



Focus on Latin America: Macro Trends, Governance, and Strategic Decisions for European Companies

Executive Summary

Martin Frederik Mayer

PONTEM Advisory

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Abstract

This executive summary analyzes the economic and investment relations between the European Union (EU) and Latin America and the Caribbean (LAC) from 2015 to 2025. According to the latest research, the following conclusions can be drawn:

- 1) In 2024, the value of trade in goods between the EU and LAC reached €275.986 billion. The EU maintained its position as a net exporter of goods, with an export surplus of approximately €24 billion. The top export categories were machinery and transport equipment (approximately 43% of exports) from the EU and raw materials and agriculture (SITC 0–4 and 2–3) from the LAC.
 - 2) FDI demonstrated a recovery following the dip caused by the pandemic. However, primary sources indicate discrepancies for 2024 (ECLAC: +7.1% to \$188.962 billion; UNCTAD: -12% to \$164 billion), reflecting methodological differences.
 - 3) The emergence of new EU regimes (EUDR, CBAM, CSDDD, and CRMA) is poised to reshape cost/benefit profiles. The modernization of the EU–Mexico Agreement (political agreement on January 17, 2025) and nearshoring in North America are set to unlock scaling opportunities. From this, we derive governance-weighted location screenings, dual compliance architectures (EU/US), and step-by-step scaling paths.
- [1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11], [12], [13]

1 Methodology and Data Basis

The summary combines primary sources (EU strategy papers, EEAS documents) and internationally recognized data sets (ECLAC, World Bank, IMF, UNCTAD, OECD) with governance indicators (Freedom House, World Governance Indicators). Nominal values (EUR/USD) are adjusted for inflation to determine real growth and decline rates; political and economic events are assigned to the dates of regulatory changes, summit decisions, and agreement progress. Country risks (OECD/Euler Hermes) and sector databases are used to supplement the evaluation, enabling the separation of cyclical commodity effects from structural trends. Limitations: It is important to note that differences in methodology and coverage (for example, between UNCTAD and ECLAC regarding FDI) require sensitivity tests and parallel series management. The political-economic coding of events remains context-specific and is therefore triangulated. [3], [6], [7], [15], [16]

Data sources and classification

Regarding trade, we utilise fact sheets provided by the EU, which are based on Eurostat/COMEXT data. These sheets illustrate the structure of goods according to SITC Rev. 4, and the absolute values are based on FOB/CIF goods trade (excluding services). The bilateral partner data for Mexico and Brazil are derived from the DG TRADE fact sheets and country profiles. The FDI time series is a comparison of ECLAC (regional coverage, including reinvestments) with UNCTAD WIR (global, consistent coverage). It is important to note that deviations are to be expected due to differences in definitions and survey dates. [1], [2]

Paradiplomacy evidence

For the role of embassies, consulates, and municipal Acuerdos de Hermanamiento (AHs), we used scientific articles from Foro Internacional and Secuencia, as well as supplementary infographics from surveys conducted in 2023 with 108 diplomatic missions and a case study on Guanajuato. [14]

2 Geopolitical & Economic Context

2.1 Political Framework Dynamics

The initial years of the decade were characterized by a variety of integration approaches in Latin America and the Caribbean (LAC). The EU–Mercosur Agreement was initiated in 1999, and the negotiations were successfully concluded in 2019. However, the ratification process has encountered challenges, partially due to concerns regarding environmental and trade policies within EU member states. Meanwhile, the Pacific Alliance maintained a flexible yet limited scope. This led to a decline in the predictability of market access and a reduction in expectations for capital-intensive projects.

Since 2020, the EU has undergone a strategic realignment toward LAC. The pandemic revealed vulnerabilities in global supply chains, prompting the EU to prioritize diversification, resilience, and raw material security. Launched in 2021, the Global Gateway initiative positions the LAC region as a priority. The EU-CELAC summit in Brussels in July 2023 marked the reactivation of political dialogue at the highest level after eight years and the adoption of the EU-LAC Global Gateway Investment Agenda (GGIA), which prioritizes approximately 130 projects in the areas of energy, transportation, digitalization, health, and education. The GGIA functions as a political signal and a conduit for co-financing, without providing guarantees for financing commitments. [15], [17], [18]

2.2 Makro-Economic Development

Over the past decade, aggregate LAC GDP has grown at an average annual rate of 1.4%. In 2020, economic output decreased by 7.0% due to the pandemic. The recovery has been uneven, with countries such as Panama, Uruguay, and the Dominican Republic experiencing robust growth, while Argentina and Venezuela have been burdened by debt, inflation, and exchange rate crises.

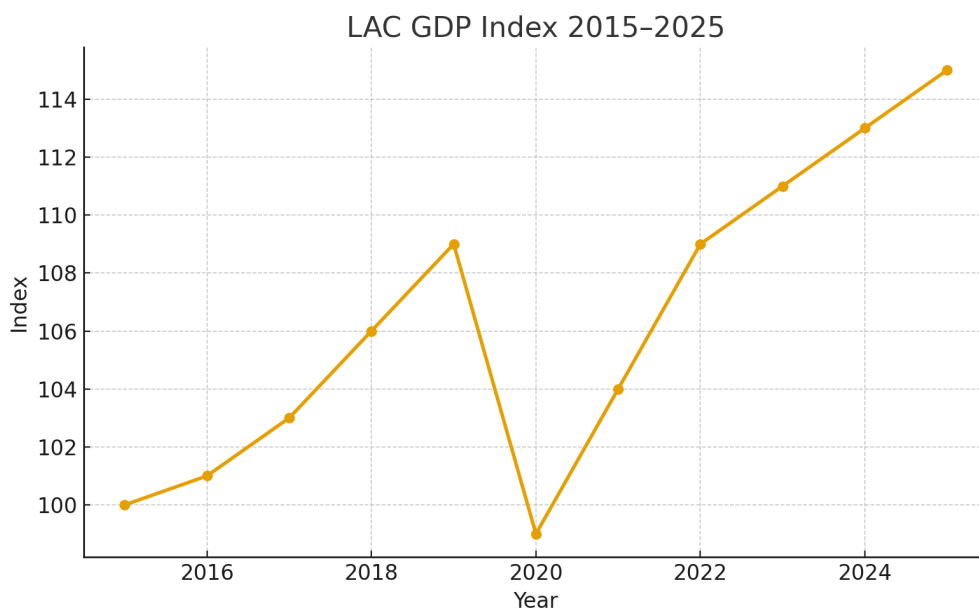


Figure 2-1 based on [6] & [19]

