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Latin America: Hope and Opportunity



Fiona Clouder has wide experience of Latin America, including as the British Ambassador to Chile (2014-2018) and as Regional Ambassador, Latin America and Caribbean, COP26 (2020-2022) driving diplomatic engagement at the top of governments and business, to build partnerships and influence for the UN Climate Change Conference - COP26 – outcomes and a Net Zero world. She is also a Distinguished Fellow of RUSI (Royal United Services Institute). She previously led the FCO (Foreign & Commonwealth Office, now FCDO) strategy on Latin America (the Canning Agenda). Fiona joined the FCO in 2001, from the Research Councils (now UKRI) to build and lead the global Science and Innovation Network (UKSIN). Now working in the private sector, she continues to focus on Latin America, business links and government relations.

“Latin America is very fond of the word “hope.” We like to be called the “continent of hope.” Candidates for deputy, senator, president, call themselves “candidates of hope.” This hope is really something like a promise of heaven, an IOU whose payment is always being put off. It is put off until the next legislative campaign, until next year, until the next century.”

Words of the Nobel Prize winning Chilean poet and diplomat Pablo Neruda from his *Memoirs* which seem still pertinent today as a summary of the region. The context from which the passage was taken was actually about meeting Che Guevara in 1962. The passage continues “A neighbouring country, very powerful and highly imperialist, wants to crush Cuba, hopes and all”. Today’s context is different but the issues of left vs right and geopolitical drivers resonate.

The last two decades brought first hope to Latin America, with growing economies, an emergent middle class and a young demographic; but then disillusion at the pace of change and continued inequality, with expectations not met on standards of living or access to healthcare and education, compounded by the devastating impact of the pandemic. Big political swings between left and right and rising organised crime have added to the uncertainty; but a new era brings hope, stability and opportunity.

25 years ago, the region was dominated by right wing governments, with the exceptions of Chile and Venezuela. Jump forward to 2023 and the ‘pink tide’ resulted in most countries being run by left wing parties, with the exception of Paraguay (further consolidated by the conservative ruling party win in October 2023) and Uruguay.

In November 2023, however, the surprise win in Argentina of the right-wing Milei led to controversial ‘chainsaw’ austerity reforms; Milei has since been endorsed by wins in landslide mid-term elections. Mexico held to the left in October 2024, with a decisive victory for Claudia

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Sheinbaum. But in October 2025, Bolivia voted for change with the election of centrist Rodrigo Paz after two decades of socialism.

2026 sees a number of further key elections in the region and a likely reversal of the 'pink tide' to a 'blue wave'. Factors at stake and influencing voters include measures to attract investors, particularly in the mining and energy sectors and for infrastructure; actions against organised crime and narco-trafficking; and promotion of social and economic reforms.

Following elections in December 2025, right wing President Jose Antonio Kast took office in Chile in March. The right-wing populist Laura Fernandez won elections in Costa Rica in February 2026 and assumed office on 8 May. In Colombia, where Presidential elections are scheduled on 31 May, polls oscillate between Cepeda, the ruling party's candidate, and the right-wing candidate Aberlardo De La Espirella. Following general elections in Peru in April 2026, a highly polarised run off for the Presidency between Keiko Fujimori on the right and Roberto Sánchez on the left, will take place on 7 June.

General elections will be held in Brazil in October 2026 in a contest likely to be between the current President, Lula, and Flavio Bolsonaro, the son of the former President, who is currently serving a prison sentence for an attempted coup after the 2022 elections. President Trump has just received Flavio in the Oval Office, in what is thought to be a boost to his candidacy, following a visit just weeks ago by Lula.

The year started with US forces removing Maduro from Venezuela to face charges in the US, including narcoterrorism. Delcy Rodriguez was sworn in as Acting President, having to balance pressures from Washington and from within. The timescale for political change and democratic elections remains uncertain. The oil sector is starting to open up, but many barriers to investment remain.

The US cutting off Venezuelan oil supplies is one of many factors affecting Cuba. Economic pressures are increasing and US military action is a possibility. Criminal charges have been filed against former leader Raúl Castro. US Secretary of State Rubio has promised the Cuban people 'a better future' but it is not clear how this will be achieved.

Turbulent times and turbulent changes across the region – and across the world! So, what can make things different for the 'continent of hope' in the next decade? Latin America has what the world needs: critical minerals, an opportunity not just for economic and social benefit, but also for repositioning, negotiation and strategic partnerships.

Critical minerals are critical for the energy transition to address climate change. Fivefold increases in supply are needed to meet 2050 goals. But the debate has also moved on to recognise the general importance of critical minerals for industrialised economies and for defence and security. For example, following a range of measures in the US, in February 2026 Secretary Rubio convened 50 countries for the Critical Minerals Ministerial and discussions in Washington on reserves and supply chains, illustrating the importance for economies and for national security.

Latin America holds leading positions in world reserves of copper and lithium and also has important assets of other minerals, including nickel, cobalt and rare earths. But whilst production potential is high, value has yet to be fully realised, not just with regard to extraction but also processing, product manufacture and recycling, with opportunities across the whole value chain. Business opportunities and potential strategic partnerships abound.

Political certainty, legislative stability, and consistent state policy to attract investment are key to turning 'hope' into certainty and optimising the opportunity of a generation.

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