

Introduction

Latin America stands at a crossroads not only at the regional and international levels, but also at the national level. How it navigates these challenges will largely determine its prosperity and future in the coming decades.

The global environment is characterised by fragility, polarisation and fragmentation, against a backdrop of strategic competition between the United States and China, followed by revisionist countries such as Iran and Russia. This rivalry could lead the world into a scenario of reduced cooperation and trade and technological war, with consequences yet to be fully understood.

The “geopolitics of uncertainty” has returned with unprecedented vigour, particularly with the arrival of President Trump’s second administration in Washington in January 2025 and his desire to reclaim leadership and power. For its part, Latin America is navigating amidst the reinterpretation and revival of the Monroe Doctrine and hemispheric debates on migration, drug trafficking, trade, and mineral and energy resources.

Within this framework, this document examines the geopolitical challenges of Latin America’s integration into the international order. It does so by analysing the global context and associated risks in order to assess the challenges of regional integration and the construction of a Latin American path based on values and principles. This approach will enable us to engage constructively with the main actors in the global order, such as the United States, China, the European Union and India. Its focus is analytical and forward-looking, looking ahead to 2050.

Global political risks

The year 2026 could be summed up in three words: readjustment, adaptation and conflict. According to the International Crisis Group, “the world seems headed for a paradigm shift. The question is whether it will take place at the negotiating table or on the battlefield”.

This paradigm shift represents a turning point in history, which is reflected in emerging political challenges. We have entered a new historical phase that will shape not only foreign relations, but also the ways in which countries are governed, and the ways in which society functions and produces.

According to the latest report from the Eurasia Group, a series of risks are expected to unfold throughout the year, among which the following stand out:

- a) The functioning of 21ST-CENTURY economic technologies is underpinned by electrons, such as electric vehicles, drones, robots, smart grids, battery storage and artificial intelligence. The foundations of this new 21ST-CENTURY economy will lead to the displacement of nations and relationships of dependency.
- b) The adoption by companies of artificial intelligence and extractive business models could threaten the social and political stability of countries.
- c) The trap of deflation in China and its policies to promote exports of cheap goods to global markets pose a huge challenge.
- d) The threat to Europe arising from Russia's war against Ukraine and its effects on continental security and NATO, as well as the vacuum left by the US withdrawal, are causes for concern.
- e) Access to water is a source of deep and dangerous rivalries and conflicts around the world.

It must be emphasised that economic and commercial competition between the major powers has shifted to the fields of technology, biotechnology and AI. This rivalry is expected to intensify and become more acute over time. The country or bloc that achieves a significant advantage in these spheres will assume leadership in the new global geopolitical landscape. This is the scale of this challenge and what is at stake.

For this reason, the United States and its allies have imposed a whole series of restrictions on exports to China and controls on investment, with the aim of limiting the Asian giant's ability to acquire various equipment and *software* that are critical for the manufacture of semiconductors. For its part, Beijing has responded by imposing restrictions on the export of minerals key to the manufacture of semiconductors and lithium batteries.

Technological protectionism is also present in other countries of the Global South, but with the aim of promoting investment and protecting local producers. In the future, these countries will have to choose whether to align themselves with the US or Chinese sphere of influence, which would be the closest thing to a "technological cold war" scenario.

Despite all the restrictions imposed and the embargoes on microprocessor exports, China continues to make progress in its race. It surprised the world with the launch of DeepSeek (a rival to ChatGPT). This Chinese application has become a disruptive force that is ending Silicon Valley's dominance and opening up the market to new players. Among its features are its free use and open-source nature, which contribute to the proliferation of new developers and generate a positive impact on productivity.

The challenge of regional integration

Is it possible to envisage ambitious integration within the Latin American sphere at a time of geopolitical tension, when nations and regional blocs are reinforcing their walls against the outside world? The answer is yes: in fact, the region can capitalise on this scenario and may even propose a new paradigm in this regard.

The balance of power is shifting, and levels of turbulence are rising due to rivalries with emerging nations from the Global South. Thus, in academic and political economy circles, there is analysis of a "new globalisation" or a sort of "deglobalisation" deepened by the consequences of the acceleration of the Fourth Industrial Revolution.

