



AMERICAN
BANKRUPTCY
INSTITUTE

International Latin America Insolvency Symposium

Geopolitics, Energy Shocks and Restructuring Risk in Latin America

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WORKING BRIEFING · AS OF 26 AUGUST 2026

Geopolitics, Energy Shocks & Restructuring Risks (and opportunities)

Panel Moderator:

Jorge L San Miguel – Ankura Consulting

Panelists:

Ariel Fischman – 414 Capital, Miami FL

Kevin Hulbert – XK Group, Washington DC

Alvaro Garza-Galvan – DLA Piper, Mexico City

Overview of Cuba's Electric System Given Recent Historic Geopolitical Shifts



WORKING BRIEFING · AS OF 26 AUGUST 2026

Cuba's Electric System

Challenges, assets, tariffs, the 2026 opening, and financing pathways

Bottom line: a legally half-open, physically collapsing, sanctions-constrained system. Pieces of the opening are already written into the Gaceta; the binding constraints are fuel, grid strength, peso convertibility and sanctions architecture.



Compiled from Union Electrica de Cuba (UNE or the state-owned electric utility) daily notes, Ministerio de Energia y Minas (MINEM), Ministerio de Economia y Planificacon (MEP) and Gaceta Oficial, and independent reporting (Reuters, EFE, IPS, pv magazine). The UNE is the operator reporting on itself, with no audited financials so the figures are best treated as directional rather than verified.

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WHERE THE SYSTEM STANDS

Executive summary

More solar and a legal challenges in the state monopoly — and the worst peak deficits on record.

1 The deficit is structural

Availability of 1,030–1,200 MW against roughly 3,300 MW of demand. Peak deficits of 2,100–2,400 MW, up from 1,500–1,900 MW in March. Two-thirds to three-quarters of the island is dark at peak by design.

2 Collapse is a pattern, not an event

Seven nationwide SEN collapses in 2026 (twelve in about 24 months). Havana routinely sees 18–20+ hour outages; some interior circuits have gone three days, and single transformer failures have run as long as 105 days.

3 The constraint is fuel, not nameplate

Cuba needs ~100,000 bpd and produces ~40,000. Venezuelan flows stopped; one Russian cargo arrived in March, a second turned around in May. Roughly 1,400 MW of distributed plants and barges sit idle for want of diesel and fuel oil.

4 The opening has already started

54 solar parks and 1,300+ MW installed; a first 50 MW battery at Cotorro. In June the National Assembly approved 176 transformations — Axis 6 opens fuel import/retail and parts of T&D and commercialization to private and foreign capital.

Forecast near term - another summer of 2,000 MW night deficits.

Cuba Electric System · Executive summary

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SECTION 1 • OPERATING REALITY

Operating snapshot: March vs. late August 2026

Five months of added solar did not change the night. It got worse.

INDICATOR	MARCH 2026	LATE AUGUST 2026
Typical peak demand	~3,000–3,150 MW	~3,300 MW
Available generation at peak	~1,185–1,800 MW	~1,030–1,200 MW
Peak deficit / planned load-shed	~1,500–1,900 MW	~2,100–2,400 MW
Territory dark at peak	Large, variable	~66–74%
Nationwide SEN collapses in 2026	2 by early March	7 year-to-date (12 in ~24 months)
Record daily impact	~2,000 MW class	2,411 MW (5 Aug); 2,327 MW (23 Aug)

25–26 August: UNE forecast ~1,160–1,200 MW available against 3,300 MW demand, with 2,130–2,170 MW of planned disconnection — around the clock.

Cuba Electric System • Operating reality

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SECTION 2 • GENERATION ASSETS

Where the megawatts are — and are not

The largest unused resource on the island is already built and sitting idle.

Thermoelectric fleet (nominal)	2,000 MW	8 Soviet-era oil plants, past design life. About 7 of 16 units offline in late August; derates of 434–512 MW. Guiteras alone tripped 16–17 times in 2026.
Idle distributed generation & barges	1,400 MW	106 distributed plants (~890 MW) plus Mariel and Moa engines and the Regla and Melones barges — stranded for lack of imported diesel and fuel oil.
Installed utility solar	1,300 MW	54 parks; 1,464 MW of renewables claimed by late July. Covers 38–51% of daytime energy, but is curtailed toward ~580 MW because the grid cannot absorb it.
Battery storage in service	50 MW	Cotorro 50 MW / 50 MWh commissioned July 2026. CUJAE, Cueto and Bayamo follow — a 200 MW program against a 2,000+ MW night gap.

Priority: firm night MWs come from restarting idle engines with private imported fuel + finishing the 200 MW of storage — not from the next tranche of solar parks.

Cuba Electric System • Generation assets

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SECTION 3 · FUEL & SANCTIONS

The fuel blockade and the sanctions architecture

The opening is happening under maximum U.S. pressure, not after sanctions relief.