Year-over-year (YoY) inflation rates in 2023 range from approximately -0.5% (Panama and Costa Rica) to 3% (Chile and Mexico), ~5% (Brazil, Colombia, and Uruguay), and >200% (Venezuela). Argentina experienced a decline to 36.6% in July 2025 (INDEC) following hyperinflation in 2023. It is important to note that financing costs, purchasing power, and investment horizons will be affected accordingly. [19]

In terms of business practices, this implies asymmetric discount rates and a greater emphasis on local hedging mechanisms. It has been demonstrated that capital-intensive projects are more straightforward to plan in countries that exhibit stable disinflation and sound fiscal policy. Therefore, monetary and fiscal "reliability" becomes an implicit location factor. [6], [7]

2.3 Governance as an Investment Predictor & Interdependencies

The quality of governance, as measured by indicators such as the World Justice Project's (WJP) "Rule of Law" indicator, is a strong predictor of foreign direct investment (FDI) inflows. Uruguay, Costa Rica, and Chile (in the upper percentile) have stable and large inflows, while countries with low scores on the "Rule of Law" indicator (e.g., Venezuela and Nicaragua) remain underinvested despite their wealth of resources. In the medium to long term, governance has been shown to reduce capital costs, increase predictability, and mitigate exogenous project risks.

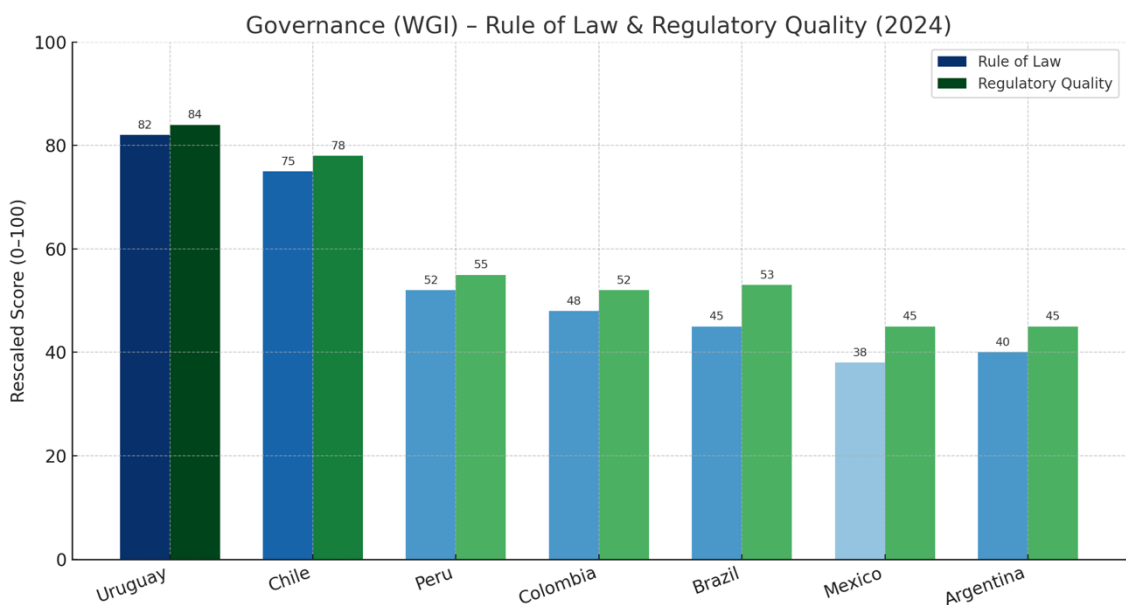


Figure 2-2 based on [4], [5] & [16]

The impact of governance is both cyclical and static. During periods of external shocks (e.g., pandemics or commodity price volatility), jurisdictions with reliable administration and fiscal policy remain investable.

Conversely, regimes characterized by a tendency towards arbitrariness are susceptible to risk premiums and project cancellations. Therefore, EU actors are tasked with two responsibilities: evaluating countries (macro, governance, energy mix) and subnational entities (states, regulatory enforcement level). [4], [5], [16]

3 Trade & FDI Dynamics between the EU and LAC

3.1 Development, Trade Flows & Geographical Concentration

The volume of EU–LAC trade in goods is expected to grow from approximately €200 billion in 2015 to around €276 billion in 2024. The phases are as follows:

- I. **2015–2019:** moderate growth (3% per year)
- II. **2020:** pandemic slump (-9%)
- III. **2021–2022:** recovery with double-digit rates (due to increased prices of raw materials, including copper, lithium, and agricultural goods)
- IV. **2023–2024:** stabilization at a high level, with the beginning of diversification of supply sources (risk reduction)
- V. **2024:** The EU will have a trade surplus of approximately €24 billion in. [3], [7]

