

BI-WEEKLY LATIN AMERICA SNAPSHOT**April 30, 2026**

In this biweekly edition, **Brazil's** electoral outlook becomes increasingly competitive as economic conditions weigh on voter sentiment, while a recent wave of violence in **Colombia** puts security at the center of the presidential race. A slow vote count in **Peru** is delaying confirmation of the presidential runoff until mid-May. In **Argentina**, weakening public confidence reflects mounting economic strain, as **Venezuela** takes steps toward re-establishing ties with international financial institutions. At the same time, Washington is intensifying diplomatic engagement with **Cuba** amid the island's deepening economic challenges.

Key data from **Economic Commission for Latin America and the Caribbean (ECLAC)** points to a **more cautious regional outlook**, with growth projections for Latin America and the Caribbean having been slightly revised downward to 2.2% for 2026, while new analysis from the **Development Bank of Latin America and the Caribbean (CAF)** highlights the strategic importance of rural transformation as a driver of long-term growth and sustainability across the region.

Top Developments

Brazil is likely to face a tight presidential race as economic pressures mount. Brazil's presidential race is shaping into a highly competitive contest, with President Luiz Inácio Lula da Silva and Flávio Bolsonaro, son of former president Jair Bolsonaro, effectively tied ahead of the October elections. Recent polling conducted by AtlasIntel for Bloomberg News, suggests that, in a potential runoff, Bolsonaro would receive 47.8% of the vote, compared to 47.5% for Lula, pointing to a deeply polarized electorate.

The close race comes amid mounting economic pressures. Rising inflation and a slowing economy are weighing on Lula's reelection prospects, despite efforts to shield consumers from higher fuel prices and tight financial conditions, as annual inflation has edged up to 4.37%, driven mainly by increases in food, transportation, and fuel costs.

In response, Brazil's central bank is expected to continue its cautious easing cycle, with a 25 basis point rate cut anticipated as policymakers seek to balance inflation risks with weakening economic activity. Still, macroeconomic conditions are likely to play a decisive role in shaping voter sentiment in the coming months.

Attacks raise security concerns in Colombia ahead of presidential elections. A wave of violent attacks has shaken southwestern Colombia, with authorities reporting more than 26 incidents targeting civilian infrastructure in recent days. The most severe occurred in the Cauca region, where an explosive device struck multiple vehicles along the Pan-American Highway, killing at least 20 people. The government has attributed the attacks to dissident factions of the former FARC, particularly the Central General Staff (EMC). These groups rejected the 2016 peace agreement and remain active, with alleged links to narcotrafficking and organized crime. Their recent actions, characterized by coordinated attacks on civilians and infrastructure, have raised concerns about the state's capacity to maintain security in key regions.

The escalation comes just weeks before Colombia's presidential elections, to be held on May 31st, with security as a central issue in the campaign and candidates offering sharply different approaches. Iván Cepeda, representing the ruling Historic Pact, has pledged to continue negotiations with armed groups under the "Total Peace" strategy, while rivals Abelardo de la

Espriella and Paloma Valencia advocate for a more hardline security stance. Recent polling places Cepeda in the lead, followed by De la Espriella and Valencia. Analysts view the latest violence surge as a potential attempt to destabilize the political environment, underscoring the centrality of security risks in shaping voter behavior.

Delayed vote count in Peru pushes runoff clarity to mid-May. Peru's electoral authority announced that May 15 will be the deadline to confirm the two candidates advancing to the presidential runoff, scheduled for June 7, as the vote count continues to face delays due to the review of thousands of ballots. Preliminary results place Keiko Fujimori in the lead, while Roberto Sánchez (12%) and Rafael López Aliaga (11.9%) remain in a tight race for second place. Still, polling scenarios suggest a highly competitive runoff.

According to an Ipsos Perú poll conducted on April 23–24, a potential matchup between Fujimori and Sánchez shows both candidates tied at 38%, with a significant 24% of voters still undecided, pointing to continued volatility. An alternative scenario could see López Aliaga overtake Sánchez, in which case he would enter the runoff with a slight advantage over Fujimori. Overall, the delayed results and fragmented vote highlight an uncertain electoral landscape, with the final configuration of the runoff, and its outcome, still highly fluid.

Government confidence declines in Argentina amid economic pressures. Public confidence in the government has fallen to its lowest level since the start of President Javier Milei's administration. The Government Confidence Index (ICG) dropped to 2.02 out of 5, marking a 12.1% decline from March and the fourth consecutive monthly decrease in 2026, with an accumulated drop of nearly 18% since late 2025. The decline was broad-based, with all components of the index deteriorating. Perceptions of government effectiveness recorded the sharpest drop, while confidence in government performance weakened across all regions.

