US Elections 2024

Outlook for Latin America

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Elections Overview

EGA Latam presents a brief analysis of the potential impacts of former President Donald Trump's re-election on Latin America, considering its consequences for Argentina, Brazil, Colombia, and Mexico. After polls closed Tuesday night, Trump was declared the winner in the early morning hours Wednesday, shattering the Democrats' "Blue Wall" and winning key states that secured his victory in the Electoral College. In **Argentina**, under Javier Milei's leadership, ideological alignment and explicit support for Trump could open doors for greater financial flexibility from the IMF and attract investments, though US protectionism may restrict exports and negatively impact the economy. In **Brazil**, Lula's administration will face climate and trade challenges, exacerbated by Trump's climate skepticism and protectionist stance, as far-right groups gain visibility. In **Colombia**, Gustavo Petro's presidency may see heightened tensions, particularly on issues of drug trafficking and security, with Trump potentially pressing for stricter policies. For **Mexico**, Trump plans to reactivate the "Remain in Mexico" program and intensify actions against cartels, threatening the country's sovereignty and stability. At the same time, Mexico could benefit from the shift of US supply chains away from Asia. This new scenario will demand balanced diplomacy from each Latin American government to adapt to new dynamics with the United States and to seek strategic opportunities.
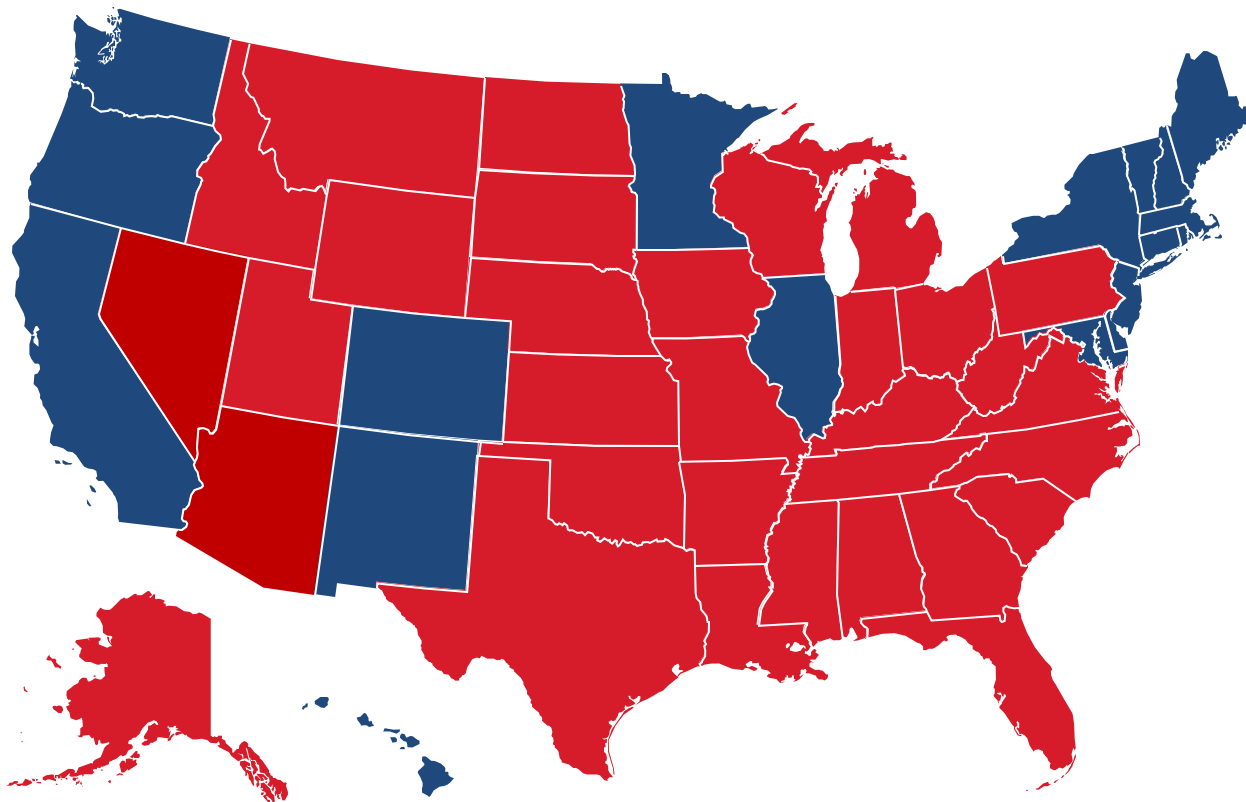
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270 TO WIN