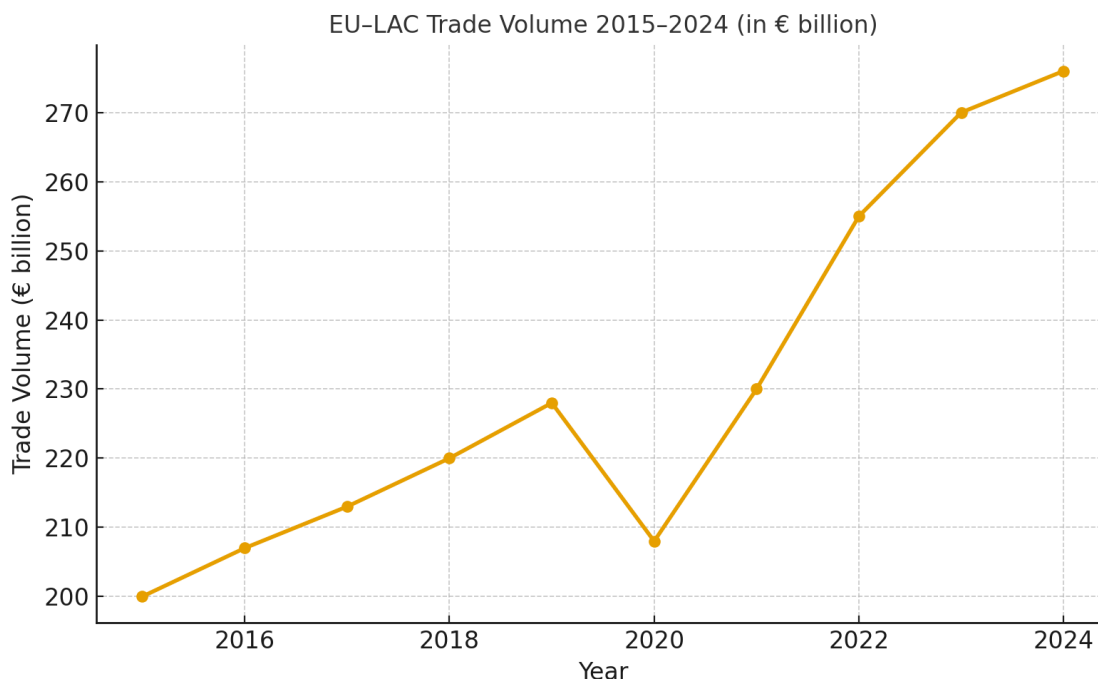


Figure 3-1 based on [3]

Geographically, trade volumes are concentrated in Brazil (approximately €90 billion in 2024) and Mexico (approximately €83 billion). Chile and Peru are also significant suppliers of raw materials, including copper and lithium. Caribbean markets are smaller in size, but they are developing niches in agriculture and services. This concentration gives rise to path dependencies in supply chains. Such dependencies may require disproportionate adjustments in the event of regulatory shocks, such as the CBAM in basic industries. [20], [21]

3.2 Structural Trade Composition & Value Chains

In 2024, the EU primarily exports higher-value industrial goods to Latin America and the Caribbean (LAC) in the following SITC sections: machinery and transportation equipment (42.7%), chemicals and pharmaceuticals (24.2%), manufactured goods (11.2%), manufactured articles (9.4%), and agricultural products (4.5%). In contrast, LAC is the EU's key supplier of agricultural products (28.8%), crude materials (16.8%), mineral fuels, lubricants and related (16.7%), machinery and transport equipment (15.1%), and manufactured articles (6.7%). This complementary specialization is indicative of differing factor endowments and varying degrees of industrialization.

