A DAILY PUBLICATION

THEDIALOGUE

Latin America Advisor

www.thedialogue.org

Monday, May 18, 2026

BOARD OF ADVISORS

Merike Blofield
Professor of Political Science,
University of Hamburg

Joyce Chang
Global Head of Research,
JPMorgan Chase & Co.

Marlene Fernández
Corporate Vice President for
Government Relations,
Arcos Dorados

Peter Hakim
President Emeritus,
Inter-American Dialogue

Donna Hrinak
Director,
Covista

Jon E. Huenemann
Council Member,
GLG Inc.

James R. Jones
Chairman,
Monarch Global Strategies

Craig A. Kelly
Senior Director, Int'l Gov't Relations,
Exxon Mobil

John Maisto
Director,
U.S. Education Finance Group

Nicolás Mariscal
Chairman,
Grupo Marhnos

Thomas F. McLarty III
Chairman,
McLarty Associates

Ernesto Revilla
Head of Latin American
Economics, Citi

Gustavo Roosen
President,
IESA

Andrés Rozental
President,
Rozental & Asociados

FEATURED Q&A

What's Behind the Dissolution of Two Ecuadorean Parties?

Electoral authorities in Ecuador last month dissolved two opposition parties, a move that came ahead of local elections, in which voters will determine who controls cities including Quito (pictured). // File Photo: Henri via Adobe Stock.

Q Ecuador's electoral authorities on April 26 dissolved two opposition parties, Construye and Unidad Popular, after having suspended major left-wing party Revolución Ciudadana ahead of local elections in November. Multiple members of the Ecuadorean opposition have denounced what they have characterized as political persecution by the administration of President Daniel Noboa and accused the National Electoral Council of acting in its favor, El País reported. What can be expected of Ecuador's upcoming local elections in terms of competitiveness and the balance of power among political forces? What factors will likely define the election, and how will the actions against the left-wing parties affect the vote? How do the developments fit into Ecuador's broader political trajectory, particularly regarding democratic stability, governance, and polarization?

A **Michael Shifter, former president of the Inter-American Dialogue:** "In advance of the upcoming local elections, the Noboa government has made several decisions that seek to avoid or minimize significant setbacks. The first was in late March by the government-controlled National Electoral Council (CNE) to move the date of the elections from February 2027 to November 2026. The rationale was based on the forecast that an unusually powerful El Niño would likely hit Ecuador around the end of the year or early next year, causing possible flooding and making voting more difficult. As a result, the campaign that normally runs for 45 days would now be reduced to about 15, which benefits candidates from the governing party. The second key decision, made by the government-aligned Contentious-Electoral Tri-

Continued on page 3

TODAY'S NEWS

POLITICAL

Peru Electoral Agency Advances Fujimori, Sánchez to Runoff Vote

Peru's electoral authority on Sunday confirmed right-wing former lawmaker Keiko Fujimori and left-wing former government minister Roberto Sánchez Palomino as the top vote-getters in the country's April 12 presidential election.

Page 2

BUSINESS

Two Shipping Companies Halt Cuba Service

Shipping giants CMA CGM and Hapag-Lloyd announced Sunday that they were halting shipments to and from Cuba.

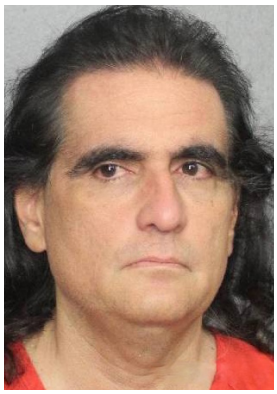
Page 3

POLITICAL

Venezuela Extradites Alex Saab to U.S.

Venezuela's government on Saturday extradited Alex Saab, a Colombian-born businessman with ties to deposed Venezuelan President Nicolás Maduro, to the United States.

Page 2



Saab // File Photo: Broward County, Fla.