Indeed, Raghuram G. Rajan, former Governor of the Reserve Bank of India, has highlighted how the ratio of global exports of goods and services to global GDP peaked in 2008 and has been on a downward trend ever since. Furthermore, the world's two largest economies have become increasingly hostile, seeking to reduce their mutual dependence on goods and services. Since the global financial crisis at the start of this century, five times as many protectionist measures as liberalising ones have been enacted worldwide.

At the same time, opportunities are emerging from the restructuring of global supply chains and the shift towards increasingly green economies.

The relocation of operations could generate an additional USD 78 billion a year in exports of goods and services for the region, in sectors such as the automotive, textile, pharmaceutical and renewable energy industries. Mexico and Brazil would be the main beneficiaries (Inter-American Development Bank).

Multidimensional approach

Latin America faces a huge task in advancing integration and redoubling its efforts, adopting a multidimensional approach and guided by the principles of “variable geometry” and “interdependent regionalism”. A highly integrated regional area would help reduce exposure to changes in the trade and industrial policies of its main extra-regional partners.

The value of these instruments was recognised decades ago by Europe and the countries of East Asia. They managed to make decisive progress. Intra-regional trade in Europe accounts for 65% of total trade; in East Asia it stands at around 50%, whilst intra-Latin American trade reaches only 17%. Similarly, unlike our region, Asian countries have managed to develop agile value chains with enormous added value, which are resilient and capable of detecting external risks, in sectors such as consumer goods, healthcare equipment, agricultural technology and electronic manufacturing services, amongst others.

Latin America has failed to consolidate its integration over the decades, which is a source of frustration. Deepening the process must overcome enormous challenges, such as: 1) politicisation and bureaucracy; 2) the fragmentation of the region and the lack of internal cohesion; 3) sensitivities regarding free trade and the ideological baggage of the past; 4) the lack of flexibility in institutional frameworks and convergence between them; 5) the loss of ground in global trade and investment flows, the current reduction in levels of integration, and the deliberate weakening of successful schemes, such as the Pacific Alliance.

A political imperative and a comprehensive agenda

In response, integration must be conceived not as an option, but as a political imperative. It is an aspiration with strategic significance and a comprehensive agenda. It must remain outside the debates between the left and the right. Likewise, it requires us to unite around a joint international projection on key issues and “common ground”.

The central pillars of this project include productive transformation, value chains and trade, infrastructure and logistics, human capital development, and quality foreign investment, amongst others.

The region is called upon to redouble its commitment to renewed integration and to reaffirm the value of democracy, cooperation and multilateralism. Only in this way will it have an active and united voice in the main forums and on the key issues of the international agenda, ensuring a relevant role. Latin American citizens want this. Over 70% support integration and international engagement.

In order to promote greater integration in Latin America, the following elements must be taken into account—based on respect for institutions and stable, common rules—for the development of a comprehensive agenda.

- a) Productive transformation: there is a need to boost productive transformation, with the aim of incorporating greater added value and technology into products, in accordance with the principles of environmental sustainability and the circular economy. Efforts must be directed towards increasing productivity and competitiveness. The path forward is the transition from a model of comparative advantages to one of competitive advantages, which will help break down the barriers of the “middle-income trap”.
- b) Global production chains and trade: three factors—geographical location, the workforce and respect for intellectual property rights—offer the region a tremendous opportunity to integrate into the global economy. Greater specialisation, the development of new sectors and the incorporation of greater value into supply chains are vital so that businesses — particularly small and medium-sized enterprises — can have a multiplier effect on employment and well-being. Furthermore, multi-Latin American companies are essential for competing in the big leagues.
- c) Boosting infrastructure and logistics: these constitute one of the main bottlenecks and shortcomings for deeper integration. Public investment in this area in the region stands at just 3.5% compared to 7% in South Asia or 18% in China. There is a consensus on the need to double and improve the quality of investment in transport, energy, communications and digitalisation, which must exceed 6% of GDP annually. Southeast Asian countries allocate 7.9% of their GDP to this. This

effort must be undertaken jointly by the public and private sectors, with the support of multilateral banks and bilateral institutions, capital markets, funds, and others.

- d) Human capital development at all levels: our societies must raise the standard and quality of education. We need to strengthen education systems and adapt human capital to current needs and those of the 21ST-CENTURY digital revolution.

We must move beyond the traditional educational framework of universities and technical colleges. This involves implementing innovative schemes for specialisation and continuous training, which would enable us to respond to the profound transformations taking place in production, logistics and distribution processes.