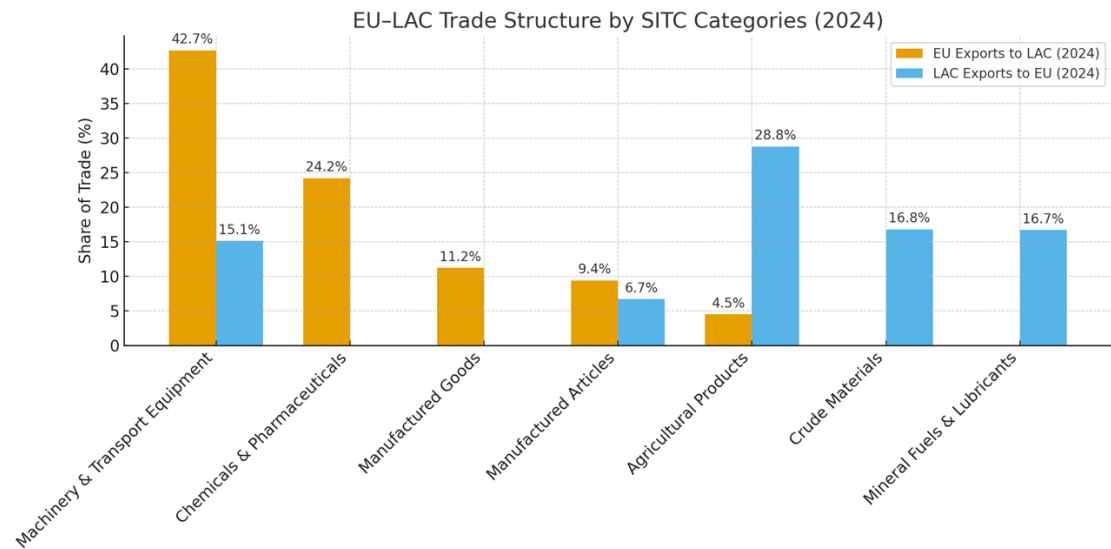


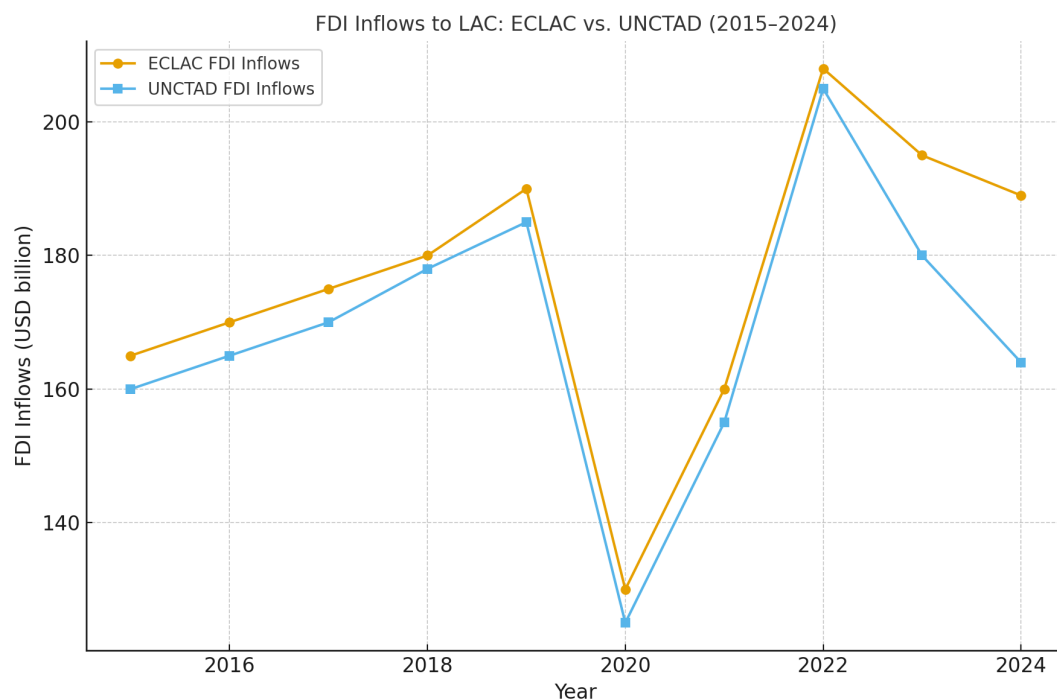
Figure 3-2 based on [3]

Value chain integration is sector- and country-specific. For instance, Mexico's automotive industry is connected to EU production lines and the US market (USMCA) through European supplier networks, and copper and lithium from Chile and Peru are crucial to European battery and e-mobility strategies. This commitment is further reinforced by strategic agreements, such as the EU–Chile Advanced Framework Agreement, which integrates environmental and social standards into the raw materials chapter. Concurrently, EU regimes, such as the EUDR and CBAM, are enhancing compliance requirements for LAC exports and internalizing environmental and climate risks in price signals. [3]

Priorities shift with strategic raw materials: The "lithium triangle" (Chile, Argentina, and Bolivia) is emerging as a pivotal partner for the European energy transition. Concurrently, novel coordination challenges are surfacing, influencing investment horizons. These include local value creation requirements, ESG licensing, and approval times. [15]

3.3 FDI Cycles, Sectoral Allocation & Motives

Foreign direct investment (FDI) dynamics are cyclical. There was moderate growth from 2015 to 2019 in infrastructure and energy, followed by a sharp decline in 2020 of over 30%. From 2021 to 2022, there was a record recovery, reaching USD 208 billion in 2022. From 2023 to 2024, there was consolidation at around USD 189–193 billion. (Table B-1)



EU FDI Sectoral Allocation in LAC (2024)

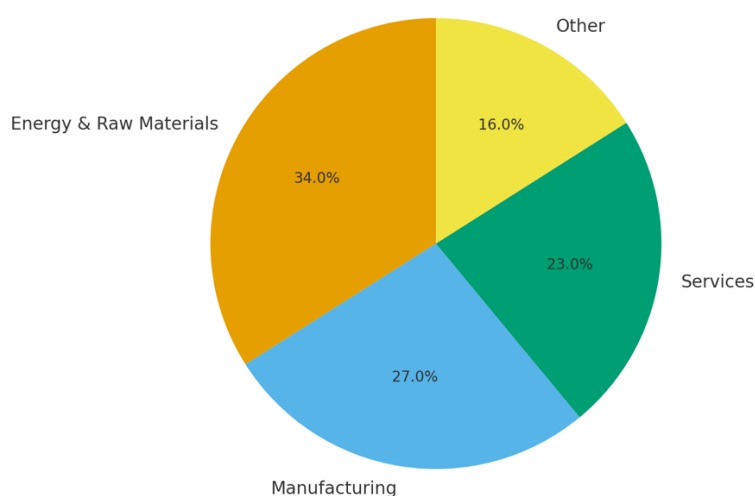


Figure 3-3 based on [6] & [7]

The sectoral shares of EU FDI in 2024 are as follows: energy and raw materials (34%, including renewable energies and lithium/copper); manufacturing (27%, including automotive, chemicals, and food); and services (23%, including finance, telecommunications, and logistics) and the primary motivations are:

- Market access, particularly in regions with expanding middle classes and regional zones.
- Securing raw materials.
- Nearshoring, especially in Mexico.

