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FEATURED Q&A

How Can Countries Build Resilience to Strong Storms?



In recent days, Hurricane Beryl caused deaths and destruction in the Caribbean. And last month, heavy rains pounded Central America. An emergency worker in Guatemala is pictured.
// Photo: Guatemalan Government.

Q In mid-June, torrential rains in El Salvador caused landslides and toppled trees, killing at least 11 people. The storms also forced hundreds of people into temporary shelters. Severe flooding also hit neighboring Guatemala and Honduras. What do El Salvador and other countries in Central America need to recover from the flooding? How adequate is government support for recovery in the hardest-hit areas? How prepared are Central American countries for the Atlantic hurricane season, which began June 1?

A **Irish T. Stewart-Frey, professor in the department of environmental studies and sciences at Santa Clara University:**
“While hurricanes are a natural phenomenon, global warming has heated up ocean temperatures. The oceans have absorbed 90 percent of the heat generated by the carbon dioxide that humans have added to the atmosphere, and the effect of this warming on hurricanes is like that of pouring gasoline into a fire—systems blow up quickly and violently. These intense and early hurricanes are not just a fluke of nature but rather a new normal. Central American governments need to leverage international partnerships with industrialized countries, local governments, communities, nongovernmental organizations, businesses and academics—both domestic and international—to address them and to speed recovery for communities affected by the most recent flooding. Priorities should include the creation of housing and other buildings that can withstand both high-intensity winds and rains. Equally vital is to increase water storage capacity to prevent extreme flooding from the local to the watershed scale. There are ecologically conscious

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Pemex, Grupo Carso Partnering on Gas Project

Mexican state oil company Pemex and Grupo Carso have resumed collaboration to develop the Lakach gas project in the Gulf of Mexico.

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BUSINESS

Indian Oil Firms in Talks With Petrobras on Oil Supplies

Indian Oil Corp., Hindustan Petroleum and Bharat Petroleum are in talks with Brazilian state oil company Petrobras in an effort to secure oil supplies.

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POLITICAL

Argentina's Milei Lauds Bolsonaro, Snubs Mercosur

Argentine President Javier Milei railed against socialism and embraced former President Jair Bolsonaro at a gathering of conservatives in Brazil. Milei spoke at the event instead of attending a meeting of the Mercosur bloc.

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Milei // File Photo: @JMilei via X.

POLITICAL NEWS

Argentina's Milei Lauds Bolsonaro, Snubs Mercosur

Argentine President Javier Milei railed against socialism and lauded former Brazilian President Jair Bolsonaro on Sunday at a rally of conservatives in Brazil, rather than attending a meeting of heads of state of the Mercosur trade bloc, the Associated Press reported. "My friend Jair Bolsonaro is suffering judicial persecution," Milei told the crowd at a stadium in the southern Brazilian city of Balneario Camboriu, the wire service reported. Milei's appearance at the Brazil CPAC gathering came just days after Bolsonaro was indicted on accusations of money laundering and criminal association over jewelry from Saudi Arabia that he received as gifts during his term. Bolsonaro, who is also accused of seeking to subvert the results of Brazil's 2022 election, has denied wrongdoing. At the CPAC gathering, Milei called socialism a failure. "The winds of change are blowing in the world," he said, the AP reported. "The ideas of impoverishing socialism have failed and people know it," he added. Milei appeared at the gathering of conservatives at the same time that a summit of members of South America's Mercosur bloc was getting underway in Paraguay. The summit's host, Paraguayan President Santiago Peña, set low expectations for the gathering. "I hope that this summit we are going to hold on Monday will be an opportunity to reflect, at a time when Mercosur is clearly not going through its best moment," Peña told reporters in Asunción, the AP reported. Thirty-three years ago, the presidents of Argentina, Brazil, Paraguay and Uruguay signed a free-trade agreement that later became Mercosur, but the bloc in recent decades has established more barriers than it has eliminated, the AP reported. Outside South America, Mercosur has free trade deals with only two countries—Israel and Egypt. Uruguay announced in 2021 that it would seek a trade deal with China independently from Mercosur, and the bloc has unsuccessfully tried to final-

ize a free trade deal with the European Union. "Both changes in government in Latin America and internal resistance in European countries have frozen the next steps in the approval of the agreement," Gilberto M. A. Rodrigues, associate professor in international relations at the Federal University of ABC in Brazil, told the Advisor in a [Q&A](#) published April 15.