- e) Financing: Latin America requires higher levels of savings and investment — as Asian countries have done — and the development of stable, robust systems that are vital for providing financing and diversifying risk.

Similarly, multilateral institutions are key, not only because of the medium- and long-term resources they can provide to the region on favourable terms, but also because of the catalytic role they play and the knowledge they generate.

Institutions such as CAF, the IDB and the World Bank are called upon to take on this challenge in a comprehensive and dynamic manner.

The window of opportunity facing the region must not be squandered once again. Therefore, the government, the private sector and civil society are called upon to work closely and in a coordinated manner to rise to the challenges of our time, to think of the common good and to build broad consensus for the development of long-term strategies.

Boldness, pragmatism and vision are needed. The opportunities are there. To refuse to seize them would be a grave mistake and would deny Latin Americans the chance to live better lives through an integration that beckons and is well worth giving a chance to expand.

The challenge of forging a Latin American path to integration with the world

In the coming years and decades, the military, economic and development dimensions— which include cross-cutting elements such as technology, the environment and energy—

will be shaped by shifts in the new geopolitics and geoeconomics, as well as by the global food, fuel and financial crises; climate change and water issues; and the use of artificial intelligence in various spheres of life.

It is a fact that the centre of power is shifting from the West to Asia: by 2060, this continent will account for more than 55% of global GDP and be home to around 53% of the world's population, with a robust middle class and an advanced process of urbanisation (six of the world's ten largest cities).

The interplay of all these elements is, at least in part, both the cause and effect of a reconfiguration of the international system—in terms of its functioning, its key actors and the power dynamics at play. Former Spanish Foreign Minister Josep Piqué described the process as a realignment of forces at the global level from the perspective of state and non-state actors, as well as rivalry for power or influence over specific territories and their populations. In practice, this means a world whose centre of gravity is less Western, as a result of the strengthening of actors such as China. He termed it a world of “post-Western synthesis”, where there would be coexistence between powers (both declining and emerging) and a convergence of values, ideas and beliefs.

We are faced with different visions regarding how to organise society and construct an order of international relations. G. John Ikenberry, a professor at Princeton University, describes how the rise of new actors brings about new coalitions, institutional arrangements and forms of multilateral cooperation. These dynamics, he adds, could also strengthen regional governance frameworks. In any case, in the absence of better alternatives, the multilateral organisation of the global system remains relevant.

It is into this complex world that Latin America must position itself intelligently. And it must do so whilst growing and working to overcome the traps of poverty and inequality, consolidate a new productive model, tackle climate change and strengthen its democratic institutions in the face of the challenges posed by drug trafficking and transnational organised crime.

The region has a duty to harness its enormous potential. Indeed, one cannot speak of climate change without mentioning Latin America. We are the lungs of the world and part of the solution. The Amazon absorbs a quarter of the planet's CO₂. Our electricity mix is one of the cleanest, with 61% from renewable sources. In terms of minerals, we hold 60%

of the world’s lithium reserves, 50% of copper and 39% of silver—all critical elements for the energy transition. In food, we are the world’s breadbasket, being the largest exporting region. Furthermore, it is the most dynamic region after India in terms of venture capital and unicorns.

The region’s integration into the global economy, alongside integration amongst its own countries, is a systemic challenge of the utmost importance—perhaps one of the greatest in our shared history—as the success and long-term sustainability of the progress achieved at the intra-regional level depend on it.

The construction of a Latin American path to international integration (‘Latin American Way’) constitutes both a challenge and an opportunity to simultaneously foster the best possible relations with key international actors, as well as to participate actively and influentially in the most relevant international forums and mechanisms.

To achieve a comprehensive vision, the guiding principle of *respice omnia* (look at the whole, look at the universe)² is particularly relevant. This concept contrasts with *respice polum*, which would imply looking only at a centre of power —a pole— and with *respice similia* (look at one’s peers), which would ultimately limit us in the global conversation. Latin America is therefore called upon to be present on every possible international platform. The only viable path lies in cooperation, solidarity and multilateralism.

How can this be achieved?

There are five elements that must guide the construction of a Latin American foreign policy in a global landscape where strategic autonomy, interdependence and pluralism are increasingly decisive factors.