Political stability and regulatory quality are key location factors. Countries with high WGI scores, such as Uruguay and Chile, consistently attract EU capital. Markets with significant regulatory uncertainty, such as Argentina and Venezuela, continue to experience underinvestment despite their substantial resource advantages. This discrepancy underscores the importance of governance-weighted location screenings and modular investment phases. [6], [7], [13]

4 Regulatory Framework & Third-Party Influences

4.1 EU Regime Impacts on Trade & FDI

Modernized EU–Mexico Agreement (political agreement on January 17, 2025)

It addresses updates in trade in goods, procurement, services, investment protection, and sustainability. Even before ratification, expectations regarding rules of origin and customs/procedural simplification favor supply chains that are just-in-case and project initiation. [12], [18]

EUDR (EU Deforestation Regulation)

It has been in effect since June 29, 2023, but the application has been postponed. Large companies will be subject to the regulation starting December 30, 2025, and SMEs will be subject to it starting June 30, 2026. In accordance with due diligence obligations, the following actions are required: geolocation, risk analysis, and mitigation plans. In the short term, bottlenecks in documentation will be alleviated. Regulatory pressure in favor of deforestation-free supply chains is expected to increase in the long term. [8]

CBAM (Carbon Border Adjustment Mechanism)

The transition phase is set to begin in October 2023, with the purchase of certificates scheduled to commence in 2026. The initial sectors include iron/steel, aluminum, cement, fertilizers, electricity, and hydrogen. Implications: The verification of product footprints, the decarbonization of processes (e.g., the use of electric furnaces, green electricity, and recycling), and the facilitation of rerouting decisions in supply chains are all essential components of our business operations. [9]

CSDDD (Corporate Sustainability Due Diligence Directive)

As of July 25, 2024, a new law will require large EU and non-EU companies to identify, prevent, and address human rights and environmental risks throughout their supply chains. Harmonized approaches can increase the appeal of jurisdictions with robust governance. [11]

CRMA (Critical Raw Materials Act)

It has been mandatory across the EU since May 2024. It establishes diversification targets and streamlines the approval process for "strategic projects" within the exploration-recycling chain. It also strengthens LAC partnerships in the Andes and Northern Cone, with increasing ESG requirements (e.g., transparency and local value creation). [10]

4.2 Third-Partin Influences (US/China) & Interactions

US policy, including the IRA and potential tariff and origin rules, is altering cost and revenue profiles in North America. Mexico stands to benefit from nearshoring and the USMCA, which serve as a strategic production bridge to the US market. Meanwhile, China's economic presence is expanding, including its use of third countries, which complicates screening and rules of origin in EU-US-MEX triangular relationships. The net effects depend on the country and sector. They are positive in places where there is good governance and capacity for decarbonization and traceability. [15], [17]

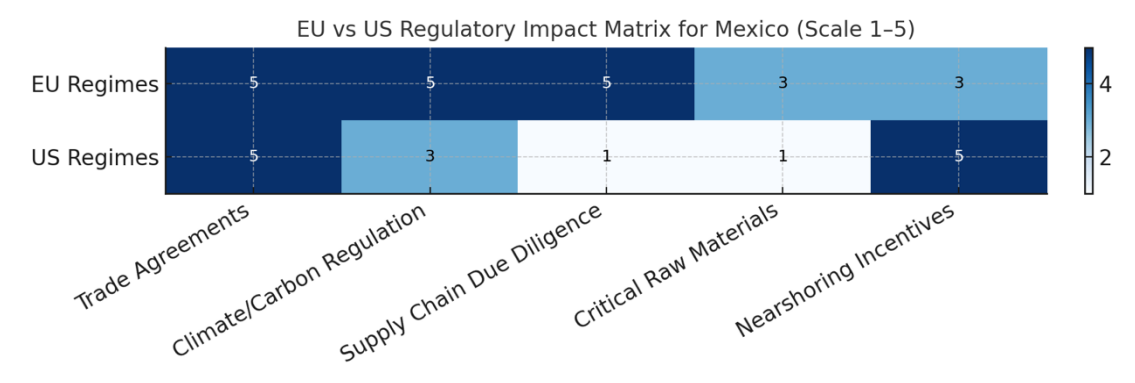


Figure 4-1 based on [2], [8], [9], [10], [11], [12], [15] & [22]

4.3 Regulatory Roadmap

The roadmap 2025-2027 consolidates obligations and opportunities. These include the EUDR application (effective December 30, 2025 or June 30, 2026), the CBAM payment obligation (effective 2026), the phased CSDDD application, and the EU–Mexico post-deal phase until ratification.

From a corporate perspective, this necessitates parallel scenario planning (EU/US regimes), the implementation of early data/evidence systems, and capital expenditure (CAPEX) planning for decarbonization and traceability. [8], [9], [10], [11], [12]

5 Corporate Strategies in LAC

5.1 Entry Models: Governance, CAPEX & Funding Logic

Greenfield investments offer the most control and allow for the full implementation of quality and ESG standards. However, challenges have been identified in the approval, construction, and labor law processes. For instance, in Mexico, the approval process for energy-intensive industrial facilities is contingent upon the specific state and sector, and typically requires 12–36 months for completion. The typical capital expenditure (CAPEX) is €50–250 million, and the payback period for capital-intensive industries is 7–12 years (indicative ranges), while for consumer sectors it is 4–6 years. Multilateral banks, such as the IDB and CAF, frequently prioritize ESG-compliant greenfields within the context of their funding logic.

Acquisitions have been shown to facilitate market entry, thereby increasing market share and networks. However, this process concomitantly concentrates integration and regulatory risks. Benchmarks include an 8–12x EBITDA multiple for medium-sized targets in growth sectors and a transaction duration of approximately 6–14 months from the signing of the letter of intent to the closing of the transaction. Investment guarantees provided by the European Union (EU) have been shown to reduce political and currency risks.

Joint Ventures involve the distribution of risk and the utilization of local networks. Typical investments by the EU range from €20 to €100 million, and successful operations have EBIT margins of 12% to 20%. The governance and exit rules, which encompass decision-making rights, mechanisms to resolve deadlocks, and put/call mechanisms, are of particular significance to success.

Strategic alliances are known for their flexibility, with initial capital requirements of less than €10 million, yet they are subject to limitations in terms of control and profit sharing. The primary eligibility criteria for funding pertain to innovation and digital projects.