THEDIALOGUE

COPYRIGHT © 2026, INTER-AMERICAN DIALOGUE

POLITICAL NEWS

Peru Confirms Fujimori, Sánchez as First-Round Winners

More than a month after the first round of Peru's presidential election, the country's electoral authorities on Sunday confirmed right-wing former lawmaker Keiko Fujimori and left-wing former trade minister Roberto Sánchez Palomino as the top vote-getters, setting up a runoff on June 7, the Associated Press reported. Fujimori was the top finisher in the election, garnering 17.19 percent of the vote, while Sánchez received 12.04 percent, according to the Office of National Electoral Processes, or ONPE. Far-right former Lima Mayor Rafael López Aliaga finished third, with 11.91 percent of the vote, and missing a spot in the runoff by just over 21,000 votes of the approximately 21 million cast. More than 30 presidential candidates were on the ballot, and a candidate would have needed a majority of the votes to win in the first round without a runoff. López Aliaga, known by his nickname "Porky," has refused to accept the results, calling them a "gigantic fraud," The New York Times reported. On the day of the election, dozens of polling stations in Lima, a base of support for López Aliaga, failed to open because election materials were not delivered on time. That led electoral authorities to continue the election into a second day. International observers have said there was no evidence of fraud in the vote, but the situation led to the resignations of top electoral officials, and López Aliaga led multiple protests in Lima to demand that electoral authorities annul or extend the vote, The New York Times reported. Peru's political outlook was further clouded last Tuesday, when the country's attorney general's office said Sánchez was being charged with forging documents and making false statements related to the finances of his party between 2018 and 2020, the newspaper reported. If convicted, he would face five years in prison and a permanent ban on holding public office. Sánchez denied wrongdoing, saying the charges depend on evidence that local courts previously dismissed. "I'm calm, serene," Sánchez told reporters last Tuesday, The New York Times reported. "I reaffirm my correct and respectful conduct within the law. I will prove them wrong," he added. Peru has had nine presidents in the last 10 years, and this year's fraught election will mean that whoever becomes the country's president in July will face questions of legitimacy, Cynthia McClintock, a professor of political science and international affairs at The George Washington University, told the Advisor in a **Q&A** published April 29. "Amid an election wracked not only by party system fragmentation and polarization but also by electoral authorities' blunders, the next administration's legitimacy deficit will be serious," she said.

Venezuela Extradites Businessman With Maduro Ties to U.S.

Venezuelan authorities on Saturday extradited Alex Saab, a Colombia-born businessman with close ties to ousted Venezuelan President Nicolás Maduro, to the United States, according to a brief statement from Venezuela's immigration authority, the Associated Press reported. The move is a reversal for Saab, who was previously jailed in the United States for more than two years until then-U.S. President Joe Biden pardoned him in 2023 as part of a prisoner exchange during negotiations with Maduro, The New York Times reported. U.S. federal prosecutors have charged Saab, a dual citizen of Colombia and Venezuela, with orchestrating a scheme to siphon funds from government contracts during the height of Venezuela's economic crisis in the late 2010s. The government of acting Venezuelan President Delcy Rodríguez, who took power after Maduro was deposed by U.S. forces in January, likely stripped Saab of his Venezuelan citizenship or issued a temporary legal exception to process his extradition, The New York Times reported. Venezuela's constitution explicitly bars the extradition of citizens, according to the newspaper. Saab "is implicated in committing several crimes in the United States of America,

NEWS BRIEFS

At Least 10 Killed in Shooting in Mexico's Puebla State

At least 10 people were killed in an attack by multiple gunmen on Sunday morning in the town of Tehuitzingo in Mexico's Puebla state, the Associated Press reported. One child, three women and six men were killed. State and federal authorities have yet to release information regarding the suspects, according to the wire service. Cartel violence has surged in central Mexico in recent months amid a reorganization of territory.

Venezuela Reportedly Plans Individual Decisions on Oil Royalties, Taxes

Venezuela's government plans to set royalty and tax rates for new oil and gas projects on a case-by-case basis, according to draft legislation that Reuters viewed on Saturday. Venezuela's National Assembly passed a liberalization of the country's oil sector in January, allowing foreign firms to control their own projects and permitting international arbitration in the event of investment disputes. Analysts had expected subsequent implementing legislation to establish a unified tax code for foreign multinationals, but it now appears that Venezuela's oil ministry will set unique rates for each individual project, Reuters reported.

