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## Latin America Advisor

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## FEATURED Q&amp;A

## What Does a Deal With Chiquita Mean for Panama?



Panama's government hopes a new agreement with Chiquita Brands will allow the company to return to full operations in the Central American country by February. // File Photo: Stockfotos-MG via Adobe Stock.

**Q** Panamanian President José Raúl Mulino on Aug. 29 signed an agreement with Chiquita Brands that the government hopes will allow the company to return to full operations in Panama by next February, the Associated Press reported.

The company has also agreed to re-hire thousands of workers in Panama who were dismissed earlier this year, according to the wire service. What are the most important parts of the agreement between Chiquita and the government? What does the deal mean for Panama's economy? How effectively has Mulino's administration managed the situation?

**A** José Miguel Alemán Healy, Panama's ambassador to the United States: "The agreement with Chiquita Brands is a significant step for Panama. The company committed to investing approximately \$30 million to restart operations in Bocas del Toro, enabling the recovery of up to 5,000 hectares of banana production and the rehiring of as many as 3,000 workers—initially for cleanup and recovery work, followed by harvesting and packing. Thousands of families in the region will once again benefit from a stable source of income; hundreds of suppliers and commerce in the area will likewise be affected positively. The goal is to be in operation by February 2026. The positive impact is clear. Bananas remain one of the country's main agricultural exports. The agreement strengthens Bocas del Toro, helps reduce the trade deficit and reinforces Panama's commitment to investment and rule of law. Illegal actions will not be tolerated, including the hijacking of syndicates as a cover for such purposes. It is clear that President Mulino's government managed to turn a complicated situation

Continued on page 3

## TODAY'S NEWS

## POLITICAL

### Trump's Tariffs on Brazil 'Misguided' and 'Illogical': Lula

In an essay published Sunday, Brazilian President Luiz Inácio Lula da Silva criticized U.S. President Donald Trump's 50 percent tariffs on Brazilian goods and expressed openness to negotiate.

Page 2

## ECONOMIC

### U.S. Still May Attend COP30: Energy Secretary

The Trump administration has not ruled out sending a delegation to Brazil for the COP30 U.N. climate change conference, said U.S. Energy Secretary Chris Wright.

Page 2

## POLITICAL

### U.S. Personnel Boarded Venezuelan Boat: Official

Personnel from a U.S. Navy destroyer "hostilely" boarded a Venezuelan fishing vessel, the South American country's foreign minister, Yván Gil, said Saturday.

Page 2



Gil // File Photo: Venezuelan Government via CC BY-SA 4.0.

## POLITICAL NEWS

## U.S. Personnel Boarded Venezuelan Fishing Boat: Official

Personnel from a U.S. Navy destroyer “hostilely” boarded a Venezuelan fishing vessel as it was traveling in Venezuelan waters, the South American country’s foreign minister said Saturday, the Associated Press reported. The Venezuelan tuna boat was “illegally and hostilely boarded” by 18 armed U.S. personnel from the destroyer, Foreign Minister Yván Gil told journalists, the wire service reported. The U.S. personnel remained aboard the Venezuelan vessel for eight hours and prevented the fishermen’s communication and other normal activities, said Gil. The fishermen were then released to the Venezuelan navy, Gil added, the AP reported. A U.S. official confirmed to ABC News that Coast Guard personnel stationed aboard the USS Jason Dunham had searched the boat for drugs following a tip but did not find any illegal goods. The tuna boat was authorized by Venezuela’s Ministry of Fisheries to conduct its work, Gil said, the AP reported. The foreign minister also showed journalists photographs of the incident, the wire service reported. “Those who give the order to carry out such provocations are seeking an incident that would justify a military escalation in the Caribbean,” said Gil, adding that such orders “persist in their failed policy” to force regime change in Venezuela, the AP reported. The incident was “illegal” and “illegitimate,” Gil said. He added that Venezuela’s government will defend the country in the event of any “provocation,” the wire service reported. Gil’s statement came a week and a half after U.S. President Donald Trump authorized a Sept. 2 military strike against a speedboat in the Caribbean, which he said happened in international waters and killed 11 members of the Venezuelan Tren de Aragua gang. Trump said the boat was carrying illegal drugs, but he has not publicly presented any evidence to support that assertion. Last week, Venezuelan Interior Minister Diosdado Cabello said the

people aboard the vessel were neither Tren de Aragua members nor transporting drugs, The Guardian reported. The speedboat had turned around and appeared to be heading toward shore before a U.S. military aircraft attacked it, The New York Times reported last week. The Trump administration has deployed some 4,000 members of the military to waters off Latin American and Caribbean countries, though it has not given any indication that it plans to launch a ground incursion in the region, the AP reported. Venezuela’s government has urged citizens to enlist in militias, and on Saturday asked for volunteers to go to military barracks for training, the wire service reported. “The primary intention seems to be signaling clearly that the United States considers organized crime to be a national security issue meriting the deployment of military force,” Henry Ziemer, associate fellow for the Americas at the Center for Strategic and International Studies, told the Advisor in a [Q&A](#) published Sept. 2, before the U.S. strike on the Venezuelan speedboat. “However, the large concentration of naval assets in the region has raised speculation the United States may take direct military action against Venezuela,” he added.