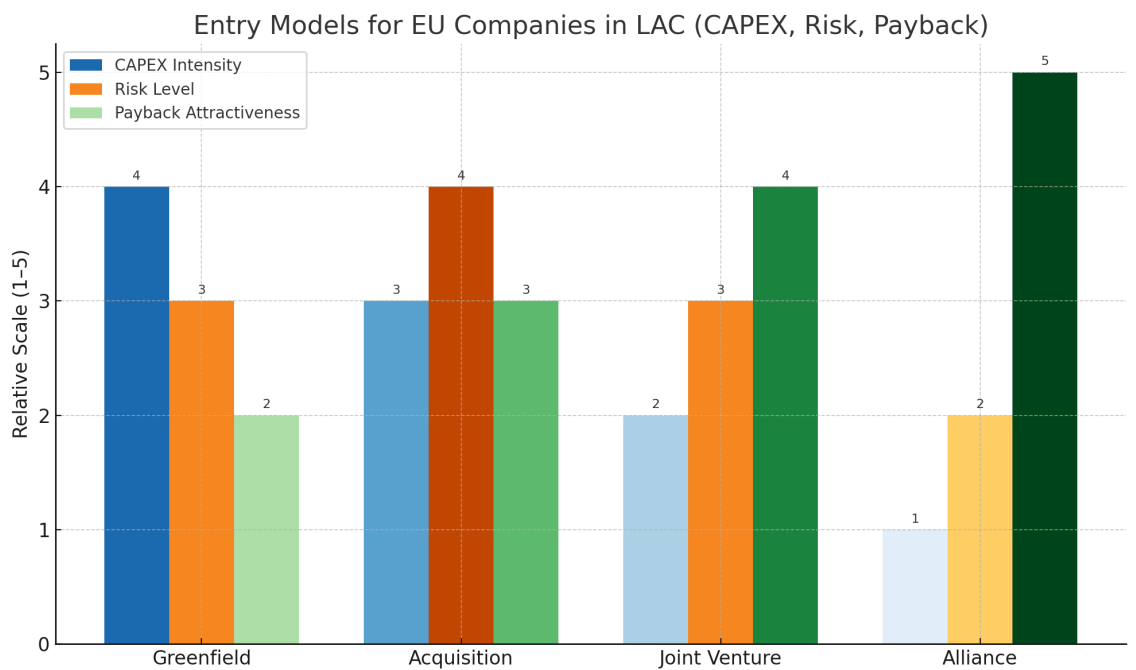


Figure 5-1

5.2 Expansion & Scalability

The implementation of a **Gradual Expansion Model (pilots)** has been demonstrated to minimize the occurrence of misjudgments. Initial investments are 5–15% of total CAPEX, and later phases are up to 70%. Evidence from transportation and e-mobility projects indicates that the performance of pilots (operation, charging infrastructure, and local acceptance) serve as reliable indicators of nationwide rollouts.

The adoption of a **Cluster Strategy**, characterized by the establishment of regional hubs, has been demonstrated to be advantageous in contexts involving elevated logistics expenditures or particular regulatory frameworks, such as those that pertain to food and pharmaceuticals. Investments in clusters range from €20 to €60 million, with target margins ranging from 15% to 25%. Hubs function as a springboard into adjacent markets and mitigate single-point regulatory risks.

While the pursuit of national expansion can, in principle, be rationalized by the principle of economies of scale, it concomitantly engenders heightened vulnerability to nationwide regulatory shifts. For instance, the energy transition's reversal may necessitate business model adaptations, despite investments exceeding €200 million.

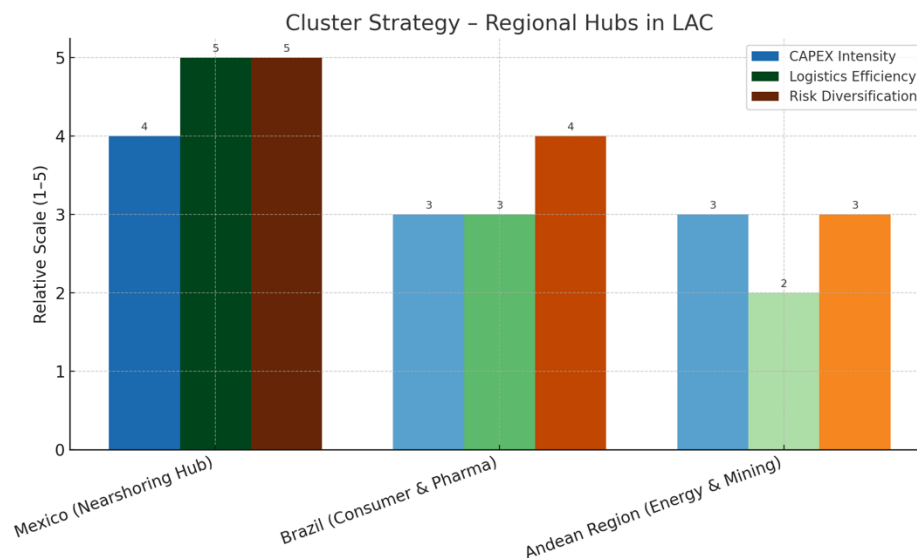


Figure 5-2 supported by [6], [15], [20] & [21]

5.3 Risk Management at Market Entry

Political and Regulatory: It is imperative to engage in continuous monitoring of legislative changes, election cycles, and administrative enforcement. Examples of such policies include the Mexican energy transition from 2021 to 2023 and ad hoc customs adjustments in Argentina.

Macro/Currency: Hedging strategies encompass both forward hedging and natural hedging, with benchmarks set at 2–5% of hedged volumes, contingent on maturity and volatility.

Operational/Infrastructure: The existence of bottlenecks in transportation, energy, and digital networks has been demonstrated to result in increased operating expenses (OPEX) and extended wait times (start-up phase: +10–20%).