226

HARRIS

47.9%

312

TRUMP

50.4%

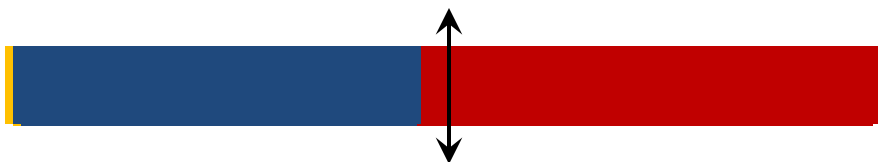# Flipped battleground states

Pennsylvania   **Georgia**   **Wisconsin**   **Michigan**

Pennsylvania, Georgia, Wisconsin, and Michigan flipped Republican, with Wisconsin's 10 electoral votes securing Trump's path past the 270 threshold to the White House.
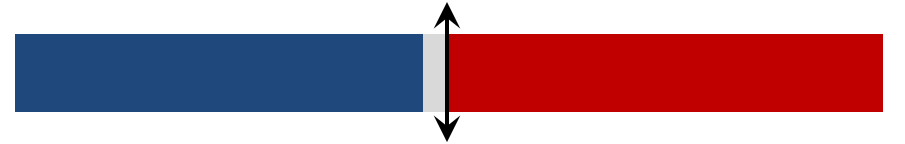
U.S. CONGRESS

SENATE

Republicans take control of the Senate, securing 53 seats with key wins in West Virginia, Montana, and Ohio. Democrats hold 47 seats, with 1 Independent aligning with them.

HOUSE

Republicans currently lead in the House of Representatives, though many races remain undecided. Both parties are competing for control, but results may take days to finalize. While most House seats are in "safe districts" with predictable outcomes, a few swing districts could determine the balance of power in Washington, DC. Key races to watch are unfolding in states such as California, Washington, Maine, Arizona, Colorado, Iowa, Oregon, and Alaska.

GENDER DIVIDE IN VOTING
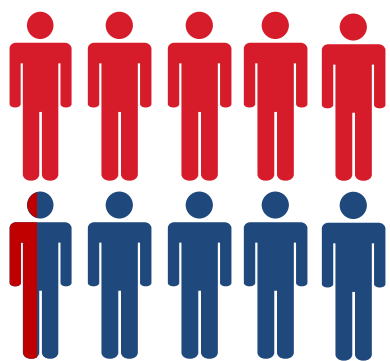
45% OF WOMEN SUPPORTED TRUMP

55% OF MEN VS.
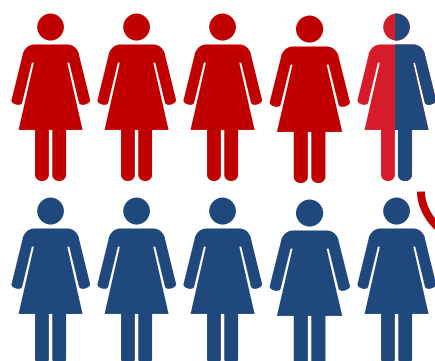
BLACK WOMEN	92	7
HISPANIC WOMEN	61	37
WHITE WOMEN	47	52

Black women showed minimal support for Trump at 7%, while Hispanic women's support rose to 37%, up 7 points from 2020. Despite increased US diversity, Black and Hispanic voter turnout dropped slightly as white voters comprised a larger share than in the last election.