29 Jan 2026	Mar / May	1 May 2026	11 Jun 2026	23 Jul 2026
EO 14380 National emergency; tariffs on third countries supplying oil to Cuba	Russian cargoes One ~730,000-barrel tanker arrived; a second diverted in May	EO 14404 Blocking and secondary sanctions on energy, finance, metals, defense	CUPET listed State oil company added to the OFAC Specially Designated Nationals (SDN) list	Further designations CEINPET, ENERSA, EINARBO and GAESA-linked port entities
Fuel math - Requirement of roughly 100,000 bpd v domestic output near 40,000 bpd. - State-to-state flows largely stopped; Mexico paused; summer supply was domestic crude, Enagas associated gas and solar. - The minister's own framing: a thermoelectric unit can now fail for any reason.		What it means for deal structure - World Bank, IMF and IDB access is unrealistic while this architecture stands. - Vehicles routed through CUPET or GAESA affiliates is DOA for dollar-clearing capital. - The U.S. track is deliberately dual — close down state fuel, license some private fuel commerce.		

Cuba Electric System · Fuel & US Treasury Sanctions; Centro de Investigaciones del Petróleo SA; Empresa de Energía SA; EINARBO SA; Grupo de Administración Empresarial SA

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SECTION 4 · TRANSMISSION & DISTRIBUTION

Grid, not just generation

A linear east–west backbone with little redundancy, mid-teens losses, and no recapitalization between March and August.

Structural weaknesses 220 kV / 110 kV backbone of roughly 2,800 km and 4,200 km, east–west and largely linear. - Technical and non-technical losses of about 15–17%. - Diezmero, Naranjito and Cotorro remain the reconnection nodes after every collapse. - No evidence of large-scale T&D recapitalization in 2026; deferred maintenance raises the T&D share of the eventual bill.	Operating choices and new risks 631 'protected' circuits absorbing 800+ MW are reserved for food, agriculture, irrigation and hard-currency sectors — lengthening household blackouts. - Transformer stock and replacement delays are now a reliability issue in themselves (the 105-day outages). - Vegetation management on 33/13.8 kV feeders and 110/220 kV corridors is unchanged and crew-limited. - Solar swings and sudden thermal trips create frequency and voltage oscillations the old dispatch centre was never built to absorb.
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Cheapest megawatts: loss reduction, feeder automation and collection — before any new build.

Cuba Electric System · Grid & T&D

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SECTION 5 • TARIFFS & FEED-IN

Tariffs, subsidies and the 90 CUP question

Consumer tariffs did not change in 2026. The buy-back price did — by 15 to 30 times.

\$ What households pay

- Post-ordenamiento blocks still apply: about 0.40 CUP/kWh for the first 100 kWh, rising through 3.00 CUP and toward 7.50 CUP in upper blocks.
- Average household use is near 185 kWh a month — a bill of roughly 105 CUP at 150 kWh.
- The 2024 surcharge above 500 kWh touches only about 2.7% of 4.08 million residential accounts.
- Production cost references run 3.61 CUP/kWh or higher once imported-fuel premiums are counted.
- The budget still carries an electricity subsidy near 38–40 billion CUP; blackouts destroy the billed-kWh base faster than tariffs can be raised.

90 CUP / kWh

Single feed-in price for renewable energy delivered to the SEN, any hour (Res. 114/2026, modified by 179/2026). Service tax waived.

Read the exchange rate before the tariff.

At the official 24 CUP/USD this looks like USD 3.75/kWh. At the parallel rate near 638 CUP/USD it is about USD 0.14/kWh — and convertibility, not price, is the binding constraint.

Res. 180/2026 incentives.

Duty-free import of PV, wind, biogas, solar air-conditioning and EV chargers; up to eight years of income or profit-tax exemption equal to certified investment, on an ONURE dictamen.

Cuba Electric System • Tariffs & feed-in

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SECTION 6 • LEGAL OPENING

The 2026 legal opening — Axis 6

In June the National Assembly approved 176 economic transformations across 23 axes. Implementation has started, not merely been announced.

1 Fuel import and retail

Private and foreign capital may import and sell fuel, including the pump network. First foreign fuel venture authorized; about 200 Cuban firms licensed for wholesale.

2 Upstream oil and gas

Extraction opened to private and foreign parties by concession or joint venture under an August decree.

3 Transmission and retail supply

Private actors may, with authorization, participate in electricity transmission, distribution and commercialization.

4 Stations with PV + storage

Service stations are to add solar and storage and operate off the SEN; EV charging is encouraged.

5 Foreign-investment rules

Decree 153 amends Decree 325: shorter committee clocks, dual-currency operation and an investor role in hiring.

6 Diaspora capital

Cubans abroad may invest in private firms under Law 118 — previously limited to residents and to partnerships with state entities.

The guardrail: Díaz-Canel has ruled out privatizing strategic national services — this is concession- and JV-shaped opening.

Cuba Electric System • Legal opening

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SECTION 7 · CAPITAL STRUCTURE

Financing alternatives: a USD 8–10 billion gap

The end-state stack is unchanged. What has changed is which tranche can be drawn first.

