



Americas
Market
Intelligence



Tariffs, Trade Disruptions and the Future Cast for Latin America

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- Brand awareness studies
- Market share analysis

Strategic Drivers of Trump's Latin America Policy



Migration & Security Leverage

Migration control and fentanyl threats have become top-tier national security priorities, driving coercive bilateral tactics

- Migration flows and fentanyl trafficking elevated as urgent threats.
- Revival of “**Remain in Mexico**” protocols to deter asylum seekers.
- Mexico pressured to deploy **National Guard** for northbound migrant interception.
- **Tariff threats** used as leverage for enforcement—migration now a bargaining chip, not just a humanitarian issue.



Tariffs as Geopolitical Tools

Tariffs have evolved into universal leverage—beyond trade, shaping migration, security, and diplomacy

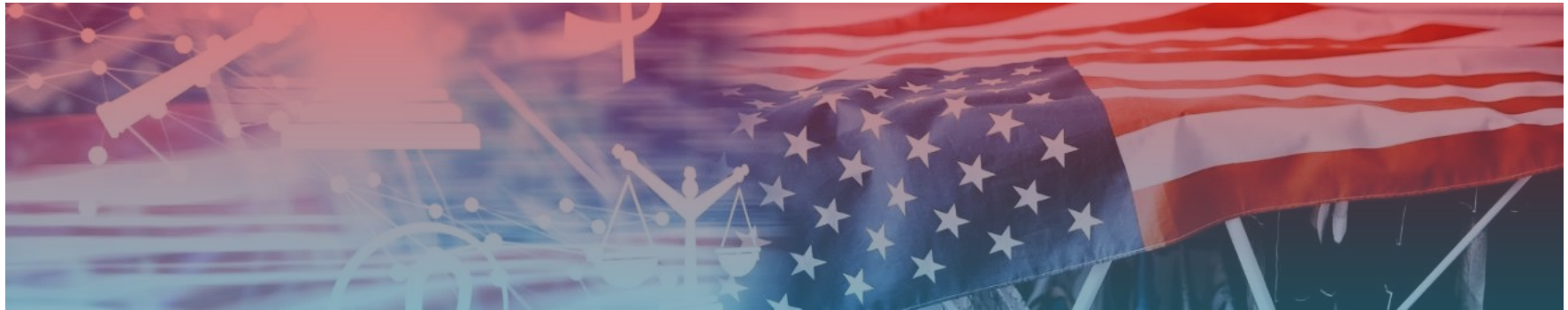
- **Reciprocal Tariff Doctrine:** Tariffs as bargaining tools, not trade policy
- Proven results:
 - 2019 Mexico migration deal
 - 2025 rollout of reciprocal tariffs across Latin America
- **Aid & Access Tied to Concessions:** Assistance paused or redirected to force cooperation
- **Secondary Tariffs:** Novel evolution—punishing third-party relationships (e.g., Venezuelan oil buyers)



Strategic Realignment & Regional Pressure

U.S. policy focuses on reshoring, countering China, and isolating authoritarian regimes

- **North American Production Anchoring:** Push for high-value manufacturing back to U.S., Mexico, Canada
- 2026 USMCA review likely to tighten rules—de facto renegotiation
- **Countering China:** Blocking Huawei, securing critical minerals, monitoring infrastructure influence
- **Hard Line on Authoritarian Left:** Venezuela, Cuba, Nicaragua targeted with asset freezes, terrorism designations, and secondary tariffs
- **Cartels as Terrorists:** Expanded legal toolkit, ISR growth, kinetic strike threats as leverage



Current & Emerging Tariff Landscape

Part I: The New Tariff Architecture

Understanding what it means for trade flows



The U.S. Tariff Pivot: Broad Pressure, Selective Relief

The United States has layered broad global tariffs, particularly targeting manufactured goods and green-tech supply chains. However, in late 2025, Washington rolled back some of the sharpest food tariffs on Latin American exports—notably on Brazilian and Peruvian agricultural products and other regional staples—after facing domestic grocery-price backlash.

