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## FEATURED Q&A

# Who Has the Edge in Uruguay's Runoff Election?



Yamandú Orsi and Álvaro Delgado (L-R) emerged as the top vote-getters in the first round of Uruguay's presidential election on Sunday and head to a runoff on Nov. 24. // File Photo: Facebook Pages of Yamandú Orsi and Álvaro Delgado.

**Q** Uruguay's presidential election is headed to a runoff, as center-left candidate Yamandú Orsi and conservative Álvaro Delgado emerged as the top vote-getters in Sunday's first round. With nearly all votes counted, Orsi won 46.22 percent, while Delgado secured 28.15 percent. With no candidate winning more than 50 percent, the two men are set to face each other in a second round on Nov. 24. What factors drove Sunday's results? Which candidate has the edge in the second round, and who is most likely to pick up the voters of third-place finisher Andrés Ojeda? What does voters' apparent rejection of the pension reform that was on Sunday's ballot mean for Uruguay?

**A** Alfonso Blanco, director of the Energy Transition & Climate Program at the Inter-American Dialogue: "As usual in Uruguay, the election unfolded as a vibrant civic celebration, with turnout exceeding 90 percent. However, following a night filled with uncertainty and mixed feelings across both blocs, the political landscape underwent a radical shift, presenting the next government with an unprecedented situation. Yamandú Orsi, the candidate of the Frente Amplio, emerged as the leading contender and secured a Senate majority with 16 seats. He was followed by Álvaro Delgado of the National Party and Andrés Ojeda of the Colorado Party. The ruling coalition, along with its minor party partners won 14 Senate seats, but neither of the two main blocs secured a majority in the Chamber of Representatives. These results shape the path and strategies for the second round. Predictions from the polls have largely materialized, indicating a rise for the opposi-

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El Salvador sent 2,000 soldiers and 500 police officers to surround a neighborhood on the outskirts of San Salvador to root out gang members.

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The International Finance Corporation is investing \$100 million in Ecuador's Produbanco to support environmentally friendly projects.

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Colombia's Congress opened an investigation into Ecopetrol head Ricardo Roa over repeated absences from requested congressional meetings.

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Roa // File Photo: @microabar via X.

## POLITICAL NEWS

## El Salvador Launches Anti-Gang Operation in Neighborhood

El Salvador's president, Nayib Bukele, announced on Monday that his government launched an anti-gang operation in a neighborhood on the outskirts of the country's capital, sending 2,000 soldiers and 500 police officers to surround the area. "Police intelligence has determined that a group of gang members are hiding in the 10 de Octubre neighborhood in San Marcos, San Salvador Sur," Bukele said in a post on social media site X. "Today, in the early hours of the morning, we established a security cordon around the entire neighborhood, with 2,000 soldiers and 500 police officers, to extract every last gang member found in the area," he added. El Salvador's justice and security minister, Gustavo Villatoro, said the operation sought to "continue destroying the criminal economy," Agence France-Presse reported. The government released images showing heavily armed soldiers patrolling the area and checking identification documents. Salvadoran authorities have detained some 83,000 suspected gang members since Bukele launched his controversial state of emergency in March 2022, AFP reported.

## Conservatives Gain Ground in Chile Municipal Elections

Center-right political parties won several key municipal races in Chile's local elections on Sunday, Bloomberg News reported. The Chile Vamos bloc won mayoral elections in more than 120 municipalities, higher than the 87 that they won in the last municipal elections in 2021, the news service reported, citing elections office Servel. The coalition won control of downtown Santiago and the capital's Ñuñoa area as well as the city of Puerto Montt, Bloomberg News reported.

