

BI-WEEKLY LATIN AMERICA SNAPSHOT**July 6, 2026**

In this biweekly edition, **Colombia's** incoming administration lays out an ambitious pro-growth agenda, while **Peru's** tightly contested election ends with Keiko Fujimori emerging as president-elect. **Brazil** steps up efforts to avoid new U.S. tariffs, and **Mercosur** advances its trade diversification strategy by strengthening ties with Asian partners. Meanwhile, the aftermath of **Venezuela's** earthquakes is adding new pressure to an already fragile political landscape. On key data, the **latest IMD rankings** highlight the structural challenges that continue to weigh on Latin America's competitiveness and long-term growth prospects.

Top Developments

President-elect De la Espriella unveils pro-growth economic agenda in Colombia. Abelardo de la Espriella and the outgoing administration of President Gustavo Petro have formally launched the transition process ahead of the August 7 inauguration. De la Espriella is expected to present his economic program, "La Patria Milagro," outlining an ambitious strategy to raise Colombia's annual growth rate to 7%, above historical averages and recent government projections. The plan seeks to stimulate growth through fiscal consolidation, a smaller state footprint, stronger private investment, and renewed support for the mining and energy sectors. The incoming administration has also signaled its intention to improve the investment climate by reducing regulatory burdens and strengthening investor confidence.

As part of the cabinet rollout, De la Espriella appointed economist Miguel Gómez as Finance Minister. Gómez brings extensive experience across the public and private sectors, including leadership roles in business associations, development banking, and diplomacy. He has emphasized that the new administration will respect the autonomy of the Bank of Colombia, while acknowledging the challenges posed by elevated interest rates and persistent inflation.

The appointment comes as Colombia's central bank raised its policy rate by 75 basis points to 12%, reaffirming its commitment to bringing inflation back onto a downward trajectory. Meanwhile, the economy expanded by 2.2% year-on-year in the first quarter of 2026, suggesting moderate growth momentum as the country prepares for a significant shift in economic policy under the incoming administration.

Fujimori secures narrow victory in Peru. Peru's electoral authority confirmed the victory of conservative candidate Keiko Fujimori in the June 7 presidential runoff, defeating leftist rival Roberto Sánchez by a margin of 49,641 votes. According to the final count released by the National Office of Electoral Processes (ONPE), Fujimori secured 50.13% of valid votes, compared with 49.86% for Sánchez.

Despite the official results, Sánchez has refused to concede, alleging irregularities in overseas voting and announcing plans to bring his claims before the Inter-American Commission on Human Rights. However, electoral authorities continue to move toward the formal proclamation of Fujimori as president-elect.

In her first remarks following the confirmation of the results, Fujimori acknowledged the country's polarization and called for national reconciliation, emphasizing the need to govern for all Peruvians. The election concluded after more than three weeks of counting and legal reviews, reflecting the high level of political tension surrounding the process. Fujimori will take office on July 28 and become Peru's ninth president in a decade, inheriting a country marked by institutional fragility, political fragmentation, and growing public concerns over security and governance.

Brazil races to avoid new U.S. tariffs as negotiations enter final stretch. Brazil is intensifying negotiations with the United States to prevent the implementation of proposed tariffs that could significantly affect bilateral trade. The measures, introduced under the U.S. Section 301 framework, would impose a 25% tariff on a broad range of Brazilian exports over concerns related to digital trade, electronic payment services, intellectual property protections, preferential tariff policies, and illegal deforestation.

Development, Industry, Trade and Services Minister Márcio Fernando Elias Rosa shared that the government will keep negotiations open until the last possible moment, although he acknowledged that time is running short ahead of the July 15 deadline for the tariffs to take effect. According to the Confederação Nacional da Indústria, more than half of Brazil's exports to the United States could be affected by the proposed measures. In response, Brasília is evaluating additional support for affected companies should the tariffs ultimately be implemented.

The trade dispute is also taking on a political dimension ahead of Brazil's October presidential election. President Lula recently urged President Trump to avoid interfering in Brazil's electoral process, highlighting growing sensitivities surrounding the role of bilateral relations in the domestic political debate.

Mercosur advances trade diversification agenda at Paraguay Summit. The Mercosur concluded its 68th Summit of Heads of State in Asunción with a renewed focus on expanding its global trade footprint and implementing recently negotiated agreements. Leaders stressed the need for a fair implementation of the bloc's landmark trade agreement with the European Union, while also announcing the formal launch of negotiations for an Economic Partnership Agreement (EPA) with Japan.

The opening of talks with Japan marks another step in Mercosur's strategy to deepen economic ties with Asia, one of the world's most dynamic regions. Uruguay, which assumed the bloc's rotating presidency from Paraguay, indicated that advancing relations with Japan and implementing recently concluded agreements will be among its top priorities. Uruguayan President Yamandú Orsi also emphasized efforts to move forward with agreements involving the European Free Trade Association, as well as ongoing negotiations with Canada and the United Arab Emirates and discussions with India and Vietnam.

Beyond trade, Mercosur leaders expressed concern over the political situation in Bolivia following several weeks of violent protests and extended solidarity to Venezuela after the recent earthquakes.

Venezuela faces rising political pressure after earthquakes. The recent earthquakes in Venezuela are beginning to generate political fallout as public frustration grows over the government's response and its limited capacity to address the humanitarian emergency. Protests have already emerged in Caracas, highlighting longstanding deficiencies in healthcare, infrastructure, and public services.

The humanitarian emergency could trigger broader social mobilization and provide an opening for the opposition, particularly María Corina Machado, to regain political momentum and rebuild support. The situation could also test the durability of the current political arrangement under interim President Delcy Rodríguez, particularly if public pressure and economic challenges continue to mount. At the same time, the scale of the reconstruction effort may revive discussions about broader political cooperation and national reconciliation, although any move toward a unity arrangement remains highly uncertain.

Key data

Latin America continues to face competitiveness challenges, according to IMD Ranking.

The 2026 World Competitiveness Ranking published by the International Institute for Management Development (IMD) shows that most Latin American economies remain in the lower half of the global competitiveness table, reflecting persistent structural challenges across the region. Chile remains the region's highest-ranked economy, placing 43rd globally, followed by Puerto Rico (52nd), Argentina (58th), Colombia (59th), Peru (60th), Mexico (62nd), Brazil (65th), and Venezuela (70th).

According to the report, the region continues to face constraints related to productivity, infrastructure, institutional effectiveness, innovation, and the implementation of long-term reforms. The ranking assesses countries' ability to create conditions that support growth, investment, productivity, and living standards by evaluating economic performance, government efficiency, business conditions, and infrastructure.

The Americas

		Score
01	USA	86.82
02	Canada	80.99
03	Chile	63.07
04	Puerto Rico	51.12
05	Argentina	46.90
06	Colombia	45.94
07	Peru	43.33
08	Mexico	42.85
09	Brazil	40.15
10	Venezuela	22.45

Source: 2026 World Competitiveness Ranking, by the International Institute for Management Development (IMD)

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