This selective relief reflects political pragmatism but creates uneven terrain. Even after partial rollbacks, certain Brazilian exports including coffee and beef still face elevated U.S. duties, compressing margins and pushing exporters to diversify their market portfolios beyond exclusive U.S. reliance.

Sources: Council of the America, AP News



Key Insight

Short-term volatility in agro-export chains (coffee, beef, fruit, juices, sugar) now tracks Washington's political cycle, creating a medium-term incentive to lock in FTAs that reduce tariff risk.

Mexico's Strategic Tariff Wall Against China

Mexico has proposed and begun implementing steep tariffs on imports from countries without FTAs, especially China. This includes 50% tariffs on certain autos and auto parts, plus higher duties across a broad basket of goods. These measures are explicitly framed as industrial and geopolitical policy—aligning more closely with U.S. friend-shoring objectives and protecting USMCA-integrated manufacturers.

The strategy is reshaping North American supply chains by creating powerful trade diversion. Chinese and other Asian suppliers are losing market share into Mexico, while U.S. and Latin American suppliers with FTA access can capture lucrative input-supply business. Mexico is evolving into an even more central processing and re-export platform for the U.S. market, generating knock-on demand for inputs from Brazil, Chile, Peru, and Central America.



50%
Tariff Rate

On select Chinese autos
and auto parts entering
Mexico

Sources: Federal Reserve, Brookings Institute



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Geopolitical, Supply-Chain & Regulatory Trends

Part II: Forces Reshaping Trade

Three overlapping forces driving structural transformation



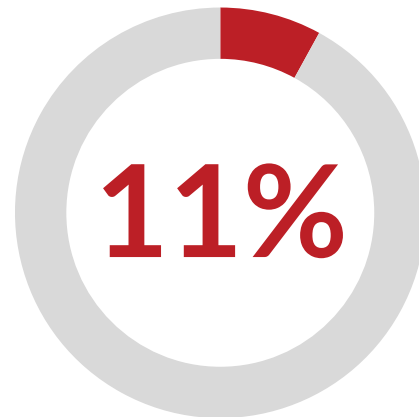
Climate Policy as Trade Barrier: The EU CBAM

The European Union's Carbon Border Adjustment Mechanism (CBAM) is transitioning from a reporting phase into full financial impact. Importers must now pay a carbon-linked levy on emissions-intensive goods, initially covering steel, iron, cement, aluminum, fertilizers, electricity, and hydrogen.



Brazil Carbon Rate

Effective payment rate on high-emission iron & steel exports



Colombia/Venezuela

Maximum carbon payment rate if domestic emissions remain high

For affected exporters, CBAM functions like a new tariff unless they decarbonize or implement equivalent domestic carbon-pricing schemes. This is driving trade re-routing—high-carbon products shifting to non-EU markets—and spurring investment in cleaner production among firms determined to maintain European market access.

Sources: Centre for European Reform, Dow Jones, Angus Media



Force #1: Geopolitics and Great-Power Competition

US-China Rivalry in LAC Trade Corridors

The prolonged US-China trade conflict has triggered "China+1" and nearshoring strategies, pushing manufacturing and assembly into Mexico, parts of Central America, and selected South American hubs. China is simultaneously deepening its presence in infrastructure, critical minerals, and logistics across the region, while the U.S. pushes for alignment on supply-chain security and tariffs targeting Chinese goods.

Fragmentation into Trading Blocs

Countries closer to Washington—Mexico, Central American and Caribbean states—are doubling down on US-centric supply chains. Others, including Brazil for agri-China trade and some Andean producers for minerals, pursue multi-vector diplomacy, attempting to balance relationships without choosing sides in the great-power competition.

