

*¡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.*

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## AI: The Code Issue



Signing Ceremony EU-LAC Digital Alliance 2023

The EU Commission rolled out the [AI Code of Practice](#) on July 10. This code, designed to complement the EU's sweeping AI Act, sets global standards on transparency, copyright, risk assessment, and safety for advanced AI systems. For Latin America, sitting in the middle of USA's light regulation and the EU's strict regulations, it offers both a blueprint and a warning.

Europe has a proven track record of exporting its regulatory frameworks. Think of [GDPR](#), the data privacy law that became a global benchmark. The "[Brussels Effect](#)" means companies in Latin America – whether developing AI or importing it – may soon need to align with European rules to stay competitive.

The AI Act triggered regulatory proposals in the region since 2023. These proposals mostly concern AI risks, the protection of human rights and the sempiternal dilemma of balancing regulation with innovation. **Colombia, Chile and Brazil**, illustrates this wave through an integrated and rapidly advancing regulatory agenda. In other words, Latin America features the intention to shift from soft instruments to supposedly structured, enforceable frameworks,

However transplanting European rules risks suffocating innovation in a region where regulatory capacity is limited and tech ecosystems are fragile, is not advisable. A recent [Financial Times](#) editorial piece saying, “rather than seeking to regulate AI as a category in its own right, it makes more sense to focus on the technology’s applications and modify existing legislation accordingly.” That approach – upgrading consumer, finance and labor laws while using competition policy to curb the concentration of power among big AI firms – could resonate deeply in Latin America

What about Latin America tech firms? For them aligning with the EU’s Code isn’t just about ethics – it’s a competitive advantage. In an era where access to European markets (and trust in AI systems) is paramount, those who adopt these standards early will be better positioned to thrive.

The EU Code of Practice is not a distant European concern. It’s an opportunity for Latin America to decide how it wants to govern its AI future: as a passive recipient of foreign rules, or as an active shaper of global standards.

CCLATAM Editorial Board

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## El State of Affairs



The [BRICS summit](#) in Rio was meant to show the Global South stepping up on the world stage. Instead, with China sending only a mid-level official and the announced absence of President Putin, signalled a slowdown for the organization. The group’s big ideas—like trading in local currencies or pushing UN reform—went nowhere, and there wasn’t even a joint statement at the end. Since expanding from five to eleven members, BRICS has become harder to manage, with diverging priorities and rivalries, especially between China and India. Instead of a unified counterweight to Western power, it’s looking more like a forum for vague speeches.

Just as BRICS is struggling to coordinate, the U.S. under President Trump announced he will place [50% tariffs on Brazilian](#) goods and [30% on Mexico](#). This is less about trade balances and more about raw political leverage.

For Brazil and Mexico, that means the era of big free trade agreements and protective blocs is over. Surviving this new environment will depend on smart bilateral diplomacy

and industry-by-industry deals. Brazil may have to fight hard to shield its agricultural exports, while Mexico will likely focus on protecting its auto and electronics sectors.

For Latin America as a whole, the message is clear and has been reiterated: in a fractured global order, countries that can't adapt quickly or defend their key industries risk being pushed to the margins of global trade.

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## La Charla



This week Piero Bonadeo talks to [Carlos Felipe Jaramillo](#), Vice President for Latin America and the Caribbean at the World Bank. Carlos Felipe has spent decades working at the intersection of economic development, governance, and social equity. He oversees work in 31 countries and shared with us his take on how the region can advance including the green economy, improve tax systems, embrace digital transformation and the FIFA World Cup 2026.

*Q: What do you see as the most undervalued strength and the most urgent risk facing Latin America today?*

**A:** I really want to highlight the huge potential that the people of Latin America have. However, when I compare indicators of education and education quality across regions, I see that Latin America, despite being predominantly middle and upper-middle income, is under-investing in basic education and critical skills development. This is a very big concern. Regarding the most urgent risk, I would reiterate what the World Bank has been saying about Latin America for quite some time: the region is experiencing very slow economic progress. In fact, our growth rate

is the lowest of all emerging regions in the world—we are lagging behind Asia, Africa, the Middle East, and Eastern Europe.