Private FDI / IPP / PPP 40–50%	Year 1: fuel import, rooftop and C&I solar, stations with PV and storage. Later: utility solar-plus-storage PPAs.	Conditions precedent – Ring-fence revenues in an Energy Transition Fund that pays debt service and maintenance ahead of the general budget. – Pair the 90 CUP feed-in with an explicit FX window or a dollar-denominated PPA slice — otherwise imported modules cannot be financed. – Charge the 631 protected circuits near cost and fund the household lifeline block from that margin. – Keep designated SOEs out of the vehicle; use non-U.S. developers and dual-currency structures. – Target 85–90% effective collection within two to three years.
Bilateral (China and others) Material now	Parks and batteries are already arriving. Treat as the bridge until multilaterals exist.	
Multilateral (WB / IDB / IMF) 30–40% later	Blocked today. Becomes realistic only if the sanctions architecture changes.	
Climate funds / green bonds 10–20%	Storage and T&D hardening are eligible; convertibility is still required.	
Diaspora / remittance vehicles Supplement	Now legally easier under Law 118; useful for distributed systems.	

Cuba Electric System · Capital structure

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SECTION 8 · PHASING

Sequencing: what can be financed now, and what must wait

The three-phase map still holds. August 2026 changes the order inside Phase 1.

MONTHS 0–12 Stabilization	YEARS 1–3 Resilience	YEARS 3–7 Institutions & scale
• Private fuel into stranded distributed generation and the barges. • Emergency repairs at Guiteras, Felton, Mariel and Nuevitas — 400–600 MW of firm power if fuel exists. • Finish the 200 MW BESS program and use it to uncurtail existing solar. • 500–800 MW more distributed and rooftop PV under the 90 CUP tariff; transformer stockpile.	• IPP solar-plus-storage under Axis 6; dual-fuel or gas only with a non-sanctioned supplier. • Reinforce critical 220 kV corridors and 20–30 substations. • Smart meters and feeder automation on 20–30% of circuits; microgrids for hospitals, water and tourism. • Independent regulator outside UNE/MINEM and a ring-fenced modernization fund.	• The multilateral and green-bond stack becomes realistic — only if sanctions ease and regime structure and/or policy changes. • Retail tariffs approach regional norms while the lifeline block is preserved. • Modern dispatch with solar and storage forecasting; workforce partnerships. • Full cost-reflective commercial and industrial pricing.
Target. night deficit from ~2,200 MW toward 1,200–1,400 MW; household blackouts from 18–20 hours toward 8–10.	Target. losses below 12%; storage scaled beyond 200 MW; published UNE accounts.	Target. a bankable, regulated utility that can carry project debt on its own cash flow.

Cuba Electric System · Phasing

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SECTION 9 • WATCH LIST

Priority issues to track

For counsel and sponsors preparing for Cuban energy transactions.

1 Convertibility

A peso feed-in without an FX window is not a bankable revenue stream. Test the repatriation mechanism before the tariff.

2 Counterparty screening

CUPET, CEINPET, ENERSA, EINARBO and GAESA-linked entities are designated. Ownership chains, ports and payment banks all need diligence.

3 No independent regulator

Tariff setting, dispatch and enforcement all sit inside UNE/MINEM. Concession economics depend on a regulator that does not yet exist.

4 Opaque accounts

UNE publishes no standalone audited P&L and sits inside the central budget. Expect to build the financial model from physical data.

5 Curtailment risk

The grid is already curtailing 580–900 MW of solar. Storage and dispatch capability, not nameplate, determine whether a PPA gets paid.

6 Security package

Concession and JV structures, not asset sales. Step-in rights, arbitration seat, and the treatment of state off-taker arrears are the negotiation.

Closing assessment: the opportunity is no longer hypothetical, though not fully matured. Sequenced private fuel, storage, the 90 CUP feed-in, protected-circuit cost recovery, transparency, credible regulatory structure and sanctions-clean vehicles could move money and megawatts near term.

Working paper compiled from public official statements and independent reporting; daily UNE figures move. Discussion materials only — not legal or investment advice.

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Mexico Political & Economic Update



**Mexico: challenges
stemming from geopolitics
and domestic policy choices**

In This Presentation

- ① **MACRO FUNDAMENTALS**
Mexico retains solid economic fundamentals
- ② **TRADE LANDSCAPE**
The country navigates a dynamic moment
- ③ **INVESTMENT INITIATIVES**
President Sheinbaum continues to make efforts to attract private investment
- ④ **ECONOMIC GROWTH**
Reactivating economic growth remains Mexico's most pressing challenge

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MACRO FUNDAMENTALS

Mexico retains strong macroeconomic fundamentals & commercial advantages

13th Largest World Economy

2026 Nominal GDP (\$US trillions)

12 th	Spain	\$2.04
13 th	Mexico	\$2.03
14 th	Australia	\$1.95

Biggest US Trading Partner

2026 YTD Exports + Imports (\$US bn)

1 st	Mexico	\$147.3
2 nd	Canada	\$110.3
3 rd	China	\$56.3

Large Industrial Base

2024 Latin America Manufactured Exports (\$US billions)



Mexico produces 74% of Latin America's manufactured exports despite being just 25% of its GDP

Modest debt-to-GDP ratio

2025 Debt to GDP ratio

Brazil	87%
Colombia	61%
Mexico	53%

Globally Integrated Economy

Mexico has:

14 FTAs with
52 countries representing
60% of global GDP.

Source: US Census Bureau, IMF, Economy Ministry (SE), McLarty analysis of World Bank Data

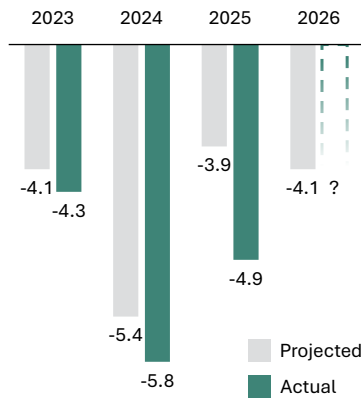
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MACRO FUNDAMENTALS

Despite solid fundamentals, Mexico's fiscal space continues to tighten

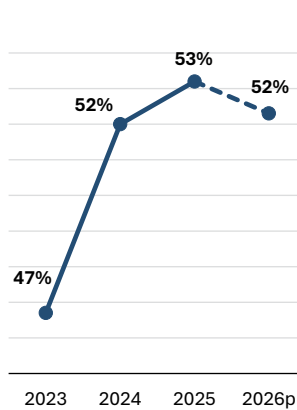
HIGH BUDGET DEFICITS

Budget deficit as % of GDP (RFSP)



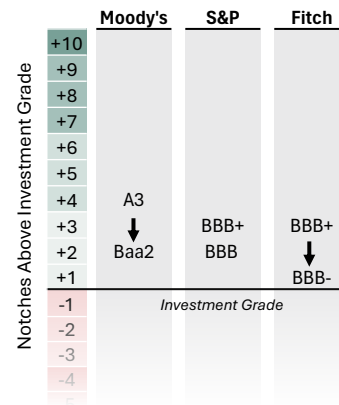
DEBT TO GDP RISING

Debt to GDP ratio (SHRFP)



CREDIT RATING DOWNGRADES

Sovereign credit ratings: 2018 vs 2026



Source: Finance Ministry (SHCP) and McLarty desk research

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TRADE LANDSCAPE

Multiple major US tariffs apply to Mexico

ACTIVE

NO USMCA EXEMPTIONS

10 to 50%

Steel, Aluminum & Derivatives
Section 232 • March 2025
Note: tariff range for products made entirely from steel/aluminum, derivatives, industrial equipment, etc.

10 to 50%

Copper & Derivatives
Section 232 • August 2025
Note: tariff range for products made entirely from copper, derivatives, industrial equipment, etc.

10 to 25%

Lumber & Derivatives
Section 232 • October 2025
Note: 10% tariffs on wood products and 25% tariffs on various furniture products

15 to 100%

Pharmaceuticals
Section 232 • April 2026
Note: up to 180-day phase-in; exemptions apply for select companies and countries with trade agreements

0 to 25%

Semiconductors
Section 232 • January 2026
Note: Highly limited tariff; only covers certain chips and does not affect Mexican exports in practice

ACTIVE

USMCA EXEMPTIONS

10%

Global Baseline Tariff
Section 122 • February 2026
USMCA goods fully exempt

25%

Autos & Auto Parts
Section 232 • April 2025
Some USMCA exemptions

10 to 25%

Medium/Heavy Vehicles & Buses
Section 232 • November 2025
Some USMCA exemptions

10%

Forced Labor
Section 301 • July 2026
USMCA goods fully exempt

INACTIVE

THREATENED

?

Excess Capacity
Section 301 • March 2026
Investigation ongoing

?

Section 232 investigations & other paused / upcoming tariffs

Note: Tariff rates depicted are nominal only; effective rates will differ based on carveouts, country of origin, derivatives and final products coverage, and ongoing phase-ins. This list is not exhaustive and is intended for illustrative purposes only.

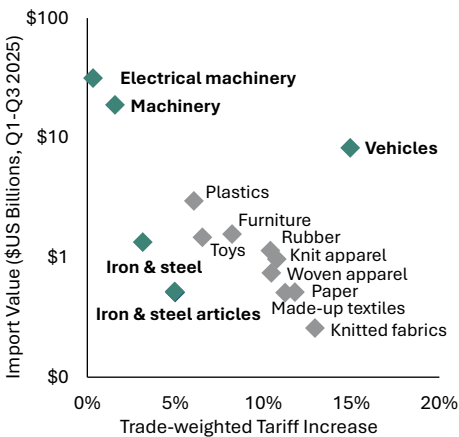
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TRADE LANDSCAPE