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TRUMP | POLICY APPROACHES

Economy

Trump's economic policies focus on reducing inflation and making daily goods affordable by increasing job creation in domestic manufacturing, eliminating certain taxes, and expanding the Trump Tax Cuts and Jobs Act. His administration plans to prioritize reducing energy mandates, refocusing businesses away from ESG initiatives, and supporting the dollar as the global reserve currency.

Immigration

The administration plans to restore strict immigration policies like the Remain in Mexico Program, deport millions of undocumented immigrants, complete the border wall, and limit specialty visas. The plan is to prioritize American workers and industries in sectors experiencing labor shortages.

Trade

Trump's trade policies will focus on "America First" by raising tariffs, particularly on China, and penalizing companies that move jobs overseas, in part, to secure domestic supply chains. He intends on leveraging trade negotiations to prioritize American businesses, even threatening tariffs when beneficial for American interests.

Foreign Policy

Trump's foreign policy centers on strong defense, a tough stance on China, and supporting allies like Israel. He aims to negotiate peace deals, including a resolution in Ukraine, while pressuring NATO allies on defense spending. His strategy includes distancing the US from multilateral organizations that don't align with his administration's interests.

Climate

Trump intends to roll back environmental regulations, reduce Inflation Reduction Act (IRA) funding—which allocates significant federal spending to support clean energy initiatives, tax incentives for low-carbon technologies, and programs aimed at reducing greenhouse gas emissions—and withdraw from the Paris climate agreement.

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Regional Impact
for Latin America

Argentina

Under the leadership of Javier Milei, the Argentine government has embarked on a macroeconomically driven agenda, prioritizing policies aimed at deregulating the state, achieving fiscal consolidation through a zero deficit, and reducing public expenditure, among other objectives. Concurrently, the administration **has fully realigned its foreign policy to Western powers,** particularly the United States and Israel. This shift can be seen with the government's recent dismissal of Diana Mondino as Minister of Foreign Affairs after her vote in favor of lifting the US economic embargo on Cuba during the United Nations General Assembly, a position historically held by Argentina. Additionally, President Milei has **strong ideological affinities with right-wing and far-right leaders** and has expressed strong support for Donald Trump during his presidential campaign, lauding his first term in office. He has also repeatedly presented himself as a strong ally of Trump in the Latin American region. In light of the convergence between Milei and Trump, **what are the potential implications of this election for Argentina?**

The most significant impact for Argentina under a Trump administration is likely to be in the **economic and financial areas**. Currently, Argentina is engaged in a debt repayment process with the International Monetary Fund (IMF), a commitment undertaken in 2018 during the tenure of President Mauricio Macri. Given this context, it is expected the kinship between Milei and Trump could **foster a more flexible and accommodating stance from the IMF** concerning the upcoming debt maturities in 2025, particularly as the United States is the Fund's largest shareholder. Moreover, the strong bilateral relationship between the two leaders could enhance Argentina's standing in global financial markets. This could potentially lead to **improved access to international financing** and increased foreign investment, particularly from the United States. Despite the benefits it could bring, Trump is expected to implement **protectionist policies** that could pose **challenges on emerging markets**, such as a strong dollar, higher rates at the US Federal Reserve, higher import tariffs, and other trade restrictions. For Argentina, whose main trading partner is the United States, this could have a negative impact on export levels. In addition, the US Federal Reserve's rate hike would make domestic investment in the US more attractive than in emerging markets.

Brazil

With Trump's victory, the Lula administration will enter a new phase in its relationship with the United States. Topics such as the **environment and energy transition are expected to have direct implications**, given Trump's historical distancing from these issues since his first term in the White House. During that period, Trump withdrew the US from key treaties and international agreements, including the Paris Agreement in his first year, weakening global environmental commitments. In 2025, Brazil will host COP30, an event that will bring together the world's leading figures to discuss solutions to the climate crisis.

With Trump's election, it is expected that the profile and participation of the United States in the event will reflect the president's skeptical stance on multilateral climate cooperation policies. Trump's return to power also signals a warning for the Lula administration, as the opposition, represented by Jair Bolsonaro, will likely be strengthened. **Bolsonaro's trajectory in the presidency mirrors that of Trump**, marked by strong polarization and an electoral defeat contested until the final vote. Both countries witnessed civil unrest after Trump's and Bolsonaro's defeats, both of whom have indicated support for granting amnesty to those involved.

