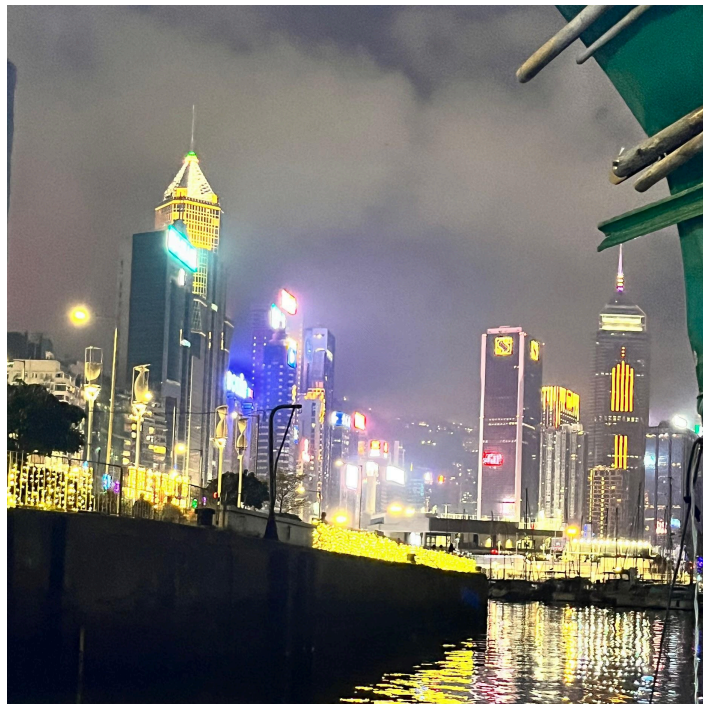




¡Bienvenidas y bienvenidos to El CC, CCLATAM's newsletter!. Every other week you'll find the main events shaking up Latin America, from Ushuaia in the south to Los Algodones in the north. Sign up [here](#) to stay updated on the region. Get in touch with us, we may feature an excerpt of your response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



The Silent Corridor Issue

There is a trade relationship growing quietly between two of the world's most dynamic economic regions. Latin America and Hong Kong are discovering each other, and the numbers are beginning to reflect it.

In 2024, total merchandise trade between the two regions reached HK\$124.3 billion – a [17% jump in a single year](#). Services trade between them grew 24% the year prior. These are not the marginal fluctuations of a peripheral relationship. They are the signal of something structural taking shape.

To understand why, you have to understand what **Hong Kong actually is**. It is not merely a city. It is a piece of global infrastructure – a free port with no tariffs on most

goods, a common law legal system trusted by international investors, deep capital markets, and a logistics network that connects the world to mainland China faster and more reliably than almost any alternative. **For Latin American companies seeking to enter Asia's largest economy, Hong Kong is not a detour. It is the door.**

And Latin America, for its part, holds something Asia desperately needs. The region sits atop much of the world's critical mineral wealth — Chile's copper and lithium, Argentina's lithium, Peru's copper and zinc, Brazil's graphite and rare earth elements. These are not incidental exports. They are the raw materials of the energy transition, the inputs without which electric vehicles, wind turbines, and battery storage cannot be built at scale. As Asia's industrial machine accelerates its shift toward clean energy, the countries of the Southern Cone and the Andes have become strategically indispensable.

The formal architecture of this relationship has been quietly assembled over more than a decade. **Hong Kong signed its first free trade agreement with a South American economy — Chile — in 2012**, followed by a bilateral investment agreement in 2016. A deal with **Mexico came in 2020**. And in **November 2024, Hong Kong and Peru** signed a new FTA granting Hong Kong service providers access to over 150 sectors of the Peruvian economy, including legal and financial services. These agreements are not ceremonial. They reduce friction, expand market access, and signal to businesses on both sides that the relationship has institutional backing.

What flows through this corridor tells the story of complementary economies finding their footing. Chilean salmon, fruit, and seafood reach Hong Kong consumers. Brazilian soy, beef, and coffee move through Asian supply chains. Peruvian blueberries have become a staple in Chinese supermarkets. In return, Asia ships electronics, industrial equipment, consumer goods, and capital. China's state-owned CMPort recently invested \$714 million for a controlling stake in a terminal at Brazil's Port of Açu. Chinese firms are in negotiations over ports along the Panama Canal. A trans-Pacific submarine cable connecting Chile to Asia — [the Humboldt Project](#) — was formally agreed in 2025. The physical infrastructure of this relationship is being laid, literally, on the ocean floor.