Chile's Mortgage Rates Fall Below 4% for First Time in Four Years

Chile's mortgage rates have fallen to less than 4 percent for the first time in more than four years amid government subsidies, Bloomberg News reported today. The average rate for a mortgage in Chile was 3.98 percent in April; that was the lowest level since November 2021, the news service reported, citing data from the country's central bank.

COPYRIGHT © 2026, INTER-AMERICAN DIALOGUE

a fact that is widely known, notorious, and heavily documented in the media," Venezuela's government said on Saturday, The New York Times reported. The statement from Venezuela's immigration authority referred to Saab as "a Colombian citizen." It's possible that Saab could be compelled to testify in the ongoing trial against Maduro and his wife, Cilia Flores, who face drug and weapons charges, the AP reported.

BUSINESS NEWS

Two Major Shipping Companies Halt Cuba Service

Two shipping giants, CMA CGM and Hapag-Lloyd, on Sunday announced they were halting service to and from Cuba, with both saying the suspension resulted from a U.S. executive order that was issued on May 1, Reuters reported. The suspensions could cut off as much as 60 percent of Cuba's shipping volume, two sources with knowledge of the matter told the wire service. "Following the U.S. Executive Order issued on May 1, CMA CGM has decided to suspend its bookings to or from Cuba until further notice," the France-headquartered company said in a statement. The company added that it was "closely monitoring the situation." A spokesperson at Germany-based Hapag-Lloyd said it was also suspending its service to and from Cuba "due to compliance risks associated with the U.S. president's executive order of May 1," Reuters reported. The executive order by U.S. President Donald Trump broadened sanctions against "any foreign person" who operates "in the energy, defense and related materiel, metals and mining, financial services, or security sector of the Cuban economy, or any other sector of the Cuban economy." The transport of goods from China to Cuba would be the most affected by the order, sources told Reuters. Trump's May 1 executive order also led Canada-based mining company Sherritt International to withdraw from its cobalt and nickel mining operations in Cuba.

FEATURED Q&A / Continued from page 1

bunal (TCE), was to suspend the Revolución Ciudadana (RC) political party led by former President Rafael Correa. The reason related to allegations that in the last election, the RC campaign received funds linked to the drug trade from the Maduro regime. The decision is of dubious legality and forces RC candidates to find other parties to support them within a truncated calendar. Both decisions seem politically motivated, aimed at undermining opposition candidates. They should be understood within a context of Noboa's declining popularity and his administration's 'desgaste,' reflected in the resounding defeat of a popular referendum last November. To date, moreover, the government's 'mano dura' security policy has not yielded positive results. In 2025, Ecuador registered more than 50 homicides per 100,000, the highest in its history and—Haiti aside—the highest in Latin America and the Caribbean. Noboa's authoritarian tendencies, coupled with a militarized crackdown that does not seem to be working, put the government on shaky ground."

Belén Aguinaga, program officer at the Due Process of Law Foundation (DPLF): "Ecuador's upcoming local elections are likely to be highly polarized and far less competitive than previous ones, not only because of the political climate, but also because of the institutional decisions made in recent months. The suspension of opposition parties like Revolución Ciudadana and the dissolution of Construye and Unidad Popular have intensified concerns that the electoral playing field is becoming increasingly restrictive for opposition forces. Regardless of the legal justifications offered by the National Electoral Council, the timing of these measures has reinforced perceptions that the institution lacks independence from the executive branch. The election will likely be shaped by three interconnected factors: rampant insecurity, economic frustration and declining public trust in democratic institutions. Concerns over violence and governance remain central for voters, but there is also growing skepticism toward the credibility of the electoral process itself. Analysts and civil society organizations have already warned that Ecuador is experiencing democratic backsliding, with electoral and other institutions like the top prosecutor's office increasingly seen as politically influenced rather than independent, while the government has constantly undermined the Constitutional Court. At the same time, the actions against left-wing and opposition parties could produce mixed political effects. They may weaken organizational structures and limit opposition participation, but they could also mobilize voters who see these measures as politically motivated or excessive. More broadly, these developments fit within Ecuador's deepening polarization between 'correísmo' and 'anti-correísmo,' a dynamic that continues to dominate national politics and complicate democratic governance. The risk is not only greater political fragmentation, but also a continued erosion of institutional legitimacy and public confidence in the democratic system itself."