Furthermore, far-right groups are expected to gain more visibility, bolstered by the American president's rhetoric on freedom of expression. In the economic sphere, the challenge for Brazil will be to **contend with the probable wave of protectionism that Trump is expected to reinstate**, prioritizing American manufacturers and reestablishing trade barriers. Lastly, another focus for Lula will be to maintain a balanced relationship between China and the United States amid the ongoing trade dispute between the two nations, which has impacted the global landscape in recent years.

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Colombia

The election of Donald Trump in 2024 represents an important change in Colombia's relationship with the United States, particularly in a context marked by the administration of President Gustavo Petro. Traditionally, Colombia and the United States have been strategic allies due to a certain political affinity, especially during previous administrations. However, Trump's arrival to power **could bring with it a series of tensions that will mark a turning point in bilateral diplomacy.**

Historically, Colombia and the United States have shared a similar approach on key issues, such as **security, counternarcotics, and trade.** However, under Petro's administration, Colombia has adopted a more critical stance towards some traditional Washington policies, especially on issues of climate change, human rights, and the war on drugs. In this context**, Trump's election could expose the deepest ideological differences between the two countries**. One of the most sensitive points in the relationship between Colombia and the United States has been the anti-drug policy. **Trump has been characterized by a more traditional stance on this issue, focusing on strict law enforcement, cooperation in extradition, and strengthening anti-drug policies**. In contrast, President Petro has expressed his interest in changing this paradigm, seeking alternatives that include the legalization of some substances, the substitution of illicit crops, and an approach more focused on public health and social development. This fundamental difference could create tensions, as Petro could come under pressure to conform to Trump's demands on this front, despite his efforts to advance his own drug policy model.

President Petro has already acknowledged that his approach to the United States will have to adapt to the new political reality implied by Trump's election. During the Biden administration, Petro was able to put an agenda up for discussion that **prioritized issues such as climate change and social justice.** However, under Trump, the priorities will probably be very different. The Colombian president could find himself having to give in to some demands of the new US government, especially in terms of the fight against drugs, security, and trade. This could lead to a change in Colombia's diplomatic narrative, as Petro would have to adjust his strategy to maintain a functional relationship with an administration that, despite ideological differences, remains crucial to the country's economic and political stability.

Mexico

With Donald Trump's re-election, Mexico faces new challenges and opportunities in its relationship with the United States, particularly in the areas of **immigration, security, and trade**. Trump has already announced the reactivation of the "Remain in Mexico" program, which requires asylum seekers to stay in Mexican territory while awaiting their case reviews in the US. This could **overwhelm border cities with large concentrations of migrants in precarious conditions**. Furthermore, the Trump administration has proposed aggressive actions against cartels, including the use of military force within Mexico, which represents a direct threat to Mexican sovereignty and complicates bilateral security cooperation.

In the economic sector, Trump's campaign promised a review of the **USMCA**, **which could result in new tariff barriers impacting essential sectors for Mexico, such as the automotive industry**. However, Trump's policy of reducing reliance on Asian manufacturing could benefit Mexico, as American companies might expand their operations to the country, taking advantage of geographic proximity and competitive labor costs. Given this scenario, Claudia Sheinbaum's government will need to adopt firm diplomatic strategies to balance cooperation with the US while defending national sovereignty and seeking to leverage economic opportunities emerging from the reconfiguration of global supply chains.

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Photo: Justin Sullivan

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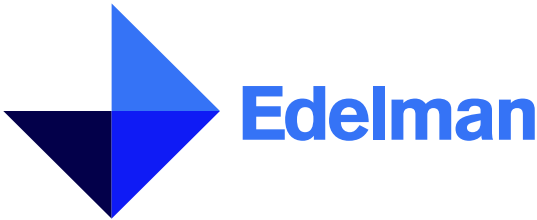
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