing term limits. Beyond Chaves' appointment, broader signals point to a government focused on combating organized crime. President Fernández will soon inaugurate a maximum security 'mega-prison' modeled after El Salvador's CECOT. In addition, her administration is expected to continue working closely with the United States on these matters. The high-level U.S. delegation attending Fernández's inauguration—including Deputy Secretary of State Christopher Landau, Shield of the Americas Special Envoy Kristi Noem and senior diplomat Michael Kozak—suggests strong mutual interest in expanding that partnership."

Dennis Paul Petri Krijnen, director of research at the Latin American University of Science and Technology (ULACIT) in San José, Costa Rica: "President Laura Fernández's first-round victory and legislative majority overturn two predictions I made in 'The Politics of Costa Rica' (Springer, 2025): that no future president would win in the first round and that no government would again hold a legislative majority. Both seemed entrenched since 2002. Three things deserve recognition in the movement that broke them: strong macroeconomic results, reversed electoral disaffection and attention to peripheries beyond the Greater Metropolitan Area. Barred from consecutive re-election, Chaves handpicked Fernández, whose election is a vote for continuity. Naming him minister of the presidency and finance is unprecedented and makes that continuity explicit. Chaves will coordinate cabinet and economic policy; Gabriel Aguilar, his former chief of staff, takes Justice; Manuel Tovar brings his trade record to Foreign Affairs; and 14 top Chaves administration officials are retained. Three priorities will dominate. First is an aggressive security agenda: mano dura rhetoric, expanded police powers and

Continued on page 4

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FEATURED Q&A / Continued from page 3

a new maximum-security prison to address record homicides driven by transnational drug trafficking. Second is macroeconomic discipline and nearshoring investment. Third is a foreign policy centered on export-market diversification, with less emphasis on Costa Rica's signature themes of peace-building, disarmament and demilitarization. The principal political challenge is not confrontation with the Legislative Assembly, where chavismo holds a majority, but rather the cohesion of a government bloc assembled from former members of other parties without automatic ideological affinity. Opposition deputies hold the decisive card: They alone can block constitutional reform. Some worry about the trajectory, but Costa Rica's democratic framework has proven resilient and should remain so."

Juliana Martinez Franzoni, researcher at the Center for Research and Political Studies and professor at the Institute for Social Research, both at the University of Costa Rica: "Fernández's appointment of her predecessor, Rodrigo Chaves, as finance minister while he holds the ministry of the presidency and thus oversees the intelligence agency, confirms her government as the 'continuity of change.' Fernández openly proclaims herself as the heir of Chaves' right-wing, populist project. She recurrently embraces the notion that electoral victory confers the right to govern on behalf of 'the people's will' without institutional oversight. In the Legislative Assembly, the first message of Fernández legislators, at least half of whom come from the two traditional parties, was against communists and old politics. Unlike Chaves' reliance on mere confrontation, Fernández offers a narrative: the 'Third Republic' recasts the accountability mechanisms created by the 'Second Republic'—the post-1948 institutional order that made Costa Rica one of the longest-standing democracies in Latin America—as obstacles to renewal. Placing Chaves at the helm of executive coordination and fiscal policy ensures this narrative has teeth. In her inaugural address, Fernández underscored her respect for judicial independence while also sowed recurring doubts about the solvency and loyalty of the judiciary to the people–versus the criminals. Pressing issues like public education, health care wait lists and the old-age pensions crisis, largely worsened under the Chaves administration, went unmentioned. Other appointments reinforce continuity: Manuel Tovar stays as foreign minister, and Chaves' chief of staff, Gabriel Aguilar, takes over the justice department. The government's stated priorities are security, infrastructure and state reform—with judicial reform standing out prominently. In a country with no standing army and more than seven decades of uninterrupted democracy, the incremental centralization of power warrants close attention."

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

Upcoming Event

Twelfth Annual Building a Competitive U.S.-Mexico Border Conference

June 10, 2026 | 9:00 a.m. ET

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