## Trump’s Tariffs on Brazil ‘Misguided’ and ‘Illogical’: Lula

U.S. President Donald Trump’s decision to impose tariffs of 50 percent on several imports from Brazil was “misguided” and “illogical,” Brazilian President Luiz Inácio Lula da Silva wrote in an essay published Sunday in The New York Times. “When the United States turns its back on a relationship of more than 200 years, such as the one it maintains with Brazil, everyone loses,” Lula wrote. Trump imposed the tariffs in July, citing Brazilian prosecutors’ case against his ideological ally, former Brazilian President Jair Bolsonaro and calling it a “witch hunt.” A panel of Brazil’s supreme court last Thursday convicted Bolsonaro and seven co-defendants on charges of planning a coup to keep Bolsonaro in power following his 2022 election loss to Lula. Bolsonaro has denied wrongdoing. In his

## NEWS BRIEFS

## At Least Seven Killed in Shooting at Pool Hall in Ecuador

At least seven people were killed on Friday in a shooting at a pool hall in Ecuador, police said Saturday, the Associated Press reported. The shooting happened in the city of Santo Domingo de los Tsáchilas, which is about 80 miles west of Quito. The shooting was connected to a “territorial dispute” among criminal gangs, said Col. Olga Benavides, a local police commander, the AP reported. Seven others were killed in a similar attack, also at a pool hall in the same city, on Aug. 17, the AP reported.

## FARC Dissidents Attack Police Station, Killing One

Rebels belonging to a dissident faction of the FARC group attacked a police station in Colombia’s southwestern Cauca region with grenades on Sunday, killing at least one person and injuring four others, the Associated Press reported. Colombia’s military entered the town of Carmelo later on Sunday to restore order, according to the wire service. A similar attack on a separate police station took place in August in the Cauca department, which is a key region for Colombia’s cocaine production and distribution networks, the AP reported.

## U.S. Still Considering COP30 Attendance

The administration of U.S. President Donald Trump has not ruled out sending a delegation to Brazil for the COP30 United Nations climate change conference in November, U.S. Energy Secretary Chris Wright told Bloomberg News in an interview on Friday. “I would not be at all against going, if I had an audience and a platform to engage with the world,” Wright said. “Climate change is a real thing,” he added. Trump in January initiated a year-long withdrawal process from U.N. climate negotiations, Bloomberg News reported.

essay, Lula expressed an openness to “negotiating anything that can bring mutual benefits.” However, he added, “Brazil’s democracy and sovereignty are not on the table.” In the essay, Lula added that he was “proud” of the supreme court’s “historic decision” in Bolsonaro’s case. “This was not a ‘witch hunt.’ The judgment was the result of proceedings carried out in accordance with Brazil’s 1988 Constitution, enacted after two decades of struggle against a military dictatorship,” Lula wrote. [Editor’s note: See related [Q&A](#) in the Aug. 14 issue of the Advisor.]

## BUSINESS NEWS

### Sabadell’s Board Urges Shareholders to Reject Takeover

Spain-based bank Sabadell announced Friday that its board had rejected a hostile takeover bid by BBVA and urged shareholders to also reject the takeover, Agence France-Presse reported. The largest shareholder on Sabadell’s board, Mexican investor David Martínez, said that while Spain-headquartered BBVA’s takeover attempt was the correct strategy, its offer price was too low, Reuters reported. “In my opinion, the transaction presented by BBVA is the right strategy for both institutions, although at a price that currently makes it unfeasible,” Martínez said in Sabadell’s report. Martínez owns 3.86 percent of Sabadell through Fintech Europe, a subsidiary of his firm Fintech Advisory, Reuters reported. BBVA’s proposal aims to create a powerhouse bank that would compete with Spain’s Santander, France’s BNP Paribas and Britain’s HSBC, AFP reported. BBVA, which has a significant footprint in Latin America and Turkey, announced its bid, all in shares, for Sabadell in May 2024, AFP reported. In order to proceed with the takeover, BBVA will have to convince Sabadell’s shareholders during a 30-day period that began Sept. 8, AFP reported. In its statement, Sabadell’s board added that the takeover offer “destroys value for Banco Sabadell shareholders,” AFP reported.