BUSINESS NEWS

Pemex, Grupo Carso Partnering on Lakach Gas Project

Mexican state energy company Pemex and Grupo Carso have resumed a collaboration on the development of the Lakach natural gas project, Reuters reported Friday. The project, which involves Grupo Carso investing more than \$1.2 billion and acting as service provider, has been put on hold two times already, including last year when a previous partner, New Fortress En-

The field is believed to possess 900 billion cubic feet of natural gas.

ergy, exited after the parties could not agree on terms including pricing. Pemex will continue its ownership of the field and its reserves, which is a deep-water gas field located 93 kilometers southeast of the state of Veracruz in the Gulf of Mexico, Offshore Technology reported. Grupo Carso, the Mexican holding company controlled by billionaire Carlos Slim, meanwhile, will lead construction of an onshore facility, Reuters reported. Discovered in 2007, the Lakach field is believed to possess 900 billion cubic feet of natural gas. "The oil sector is not in [President-elect] Claudia Sheinbaum's heart as it is in [President Andrés Manuel] López Obrador's. She is really looking to move away from hydrocarbons," Alejandra León, associate

NEWS BRIEFS

Peru to Receive \$325 Mn in Credit for Digital Transformation

Peru's government announced on Saturday that it will receive a \$325 million credit from Germany's KfW Development Bank for digital transformation, according to the official government gazette, Reuters reported. The credit is for 15 years and will be charged a six-month Euribor rate, in addition to a fixed margin. Details on the digital transformation program were not provided. Peru's economy grew between 4.5 percent and 5 percent year-on-year in May, the country's economy minister estimated.

Cryptocurrencies Account for Record 9 Percent of Venezuela's Remittances

Cryptocurrencies accounted for a record 9 percent of the remittances sent to Venezuela last year, Bloomberg News reported Friday, citing data from blockchain analysis firm Chainalysis. Digital currencies have grown in popularity for remittances to the South American country amid the volatility of the country's currency and as money sent through international banks or financial retail businesses often carry transaction fees of up to 7 percent, the news service reported.

Solar Farms in Brazil's Northeast Hit new Records

Solar farms located in the northeastern region of Brazil hit two new records on June 28 and June 29, reaching 9,598 megawatts and 9,760 megawatts, respectively, the Ministry of Mines and Energy has announced, Renewables Now reported today. According to the data from the National Electric System Operator, the figures corresponded to 84.5 percent of the region's energy demand for those days. Six of the eight new records in the country's solar parks for 2024 have taken place on the northeast grid.

director of research and analysis at S&P Global Commodity Insights, told the Energy Advisor in a Q&A published June 14.

Indian Oil Firms in Talks With Petrobras on Oil Supplies

Indian Oil Corp., Hindustan Petroleum and Bharat Petroleum are in talks with Brazilian state oil company Petrobras in an effort to secure long-term guaranteed oil supplies, Indian business newspaper Mint reported Friday, citing two unnamed people familiar with the matter. The negotiations between the Indian oil companies and Petrobras comes as India is seeking to diversify its energy supplies, the newspaper reported. "Brazil is being looked at, among other countries, for diversification of import sources," one of the sources told the publication. "India is largely looking at long-term contracts. However, term contracts with shorter duration, even for five years, would be beneficial," the person added. The Indian companies are negotiating with Petrobras as a consortium. They import, refine and market crude oil, are most interested in contracts for fixed terms, which offer stability, Mint reported. The companies typically sign long-term deals for 10 years. Brazil is not currently a major oil supplier to India, as its oil exports to India for the 2024 fiscal year amount to \$1.46 billion of India's total oil imports of \$139.85 billion, Mint reported. Over the last fiscal year, Russia was India's largest supplier of oil, the newspaper reported. Brazil's oil production has been growing in recent years. The South American country's production of crude oil rose nearly 13 percent in 2023 to more than 3.4 million barrels per day. In April, Petrobras announced that its crude oil production for the first quarter of this year rose 4.4 percent year-on-year, Reuters reported. The company produced 2.24 million barrels per day during the quarter, saying the increase was due to the ramping up of five oil platforms and the beginning of production at 19 wells in the country's Santos and Campos basins, Reuters reported.

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ways to capture extreme rains such that water can be infiltrated into the groundwater or stored, international knowledge exchange on and funding for this issue could be a powerful tool. Identifying landslide-prone areas together with local communities and developing plans to make them climate resilient can counteract the deadly effects of extreme rains. Community education on climate change, community capacity building, strengthening local institutions (like co-ops) and providing communities with the resources to address climate related hazards are vital, and can be achieved through partnerships. Disaster prevention and relief needs to be coordinated at the national level. Central American countries have contributed relatively little to global warming, raising environmental justice concerns and there is a moral responsibility of industrialized countries to support mitigation efforts."