- a) Defence of democratic principles: international politics reflects the interplay of a series of intersecting interests that overlap, complement or feed into one another, but it is also a matter of values — if you will, the work of bringing a worldview to

² A term coined by Guillermo Fernández de Soto, former Foreign Minister and President of the Colombian Council on International Relations (CORI).

fruition. In this sense, defending democratic principles, institutions and practices must be the spearhead and the foundation of all action.

- b) Pragmatism: the key to balance lies in pragmatism derived from a multidimensional and multilateral view of the international system—an agenda that prioritises cooperation over confrontation. It is possible to strike a balance in relations with the main global actors without compromising on interests and principles. Likewise, addressing key issues such as the environment, human rights, migration, development, trade and investment, the fight against the global drug problem, and arms trafficking, amongst others.
- c) Unity of purpose: for the Latin American path to be possible, unity of purpose is required. The development of common agendas that do not entail the nullification of each country's legitimate aims and interests is a fundamental basis. Achieving adequate representation depends on dialogue and coordination. This, of course, also intersects with the advancement of a paradigm: the Global South.
- d) Respect for the norms of international law: just as with the defence of democratic principles, respect for the norms and principles of international law must be an unwavering principle of this process. Adherence to the rules of the game — their protection and strengthening — has characterised Latin American foreign policy, as well as its contributions and influence in favour of the progressive development of international law. It is a central element embedded in the region's DNA and now is not the time to waver on this.
- e) Defending and strengthening a renewed multilateralism: this concept is central and must serve as a framework for all actions. The path to addressing present and future challenges—a good starting point for making progress in addressing the growing points of tension on the international stage—lies in a renewed multilateralism. Like a great umbrella, a reinforced multilateralism will have the capacity to encompass the diverse dynamics generated across the four corners of global governance.

The region in the face of major global players

In their book **The New Solitude of Latin America**, former President Ricardo Lagos, former Foreign Minister Jorge Castañeda and intellectual Héctor Aguilar Amín issue a clear warning that is becoming increasingly relevant: our region may be entering a new period of isolation.

The possibility of a new solitude for Latin America jeopardises the progress achieved and threatens to marginalise us from a dynamic that, by all accounts, requires active involvement and shared agendas.

We are part of a planet in transition. The current times demand action based on two elements: an understanding of the present and a vision for the future. Understanding the changes in the international order from a realistic and constructive perspective that prioritises collective action is the foundation for introducing lasting institutional arrangements. Global problems require global solutions and institutions.

From this perspective, by overcoming short-term political thinking and polarisation, Latin America can begin to find its place in the world—one that prevents a period of isolation and amplifies its voice, which is vibrant, young and full of potential. The region must build its own path to integration that opens the doors to greater prosperity and well-being. It must establish a constructive and proactive relationship with the main actors in the global order, such as the United States, China, the European Union and India, within the framework of a renewed multilateralism. The key lies in our hands, and in no one else's.

Latin America, the United States and China: a tense tango between three

The shifting tectonic plates of international politics are leading to the formation of a system of multiple complexities, with varying speeds and scopes across its dimensions: political, military, economic and cross-cutting issues. The renowned professor Amitav Acharya has described this process as a "multiplex world". As if several films were being screened simultaneously in different cinemas, global governance and order rest in the hands of multiple actors and are determined by cross-cutting factors, such as geographical scope, leadership and the balance of power. Their repercussions at the local level are far-

reaching and make clear the broad outlines by which Latin America must navigate its external relations in the future.

It is clear that we are operating within a new context, marked not only by the decline of the Cold War superpowers' hegemony, but also by the need to redefine the course of relations on the continent, based on a comprehensive, constructive agenda that benefits all parties. Some of its key elements are as follows:

Decline of Hegemony

The shift from the West to the Asia-Pacific is leading the world into a new historical era. Washington's hegemonic role is entering the 21st century in a process of change, in which global power is being shared.

Despite its internal political tensions and social inequalities, the United States continues and will continue to play a very important leadership role. It will do so in economic, political, military and intellectual terms.

The central issue is not the "decline" of America or the focus on "Make America Great Again", but the emergence of other actors. The bipolarity between the United States and China will set the tone in a world in transition. The terms and scope of soft power, and the credibility and capacity to build networks and exert influence, will come under scrutiny.

China-US strategic competition

This trend has intensified in recent years as Beijing has launched an increasingly open, active and defiant offensive towards Latin America.