Hong Kong's role as the world's leading offshore renminbi hub adds another dimension. As China seeks to reduce dollar dependency in its commodity trade and extend yuan-denominated credit to partner economies, Hong Kong's financial plumbing becomes central. At the [China-CELAC Forum in Beijing in May 2025](#), China announced nearly \$10 billion in yuan-denominated credit lines to Latin American and Caribbean nations. That capital will flow through systems where Hong Kong's offshore RMB infrastructure matters enormously — not as a political statement, but as a practical reality.

The geopolitical backdrop only reinforces the logic. **The US-China trade war, and Washington's aggressive tariff posture in 2025, has accelerated the search for alternatives on all sides.** Latin American economies — relatively insulated from the heaviest tariff blows — find themselves in an unexpected position of leverage. Brazil's

agricultural sector stands to gain from trade diversion away from American suppliers. Mexico, despite its deep integration with US supply chains, is actively prioritising markets where it has free trade agreements. The reshuffling of global trade is creating openings, and Hong Kong – itself diversifying away from US dependency – is keen to help Latin America walk through them.

None of this means the relationship is without complications. The distance is real: three to five weeks by sea between major ports. Currency volatility across much of Latin America creates persistent headaches for Asian investors accustomed to stable regulatory environments. Political turbulence in Argentina, Venezuela's economic collapse, and the absence of a formal FTA with Brazil – Latin America's largest economy – remain genuine gaps. And Hong Kong's own evolving political status under Beijing's tightening grip since 2020 introduces a layer of complexity that some Latin American partners will navigate carefully.

The relationship is also, quietly, becoming more human. **China introduced visa-free entry for citizens of Argentina, Brazil, Chile, Peru, and Uruguay in 2025.** A cultural festival celebrating Brazil in Hong Kong is scheduled for later this year. Guangzhou hosted a Latin America investment forum backed by eleven consulates. These are the connective tissues of a relationship that lasts – the kind of people-to-people familiarity that eventually outlasts any single trade agreement or commodity cycle.

The most important corridors in global trade are rarely the ones that dominate headlines. They tend to be the ones that form slowly, quietly, and then suddenly – when the numbers turn undeniable – reveal themselves as inevitable. The axis between Latin America and Hong Kong has that quality. **A 17% rise in merchandise trade in a single year. Services growing at 24%. FTAs multiplying. Offices opening. Cables being laid. Capital moving.**

The corridor is not quiet for much longer.

La Charla



This week **Karim Lesina** talks to economist **Ángel Melguizo**. Along with **Víctor Muñoz** just released **El Código Verde: IA+Energía**, arguing that energy sustainability is not a footnote to the artificial intelligence revolution – it is the very precondition. Angel is co-founder at [ARGIA Green, Tech & Economics](#), advisor at [TIDE Centre – University of Oxford](#) and CCLATAM board member.

Your book kicks things off by saying AI isn't just a tech story anymore – it's an energy story. What made you frame it that way?

We've been talking about AI as if it's just code floating in the cloud. It's not. Every model you train, every data center you fire up, burns real electricity, uses real water, depends on real minerals. If AI is going to run the global economy – and it's heading that way fast – you can't treat energy as an afterthought. It has to be baked in from day one. Energy efficiency isn't a nice-to-have; it's going to separate the winners from the losers in the digital race. In our book **Código Verde: IA+Energía** we describe seven steps to do so.

Walk us through the seven steps. What's the big picture?

Think of them as a checklist for getting AI right – not just fast. Step 1 is putting people first: real governance, real accountability, not just a press release. Step 2 is putting your money where your mouth is – governments and companies talk sustainable AI but their budgets say otherwise; tie public funding to actual efficiency standards. Step 3 flips the script on sustainability: it's not a cost, it's a competitive edge – clean, efficient AI is cheaper and more resilient. Step 4 is building efficiency into the design itself, not greenwashing it on at the end. Step 5 is measuring your footprint properly – the full lifecycle, not cherry-picked numbers. Step 6 is smart regulation: not a pause button, not a free-for-all, but rules proportionate to the actual risk. And Step 7 is collaboration – because no country or company can crack this alone.

The budget point is pretty blunt. Are governments actually that far off?

Enormously. Everyone says sustainable AI is a priority. Then you look at where the subsidies, the tax breaks, the cloud contracts actually go – and there's no green string attached to any of it. My argument is simple: if you're handing out public money for AI, make companies prove they're hitting efficiency targets and disclosing emissions.

That one shift would send a clear market signal overnight. Right now the market only rewards speed and scale – never efficiency.

You say energy sustainability is actually a competitive advantage. Is that a hard sell to business leaders?

Less and less. Look at the numbers: AI energy use could be 14 times higher in 2035 than it is today, same as Japan and Germany together! That's not physically or

financially sustainable – probably not environmentally either, all three at once. Companies that get ahead of that curve – using renewables, building circular hardware supply chains – will have lower costs, less exposure to energy price shocks, and fewer regulatory headaches.