Sebastián Hurtado, CEO and founder of PRóFITAS in Quito: "Ecuador's 2026 local elections are positioned to favor the ruling Acción Democrática Nacional (ADN) party, which currently has minimal representation at the provincial and city levels of government. While support for Noboa has eroded to a loyal base of 35 percent, this is enough to win local contests that do not require a majority vote, especially if opposition candidates struggle to participate. This is the case following decisions from the National Electoral Council (CNE) and other authorities aligned with the Noboa administration. Key opposition figures, including the mayors of Quito, Cuenca and Guayaquil (the latter imprisoned since February), face administrative or criminal investigations. Simultaneously, the fast-track suspension of

Continued on page 4

COPYRIGHT © 2026, INTER-AMERICAN DIALOGUE

FEATURED Q&A / Continued from page 3

Revolución Ciudadana forces the country's largest opposition party to seek suboptimal ballot access. These hurdles are compounded by the CNE's decision to move the election to November 2026 from February 2027, citing the potential impact of El Niño. This compressed timeline limits the opposition's chances to challenge the CNE's decisions and capitalize on any further erosion of Noboa's popularity before the vote. It also shortens the official period when campaigning is allowed, while the Noboa administration can leverage policy tools and privileged media access throughout the election cycle. These developments will likely expand ADN's territorial reach and bolster regime stability, albeit at the expense of political plurality. Investors generally favor this expedited timeline as it minimizes the window for populist spending and prevents sensitive policy decisions from being delayed until next year. However, ADN's success hinges on Noboa's ability to avoid major security or energy crises, as he will likely be the most visible face of the election."

Grace Jaramillo, professor at the University of British Columbia: "It is never savvy or politically convenient to ban movements or political parties, let alone before an election. The decision has lowered even more the legitimacy of a key institution of democracy, the National Electoral Council, at a moment when Ecuadorean public opinion is already on edge about diminishing rights and freedoms. It has affected president Noboa's administration the most, since his party directly benefited from the decision after going as far as confining the mayor of the largest city of the country, Guayaquil, to one of the most dangerous detainment centers, even when he was cooperating with judicial procedures in a case against him. Elections are political escape valves for citizens to express dissatisfaction. At the local level, they are about options to solve everyday problems that have become insurmountable in the largest cities of the country, including the capital. We have learned from Latin American struggles with democracy and Ecuadorean history that alternation of power at all levels of government is the only guarantee of steady governance and democratic learning. In sum, the decision of the National Electoral Council goes beyond brinkmanship between traditional polarization left-to-right, it tarnishes the transparency of the process and makes the playing field even more uneven and adds to the increasing sense of rising authoritarianism in the country."

> **"It is never savvy or politically convenient to ban movements or political parties, let alone before an election."**
>
> **— Grace Jaramillo**

LATIN AMERICA ADVISOR

Energy Advisor

The answers to questions that informed executives are asking ... every week.

SUBSCRIBE

LATIN AMERICA ADVISOR
is published every business day by the Inter-American Dialogue ISSN 2163-7962

Gene Kuleta
Editor

Jack Quinn
Reporter

Luiza Franco
Reporter

THEDIALOGUE

Rebecca Bill Chavez, Ph.D., President & CEO
Lila Abed, Director, Mexico Program
Alfonso Blanco, Director, Energy Transition & Climate Program
Margaret Myers, Senior Advisor, Asia & Latin America Program
Manuel Orozco, Director, Migration, Remittances and Development Program
Bruna Santos, Director, Brazil Program
Peter Hakim, President Emeritus

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at
1155 15th Street NW, Suite 800
Washington, DC 20005
www.thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the Inter-American Dialogue. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the Inter-American Dialogue.