Sources: AMI insights, ECLAC, Mexico Business News

Force #2: Supply-Chain Restructuring

Nearshoring Wave



Mexico emerges as prime friend-shoring winner, boosted by USMCA rules, proximity, and mature manufacturing ecosystem in autos, electronics, and medical devices

Secondary Hubs

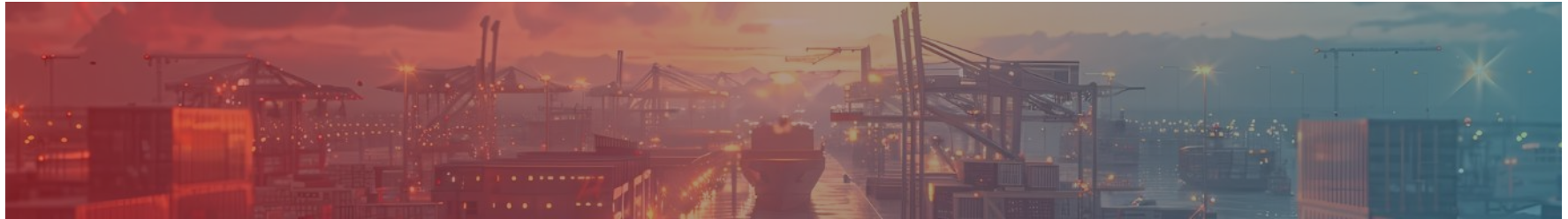


Costa Rica, Colombia, Brazil, Dominican Republic position around electronics, medical devices, agrifood, and services, though capacity varies

Resilience Premium



Firms prioritize redundancy—dual sourcing, inventory buffers, nearer suppliers—over lowest-cost Asian supply lines



Sources: JP Morgan, Dawgen Global

Nearshoring: The Mexico Advantage

Mexico stands as the undisputed nearshoring champion, combining USMCA preferential access, geographic proximity to U.S. markets, and decades of manufacturing expertise. The country has built sophisticated capabilities in automotive production, electronics assembly, and medical device manufacturing that few regional competitors can match.

This position creates a multiplier effect throughout Latin America. As Mexico attracts final assembly operations, it generates derived demand for components, raw materials, and intermediate goods from Brazil, Chile, Peru, and Central America. Mexican factories need steel from Brazil, copper from Chile, specialized plastics from Colombia, creating an integrated hemispheric supply web that benefits multiple economies simultaneously.

Sources: Mexico News, Dow Jones, AMI insights



Strategic Implication

Rather than viewing Mexico as a competitor, other LAC nations should position themselves as complementary suppliers to Mexican manufacturing hubs.

Force #3: Regulatory & Standards-Driven Disruption



Climate-Linked Trade Measures

The EU's CBAM represents the first large-scale example, but discussions in the U.S. and elsewhere about carbon-linked trade measures are ongoing. Latin American countries are exploring domestic carbon pricing and green-industrial policy to stay competitive and capture green-investment flows.



Industrial Policy & Security Screening

The United States increasingly weaponizes tariffs and investment screening around semiconductors, batteries, telecoms and critical minerals, fundamentally shaping how Latin American exports and FDI deals are structured and approved.

Sources: JP Morgan, AMI insights



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How Tariffs Actually Reshape Commerce

Part III: Trade Flow Mechanisms

Four concrete mechanisms driving change



Mechanism #1: Trade Diversion & Partner Switching



Trigger

Tariffs imposed on specific origins (Chinese autos into Mexico, Brazilian beef into U.S.) make those suppliers less competitive



Response

Importers switch to suppliers with preferential access—USMCA partners, intra-LAC providers, or EU partners with trade agreements



Result

More intra-Americas trade in intermediates and agrifood; less direct Asia-LAC trade in targeted categories, more Asia-Mexico-U.S. via Mexican processing

Sources: AMI analysis

Mechanism #2: Re-Routing & Upgrading Value Chains

Nearshoring fundamentally alters the geography of production by pushing more manufacturing stages into Latin America—particularly assembly, component production, and increasingly some R&D activities. This transformation is most visible in Mexico and, to a lesser extent, Central America and Colombia.



