

**BI-WEEKLY LATIN AMERICA SNAPSHOT****June 1st, 2026**

In this biweekly edition, **Argentina's** President Javier Milei highlights signs of economic recovery as public approval shows modest improvement. In **Brazil**, Flávio Bolsonaro advocates closer strategic alignment with the United States ahead of October's election. The **Andean Community** reviews appeals filed by **Colombia** and **Ecuador** as their trade dispute continues to test regional integration mechanisms, while **Chile** takes the lead in promoting a new regional framework to combat transnational organized crime. Key data focuses on the latest outlook from the **Institute of International Finance (IIF)**, which projects **slower growth across Latin America**.

**Top Developments**

**Milei highlights economic recovery in Argentina, as approval ratings improve.** At the 12th Latam Economic Forum, President Javier Milei highlighted recent economic data showing three consecutive months of 0.4% growth in economic activity. According to the administration, this pace would imply annualized growth of approximately 5%, compared with an average growth rate of around 1% in prior years.

Milei also pointed to easing inflation as evidence of improving macroeconomic conditions and reaffirmed his commitment to attracting investment in strategic sectors such as energy, industry, and technology. He further argued that shifts in global supply chains, particularly for critical minerals and energy resources, could create new opportunities for Argentina.

Public sentiment toward the administration has shown modest improvement, as recent polling from Atlas Intel for Bloomberg News indicates that Milei's approval rating has recovered to nearly 40%, up several points from April, while disapproval has declined. The improvement follows a moderation in monthly inflation for the first time in nearly a year. Nevertheless, corruption and unemployment remain among the top concerns for Argentine voters.

**Flávio Bolsonaro signals closer alignment with Washington ahead of Brazil's election.** Brazilian Senator Flávio Bolsonaro met with U.S. President Donald Trump at the White House, where he pledged that Brazil would join the Shield of the Americas if he wins October's presidential election. The initiative, promoted by Washington, seeks to strengthen regional cooperation against drug trafficking and transnational organized crime.

During the meeting, Bolsonaro also called on the United States to designate Brazil's two largest criminal organizations, the PCC and Comando Vermelho, as terrorist groups, a proposal opposed by the current administration of President Luiz Inácio Lula da Silva, which argues that such a move could raise concerns over national sovereignty and security jurisdiction.

Bolsonaro framed the meeting as evidence of strong ties with the Trump administration and emphasized that, if elected, he would pursue closer strategic cooperation with Washington on security, critical minerals, and supply-chain diversification. He also argued that Brazil could serve as an alternative source of critical minerals amid U.S. efforts to reduce dependence on China.

**Andean Community reviews appeals from Colombia and Ecuador.** Trade tensions between Colombia and Ecuador continue after both countries formally challenged recent

rulings issued by the Andean Community regarding bilateral trade restrictions. Ecuador submitted a request for reconsideration of the bloc's order to remove tariffs imposed on Colombian imports, while Colombia challenged a separate ruling concerning Ecuador's decision to restrict Colombian merchandise shipments to a single authorized border crossing at Rumichaca.

Ecuador continues to apply a 100% tariff on selected Colombian products, although the rate is scheduled to decline to 75% beginning June 1. Colombia, meanwhile, has maintained a system of differentiated tariffs, with some categories facing duties above 30%. The bloc's deadline for removing trade restrictions expired on May 21 without an agreement. The Andean Community reiterated its call for both governments to reactivate bilateral working groups established earlier this year to seek a diplomatic resolution.

**Chile leads regional initiative against transnational organized crime.** President José Antonio Kast convened a high-level summit in Santiago with officials from Argentina, Bolivia, Peru, and Ecuador to strengthen regional cooperation against organized crime and transnational criminal networks. The meeting reflects growing concern among South American governments that organized crime has become a major threat to institutional stability, economic development, and public security across the region.

The participating countries signed a joint cooperation agreement, the Santiago Regional Commitment Against Transnational Organized Crime, and agreed to establish a working group tasked with developing a regional action plan focused on measurable outcomes. The initiative includes commitments to enhance operational coordination, strengthen financial and tax intelligence cooperation, improve traceability mechanisms, and reinforce border control efforts.

The five countries also agreed to coordinate technical and security initiatives within the next 90 days and reconvene within six months to assess progress. Chile has indicated that the initiative will be presented at the next General Assembly of the Organization of American States, with the goal of expanding participation and building a broader hemispheric coalition against transnational organized crime.

## **Key data**

**IIF sees slower growth across Latin America as global conditions tighten.** According to Bloomberg, per the latest Capital Flows Report by the Institute of International Finance (IIF), Latin America's economy will slow in 2026, with regional growth expected at 1.9%, down from 2.1% in 2025, before improving modestly to 2.2% in 2027.

Among the region's largest economies, Brazil is forecast to expand by 2.0% and 2.2%, respectively, while Mexico is expected to post more subdued growth of 0.8% in 2026 and 1.1% in 2027. Argentina is expected to be one of the strongest performers, with growth projected at 3.3% in 2026 and 3.5% in 2027.

According to the report, the global economy is entering a period of tighter conditions marked by higher input costs, less reliable supply chains, and more restrictive financing environments. While rising oil prices remain an important factor, the IIF argues that broader inflationary pressures and elevated borrowing costs could prove more challenging for businesses and governments, increasing risks to growth across emerging markets.

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