China has openly invited countries in the region to join strategic projects aimed at expanding its influence, such as the "Belt and Road Initiative", the "Global Development Initiative", the "Global Security Initiative", the "Global Civilisation Initiative", and the most recent "Global Governance Initiative". The economic and commercial focus has been on securing natural resources and raw materials, opening up new markets, and investing in infrastructure, innovation, technology and telecommunications.

This strategy has enabled it to become South America's leading trading partner and Latin America's second-largest partner—after the United States—to flood local markets with consumer and intermediate goods, and to exert significant influence over foreign direct investment in strategic sectors, such as the electricity sector. The figures speak for themselves: total bilateral trade exceeded US\$450 billion in 2025.

For its part, the United States has maintained a relationship with China in which tensions have escalated due to the COVID-19 pandemic and the rise of President Xi Jinping and his more ambitious vision centred on illiberal democracy, greater control and repression, and state capitalism. Competition and rivalry will be the order of the day, as will decoupling. For some analysts, such as Wang Huiyao, president of the Centre for China and Globalisation in Beijing, this process has become irreversible and may lead to the “system splitting into two parts”.

President Trump's administration has shown an interest in regaining lost ground in Latin America. To this end, it has forged new alliances and found partners such as Argentina, El Salvador, Ecuador and Paraguay. The United States has remained the region's leading trading partner and has consolidated its position as the largest investor, accounting for 38% of the value invested in 2024.

New dynamics in hemispheric relations

In late 2025, the United States launched its new National Security Strategy, marking a turning point of enormous magnitude by challenging the assumptions that have shaped US foreign policy since the end of the Cold War. This document offers a systematic critique of liberal internationalism and the idea of benevolent hegemony and redefines its national interests. In particular, it considers that borders and institutions protect not only territory but also cultural identity and sovereignty; it commits to reindustrialisation and the strategic use of tariffs and regards the presence of extra-regional actors as a direct threat to its security.

According to experts, the actions taken in Venezuela during the military operation to remove the narco-dictator Nicolás Maduro on 3 January 2026 constitute the first visible, concrete and unmediated application of the new hemispheric security doctrine.

“Washington has set aside the gradualist approach to sanctions, multilateral rhetoric and mechanisms of indirect pressure to act under a logic of transnational threat, where drug trafficking, state collapse and extra-regional alignments combine to justify the direct use of force.”³

Washington has prioritised the areas of migration, drugs and security, trade and energy resources. To this equation must be added elements central to the region, such as the defence of democracy, the energy transition, *nearshoring* and digital transformation, amongst others. This is an exercise in projecting national interests, which must set aside differences and take into account the heterogeneity, priorities and enormous political complexity of Latin America.

For the region, the worst-case scenario would be to be confined to a fragmented inter-American agenda that only serves the interests of a few and revolves around sanctions, walls and tariffs.

A comprehensive and pragmatic agenda

Latin America therefore needs to make a greater effort to strengthen dialogue, cooperation and joint work, under a comprehensive and pragmatic agenda involving both the public and private sectors. It is an exercise in reinvention that takes into account the diversity, priorities and enormous political complexity of Latin America.

The aim is to build a working agenda that moves beyond traditional issues and obsessions with problems and offers alternatives. It must also be accompanied by new tools that promote cooperation over confrontation.

The future of hemispheric dialogue should focus on at least five priority areas: 1) public safety, organised crime and irregular migration; 2) food security, resilient agricultural systems and inclusive supply chains; 3) energy security, diversification of sources and reliable access for countries in the region; 4) water security, highlighting the importance of water as an essential resource for sustainable development; 5) trade and strategic investment, productive linkages and an innovative business sector.

³ See: <https://www.infobae.com/america/opinion/2026/01/05/la-nueva-doctrina-trump-y-el-retorno-de-la-seguridad-hemisferica-venezuela-como-anticipo-del-orden-que-viene/>

Democracy, as a cornerstone of our relationship, warrants special attention and focus given the progressive deterioration of certain regimes in the region and their populist and authoritarian tendencies.

In short, the region faces the strategic challenge of balancing its relationship with the United States and China. These should not be mutually exclusive options. On the contrary, they are valid and compatible alternatives that can coexist and contribute—each drawing on its own strengths and virtues—to the common good.