Input Surge

Higher imports of capital goods, machinery, and specialized inputs flow into nearshoring hubs to equip new facilities



Output Growth

Higher exports of finished goods from those hubs to U.S. and Canadian markets under preferential USMCA terms



Regional Integration

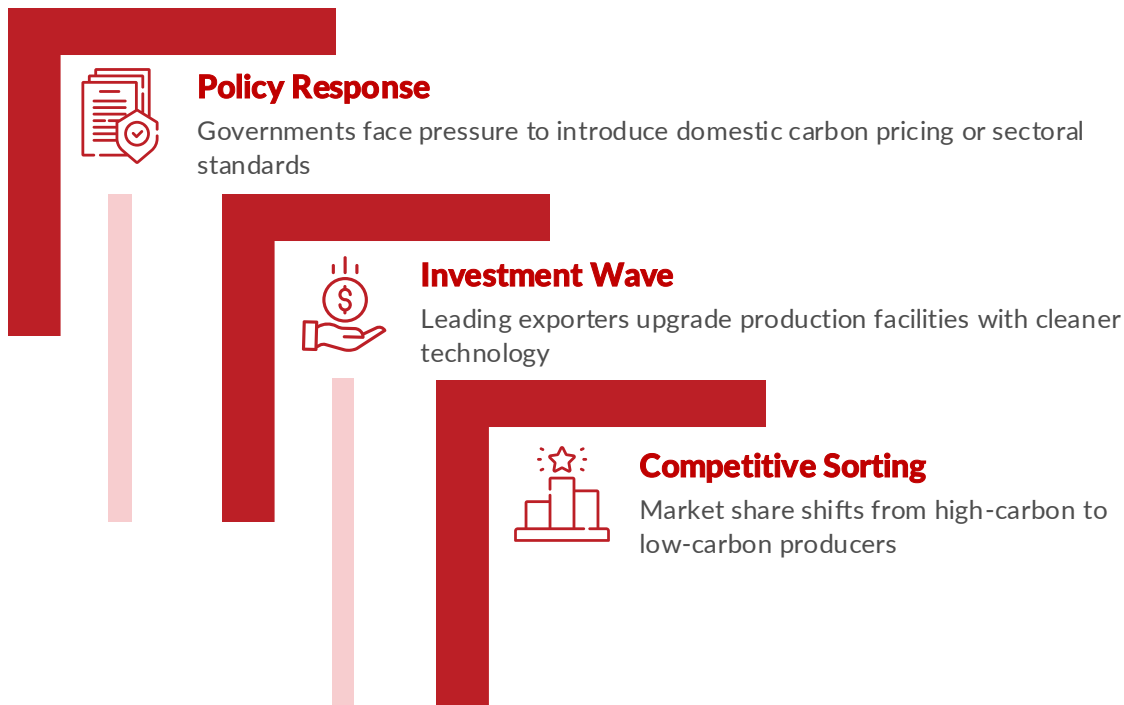
Regional supply webs emerge as Brazil/Chile/Peru supply raw materials and components to Mexican and U.S. factories

Sources: AMI analysis

Mechanism #3: CBAM Price Wedges & Market Pressure

CBAM and similar carbon-border instruments effectively raise the landed price of high-carbon goods from Latin America into the EU unless producers invest in decarbonization. This creates a powerful market-sorting mechanism with clear winners and losers.

In the short term, some exporters may lose EU market share or be forced to absorb lower margins to remain competitive. Medium term, firms that invest in cleaner production technologies and implement robust carbon accounting can preserve or even grow their European market share, while laggards are progressively pushed toward lower-standard markets or forced to exit entirely.



Sources: AMI analysis

Mechanism #4: Policy-Risk Premiums in Trade Decisions

The frequent deployment of tariffs as political leverage—tied to electoral cycles, human-rights disputes, immigration tensions, and security concerns—introduces a persistent policy-risk premium into trade decisions. This uncertainty fundamentally alters how firms structure their supply chains and commercial relationships.