Continued US-Mexico Cooperation

NEW TARIFFS ON CHINA TARGET KEY SECTORS

Trade-weighted tariff increase on Chinese imports



Source: McLarty analysis of tariff package, Bank of Mexico data

SECURITY ENFORCEMENT HAS INCREASED

Monthly security indicator averages*

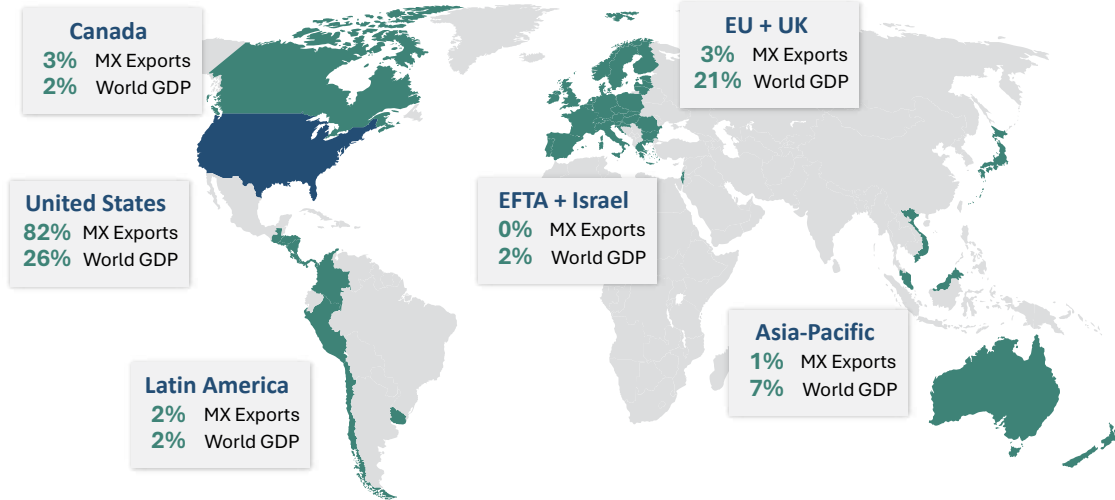
Indicator	AMLO	CSP	% Change
Labs Destroyed	37	130	249%
High-impact Detentions	1,356	2,891	113%
Firearms Seized	763	1,440	89%

*First year of Sheinbaum administration vs full AMLO term

Despite strong cooperation, security discussions remain dynamic and unpredictable

TRADE LANDSCAPE

Mexico's large FTA network offers opportunity to diversify its global value chains

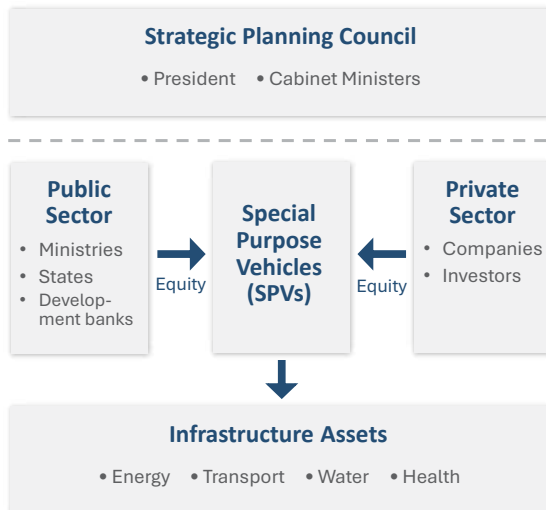


Source: McLarty analysis of IMF, UN Comtrade data. Note: Data for 2025

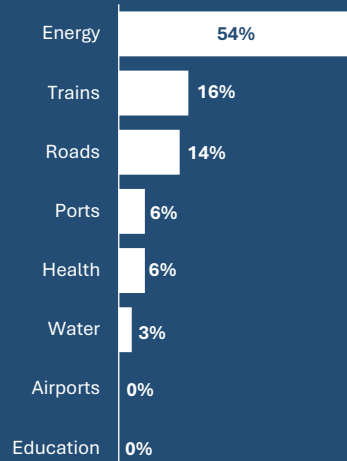
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INVESTMENT INITIATIVES

New investment law signed in April; aims to deploy ~\$280B in total new capital



Sectoral spending allocation, 2026–2030



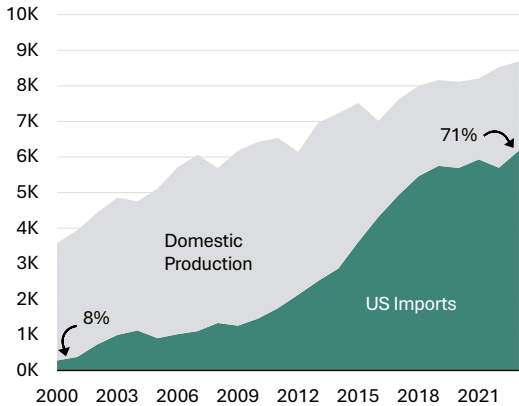
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INVESTMENT INITIATIVES

Sheinbaum to allow fracking to reduce dependency on US energy imports

MEXICO NOW IMPORTS 71% OF GAS SUPPLY

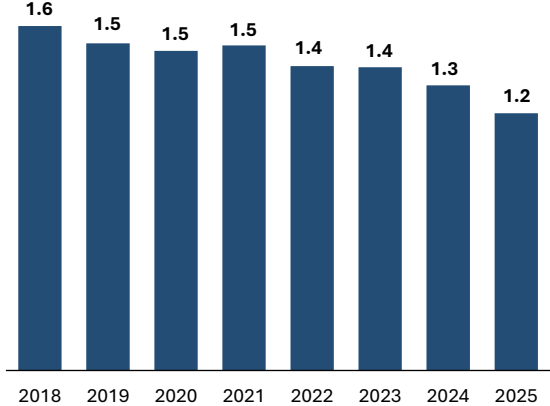
Mexico natural gas supply by source (MMcf/d)