We are facing a tense tango for three: the US, Latin America and China. This is a dance which, since its origins in the late 19TH century in the Río de la Plata, has been a response and a living expression of the search for identity and freedom. It has—just as in international politics—various steps and movements, actors and instruments, hopes and even passions.

Latin America and the European Union

The relationship between Latin America and the European Union is facing a series of challenges due to various factors that interact at different times and speeds, creating pressure to reshape the bi-regional relationship. This is not merely an option, but a necessity.

Current global projections for the middle of this century do not bode well for either region, or the threat of irrelevance looms large.

The European Union now faces the challenge of redefining its leadership role in a changing international context. This decade will be decisive for its project and the reconstruction of its geopolitical role, in an endeavour that combines military capabilities and soft power.

The so-called “four simultaneous wars” (Russia’s invasion of Ukraine, the US tariff offensive, tensions with China and the situation in Gaza) are affecting the European Union, reinforcing the imperative to redefine transatlantic relations, new partners and cooperation, strategic autonomy, external security policy and sovereignty, energy security and technological competitiveness.

In the words of Enrico Letta, former Prime Minister of Italy, the European project must choose between unity or irrelevance.

'Now is the time to act. Now we have the "last chance". Because never before has inertia meant decline. And inertia will simply lead us to ask ourselves, as individual European countries, whether we want to be a US or Chinese colony. We are and will remain European; Spanish and European, Italian and European. We will never be a US or Chinese colony.'

This approach requires leadership from its members, as well as collective action to defend its community project, protect its borders, preserve democracy and a rules-based order. Europe must take responsibility for its own security and defence, through NATO, and strengthen its relations with other extra-regional partners.

In this scenario, Latin America emerges as a natural and strategic partner for the European Union, both in the defence of transatlantic values — which are key to making common cause for a more balanced and less polarised world — and in the promotion of trade, investment, the triple transition (green, digital and energy, with an emphasis on human development) and international cooperation.

Together, the two regions comprise sixty countries; one billion inhabitants; twenty-five million square kilometres; 25% of global GDP; bilateral trade worth \$406 billion a year; and bi-regional investments totalling some \$1.05 trillion. Added to this are trade agreements in force with 27 of the 33 countries in Latin America and the Caribbean, and a third of the members of the United Nations.

These demands going beyond a mere meeting of leaders from both regions. It requires the implementation of a series of tasks that affirm the value of variable geometry in bi-regional instruments; a thorough understanding of the political heterogeneity and complexity of our countries; support for greater convergence between the different integration schemes; and meticulous—almost clockwork-like—analysis of the forces and windows of opportunity that open and close in a new international landscape.

A shared agenda for the 21st century

The current global situation requires the EU to constantly engage in foresight and reinvention in order to achieve its objective of strategic autonomy, through an internal and external political agenda in priority areas of action.

In this regard, it should be noted that, according to the Commission's strategic foresight reports, Europe is focusing its efforts over the coming years on the following areas of action with the aim of: 1) ensuring sustainable and resilient food security systems; 2) reducing its energy dependence; 3) ensure a sufficient supply of decarbonised and affordable energy as central elements for building greener and more digital economies; 4) secure and diversify the supply of critical raw materials; 5) develop research and trade partnerships to ensure a sustainable and diverse supply; 6) develop and retain skills and talent that align with the EU's ambitions; 7) work with global partners to promote peace, security and prosperity for all; amongst others.

In each of these areas, Latin America has an important role to play and assets to contribute. In other words, the region possesses precisely what the EU needs to tackle its main challenges. These elements, together with connectivity and digitalisation, infrastructure, skilled human resources, democracy and human rights, and the strength of multilateralism, form the cornerstone of this new dimension of bi-regional relations.

This approach contributes not only to strengthening dialogue around a region-to-region relationship, but also to building a positive and ambitious roadmap focused on the following pillars:

- a) A modern and robust strategic partnership.
- b) Promoting trade and investment through the "Global Gateway" initiative for a just ecological and digital transition.
- c) Promotion of more sustainable, fair and interconnected societies.
- d) Joint action in support of justice, public safety and the fight against transnational organised crime.
- e) Promotion of peace and security, democracy, the rule of law, human rights and humanitarian aid.

- f) Creating a dynamic people-to-people partnership that puts people at the centre.