Market Diversification

Firms pursue more South-South trade and LAC-Asia links beyond China to reduce concentration risk



Contract Innovation

New clauses and pricing formulas account for potential tariff shocks and policy changes



Jurisdictional Selection

Critical production stages locate in FTA-covered jurisdictions with predictable policy, even at higher nominal cost

Source: AMI analysis

The Future Cast: Winners & Losers



Winners

- Countries anchored in major trade blocs (USMCA, EU, Pacific Alliance) with FTA coverage
- Jurisdictions offering credible rule of law and policy stability for long-horizon investment
- Exporters moving up the value chain through technology adoption and workforce development
- Firms that decarbonize production and document carbon performance
- Companies plugging into nearshored supply webs rather than relying solely on raw-commodity exports



Losers

- Economies heavily concentrated in a single export market without diversification
- Commodity-dependent countries failing to add value or move up processing chains
- High carbon-intensity producers without decarbonization plans or carbon accounting
- Exporters ignoring regulatory trends around climate, security, and standards
- Jurisdictions with weak institutions unable to attract long-term FDI

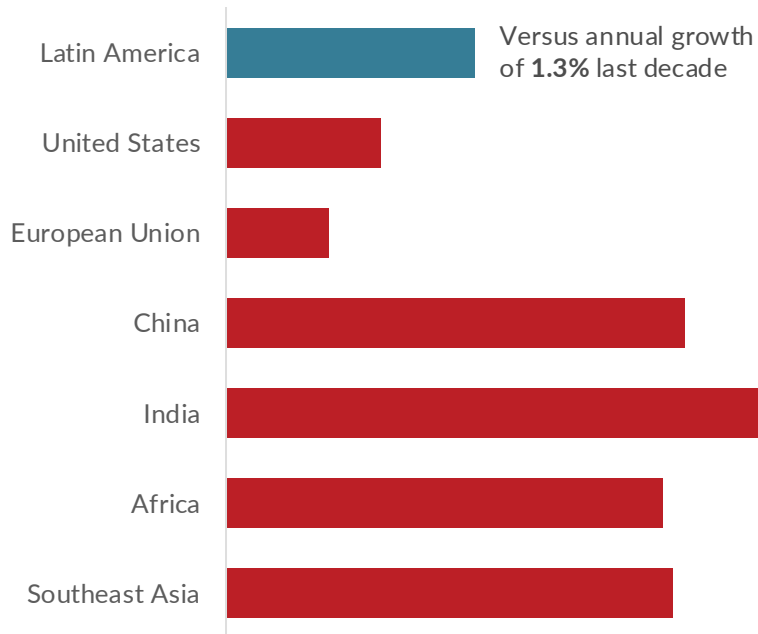
Sources: ECLAC, AMI analysis

LatAm forecast



GDP Growth Projections (2026)

Latin America is projected to show moderate but stable growth, lagging behind the dynamic economies of India and Southeast Asia but outperforming the more modest expansions of the USA and EU



Growth Drivers

- FDI inflows as well as repatriated savings as politics turns pro-business.
- Strong metals prices
- Rising productivity from digitalization
- Still favorable demographics

