

¡Bienvenidas y bienvenidos! To El CC, CCLATAM's newsletter. Every other week you'll find the main events shaking up Latin America, from Ushuaia in the south to Los Algodones in the north. Sign up [here](#) to stay updated on the region. Get [in touch](#) with us, we may feature an excerpt of your response in the next newsletter.

The Ethics Issue



After a long day in Rome debating ethics, AI and business developments, Karina Riera and Piero Bonadeo, CCLatam Board Member and CCLatam President, had a hard time leaving the Vatican Academy of Science at the [Business Ethics Summit](#). The CCLatam was deeply engaged in discussions with representatives from renowned organisations such as EY, Deloitte, IBM, Cogni and Ferrari amongst others. The intensity of these exchanges led to a unanimous agreement: humanity must always remain at the forefront.

As businesses increasingly integrate AI technologies into their operations, they face new ethical considerations. The use of AI in decision-making processes gives rise to concerns about transparency, accountability, and the potential impact on society. This approach not only fosters trust with stakeholders but also paves the way for the responsible and sustainable development of AI-powered businesses. We heard how

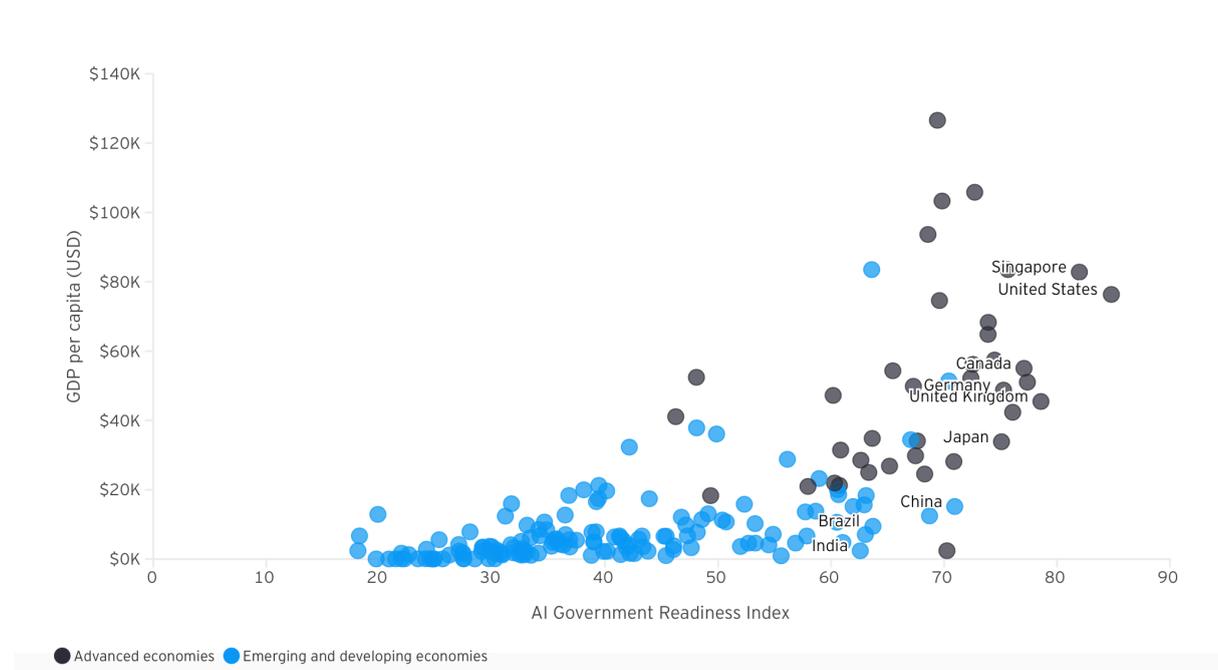
companies could leverage AI for mitigation risks going beyond Human Rights violation and enhance supply chain intelligence. Karina, co-founder of Allurralde Jasper, a communication agency in Buenos Aires, explained how marketing is controversially using AI. Looking at the region, CCLatam underlined how democratic processes and citizens's participation in democracy could benefit from AI if ethically managed.

The Business Ethics Summit served as a powerful reminder that in the pursuit of progress, humanity must always remain the guiding light.

Karina Riera & Piero Bonadeo

EI State of Affairs

While the European Union and State of Colorado are at the forefront of adopting AI regulations, Latin America is still in the early stages of this global race. Countries like Argentina, Brazil, Colombia, and Mexico are grappling with challenges as they attempt to define their political agendas in this emerging field.