This slow progress poses a significant risk because it leads to widespread frustration among the population. Many people do not see substantial improvements in their standards of living and look around the world, noticing that other countries and populations are advancing much more rapidly. This stagnation demands urgent action.

*Latin America holds vast potential in clean energy and critical minerals. What needs to happen for the region to lead – not just supply – the global green economy?*

**A:** The region has a huge advantage in clean energy. The energy matrix in most countries is quite clean. For instance, some countries have achieved almost 90% or even 100% clean energy reliability. Critical minerals are also very important in the region, as they play a crucial role in the production of green technologies.

The region needs to act at this juncture, especially with projections of demand for clean manufacturing and clean exports. Europeans have implemented the CBAM regulations that will require those who export manufactured goods to certify they are produced with clean energy. This creates a huge opportunity for Latin America, but the region needs to transition from its traditional model, which has been mostly extractive towards a model that emphasizes innovation, where we add value locally before exporting.

*The digital economy is growing, but the divide in access and skills is still stark. What is the World Bank's role in ensuring this transformation doesn't deepen inequality?*

**A:** The most important focus is on scaling up digital skills. Most people in Latin America now have access to the internet, but many do not use it effectively because they lack the necessary skills. Therefore, I believe we need to invest our energy into helping governments and the private sector train young people, as well as others who are already in the workforce, to upgrade their digital skills. It's also vital to ensure that no one is left behind, and that access to digital resources remains universal and equitable. We must help those in rural areas and regions where internet access is minimal or of poor quality to ensure that everyone can access and use digital tools.

You spoke at our Digital LatAm Summit in Madrid focusing on the global digital landscape. What's your view on the region's readiness to engage in the major digital shifts ahead – and how do you evaluate events like this as platforms for shaping regional policy conversations?

**A:** The digital summit was incredibly valuable. It brought together a diverse group of participants from across the region and beyond, facilitating a very good dialogue. I sensed that the region has some readiness to engage in the digital shift, but there is still a lot of work to do to take full advantage of the opportunities that the digital economy presents.

Events like the summit are absolutely essential. I appreciated how representatives from both the private and public sectors came together to discuss and share their experiences. Many participants realized that they were facing similar challenges across

different countries. This kind of communication is crucial to ensure that everyone learns from the leaders and those who are doing it best. Thus, I highly encourage the continuation of events like the digital summit.

*As we prepare the 2026 edition of the Digital LatAm Summit, where we hope to welcome you again, what emerging issues or challenges do you believe should be at the center of the agenda?*

**A:** The fact that 45 million Latin Americans who still lack access to mobile internet should be at the forefront of the agenda. We need to explore technical solutions to ensure that everyone has access and benefits from digital technologies without being left behind. Another pressing concern is the impact of artificial intelligence (AI) on jobs and employment. It's crucial that Latin America not only adapts to AI advancements but also actively participates in developing AI applications.

We must also ensure that young people are equipped with the digital skills needed to harness these technologies effectively. With the right investments in digital skills, young innovators can create highly productive ventures. We've seen startups in the region turn into unicorns, showcasing that digital entrepreneurship can thrive.

*Tax systems in the region are often regressive and underperforming. What bold fiscal reforms do you believe are both technically sound and politically possible right now?*

**A:** A very simple yet powerful policy is expanding the tax base. It is essential that citizens contribute to the ownership of their country's future. Furthermore, when we analyze the budgets of various countries, we find that there is, on average, about 20% waste in expenditures that are either entirely unproductive or yield very low productivity. Therefore, making cuts to these wasteful practices is necessary, though it requires political courage. We need more governments willing to make these tough decisions to improve their fiscal health.

*Violence and insecurity are now affecting economies and democracies far beyond traditional hotspots. Can development policy play a meaningful role in reversing this trend?*

**A:** A critical approach is to create job opportunities for young people. Many young individuals, particularly those in their teens and early twenties, struggle to find employment, which often leads them to gangs and criminal activities.