ESG/Reputation: The financial sector is progressively integrating environmental, social, and governance (ESG) Key Performance Indicators (KPIs) into its operations, and noncompliance with these ESG standards can incur contractual penalties.

Integration Promotion Logic: It is imperative to note that Global Gateway and multilateral lines have the potential to engender risk and financing buffers. Contract designs should therefore be meticulously crafted to allow for flexibility in the event of program delays.

5.4 Local Partnerships & Networks

Local partners fulfill four strategic roles:

- 1) Demonstrated expertise in regulatory matters.
- 2) Address the matter of market access.
- 3) Operational Implementation
- 4) Political and social legitimacy.

In federal systems (Mexico, Brazil, Argentina), resilient networks have been shown to accelerate approvals and access to tenders. Please find below the evidence related to the IDB-related evaluation. Case studies suggest that well-institutionalized partnerships often accelerate project launches and improve operational margins. The governance of the partnership, which includes transparency, KPI-based SLAs, and arbitration clauses, is designed to minimize conflicting goals and reputational risks. [14], [23], [24], [25]

5.5 Timing Strategies

Politics: Investment opportunities tend to increase in the first 18–24 months following a change of government. Mexican nearshoring incentives introduced in 2024 define a ~3-year window of opportunity.

Macroeconomics: Commodity price cycles (soybeans, copper, lithium) influence CAPEX decisions; entry after price normalization can reduce capital commitment.

Subsidies: Synchronized project/subsidy calendars have been shown to increase the likelihood of full debt coverage by ~20–25%. First-mover companies benefit from new regimes, but they face greater regulatory uncertainty. Late entrants leverage infrastructure and channels, but they encounter greater saturation.

5.6 Adaption to Local Market & Consumer Habits

Consumption patterns vary significantly across different markets. For example, price and brand loyalty are key factors in consumer decisions in Mexico, while lifestyle and status play a more significant role in Brazil. A recent study indicates that the majority of consumers are willing to pay more for products with a local connection. Hybridization, which combines global brand recognition with local relevance, is becoming a distinguishing feature in the market. Flexible payment models (e.g., installment purchases, pay-as-you-go, micro-financing) have been shown to increase the likelihood of closing a sale in the consumer goods sector by up to 35%, often in collaboration with local financial service providers. Mobile-first channels have become the dominant trend, with WhatsApp and Instagram serving as key sales interfaces. ESG transparency (62% of respondents indicated a willingness to pay for sustainable products) also increases compatibility with EU funding criteria. [26], [27]

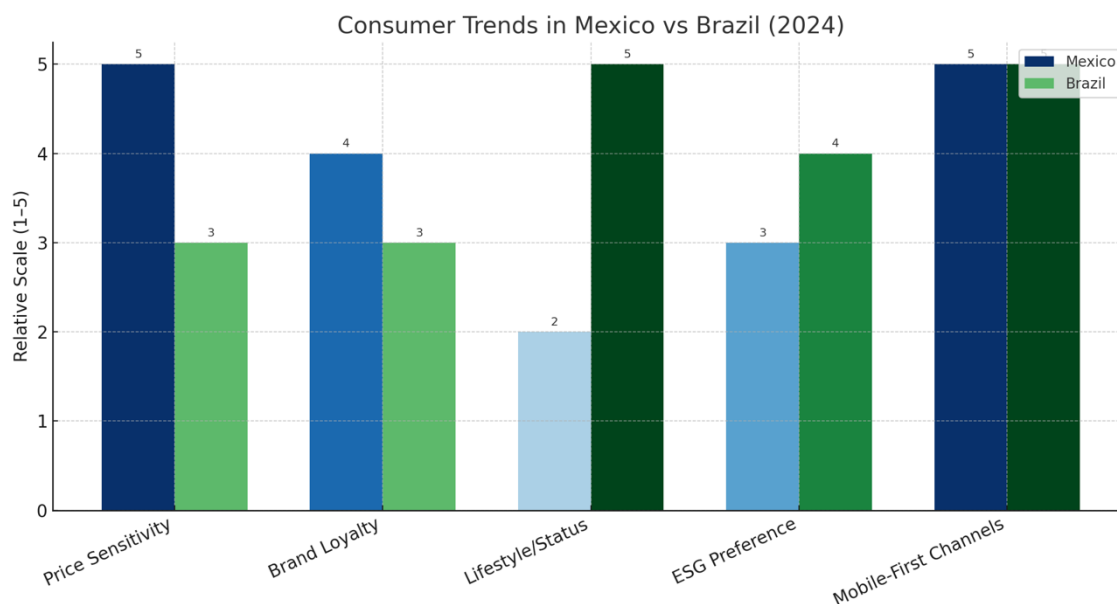


Figure 5-3 supported by [26] & [27]

5.7 Exit Strategies

There are four paths that dominate: sale to local/regional partners, management buyout, asset sale, and licensing model. The key factors to consider are proactive anchoring in the entry agreement (exit clauses, severance logic, arbitration) and political risk hedging (e.g., Euler Hermes). KPI-based triggers (e.g., customs duties, exchange rate/interest rate band, ESG events) facilitate exits near maximum value, thereby avoiding price discounts (e.g., early sale of assets before customs duty increase → ~25% higher proceeds). Regarding funding, reallocations are permitted, and ESG requirements may prompt repayments, necessitating early coordination with lenders.