A **Jorge E. Cuéllar, assistant professor of Latin American, Latino & Caribbean Studies at Dartmouth College:** "In today's

Central America of seasonal superstorms, countries will need more than temporary shelters and piecemeal harm reduction strategies. Many of them, like El Salvador and Honduras, have not yet fully recovered from the 2020 season where communities were destroyed. For the region, this complex theater of disaster results from a combination of long-term neglect, uneven development and the systematic inability of governments to address urgent socioeconomic needs such as providing dignified housing among the most vulnerable. No level of preparedness in the short-term can make up for generations of deep-seated neglect that has made places such as El Salvador endemically vulnerable to intensifying storms. Those killed and displaced due to flooding or landslides, many who have made use of government storm shelters, are people from the most marginal, abandoned sectors where their everyday precarity puts

them in the crosshairs of even the mildest of torrential rains. So, for some long-term resilience, temporary shelters must become dignified housing, food security must be prioritized and the Salvadoran state alongside its allies must address a decayed urban and rural infrastructure beyond fleeting tourist delights. We must break the cycle of paving over problems without structural reassessments and disaster mitigation as leading priority. This year's hurricane season finds a Central America in its trademark disrepair, poorly prepared and susceptible, relying on prayer to the almighty to be spared. In El Salvador today, as more and more are pushed into precarity to eke out a living, with growing informal settlements, displacement and low subsistence yields, even the most meager rains will cause flooding, landslides, crop loss and push more towards the edge of collapse. Many, of course, will not ride out these storms but seek shelter elsewhere, and not in the school gymnasium turned storm shelter, but through migration to the habitable countries of the Global North."

A **Adam Blackwell, vice president for international at Development Services Group and former Canadian ambassador to the Dominican Republic:** "When I first traveled to Central America, I was struck by its beauty and geographic vulnerability to changing weather patterns, whether that be increased storm intensity or the risk of hurricanes. It is a relatively narrow and mountainous land mass, surrounded by water and the Caribbean Sea on one side and the Pacific Ocean on the other and a high population density, especially in El Salvador. Adding to the risk, many of the less affluent communities live in areas prone to flooding and in homes not meant to withstand violent storms. The government of El Salvador issued red warnings for flood and landslides and opened shelters for many of those evacuated. This did not prevent the high number of casualties, as well as property damage and the impact on

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the agricultural community. The situation remains critical, and ongoing response and recovery efforts could be hampered by additional heavy rain and the risk of disease. The arrival of Hurricane Beryl this early in the hurricane season should be an early warning of more to come. Governments need to take a multidimensional approach to mitigating the effects of these storms. Start with rigorous community engagement, education and dialogue. The more people know about climate risks and trust, early warning systems, evacuation procedures and emergency preparedness the better. Land use planning and control helps prevent construction in flood-prone areas. Infrastructure improvements and maintenance like stormwater drainage systems can help manage water flow during heavy rains. Governments should do a thorough review of what needs to be improved."

A **Jessica Eise, assistant professor of environmental and social challenges at the University of Texas at San Antonio:** "Extreme weather events lay bare the realities of infrastructure. If there has been inadequate investment or planning, the consequences become immediately clear. This is one of the challenges of infrastructure—you are planning for eventualities that may come next year or next decade. This can lead to the wrong mentality, especially when looking at short-term gains. It becomes someone else's problem because there is no grasp on when the pressure will come, or how severe

it will be. Groups and regions vulnerable to poverty are always at the most risk, as their infrastructure is inadequate and improperly regulated or supported. Climate change and

Extreme weather events lay bare the realities of infrastructure."

— Jessica Eise

the increased extreme weather events associated with it are forcing us to contend with these realities more and more. For immediate first aid, El Salvador and other countries in Latin America need to prioritize the victims and their well-being. But to truly recover, profound investments in stable, equitable and regulated infrastructure that will tolerate increasing climatic pressures is needed. This will take years and an orientation in mindset that looks to the long-term. Citizens can remind leaders that they want decisions that look toward the future, and leaders and politicians can remind voters that they are making decisions for decades to come, not just next year. This is a challenge, but the alternative does not bear consideration. We need to build for our future generations down the line, not just tomorrow."

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

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