Growth obstacles

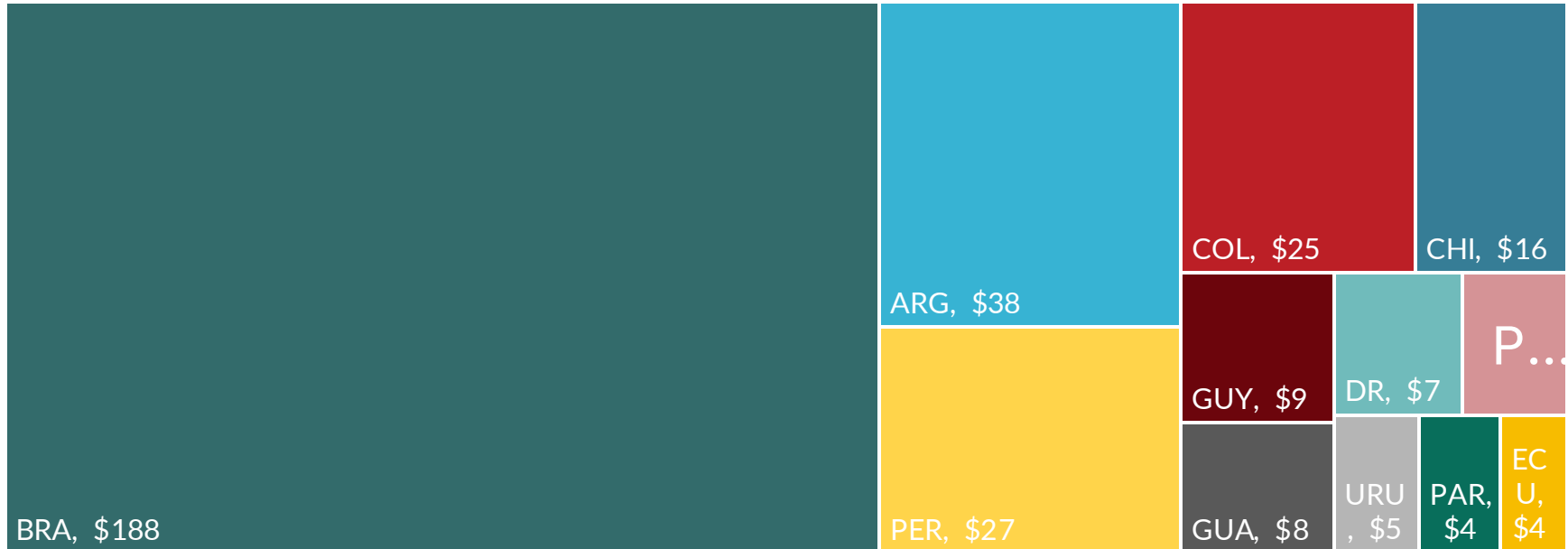
- US led trade policy disruption & uncertainty (particularly Mexico)
- Poor governance
- Infrastructure
- Insecurity
- Education

Sources: EIU, UN, IMF

Brazil will dominate (USD measured) GDP expansion in 2026

Mexico's GDP growth in USD will be negative

Net increase in USD bn measured GDP from 2025 to 2026



Source: EIU

Politics matters—and it is pointing rightward

Moderate commodity prices and high interest rates gives more weight to good governance and deft foreign relations



MEXICO

Sheinbaum promised to keep moving Mexico to the left, in homage to AMLO. Trump policies has changed her agenda to something more pragmatic, yet disruptive



COLOMBIA

Petro's policies frighten investors but congress and the court reign him in. '26 elections should yield a center-right candidate but fragmentation keeps the door open for Petro's successor.



ECUADOR

Investors like Noboa's economic policies but worry about the disruptive power of organized crime.



PERU

President Boluarte decided to bend to the will of a center-right congress to remain in power (avoid impeachment). April '26 elections should yield a center-right President but fragmented party politics sustain populism.



CHILE

November 2025 elections will push Chile to the right with a predicted victory for José Antonio Kast. Expect deregulation, spending cuts and tax cuts. Capital flight will reverse, strengthening the Peso.



DOMINICAN REPUBLIC

Abinader has delivered pro-business policy and far less egregious corruption than in the past.



VENEZUELA

Maduro's brazen election fraud further isolated Venezuela. Marco Rubio has led the US into a strategy of regime change in Caracas.



BRAZIL

Lula's popularity was falling until Trump imposed tariffs. Lula's approval has lifted and leveled, inspiring him to run again in 2026, though analysts still predict a center-right candidate (promoted by Bolsonaro) to win.