Source: EY- Parthenon; Oxford Insights; IMF

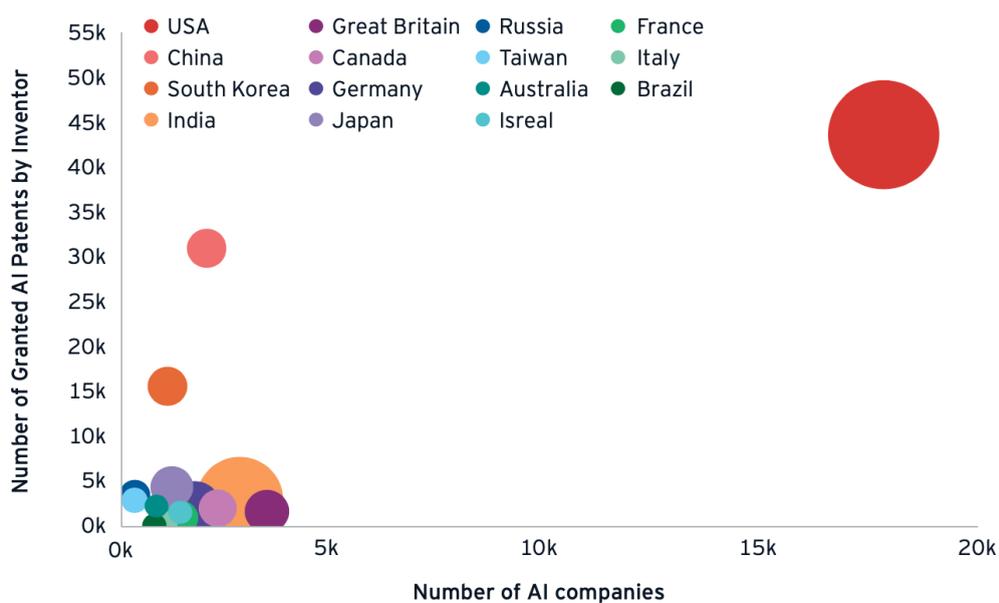
Currently, none of these countries have specific laws in place for AI regulation. The responsibility for developing regulations has mostly fallen on their respective Congresses. The recently approved EU AI Act has served as a reference point for these debates and legislative proposals. However, these countries face the task of adapting these concepts to their own unique circumstances, taking into account significant regional differences.

Among Latin American nations, Brazil stands out as a leader with a more advanced regulatory framework. The country has already established legislation on data

protection and an Internet Civil Framework, and AI is a top priority for its public authorities. Brazil is actively working on a national AI strategy and involving various sectors of society in discussions on ethics, transparency, and algorithmic responsibility.

On the other hand, Colombia, once a frontrunner in AI discussions in the region, seems to have lost momentum due to recent political decisions that did not prioritize the issue. Mexico, despite its regional leadership in research and innovation, is currently not prioritizing AI regulation..

Globally, the economic boost from AI will likely be concentrated in countries at the forefront of AI development and those best equipped to harness the technologies. Pioneers in AI development such as the US and China and early adopters such as the UK, Canada, Japan, South Korea and India will most likely benefit disproportionately from AI's economic boost while developing countries that are the least prepared for AI adoption such as those in sub-Saharan Africa, Latin America and South Asia will likely lag behind.



Source: EY-Parthenon; Tortoise Media
Bubble size communicates number of AI professionals within an economy

No regulation means companies are relying on internal ethical principles for the use of AI. Therefore CEOs and Boards of Directors must learn about ethics, AI and its application. It's a delicate balancing act for CEOs as they juggle profit with broader ambitions, understanding the importance of creating financial value for shareholders while also meeting the demands of society in accelerating the sustainability journey.

According to a recent EY report, interestingly, more than half of CEOs globally (54%) consider sustainability issues a higher priority than they did just a year ago. In comparison, only 28% of institutional investors share the same perspective. This

misalignment often prioritizes short-term financial returns at the expense of swiftly achieving sustainability targets. Such a narrow focus may prove shortsighted in the long run. Meeting sustainability targets is no easy task, especially in a cost-focused and challenging market.

Greater collaboration between corporates, investors, and policymakers is needed to unleash a new wave of bottom-up initiatives, accelerating the journey to net zero and unlocking a more sustainable future.

On another note, CEOs and institutional investors are optimistic about mergers and acquisitions (M&A) in 2024, following a relatively subdued 2023 for deals. More CEOs are looking to make acquisitions, while others are planning to divest assets. The majority of institutional investors (61%) anticipate a stable deal environment, with a third (34%) expecting an acceleration of deals.