Source: CONAHCYT, Pemex

AND CRUDE PRODUCTION CONTINUES TO FALL

Pemex crude oil production (Mbpd)



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INVESTMENT INITIATIVES

Despite ambitious objectives, Plan Mexico has not been fully implemented

DEVELOPMENT POLES (SPECIAL ECONOMIC ZONES)

Plan Mexico designates special economic zones nationwide; each bundles tax incentives & accelerated permitting to anchor investment

ANNOUNCED

15

In January 2025

LEGALLY CONSTITUTED

86%

(13 out of 15 as of 04/2026)

TOTAL PRIVATE INVESTMENT

?

No official registry; no major announcements

NEARSHORING TAX INCENTIVES

Allow expensing 100% of new fixed-asset investment in year one, plus an extra 25% of incremental spend on worker training/innovation

INCENTIVE CAP (TO 2030)

\$1.6B

INCENTIVES CLAIMED - FY2025

\$40M

INCENTIVES CLAIMED - FY2026

\$59M

At current rates, only 19% of available tax credits (US \$291 million) are set to be claimed by 2030, suggesting lower uptake than anticipated

Source: Finance Ministry (SHCP), McLarty desk research

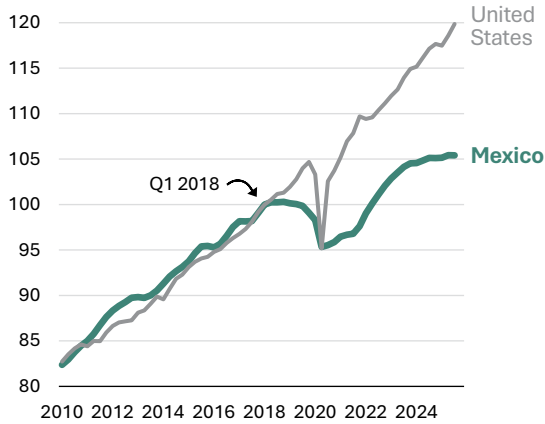
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ECONOMIC GROWTH

Mexico's most pressing challenge is now reactivating economic growth

GROWTH HAS DECELERATED SINCE 2018...

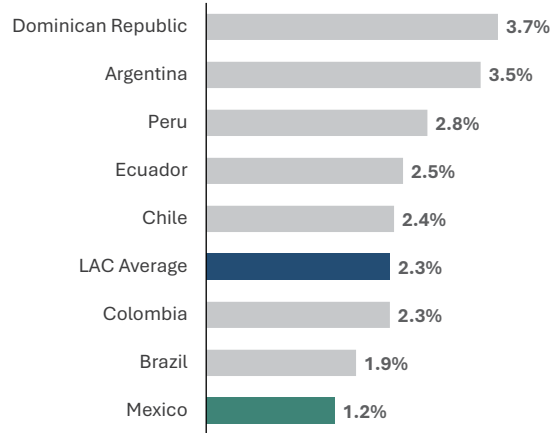
GDP (constant \$US; Q1 2018 = 100)



Source: INEGI, St. Louis FRED, IMF July 2026 WEO

AND 2026 PROJECTION IS LOWEST IN LATAM

2026 projected GDP growth (constant \$US)



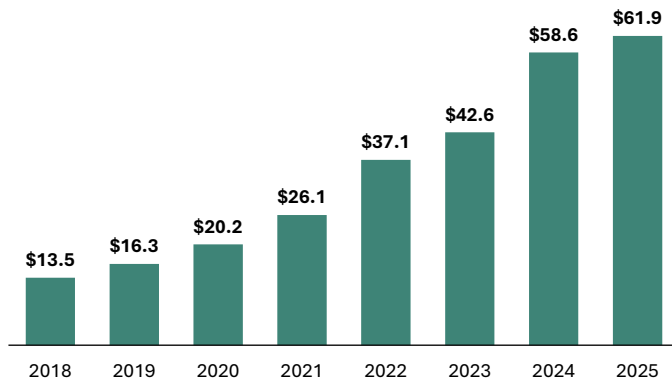
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ECONOMIC GROWTH

Aggressive and discretionary tax collection continues to undermine business confidence

OUTSTANDING SAT TAX CLAIMS AGAINST LARGE TAXPAYERS

Inflation-adjusted \$US billions



Source: McLarty analysis of Finance Ministry (SHCP) quarterly reports

Between 2018 & 2025:

4.6x Growth in **outstanding tax claims** against large taxpayers

2.9x Growth in **audit revenue collected** from large taxpayers

1.2x Growth in revenue collected from **tax fines**

22¢ of every new \$1 in federal tax revenue came from **auditing large taxpayers***

*Large Taxpayers are the top 0.2% of Mexico's tax base (172,000 companies and individuals)