As a natural partner of Latin America and the Caribbean, Spain is called upon to play a leading role in the full implementation of this agenda, the modernisation of agreements that boost trade and investment flows to the region, the strengthening of development cooperation, the mobilisation of the business sector, and the promotion of global supply chains.

In the search for “specific actions’

Both regions require a qualitative and quantitative leap in their multi-level relationship. They must undertake a realistic and pragmatic exercise that enables a shift from political declarations to concrete actions, centred on initiatives and projects that breathe life and momentum into the strategic partnership. New areas of interest, such as security and migration, must be included and prioritised.

The two regions must step up their efforts in support of the triple transition – green, digital and energy – with an emphasis on human development, through concrete actions, measurable impacts and tangible benefits for the populations of both continents. In particular, there is a need to boost and rebalance global strategic value chains.

Below are some lines of work and cooperation which, from a Latin American perspective, are more than necessary and which coincide with the European approach of “shared values” and “public policy first”:

- a) The *promotion and defence of democracy* requires joint programmes, statements and firm stances against the region’s authoritarian regimes — whether left-wing or right-wing — which have a track record of violating human rights and fundamental freedoms.
- b) Latin America and Europe must redouble their efforts in the *fight against irregular migration and transnational organised crime* (the global drug problem, illicit trafficking in small arms and light weapons, money laundering, cybersecurity,

- amongst others), based on the development of comprehensive, coordinated approaches under the principle of shared responsibility. Drug cartels must be designated as narco-terrorist organisations.
- c) Building on the Global Gateway and the pledge to mobilise €45 billion by 2027, it is essential *to advance infrastructure projects and promote growth, employment, social cohesion and human development, particularly for young people and women*. This initiative, together with the Digital Alliance, presents an opportunity to improve the region's productivity and competitiveness, as well as to offer an alternative to the "Silk Road" promoted by China.
 - d) Progress must be made towards the ratification and entry into force of *the Mercosur–EU Agreement*, beyond its signing in January 2026 in Paraguay. Internal differences in some European countries, pressure from productive sectors and conflicting views on environmental matters slowed down the negotiations, which took twenty-six years. This agreement creates the world's largest free trade area, with over 720 million potential customers. According to EU estimates, exports from the EU to Mercosur are expected to increase by 39%, whilst exports from Mercosur to the EU are expected to grow by 17%. The bi-regional relationship must move into a phase of action that takes into account the new geopolitical landscape and criteria such as *strategic-shoring* and *energy-shoring*.
 - e) *Strategic bi-regional projects* should be promoted *to foster cohesion and positive synergies* in areas such as sustainable cities, biodiversity protection and debt-for-climate swaps, digital skills, new technologies and AI, and higher education, amongst others.
 - f) *Reform of the international financial architecture* is an area where the two regions have the potential to collaborate and contribute to the design of mechanisms for the provision of resources in times of crisis, devise innovative debt restructuring mechanisms linked to environmental protection, strengthen regional multilateral banking, and forge a New Global Financing Pact.

The success of this agenda will depend on the political will, pragmatism and maturity of leaders on both sides of the Atlantic, and on the European Union's ability to take on the challenge of global leadership—for the sake of its autonomy and security—and to serve as a complementary alternative to the United States and China.

Latin America does not seek paternalism from Europe, nor does it want subsidies, magic formulas or impositions from the Old Continent to solve its structural problems. What it does seek, however, is a relationship and a partnership of equals to build a shared and prosperous path forward.

Latin America and India

The gradual and irreversible shift of economic power towards Asia is not a new phenomenon. One need only recall how, between the years 1000 and 1800, China and India emerged as the world's major economies.

New Delhi is emerging as one of the winners. It is doing so not only in the economic sphere by becoming one of the engines of growth alongside Beijing, but also by becoming the world's most populous country with 1.45 billion inhabitants and achieving notable international leadership and prominence through strategic initiatives such as the G-20 and the BRICS+.

A driving force for growth

Global economic projections for 2026 indicate growth of just 3.1% (IMF), affected mainly by potential tariff increases, greater uncertainty and geopolitical tensions. According to this financial institution, one of the main tasks will be to restore confidence, predictability and sustainability.

India will grow by over 6.4% this year, one of the highest rates among the 46 countries in the Asia-Pacific region. It has been the world's fifth-largest economy since 2022 and is expected to become the third-largest economy very soon—before 2030—surpassing Japan and Germany.