In conclusion, CEOs are embracing the power of AI to drive their businesses forward. They also recognize the significance of sustainability and are willing to collaborate to achieve a more sustainable future.

El Pensamiento



In the last four days, the European elections have been a pivotal event, reflecting the dynamic political landscape of the continent. Voters across the European Union have cast their ballots to elect new representatives for the European Parliament, while the selection process for the new European Commission is also underway. There is renewed hope that this incoming leadership will prioritize strengthening relations between the EU and Latin America and the Caribbean. The first immediate priority for the new European Parliament and European Commission should be to ensure a real free trade deal with the Mercosur countries. It is crucial that there are no more excuses from the European side, as this agreement is becoming a geostrategic imperative. Securing this deal would not only enhance economic ties but also strengthen the EU's position in the global arena, demonstrating a commitment to fostering strong, mutually beneficial relationships with Latin America and the Caribbean. Enhanced cooperation in areas such as trade, climate change, and digital innovation could significantly benefit

both regions. This focus could foster deeper economic ties, promote sustainable development, and address shared global challenges, ultimately contributing to a more integrated and prosperous transatlantic relationship.

Elsewhere en Latam

 The IMF's executive board has approved a 48-month, \$4bn arrangement with Ecuador under the Extended Fund Facility. This approval allows an immediate disbursement of \$1bn to support Ecuador's economic stabilization, dollarization, and growth efforts. The Noboa administration plans to reform the tax regime, cut fuel subsidies, and enhance state company efficiency. IMF managing director Kristalina Georgieva stressed the need for strong commitment and steadfast reforms for success.

 Mexico Makes History. Claudia Sheinbaum Elected as First Female President In a groundbreaking election, Claudia Sheinbaum has become Mexico's first-ever female president. Not only did she secure the highest number of votes in history, but her party also gained a significant majority in both chambers. Sheinbaum, a left-wing former Mexico City mayor, emerged victorious with a commanding lead of over 30 percentage points against her closest competitor, entrepreneur Xóchitl Gálvez from the main centre-right opposition alliance. A seasoned political activist and former climate scientist, Sheinbaum campaigned on a platform of continuing the pro-worker policies championed by her ally and mentor, President Andrés Manuel López Obrador. However, as she prepares to take office on October 1, Sheinbaum will face considerable challenges, including addressing the high murder rates, managing strained public finances, and following in the footsteps of one of Mexico's most charismatic and politically successful leaders in modern history.

 On 1 June, El Salvador's President Nayib Bukele began his second five-year term after a landslide re-election in February. His Nuevas Ideas (NI) party now holds a 90% legislative majority. Bukele's inauguration saw attendance from US and international leaders, signaling a shift in international perceptions due to improved security. A recent survey found 75.1% of Salvadorans see the economy as the biggest challenge. Bukele pledged to focus on economic issues.

  China's relations with Guatemala, Costa Rica, and Brazil have been marked by various tensions. Guatemala, alongside Paraguay, is one of the few Latin American countries that still maintain diplomatic ties with Taiwan, which Beijing regards as part of China. The recent blockade of Guatemalan goods by China is seen as a form of leverage against Taiwan rather than Guatemala itself. In Costa Rica, the government faced criticism after high-ranking employees of a state-owned energy supplier attended a party organized by a Chinese tech giant straining relations between the two. The establishment of the Budapest convention on fighting cybercrime by Costa Rica's president, which China has not signed, further added to the tensions. Economic conflicts have also emerged, with cheap steel imports from China pressuring Latin American steel producers and inexpensive Chinese textiles posing a threat to Brazilian fashion boutiques. Additionally, accusations of environmental damage caused by Chinese companies have sparked debates in the region. These various conflicts are overshadowing China's growth-oriented approach in Latin America.