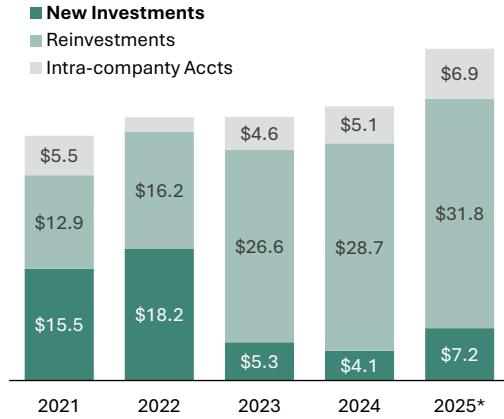
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ECONOMIC GROWTH

Low investment is one of the greatest constraints on growth

NEW INVESTMENTS NOW SMALLER SHARE OF FDI

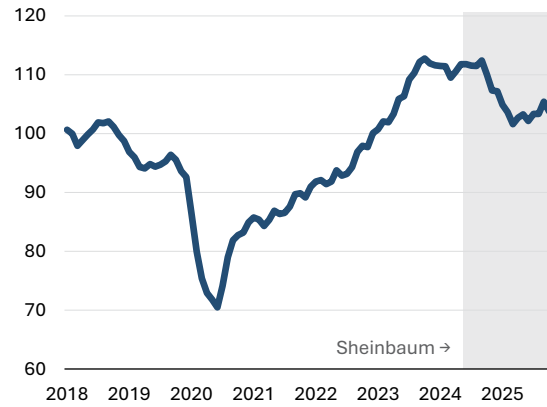
FDI inflows (\$US billions)



Source: Economy Ministry, INEGI; Note: 2025 data up to 3Q

TOTAL INVESTMENT HAS FALLEN BY 6% SINCE 2024

Gross fixed capital formation (2018=100)



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Thank you!

For more information please contact:
jluna@maglobal.com



ANNEX 1

Mixed investment process under new infrastructure law





Latin America: A New Geopolitical Era

The region is becoming far more strategically important than at any point in the last 20 years

A newfound U.S. interest — sharpened by the influence of Secretary of State Marco Rubio — now sits at the intersection of great-power competition, critical minerals, energy security, migration, and organized crime.

US-China
Competition

Critical
Minerals

Energy
Security

Migration

Organized
Crime



1 The Overriding Issue: US–China Great-Power Competition

This theme ripples through nearly every other item in this briefing

Two decades of Chinese economic influence-building

Belt and Road and other programs have funded major infrastructure across the region — China understands that economic dependence creates strategic leverage.

Panama: the clearest example

The Panama Canal illustrates how deep economic entanglement can translate into strategic influence — a dynamic the U.S. is only now beginning to fully reckon with.

Washington's lens has shifted to national security

The U.S. increasingly views Chinese involvement in Latin America as a national-security matter, not just a commercial one — reflecting China's status as the country's top perceived global threat.

Watch for: this China-competition thread running through Mexico, Venezuela, Colombia, critical minerals, and energy policy alike.

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2 US–Mexico Relations

The single most consequential bilateral relationship in Latin America

- Cartels and organized crime — including U.S. pressure for direct military action
- Illegal immigration
- USMCA renegotiation
- Chinese investment flowing into Mexico
- Mexico's judicial and institutional changes, and rule-of-law metrics
- Corruption

Mexico's dual role

Simultaneously America's most important manufacturing partner — and one of China's major gateways into the U.S. market.

A lot of US-Mexico issues to watch — and they interact with nearly every other theme in this briefing.

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3 Mexico: Will Washington Take Direct Military Action?

"A definite maybe" — with a lot of wildcards in the calculus

Unilateral U.S. military action in Mexico could trigger a sovereignty crisis — and potentially lead to President Sheinbaum's removal from office.

THREE FACTORS CURRENTLY WORKING IN SHEINBAUM'S FAVOR

1

POTUS likes her

2

POTUS is busy with other things

3

POTUS has been warned that unilateral action could provoke a political crisis and Sheinbaum's removal

That said, there are a lot of wildcards in this calculus — the verdict is genuinely open.

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4 Venezuela: More Wildcards

Combines nearly everything that makes Latin American geopolitics interesting

- Enormous oil reserves
- Authoritarian government
- Mass migration
- Organized crime
- Deep relationships with Russia, China, and especially Cuba — ties Washington finds problematic

The situation has grown more significant because Washington has already shown a willingness to operate unilaterally, militarily, in Venezuela.

THE CORE CHALLENGE

Everyone in Venezuela is working against the U.S. — which is trying to engineer regime change with 99.9% of the Chavista infrastructure still in place. The verdict is still out.

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5 Critical Minerals & Brazil's Strategic Autonomy

A REGION RICH IN RESERVES — BUT LOW ON PRODUCTION

Lithium

Copper

Silver

Rare Earths

Graphite

Nickel

Tin

Latin America holds enormous quantities of these minerals — but produces relatively little of them today, leaving the strategic potential largely untapped.