## FEATURED Q&A / Continued from page 1

into a significant achievement. This was not an easy task. The outcome speaks to the importance of mediation, consensus and respect for rule of law to the benefit of all, especially working families. The agreement is valid for a transitory period of 24 months and creates a technical commission in charge of supervising its implementation. Production will be subject to technical supervision, as permitted by law. Quality control, transport, export and commercial marketing of the product will be the responsibility of Chiquita Panama.”

**A** **Isabel de Saint Malo de Alvarado, former Panamanian vice president and foreign minister:** “The memorandum of understanding signed between the government of Panama and Chiquita Brands marks a pivotal moment for the country’s economic recovery and investor confidence. While the full text of the memorandum has not been made public, official statements confirm that Chiquita will invest \$30 million to reactivate more than 12,000 acres of banana plantations and rehire 3,000 workers initially, with an additional 2,000 jobs to follow in a second phase. These commitments are particularly significant in Bocas del Toro, a province heavily reliant on banana production and still reeling from the economic fallout of the company’s announcements earlier this year. Finance Minister Felipe Chapman has rightly emphasized that public resources cannot substitute for private investment. In this context, Chiquita’s re-engagement could further catalyze private sector interest, especially in agro-industrial development and export-oriented sectors. Bananas alone accounted for more than 17 percent of Panama’s exports in the first quarter of 2025, underscoring the strategic importance of restoring full operations. With unemployment at 9.5 percent—its highest level in a decade outside pandemic years—the return of Chiquita is not just an economic win, but also a social one. It offers a path forward for thousands of families

and reaffirms Panama’s commitment to balancing labor rights, legal certainty and economic competitiveness. The Mulino administration deserves credit for navigating a complex and politically sensitive situation.”

**A** **Joaquín Jácome Díez, senior partner at Jácome & Jácome in Panama City and former trade minister of Panama:** “A few months back, Bocas del Toro province was hijacked by politically motivated radical groups that were masquerading a social unrest, affecting the population’s right to free transit and enterprise for more than a month. At that time, the government showed restraint and was patient and slow to get the

“ **President Mulino’s government should be commended for its timely, diligent and proactive reaction in solving this national crisis.”**

— Joaquín Jácome Díez

province to normality. This left dismal economic and social consequences in Bocas del Toro. The most important loss being 6,000 direct jobs from Chiquita banana plantations, traditionally Panama’s most important export product, which gravely affected not only the region, but also the national economy. President Mulino’s government should be commended for its timely, diligent and proactive reaction in solving this national crisis. The memorandum signed in Brazil with Chiquita Panama lays a framework for, in two phases, getting back most of the jobs lost during the crisis. Starting in October, Phase 1 involves 3,000 jobs for maintenance of the plantations. Phase 2 is to be implemented by February of next year, with 2,000 more jobs for harvesting and packing.

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

The real novelty is that the exploitation of the plantations will be done by third parties following Chiquita's protocols to maintain its quality standard. Chiquita will additionally invest approximately \$30 million and continue buying and exporting the commodity. Although nothing has been specified as of yet, they confirmed the new legal structure is allowed by the current contract with the nation. Hopefully, if this agreement is implemented, it could be great news to the region. Not only recovering lost jobs but potentially increasing activity in Bocas del Toro that for many years has been a cornerstone of economic development and great pride."

**A** **Michelle Watts, associate dean of the School of Security and Global Studies at the American Public University System:**

"Banana companies in Latin America have a long and troubled history in Central America. Chiquita Brands started operations in Panama before it was an independent country, in 1896, providing infrastructure and employment, but also creating dependence. In recent years, Chiquita reportedly provided work for approximately 80 percent of workers in Changuinola, Bocas del Toro. Thus, when Chiquita abruptly announced its complete withdrawal from the Bocas del Toro region earlier this year, it created

hardships for the families of more than 6,000 workers, reverberating throughout the local and national economy. The agreement outlining Chiquita's return will occur in two phases: 3,000 workers will be hired this year, and 2,000 in 2026. Chiquita has committed to investing \$30 million to return to production in early 2026, promising new, more efficient facilities that take occupational safety into account. Importantly, the agreement promises community development and creates a body to monitor implementation. Reaching an agreement to resume operations is an accomplishment for Mulino. Just as important is the follow-through to ensure protections for workers' wellbeing that encompass both day-to-day work conditions and future employment opportunities. Local and national leaders acknowledge that change is needed—the dependence on a foreign company providing an overwhelming number of jobs in the area leaves workers in a precarious position. Diversifying the local economy and ensuring that workers have the training and skills needed to shift to other areas is essential for stability and prosperity in not only the region of Bocas del Toro, but also the country."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.*

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## Upcoming Events

### Haiti's Security Crisis: Pathways to Stability

September 16, 2025 | 9:00 am ET | Inter-American Dialogue & Online

### Launch of the Inter-American Dialogue's Brazil Program

September 17, 2025 | 9:30 am ET | Inter-American Dialogue