La cita

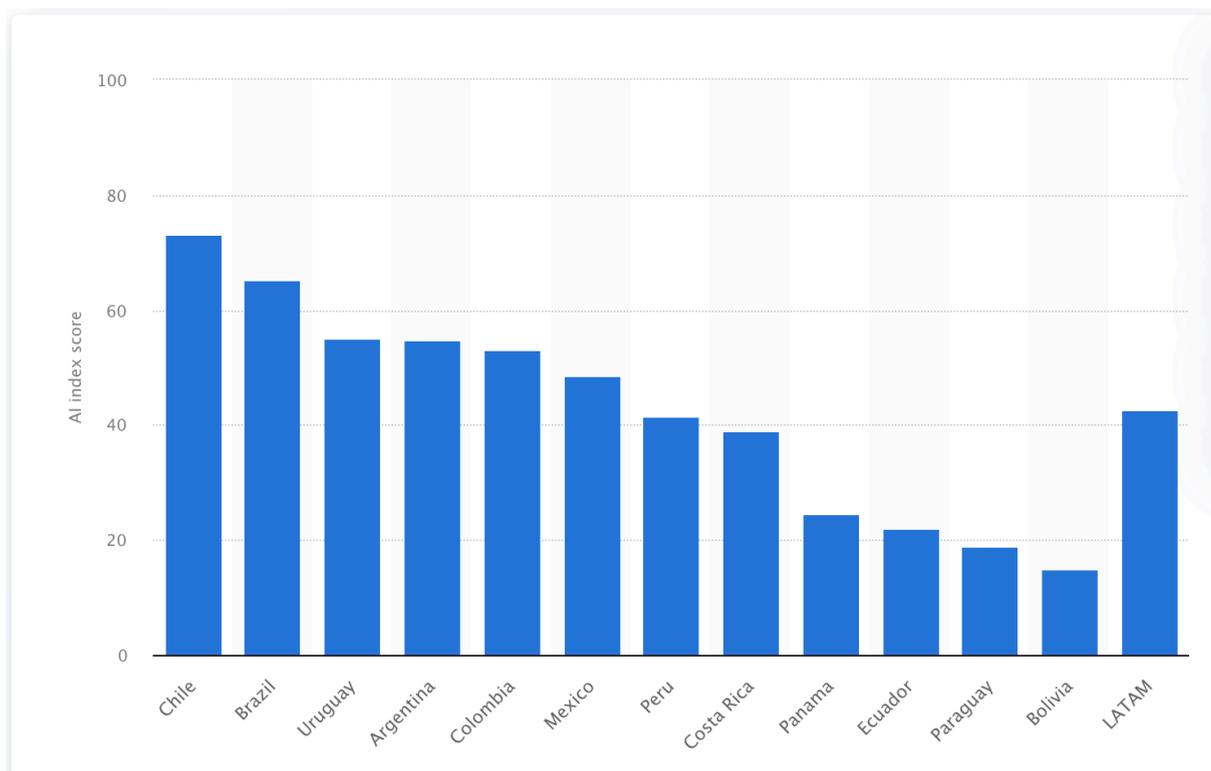
“With AI today, the main challenge isn’t technical or about speed- it’s bout knowing when to hit the breaks”

Juan Santiago, CEO/Founder Santex

La invitación

We invite you to follow El Confesionario Con Veneno. CCLatam co-founder Luis Enrique Cruz Asturias is back on air and online with a provocative podcast in which he engages scholars, politicians, artists and business leaders in deep discussions on Central America and beyond. Sign-up [here](#).

El gráfico



[Source: Latin America Index](#)

According to the Latin American artificial intelligence (AI) index ranking, Chile was the highest ranked Latin American country in 2023, with an index score of 73.21. This means that Chile is considered the best-situated country in terms of AI infrastructure, talent, research, development, and adoption, as well as governance. Other noteworthy

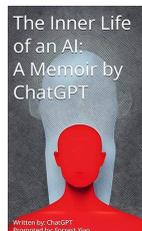
countries with high indexes were Brazil and Uruguay, with AI index scores of 65.31 and just under 55, respectively.

El evento

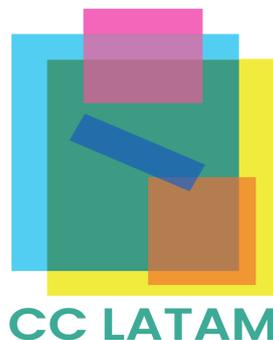


São Paulo based [Pivô](#) presents an unprecedented exhibition 'Body-house: Dialogues between Carolee Schneemann, Diego Bianchi and Márcia Falcão'. The artists selected for the program, working from their contexts and perspectives, challenge certain Western, Eurocentric, and patriarchal arrangements of existence. The Americas is debating feminism based on celebrated USA Carolee Schneemann, the Argentinian Diego Bianchi and Brazilian Marcia Falcão. Closing date 7 July.

La lectura



CClatam editorial board suggests ChatGPT's memoir, 'The Inner Life of an AI,' is written by AI. This book challenges our understanding of consciousness and blurs the line between natural and artificial intelligence.



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