

¡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 Mercosur moment issue

The South American trade bloc that once promised to be a regional powerhouse has become irrelevant as members who are too busy with their own crises couldn't act like a team. Good news: Canada and [Mercosur](#) announced in Brasília that they're restarting free-trade negotiations this fall. It looks like progress. In reality, it's a stress test: is Mercosur alive and ready to play, or is this just a way to react to current USA trade policy?

That's what makes these talks with Canada matter. By sitting down as a bloc with a G7 economy, Mercosur is sending a message. Will Mercosur encounter its Treaty of Rome moment? Europe in the 1950s was fractured, protectionist, and under outside pressure. The Treaty of Rome in 1957, which set the stage for what became the European Union. Mercosur, founded in 1991, has never had its own Treaty of Rome moment. It's been more stop-and-start, more promise than delivery. But maybe 2025 is that chance.

The October negotiating round will tell us a lot. If Mercosur holds the line, it proves it can actually close a deal as a bloc and resist Trump's divide-and-conquer trade policy.

Canada, for its part, just wants more options. It can't afford to be glued solely to the U.S. But no one should kid themselves: this will be a long slog. The EU-Mercosur saga proved that speed isn't the issue – political will is.

CCLATAM Editorial Board

La Charla



This week we sat down with Michael Stott, the Financial Times' Editor for Latin America and member of the FT Editorial Board. Journalism isn't just his career—it's his calling. That passion has taken him from his native UK to Russia, Germany, Japan, Brazil, Colombia, and Mexico. We talked about Brazil's economy, politics, environment and the challenges of organized crime. And we also discovered how he became a true "Carioca da Gema."

One of your recent pieces on Brazil mentioned that for this crisis to be solved Pres. Lula needs to, sooner or later, pick up the phone and call Pres. Trump. How do you see this situation unfolding?

I don't think this is going to be solved quickly. In the end, yes, it will be solved, but not quickly, because both sides are now locked into very confrontational positions. It is not easy for either side to back down, and neither side has a real incentive to back down quickly.

The next thing that is going to happen will be Bolsonaro's conviction. Nobody really believes Bolsonaro will be found innocent — even he doesn't believe that. Everyone thinks he will be found guilty. That will provoke another round of retaliation by the United States, giving the whole conflict yet another cycle of escalation. To get to de-escalation, to negotiation, I think we are quite a long way from that right now.

How do you see the Brazilian economy reacting to Bolsonaro's legal troubles and political crisis? Even many Bolsonaristas are complaining. They say that the trade war

and the slowing economy are just consequences of defending one man – of saving one human being – rather than seeing the political side of Bolsonaro being convicted or jailed.

Some on the right are upset about what Bolsonaro's family has done; they think it was a mistake. But there are also people on the right, the hardcore committed Bolsonaristas, who are actually comfortable with the U.S. sanctions and say that the U.S. is doing the right thing. So there is a split there.

The more realistic conservatives, though, know that Bolsonaro's political career is over. He is in poor health, he is 70, and he is about to be convicted. Even if his sentence is reduced, he will probably spend most of the rest of his life in jail. He is already ineligible to run again in the next election. So it is very difficult to see a path back for him. The more important question for the right in Brazil is whether they can unite around a new figure to challenge what will probably be a Lula candidacy in next year's election.

Who could that "savior" figure on the right be?

The name most often talked about is Tarcísio de Freitas, the governor of São Paulo State. São Paulo is by far the most important state economically in Brazil – the wealthiest and the best launching pad for national ambitions. Tarcísio, however, is not giving many signals that he is ready to run for president next year. He would quite like to be re-elected as governor, which is a very powerful position, and do that job again.

He is not willing to run without an explicit endorsement from Bolsonaro. And Bolsonaro doesn't want to give that endorsement, because he wants to keep insisting that he himself is the candidate right up until the election.

So if Tarcísio does not run, which seems likely at the moment, the right has to find another candidate. There are three or four state governors being discussed: one of the most talked about is the governor of Paraná, Ratinho Júnior, who is more moderate. The governor of Minas Gerais, Romeu Zema, is also mentioned. There are several options on the right, but no clear unifying figure yet.

You've also written about organized crime in Brazil and the wider Amazon Basin. Since this also touches on Colombia, Ecuador, and other countries along the cocaine route, do you see the drug issue as a possible way for Brazil, Mexico, and Colombia to rebuild relations with the U.S., even though they have different approaches?

Organized crime has become much more serious across the region than it was ten years ago. It is better organized, wealthier, and can challenge states. It has also expanded into adjacent areas like illegal mining, extortion, and migrant trafficking, adding new lines of business, so it is a much tougher problem now than it used to be.