And here's the part I love: AI applied to energy optimization can actually reduce global consumption. The thing that eats energy can also be the tool that saves it.

Measurement and regulation – two steps that sound dry but you seem pretty fired up about them. Why?

Because right now we're flying blind. Emissions estimates for the same AI systems vary wildly depending on who's doing the math and what they're counting. Chip manufacturing, training runs, cooling, disposal – most studies only look at part of the picture. Without a common standard, you can't compare, you can't improve, and you definitely can't regulate intelligently.

On regulation: I'm not calling for a pause. Pausing the AI revolution isn't realistic and it isn't smart. But "accelerate everything, worry later" isn't smart either. The fix is proportionate rules – lighter touch for small experimental models, real scrutiny for systems that could affect millions of people.

Last step: collaboration. That feels almost naive given the trade wars and tech nationalism we're seeing right now.

I get why it sounds that way, but let me explain. The minerals that power AI come mostly from developing countries. The computing power sits mostly in advanced economies. That mismatch creates real tension – and real risk. But it also creates an opening: emerging economies can leapfrog the dirty industrial stages and go straight to AI-optimized energy systems.


That's a genuinely exciting possibility. And on the tech side, sharing pre-trained models and avoiding duplicate training runs could cut global energy costs dramatically. "No one goes far alone" isn't naive – it's the most pragmatic thing I can say.


Bottom line – are you optimistic about where this is heading?


Yes, genuinely. But not blindly. The decisions we make in the next few years – on budgets, regulations, measurement standards, international cooperation – will determine whether AI supercharges the world's energy problems or actually helps solve them. Sustainable AI isn't a side agenda.


It's the first real contract between innovation and responsibility. And if AI is going to deliver on its promise of growth and jobs, it has to do it without blowing up the energy grid, widening inequality, or trashing the climate. Recall the seven steps. Let's take them.


Elsewhere in Latam

 [Brazil's congress recently overrode President Lula's veto](#) on a bill that could shorten Jair Bolsonaro's prison sentence, deepening political tensions ahead of the October 2026 presidential election. Brazil's Supreme Court had sentenced the former president to 27 years and three months in prison for crimes including leading an armed criminal organisation and attempting to overthrow democratic rule. Under the Clean Record Law, this makes him ineligible to run for office until 2060 – but congressional vetoes of that timeline are now under review.

 [Mexico's economy shrank 0.8% in the first quarter of 2026](#) – the first quarterly contraction in three years – even as export revenue surged 27.7% in March, driven by a 43.7% increase in non-automotive manufactured goods including electronics. The contrast underscores the difficult position Mexico finds itself in heading into the summer: strong trade numbers masking underlying economic weakness.

 President Sheinbaum [signed a pact requiring all federal public infrastructure projects to use Mexican-made steel](#), framed as both an industrial policy measure and a direct response to U.S. tariff pressure. She also announced plans to grow domestic production in textiles, footwear, semiconductors, solar panels and batteries, with supporting decrees to follow in May.

 Argentina's main labour confederation, the CGT, [filled Plaza de Mayo on May 1 with the largest union march of Milei's presidency](#), with social movements and opposition parties demanding he reverse course on factory closures and wage erosion. The rally was anchored in tribute to Pope Francis, who died a year ago and had called Milei's austerity package “a serious problem.”

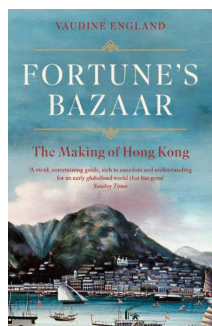
 Morgan Stanley analysts [see the next 18 months as crucial for Latin America arguing](#) the real upside comes from positioning in countries where fiscal consolidation is either in its early stages or not yet priced by markets. In a bullish scenario, the Brazilian real could gain 30% and the Mexican peso could rise 20%. Improved policy credibility should also boost government bonds and lead to credit rating upgrades, especially in Argentina and Colombia.

La Cita

“Once you put everything in the right perspective, even bad times can be an opportunity to refresh your appetite, your desire.”

[Alex Zanardi](#) (1966–2026) Paralympic legend and F1 racing driver

La Lectura



Most histories of Hong Kong focus on British and Chinese figures, but **Fortune's Bazaar** looks at the Indians, Parsis, Jews, Armenians, Portuguese, and Eurasians — as well as the opium and gold smugglers, missionaries, and migrants who built the city's strange, cosmopolitan character from the margins. A genuinely fresh angle by [Vaudine England](#) on a well-covered city.



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