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ARGENTINA

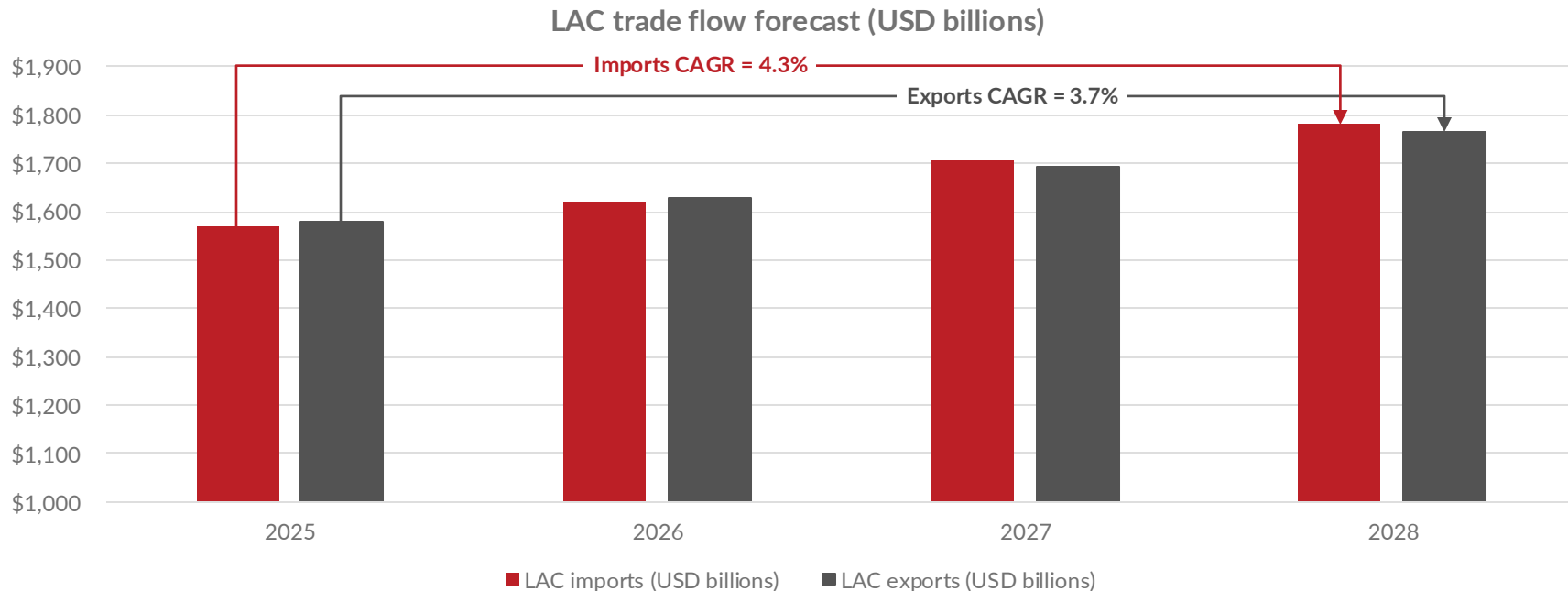
Milei has radically pivoted Argentine politics to the right, igniting a regional curiosity in libertarianism. A great deal rides on this month's mid-term elections.



Source: AMI analysis

Weakening dollar supports LatAm import growth

Import growth (from Miami) will be particularly strong in Argentina, Chile, Colombia, Brazil



Sources: EIU, AMI analysis

Trade flows in and out of the region will change





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South Florida's Strategic Position

Part IV: Miami Gateway Analysis

Implications for ports and air cargo
through 2028



Miami's Dominant Gateway Position

149

Trading Nations

Countries served by
PortMiami's global network

50%

LAC Share

Percentage of PortMiami
trade with Latin America &
Caribbean

\$26.7B

LAC Trade Value

Annual trade value from
LAC region through
PortMiami (FY2024)

346K

LAC TEUs

Container volume from
Latin America & Caribbean
markets

PortMiami and Port Everglades collectively dominate U.S.–LAC maritime trade, with roughly half of all container volumes originating from or destined to Latin American and Caribbean markets. Port Everglades recorded over 400,000 TEUs from Caribbean and Central America lanes alone, with containerized cargo growing 11% year-over-year in early 2025.