6 Syntheses & Implications

The relationship between the European Union and Latin America and the Caribbean is marked by two main trends. On the one hand, there is a strategic upgrading, involving the development of raw materials, diversification, and nearshoring. On the other hand, there is an increase in regulatory pressure, as seen with the introduction of the EU Digital Services Act (DSA), the Carbon Border Adjustment Mechanism (CBAM), and the Customs and Surtax Declaration and Delivery. Governance remains the most reliable predictor of investment returns, with net effects varying by country and sector. For EU companies, there are *no-regrets levers* to consider, including (the following elements are essential for ensuring seamless compliance):

- 1) Dual compliance designs (EU/US) including origin/CBAM/EUDR
- 2) Audit-ready emissions, geo, and supplier data
- 3) Governance-weighted location selection (WGI, energy mix, approval times, skills)
- 4) Stage/cluster-based scaling with ESG anchoring
- 5) Early defined exit mechanisms

Mexico is poised to play a pivotal role as a nearshoring anchor in 2024/25, with Andean and Northern Cone countries being crucial contributors to CRMA value chains. In terms of funding logic, Global Gateway is a political showcase, not a financing guarantee. Financing mixes (EIB/EFSD+, DFIs) must be structured early on. [7], [15]

7 PONTEM Advisory

Pontem Advisory acts as a bridge between European firms and Latin American municipalities, translating the regulatory and financial complexity analyzed in this paper into operational solutions. Its mission is to accelerate investment-ready urban and infrastructure projects by aligning them with EU regulations and the requirements of multilateral development banks.

Core Offer

- Multilateral Capital Enablement: Preparation of full environmental, social, and financial dossiers, tailored to IDB, CAF, UN, and OECD standards – reducing time to eligibility.
- Smart-City Delivery: Turnkey projects in efficient public lighting, environmental sensor networks, waste management, and sustainable mobility – benchmarked against ESG indicators.
- CityMatch AI (Beta 2026): A digital platform matching >200 funding programs with verified providers, compressing preparation cycles from months to days.

Credentials

Pontem is a registered UNGM supplier, IDB ConnectAméricas-verified, listed in the OECD supplier registry, and holds a BID Business Partner Certificate. These credentials ease onboarding, increase trust with financiers, and raise approval chances for EU-led consortia.

Strategic Fit to EU–LAC Dynamics

- Dual-Compliance Readiness: Bridges EU regulatory regimes (EUDR, CBAM, CSDDD, CRMA) with multilateral financing criteria.
- Governance Risk Mitigation: Embeds ESG metrics and transparent reporting to reduce reputational and political exposure.
- Acceleration of Market Access: Leverages consular and municipal networks, coupled with CityMatch, to fast-track projects.
- Alignment with Global Gateway & CRMA: Focus areas – renewable energy, digital infrastructure, raw material traceability – mirror EU strategic priorities.

Engagement Models

- Funding Preparation – Complete, compliant applications for multilateral loans and grants.
- Design & Deliver – From audit to project implementation, including monitoring and evaluation.
- Digital Sourcing (from 2026) – CityMatch AI as a standardized marketplace for municipalities and suppliers.

Closing Remark

The findings of this paper underscore both the opportunity and complexity of EU–LAC business. Pontem Advisory illustrates how specialized intermediaries can transform policy visions into bankable, ESG-compliant projects. For European companies, Pontem is a trusted partner in navigating local institutions and securing funding. For LAC cities, Pontem unlocks access to international capital and technology transfer.

Pontem Advisory turns the regulatory and financial challenges outlined in this study into practical pathways for sustainable growth, making it a relevant and strategic actor in the evolving EU–LAC landscape.

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Attachment

A Key Indicators EU–LAC (2015–2024) – Trade

Table A-1 EU-LAC trade 2015-2024 (in EUR billion) based on [3]

Year	EU Exports	EU Imports	Total Trade	Trade Balance (EU)
2015	~190	~178	~368	+12
2019	~214	~201	~415	+13
2020	~172	~172	~344	0
2022	~144	~135	~279	+9
2024	150.4	125.6	276.0	+24.8

Table A-2 Trade Structure 2024 (SITC Rev. 4; share of total, %) based on [3]

Category	EU Exports → LAC	EU Imports ← LAC
Machinery & Transport (SITC 7)	42.7 %	8.1 %
Chemicals/Pharma (SITC 5+6+8)	21.3 %	12.4 %
Manufactured Consumer Goods	15.0 %	9.0 %
Agricultural Products (SITC 0–1)	12.0 %	32.0 %
Minerals & Metals (SITC 2–4)	5.0 %	27.0 %
Energy (SITC 3)	2.0 %	15.0 %

Table A-3 Main Bilateral Trade Partners 2024 based on [3] & [21]

Partner	Volume (€ bn)	Comment
Brazil	~89.5	Largest EU partner in South America; imports dominated by agribusiness & minerals
Mexico	~82.0 (2023)	Nearshoring hub (USMCA, automotive, electronics)
Chile	~26.0	Major copper & lithium supplier
Peru	~16.0	Copper, gold, agrifood exports

B Key Indicators EU–LAC (2015–2024) – FDI

Table B-1 FDI Inflows to LAC 2015-2024 (USD in billions) based on [3] & [7]

Year	ECLAC	UNCTAD	Comment
2015	179	180	End of commodity boom, lowest since 2010
2019	161	165	Weak cycle, slowing growth
2020	105	110	COVID-19 shock (–35 %)
2022	208	205	Record high, driven by commodity prices
2024	189	164	Divergence: ECLAC (+7 %), UNCTAD (–12 %)

Table B-2 Sectoral Distribution of FDI, 2024 (LAC; % of inflows) based on [3]

Sector	Share (%)
Manufacturing	43.6 %
Services	40.4 %
Natural Resources	16.0 %

Table B-3 Mexico - FDI Composition 2024 (USD in billions) based on [13]

Component	Value	Share
Reinvested Earnings	24.7	67 %
New Equity	7.3	20 %
M&A / Intercompany Loans	4.9	13 %
Total	36.9	100 %