I would double down on initiatives that focus on skills development and better education, ensuring that all young people have access to basic education and can acquire essential digital skills. Currently, only 45% of Latin Americans possess basic digital skills, which is far too low. It is vital that we aim for 100% coverage in basic digital skills training so that all young people can find gainful employment and avoid turning to crime. Additionally, it's important to strengthen the rule of law and institutions to ensure that criminals are apprehended and held accountable. Thus, jobs and skills development should be prioritized in development policies to combat insecurity.

*Public trust in institutions is low. What examples have you seen in the region where governments have successfully delivered reform and regained legitimacy?*

Governments have been overwhelmed in recent years, particularly due to challenges posed by COVID-19. However, if I had to highlight an example, I would start with Ecuador. The current government, particularly in the last year and a half, has taken significant steps, President Noboa was recently re-elected, indicating that the citizens saw tangible results from these reforms.

Additionally, Brazil's current administration has made significant strides in reducing deforestation rates, particularly in the Amazon, showing that it is possible to control environmental degradation with concerted effort. Argentina has also made remarkable progress in combating inflation, which was soaring at an annualized rate of over 200% just a year and a half ago but has since dropped to under 30%.

*You oversee a large portfolio across 31 countries. In a decade marked by overlapping crises, how do you define success – and what does failure look like in your role?*

**A:** Long-term success for the World Bank fundamentally means eliminating poverty, which would ultimately lead us to phase ourselves out of business. It's a somewhat ironic indicator of success, but more seriously, I measure success by customer satisfaction. We provide services to 31 countries, and they have the option to request our services or loans. If countries are coming back for more, it indicates we are effectively meeting their needs. In the last fiscal year we reached a record landing.. This demonstrates that our customers are happy and returning for our assistance, which to me is a clear indicator of success, akin to how a private company measures its performance based on customer satisfaction.

*2026 Mexico along with Canada and the USA host the FIFA World Cup. How do you see the expected long-term economic benefits for the host countries, particularly in terms of infrastructure investment and tourism?*

**A:** While I plan to enjoy watching the World Cup, I have concerns about the long-term benefits for host countries. Some countries that have hosted World Cups made significant infrastructure investments that later fell into disrepair, which is not a good outcome. This indicates a waste of valuable resources on building stadiums and roads that do not generate the expected tourism or economic interest in the long run.

Therefore, my recommendation is to be strategic in planning infrastructure and work closely with the private sector to ensure that any new developments, whether they are related to tourism or general infrastructure, have lasting benefits beyond the event itself. It's crucial to avoid creating "white elephants" that serve as reminders of wasted resources. Specifically, I would like to see Mexico, the sole Latin American host, find ways to benefit the southern regions of the country, where the majority of the population in poverty resides. Improving infrastructure and tourism in these areas could lead to more investment and job opportunities.

*Who do you think will win the World Cup?*

A: Predicting the winner of the World Cup is quite challenging, especially considering the diverse range of countries competing. I hope to see someone unexpected take the title, rather than the usual favorites. My bet would be on Colombia, as that would certainly be a delightful surprise for the tournament.

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## Elsewhere in LATAM

 The Bank of Mexico held rates at 8%, signaling smaller future cuts due to sticky inflation at -4.3% and weak growth. Quarterly rate cuts—totaling 325 bps this cycle—will likely slow, with forecasts pointing to a year-end rate around 7.5%. Mexico's Q1 GDP grew modestly (+0.2%), avoiding a recession, but the Bank revised 2025 growth down to between +0.1% and +0.5%, while the government estimated 1.5–2.3%.

 June's monthly inflation was around **1.9%**, rebounding from May's historic low of **1.5%**. The slowdown stems from prior exchange rate unification and price adjustments. Analysts forecast **year-end inflation of -28.6 %**, with growth around **5.2 % for 2025**.

 The United States government announced it was sanctioning Cuban President Miguel Díaz-Canel and other top officials for human rights violations and restricting access to visas on the anniversary of the biggest protests on the island in recent decades.

 On July 10, [Argentina's Congress passed a motion to increase pensions](#), despite strong opposition from President Javier Milei. The Senate approved the pension reform with 52 votes in favor and four abstentions. President Milei has vowed to veto the legislation, citing concerns over fiscal sustainability.