Brazil: the region's largest economy

- Enormous agricultural exports
- Oil
- Critical minerals
- A huge domestic market

Brazil has historically practiced strategic autonomy — cooperating with the U.S. while maintaining extensive relations with China and Russia.

The 2026 presidential election is a key test of whether Brazil drifts left or right — a rightward turn could significantly alter the regional balance.

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6 Regional Security Realignment

Colombia, Ecuador, Guatemala, and El Salvador are all shifting toward closer U.S. security cooperation

Colombia moves toward Washington

The new government has moved toward much closer security cooperation with Washington, which has even discussed joint military operations against Colombian armed groups. Open question: does Colombia become the central U.S. security partner in South America?

Ecuador and Guatemala: from crisis to partnership

Both became major cocaine-transshipment points, and violence exploded — Ecuador responded with increasingly aggressive military measures. Both are now becoming important U.S. security partners. Will it hold, or will the narcos win?

El Salvador: Bukele's "authoritarian security model"

Aggressive policing, mass arrests, and military deployment — amplified on social media — has been a striking success, and President Bukele is now influencing politicians in Colombia, Ecuador, Guatemala, Peru, and Chile.

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7 Morphing Cartels & Transnational Organized Crime

Bigger than "the drug war"

GROUPS INCREASINGLY OPERATING ACROSS BORDERS

Sinaloa Cartel

CJNG

Tren de Aragua

ELN

FARC Dissidents

PCC

Ecuadorian Gangs

● Territorial control, not just trafficking

Some of these groups control territory, ports, mines, and transportation corridors — functioning more like parallel authorities than trafficking rings.

● Reclassified as national-security threats

The United States is increasingly treating some of these groups as national-security threats rather than conventional criminal organizations.

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8 Argentina: Milei's Ideological Realignment

Javier Milei is attempting something more consequential than simple economic reform — moving Argentina toward a U.S. model of free-market capitalism and alignment with Trump, and away from China- and Venezuela-style socialism and Peronism.

WHY ARGENTINA MATTERS: ENORMOUS POTENTIAL IN

Lithium

Copper

Shale Oil

Natural Gas

Agriculture

\$20 Billion+

The recent Argentina–Chile effort to integrate cross-border mining could potentially unlock this much in mining investment.

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9 Latin America's Emerging Energy Superpower Potential

Trump is focused on reversing 20 years of declining regional oil production

A five-country hydrocarbon bloc

Brazil, Guyana, Argentina, Mexico, and Venezuela collectively possess enormous hydrocarbon potential.

Argentina's Vaca Muerta

This shale formation could eventually make Argentina a significant oil and gas exporter in its own right.

Middle East disruptions raise the stakes

Recent disruptions to Middle Eastern oil supplies have further highlighted the strategic importance of Western Hemisphere production.

The region has gone the wrong way on oil production for two decades — Washington now sees reversing that trend as a strategic priority.

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Bottom Line

Latin America has re-entered great-power calculations. U.S. engagement is intensifying simultaneously across Mexico, Venezuela, Colombia, Argentina, critical minerals, and energy — largely as a function of competition with China.

KEY UNCERTAINTIES TO WATCH

- Whether Washington takes direct military action in Mexico
- Whether Venezuela's regime-change effort can succeed against an intact Chavista structure
- Whether Colombia becomes South America's central U.S. security partner
- Whether Brazil's 2026 election tips the region left or right
- Whether Argentina's mining and energy potential — and its U.S. realignment — hold

Source: internal geopolitical briefing notes on Latin America, current as prepared. For discussion purposes.

Faculty

Ariel Fischman, ASA is the founder of 414 Capital in Miami, the most active corporate finance house in Latin America. He began his career in the financial industry in 2001, working for such international financial institutions as Goldman Sachs, J.P. Morgan and BankBoston, both in Mexico and in the U.S. He also has served on the boards of several private and public companies. Mr. Fischman is an Accredited Senior Appraiser by the American Society of Appraisers, a chartered member of the Royal Institution of Chartered Surveyors (RICS) and a member of the Standards Review Board of the International Valuation Standards Council (IVSC). He received his undergraduate degree in business administration valedictorian from Universidad Iberoamericana, and he holds a Master's degree in infrastructure from New York University and two postgraduate degrees in Money Market Finance and Derivatives from ITAM.

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Kevin Hulbert is the founder and CEO of XK Group Business Intelligence in Washington, D.C., after a distinguished career with the Central Intelligence Agency (CIA), where he held a variety of high-level jobs and became a recognized expert on counterterrorism, counterproliferation, counterintelligence, human intelligence (HUMINT), Latin America, South Asia, nontraditional operations, cybersecurity and covert action. A senior leader in the Directorate of Operations, Mr. Hulbert spent many years analyzing political and security issues around the world. He has often been called upon to deliver briefings for high-level intelligence community, congress, and White House policymakers on a variety of issues. He also collaborated extensively with multiple foreign liaison partners, particularly in counter nuclear proliferation and counterterrorism. From an overseas location, Mr. Hulbert led some of the Agency's biggest and most complex counterterrorism operations abroad. His final job in government service found him working with the Federal Bureau of Investigation (FBI), where he

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