It has managed to capitalise on the reorganisation of global production and supply chains. It has become a manufacturing and technological powerhouse. Comparatively, its workforce is highly educated and costs are low.

India's development is the result of the strategic direction the country has taken, the building of solid macroeconomic foundations, and a series of structural reforms adopted to simplify regulatory frameworks, eliminate unnecessary red tape, and provide greater certainty and transparency. It has focused on key areas such as investment, infrastructure, digitalisation, urbanisation, rural development and foreign trade, amongst others. A clear example is its ambitious commitment to tripling exports. Its target is to reach two trillion dollars by 2030.

International leadership and prominence

India has embarked on a new narrative as an emerging power that seeks and deserves its own place in the world. Its foreign policy is characterised by pragmatism and a multipolar vision. The best way to define it is through the concept of "strategic autonomy", which offers a third way for those nations of the Global South that do not wish to align themselves with the major global powers or become embroiled in the East-West bipolar struggle. Its intention is to act as a hinge between rival powers, and its objective is to achieve a mixed alignment through multidimensional platforms.

The country has been critical of China and Pakistan — two major rivals with whom it still has differences to resolve — on issues of borders, sovereignty and territorial integrity. It has even gone further by joining the strategic Indo-Pacific coalition known as the "Quad", comprising Australia, Japan and the United States, and has additionally forged close strategic ties of cooperation with Europe.

Its intentions are clear. It seeks to act as a counterweight to China in the region. Analysts such as Tanvi Madan of the Brookings Institution describe it as a relationship that has shifted from "competitive engagement" towards "competitive coexistence", not to say "armed coexistence".

Through the G20, it has sought to voice the discontent of developing nations, as well as their concerns on key issues such as food security, energy prices, the effects of global

warming and geopolitical tensions. It also plays a significant role in the BRICS+ and the Shanghai Cooperation Organisation (SCO), as well as in the United Nations.

Relations with Latin America

The region — despite the geographical distance — faces the challenge of drawing closer to India in a strategic effort to build and defend the Global South, in order to promote political dialogue, trade, investment and horizontal cooperation. Brazil, Mexico, Colombia, Argentina and Peru are some of its main partners, but the scope should be broadened to include other nations in the region as well as other sectors.

The volume of bi-regional trade exceeds USD 40 billion a year, but it still falls short of its potential despite the complementarity of the economies and the growth seen over the last decade (145%). It is concentrated in a few countries and products, mainly primary or natural resource-based goods (exports) and value-added products with medium-to-high technology (imports). This could rise to one hundred billion dollars in the coming years, according to estimates by R. Viswanathan, former head of the Latin America department at the Indian Ministry of External Affairs.

In terms of Foreign Direct Investment (FDI), there is considerable room for improvement. The figures are modest. From 2001 to 2022, the region received only 6.7% of India's total foreign direct investment. That is, USD 1.8 billion out of a total of USD 27.8 billion (Indian Ministry of Finance).

Studies by CAF – Development Bank of Latin America and the Caribbean – point towards the construction of a multidimensional integration platform in Indo-Latin American relations to scale up, diversify and enhance trade and investment, as well as to promote food security and the climate agenda, energy security, new technologies and health, amongst other areas.

To achieve this, reforms must be implemented to ensure strategic convergence and growth in both quantity and quality. According to studies by the Inter-American Development Bank (IDB), this will require expanding the scope of trade and investment agreements, creating mechanisms to facilitate trade, carrying out promotional activities,

improving logistics, boosting investment in infrastructure and critical sectors, deepening technical cooperation and developing business networks.

Ultimately, a more fruitful bi-regional partnership is needed to become a major hub for development.

Final remarks

Latin America faces the imperative of building broad internal consensus and moving forward in the face of the immense challenges of global geopolitics.

It possesses all the potential to become a region that offers solutions to the challenges of a global, green and digital economy. It has a role to play and capital to contribute in terms of human resources, the environment, raw materials, climate change, clean energy and food.

In a world where its players are progressively retreating into their own shells with protectionist and unilateral measures, in an exercise of deglobalisation, the great challenge for Latin American countries is to find their own path to international integration that allows the region, as a whole, to achieve an increasingly active voice and presence.

The crossroads of our time demands unity and integration, under the strict adherence to and defence of democracy, development and social justice as a virtuous and indissoluble triad.

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