This trend aligns with a challenging economic backdrop. Consumer confidence has declined, and indicators such as industrial production and overall economic activity have softened. Inflation remains elevated, with March data at 3.4%, which the administration itself acknowledged as a setback, adding pressure on the government's reform agenda.

IMF and World Bank re-engage with Venezuela. The International Monetary Fund (IMF) and the World Bank have resumed dealings with Venezuela for the first time since 2019, marking a step toward the country's reintegration into the international financial system. The move paves the way for a full IMF economic assessment, potentially the first in two decades, and could unlock access to significant financial resources, including previously frozen Special Drawing Rights.

This re-engagement reflects broader financial normalization, including the easing of U.S. restrictions on Venezuela's financial sector. Interim President Delcy Rodríguez described the move as a key step for the economy, signaling growing international support for stabilization efforts. However, access to large-scale financing will depend on progress in transparency, institutional reforms, and macroeconomic adjustment.

In parallel, Venezuela's central bank chief resigned shortly after sanctions were lifted on the institution, highlighting ongoing institutional adjustments as the country reconnects with global financial markets.

U.S. steps up engagement with Cuba as economic pressures mount. A senior U.S. State Department delegation traveled to Havana in April for high-level talks with Cuban authorities, marking a step toward renewed bilateral engagement after years of limited contact. Meetings included government officials and figures linked to the leadership, with discussions focused on economic reform, political conditions, and the island's deteriorating outlook.

U.S. officials reiterated that any meaningful easing of the Cuban embargo would remain conditional on structural changes by Havana. Key requirements include compensation for expropriated U.S. assets, the release of political prisoners, and tangible progress toward greater political freedoms, including a pathway to free and fair elections.

At the same time, Cuba’s economic situation continues to weaken. Tourist arrivals declined by nearly 50% year-on-year in the first quarter of 2026, underscoring the strain on a key source of foreign exchange. The drop reflects ongoing energy shortages and broader geopolitical tensions affecting economic activity.

Key Data

Latin America growth outlook revised slightly lower by ECLAC. The Economic Commission for Latin America and the Caribbean (ECLAC) lowered its 2026 regional growth forecast to 2.2%, from 2.3% projected in December 2025, reflecting a more challenging global environment marked by geopolitical tensions, tighter financial conditions, and renewed inflationary pressures.

	2025	2026
Latin America and the Caribbean	2.4	2.2
Latin America	2.4	2.2
South America	2.9	2.4
Central America and Mexico	1.2	1.7
Mexico	0.8	1.5
Central America	2.3	2.2
Central America (excl. Cuba and Haiti)	3.8	3.9
The Caribbean	5.5	5.6
The Caribbean (excl. Guyana)	2.0	1.2

Source: ECLAC.

The slowdown is broad-based, with 24 of 33 countries expected to decelerate, while only a handful show stronger growth. Weaker private consumption remains the main constraint, while investment is recovering only gradually.

Labor markets are also expected to soften, with employment growth easing to around 1.1% in 2026. At the same time, inflation is projected to edge above 3%, driven by global price pressures, particularly in energy and food.

Subregional trends vary: South America is expected to grow 2.4%, Central America 2.2%, and the Caribbean 5.6%, supported by stronger performance in smaller economies. Overall, the outlook points to moderate but fragile growth, with downside risks tied to global volatility, persistent inflation, external shocks, and weak domestic demand across several economies.

Rural transformation key to unlocking Latin America’s growth potential. A new Development and Economics Report (RED) by the Development Bank of Latin America and the Caribbean (CAF) highlights that the region’s future growth will depend heavily on its ability to transform rural economies into drivers of sustainable development. In a global context shaped by rising food demand, the energy transition, and pressure on natural resources, Latin America is positioned as a strategic supplier of key inputs.

The report underscores the region’s significant assets, including vast agricultural capacity, major forest coverage, high biodiversity, and a substantial share of global lithium resources. However, this potential is constrained by persistent structural gaps in rural areas, where low productivity, limited infrastructure, and high poverty levels continue to hinder development.

To fully capitalize on these advantages, the report emphasizes the need for increased investment in infrastructure, connectivity, and basic services, alongside policies aimed at improving productivity and living standards in rural communities. The findings position rural development as a central pillar for economic growth, sustainability, and global competitiveness in Latin America.

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