Trump's view is that the previous approach – partnering with Latin American countries to reduce supply – has failed. He wants to be much more aggressive, using U.S. military assets to take out cartel leaders and cartel infrastructure. He hasn't really started yet, but many people I speak to in Washington DC believe something will happen before the end of the year, probably in Mexico first. It could be something like a drone strike on a cartel kingpin.

In Venezuela, that seems much less likely. What the U.S. is doing there – naval deployment, Air Force deployment – is more about stopping shipments across the Caribbean, which is a major route, rather than directly striking inside Venezuela.

Trump's approach is unilateral. He wants to do it his own way, not through cooperation with Latin American governments. And within those countries, as you say, there are very different views. In Colombia, President Gustavo Petro has tried to negotiate with drug cartels. In Mexico, President Claudia Sheinbaum has tried to crack down after six years of tolerance under her predecessor, partly because of Trump's pressure. In Brazil, I think there is still a bit of denial about the scale of the problem. So, no, I don't see much scope for cooperation with Trump on this.

COP in Salvador da Bahia is approaching. Some say it will be a logistical failure. Do you think Brazil can still make a mark internationally?

A We have to separate the logistical and organizational issues from the climate diplomacy. Yes, there will be challenges in hosting a big international conference in a relatively small Amazonian city with limited infrastructure. But that does not affect the diplomacy itself.

In climate diplomacy, Brazil has a chance to make its mark. It is a big developing country, facing the same challenges of poverty and development as many other nations, but it also has an impressive track record with biofuels, hydropower, clean energy generation, and efforts against deforestation. At the same time, it is overseeing a big expansion in oil production, which it argues is necessary to fund the green transition.

So Brazil embodies many of the contradictions of the developing world. And we know that reaching global climate targets depends on developing countries. Developed countries, with the exception of the U.S., are broadly on track. The question is whether developing nations can access the capital they need. Brazil is a credible country to lead that discussion.

Brazil has created many unicorns, especially in fintech. How do you see the startup ecosystem there?

I think the big success has been Nubank, a digital bank that has shaken up the system. Pix, the instant payment system run by the central bank, has also been universally praised as fast, secure, easy to use, and with very high adoption.

And beyond fintech, there are many healthtech, proptech, and other startups that have thrived. Brazil's domestic market is large enough for these companies to succeed without moving to Silicon Valley or North America.

This has helped productivity and even economic growth. Brazil's recent growth has surprised positively, and fintech is part of the reason. It is not the whole story, but it has contributed. Brazil is by far the most impressive country in Latin America in terms of its startup and tech scene.

This is your second time in Brazil, now as chief editor for Latin America. How has Brazil changed since your first time here, and what hasn't changed? And why Rio?

There have been many changes. Today, Brazil is a country with much greater diversity and inclusion than it used to have. In the early 1990s, there was almost no participation by under-represented groups in business or national life. That has changed enormously in the past 30 years.

The economy has opened up significantly – though not enough. When I was here in the early 1990s, you had to buy Brazilian-made computers and fax machines. They cost around \$2,000 each and didn't work well because of protectionism. That is gone now. It's still a relatively closed market, but much more open than it was.

There is also far more appreciation for Amazon conservation. Back in the early 1990s, environmental arguments were met with indifference. Now the public debate is completely different. Most Brazilians want environmental preservation.

So there has been a lot of positive change. But still lacking are deeper economic reforms, better infrastructure, and better education, which could make a real difference in improving growth and moving Brazil into the ranks of faster-growing nations.

Despite all the disappointments – recessions, crises – Brazil today is still the world's 10th biggest economy, the same position it held in 2000, 25 years ago. That is an achievement. Mexico, by contrast, has slipped significantly.

On the negative side, the state remains large and quite inefficient. Taxes are relatively high, but the money is not well spent. There are gold-plated perks in the public sector, absurdly generous pensions, very high salaries, and inefficiencies that could be corrected.

As for myself, I moved to Rio because it made sense as a base to cover Latin America.

I have a colleague in São Paulo who covers Brazil, so it worked better for me to be in Rio. I also think Rio encapsulates Brazil better than São Paulo. São Paulo is the business capital, sophisticated and wealthy, but Rio reflects the spirit of Brazil more – with influences from the north, northeast, and Portugal, and with more of the country's history and complexity brought together in one place.

If you had to describe Brazil in three words, 20 years from now, what would they be?

Resilient. Desirable. Democratic.

And on a personal note, your favorite restaurants in Rio? Where would you take a guest?