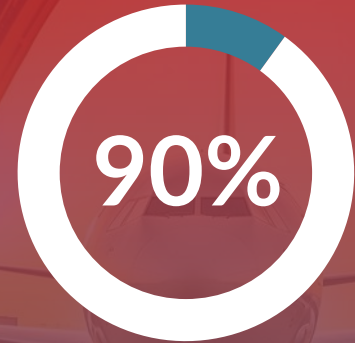
Sources: Miami Dade County, Port Everglades, Global Miami magazine

MIA Air Cargo: The Hemispheric Control Tower

Miami International Airport (MIA) handles approximately 3 million metric tons of cargo annually and functions as the top U.S. entry point for international freight and Latin America-bound commerce. In early 2024 alone, MIA moved over \$20 billion in trade, comprising \$11.8 billion in exports and \$8.4 billion in imports.

The airport's LAC dominance is most visible in perishables: roughly 90% of U.S. Valentine's Day flowers—approximately 1.6 billion stems worth over \$1.6 billion annually—enter via MIA from Colombia and Ecuador. Similar patterns hold for seafood, tropical fruits, pharmaceuticals, and medical devices, where shelf-life and supply-chain security trump pure cost considerations.

Sources: Air Cargo Week, Miami Dade County



Flower Imports

U.S. Valentine's flowers entering through MIA



Annual Trade

Total trade value processed through MIA (2024)

2026–2028 Forecast: South Florida Port & Air Cargo Growth



Port Volume Growth

PortMiami and Port Everglades LAC container flows projected at 4–6% growth annually, driven by nearshoring into Mexico/Central America/Caribbean and diversification away from EU due to CBAM costs



Air Cargo Outperformance

MIA's LAC air trade should grow at high single digits, outpacing seaborne trade due to e-commerce, pharma, electronics, and time-sensitive component flows tied to nearshoring



Cargo Mix Shift

More intermediate and capital goods—machinery, parts, plastics, metals—as LAC factories integrate into North American supply chains. Finished consumer goods from nearshoring sites continue using Florida as regional distribution hub



Geographic Concentration

Caribbean and Central American corridors (Dominican Republic, Honduras, Guatemala, Panama, Costa Rica, Colombia) gain relative weight as U.S./Mexico trade policy pushes more processing into other Western Hemisphere nations

Sources: Reuters, Miami-Dade County, Air Cargo Week, ECLAC, AMI analysis

Strategic Imperatives for Miami Through 2028

Bet on Complexity, Not Volume Alone

Regional exports likely growing 4–5% annually; Miami's gateway status means capturing disproportionate share in value terms, especially for high-margin, specialized cargo

MIA: Lean Into "Resilience Premium" Cargo

Position as preferred hub for risk-sensitive, regulated, time-critical trade—pharma, aerospace parts, electronics, perishables—as firms rebalance away from single-origin Asian supply chains

1

2

3

4

Ports: Double Down on LAC Feeder & Value-Added Logistics

Invest in cold chain, Foreign Trade Zones, and light manufacturing/assembly around PortMiami and Port Everglades to serve nearshoring-linked flows and regional distribution networks

Market Miami as Hedge Against Volatility

To LAC exporters, frame Miami as gateway keeping options open: easy U.S. consumer access, efficient Caribbean/LAC redistribution, base for re-export and value-added processing adapting to changing tariffs and carbon rules

Miami's strategic advantage lies not in competing on cost, but in offering optionality, security, and specialized capabilities in an increasingly uncertain trade environment. As tariffs become political tools and supply chains fragment, the premium for a trusted, capable gateway only increases.

Sources: ECLAC, e-Merge Miami, Air Cargo Week, AMI analysis

Follow-up



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