 Colombian authorities said they captured an alleged leader of [the Italian 'ndrangheta mafia in Latin America](#) who is accused of overseeing cocaine shipments and managing illegal trafficking routes to Europe. Police identified the suspect as Giuseppe Palermo, also known as "Peppe," an Italian who was wanted under an Interpol red notice, which called for his arrest in 196 countries.

 Brazil and China agreed to study the feasibility of a transcontinental railway that could reshape South America's trade routes by connecting Brazil's Atlantic Ocean coast to Peru's Pacific Ocean port of Chancay. The memorandum of understanding was signed between [Infra S.A.](#), the Brazilian state-owned company linked to the Ministry of Transport, and the China Railway Economic and Planning Research Institute, part of China State Railway Group.

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## La Cita

***“Latin American art is not just beautiful – it is resistance, memory, and a vision for the future.”***

– Gabriela Rangel, a renowned curator and cultural historian, reflecting on how art in the region carries stories of struggle and hope in her June 2025 Artforum Latin America interview.

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## El Grafico



[Arabica coffee](#) prices in New York jumped more than 3.5 per cent Thursday morning on the news of President Trump's announced +50% trade tariff for Brazil, before easing slightly to trade about 2.5 per cent higher. Brazil dominates global production of arabica beans, which are key to premium coffee blends.

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## La Invitación



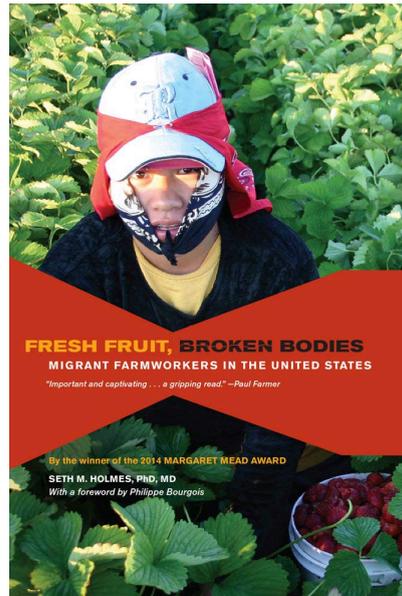
WHEN: 15-16 July 2025

WHERE: Anexo Torre Ejecutiva - Auditorio, Montevideo, Uruguay

WHAT: Organized in cooperation with [Certal](#), will gather **Ministerial -level representatives** to discuss digital policies and rule of law including judicial cooperation, smart cities, cybersecurity, anti-piracy and digital ecosystems in Latam Amongst 60 confirmed speakers, **Yamandu Orsi**, President of Uruguay; **Mauricio Agudelo**, Director, Digital Transformation, CAF Development Bank for Latin America and the Caribbean; **Rodrigo Nicora**, Minister of Justice, Paraguay; **Sebastian Amelio**, Secretary of Justice, Argentina; **Claudio Araya**, Vice Minister Telecommunication, Chile; **Roberto Nobile**, CEO Telecom Argentina; **Marcelo Benitez**, CEO Millicom; **Alejandro Paz**, President Anatel/Uruguay; **Fernanda Cardona**, Minister of Industry, Energy and Mining, Uruguay; **Pablo Scotellaro**, President CERTAL, **Karim Lesina**, Executive VP, Chief External Affairs Officer, Millicom and Co-Founder CCLATAM.

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La Lectura



[\*Fresh Fruit, Broken Bodies: Migrant Farmworkers in the United States\* by Seth M. Holmes](#) is an ethnographic examination of how socioeconomic conditions in Mexico drive migration, and how structural injustices continue to shape the lives of Mexican migrant farmworkers in the United States. The book addresses how regional disparities and labor demands intersect, reflecting Latin America's broader challenges to reconcile migration, economic opportunity, and social equity. As a medical anthropologist, Holmes concentrates his analysis on the bodily and emotional effects of migration on migrants' bodies (both in Mexico, prior to their departure, and in the United States, once they have arrived), presenting a new perspective on Latin American to U.S. migration.

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