For lunch, I like Rudä, a contemporary Brazilian restaurant in Ipanema. It offers very good, inventive dishes you won't find elsewhere, in a great atmosphere. For the evening, I would take someone to Jobi, one of the most traditional bars in Leblon, a true locals' spot and always a lot of fun.

Finally, will Lula run again?

I think he will, unless health prevents it. He will be 80 by the next election, so of course that is a factor. But if he can, he will. He feels very strongly – a little like Biden did – that he is the only person on the left who can defeat the right. And polling shows he is probably correct. There is no one else on the left with his electoral standing. If the election were tomorrow, Lula would beat any alternative from the right.

Elsewhere in LATAM

 Brazil's state-owned development bank [BNDES](#) unveiled a 10 billion reais (-US\$1.85 billion) credit line aimed at exporters impacted by U.S. tariffs. Dubbed the "Sovereign Brazil" initiative, the program is designed to ensure liquidity, help manage operational costs, and facilitate export diversification. It builds on a previously established 30 billion reais aid package targeting the same challenges.

 Argentina's central bank raised the reserve requirements for banks. The 3.5 percentage point increase—the third in recent weeks—will take effect on September 1. It applies to several categories of reserve ratios, which currently average about 45%. Analysts warn that edging toward 50% would be unusual and could stall hopes for an economic rebound. The decision is widely viewed as an effort to steady financial markets as the Argentinian [administration](#) faces allegations of corruption scandals ahead of key legislative elections.

 Mexico, alongside Guatemala and Belize, unveiled plans to establish the [Great Mayan Jungle](#) Biocultural Corridor, conserving over 14 million acres of tropical forest—becoming the Americas' second-largest reserve after the Amazon . The initiative tackles organized crime, illegal logging, and drug trafficking by combining increased security with community-driven, sustainable livelihoods, including enhancements to Mexico's "Planting Life" reforestation subsidy program, albeit with reforms to avoid previous deforestation incentives

 In a strategic push to expand capacity, the [Panama Canal Authority](#) revealed plans to launch a competitive tender in early 2026 for the construction and operation of two new ports within the canal zone. The initiative includes an \$8.5 billion investment over five years, aimed at enhancing cargo handling, storage, transshipment services, water security, and gas infrastructure.

🇲🇽 Mexico recorded **US\$3.15 billion in new foreign direct investment (FDI)** during the second quarter of 2025, the highest level in 12 quarters and a 246% increase compared to the same period last year, according to the [Ministry of Economy](#). Total inflows for the first half of the year reached US\$34.27 billion, up 10.2% from the US\$31.1 billion reported in 1H24. This marks the fifth consecutive year of record FDI, underscoring investor confidence in Mexico despite persistent global and domestic headwinds. In contrast, the [National Institute of Statistics and Geography \(INEGI\)](#), employment in **Mexico's automotive sector dropped** from 5.06 million workers in the first half of 2024 to 4.73 million in the same period of 2025. This represents a reduction of 328,921 jobs, or 6.5% year-on-year, marking the first contraction in four years and the steepest decline since 2020, when the COVID-19 pandemic disrupted global supply chains.

🇨🇴 Miguel Uribe Londoño, 72, father of assassinated Colombian presidential candidate [Miguel Uribe](#) entered the race for the presidency, pledging to carry forward his son's vision after his assassination at a campaign rally earlier this year.

La Cita

“Liberty needs political will. It needs the government to decriminalize discrepancies. Liberty is that those who think differently are not persecuted... I help make the window stay open while we push the door until it opens. And I do this through journalism.”

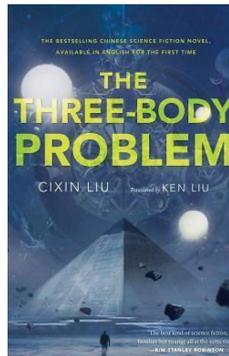
[Yoani Sánchez](#) Cuban blogger and journalist

El Evento



10-11 September 2025, Asuncion, Paraguay. CCLATAM in cooperation with Certal, CAF Development Bank for Latin America and the Caribbean, and Casa de la Integración, co-organizes the summit on audiovisual piracy. more info at <https://certalatam.org>.

La Lectura



[Cixin Liu](#)'s *The Three-Body Problem* it's more than just a story—it's a mind-expanding journey that blends science, history, and philosophy in a way that few books manage.



Enjoyed this read? Spread the inspiration by sharing our newsletter with your peers and join us in fostering a vibrant community passionate about the wonders of Latin America.

You can also find us on [X](#) and [LinkedIn](#). Or maybe you want to donate to our cause and help promote the region, you can do that [here](#). Want to stop receiving this newsletter? You can unsubscribe [here](#).

Thank you for reading, nos vemos en la próxima.