## ECONOMIC NEWS

## IFC Invests \$100 Mn in Produbanco for Sustainable Projects

The World Bank's International Finance Corporation (IFC) will invest \$100 million in Ecuador-based bank Produbanco for environmentally friendly projects, the organization announced today. "Produbanco will use the loan proceeds to provide financing for projects that conserve, restore, and protect biodiversity, climate-smart projects, and to increase access to finance to women-owned [businesses]" in Ecuador, the IFC said in a statement. The investment is intended to help boost financial resiliency for lower- and middle-class Ecuadoreans, in addition to safeguarding the country's environment, IFC said. Produbanco is Ecuador's second-largest bank by total assets, according to data from Asobanca Datalab. The IFC made its investment decision during the United Nations biodiversity summit in Colombia.

## Oil Tanker Carrying Crude En Route From Mexico to Cuba

An oil tanker carrying roughly 400,000 barrels of oil is en route to Cuba after it left a port in Veracruz, Mexico, Reuters reported on Monday. The oil shipment, which was sent from a subsidiary of state-owned Pemex, will help alleviate Cuba's ongoing power crisis as the country's regulators struggle to resume electrical service to customers and businesses across the island. Cuban schools and non-essential businesses closed last week after grid operators scrambled to respond to a power failure and hurricane. The oil cargo is scheduled to arrive later this week, according to data from LSEG, Reuters reported. Mexico has been Cuba's second-largest source oil product imports since the country resumed sending crude oil and finished fuel at the end of 2023, according to LSEG data. Only Venezuela

## NEWS BRIEFS

## Brazilian Consumer Group Suing Social Media Firms

A Brazilian consumer rights organization is suing social media firms Meta, TikTok and Kwai, alleging they failed to set up safeguards for minors using the platforms, Reuters reported today. Brazil's Collective Defense Institute is seeking a total of three billion reais (\$525 million) from the three companies and is demanding that the companies implement data protection mechanisms and mental health warnings for children and teenagers, according to Reuters. Meta said it wants "young people to have safe and age-appropriate experiences on our apps" and that it has been working on such issues for more than a decade.

## Payment Platform Kuady to Expand Digital Wallet Service to Mexico

Payment platform Kuady will expand its digital wallet services into Mexico, the company announced on Monday. The platform already has operations in Argentina, Chile and Peru. "By facilitating cross-border transactions, we aim to create a more interconnected financial ecosystem that benefits both our partners and the communities they serve," Kuady's CEO, Lorenzo Pellegrino, said Monday in a statement.

## South Korea's POSCO Inaugurates First Phase of Argentina Lithium Mine

South Korean mining conglomerate POSCO inaugurated the first phase of its lithium mine in Argentina's Salta province, the company and provincial authorities announced on Sunday. The mine is capable of producing 25,000 tons of lithium hydroxide per year, with output expected to double by the end of 2025. POSCO's Sal de Oro project is the third lithium venture to reach operation in Argentina this year.

presently exports more oil to Cuba by volume. Reuters reported Monday that Mexico's crude oil exports to Cuba from January to September were 20,000 barrels per day—up 25 percent from the same period last year. Venezuela's crude oil exports to Cuba averaged 27,000 in June, according to the wire service. The ship currently carrying a 400,000-barrel oil cargo is a Cuban-flagged tanker that has exclusively covered routes between Mexico and Cuba this year, Reuters reported.

## BUSINESS NEWS

### Colombia's Congress Opens Probe Into Ecopetrol's Roa

Colombia's Congress on Monday opened a disciplinary investigation into Ricardo Roa, the president of state-owned oil and gas company Ecopetrol, over repeated absences from requested congressional meetings, *El Tiempo* reported. Roa is also currently under investigation over his alleged involvement in financial irregularities in President Gustavo Petro's 2022 campaign, Colombian newspaper *Semana* reported on Monday. "It is feasible to go to the preliminary investigation stage when we are faced with a lack of identification or individualization," Tatiana Moreno, the disciplinary prosecutor who opened the case, said Monday in a statement, *Semana* reported. Colombian Senator David de Jesús Bettin Gómez first filed an absence complaint against Roa on Oct. 16; he had requested Roa's appearance before Congress to discuss "key issues" regarding his management of Ecopetrol, *El Tiempo* reported. Bettin Gómez is a member of the Uribista Partido de la Unión por la Gente, which is not part of Petro's governing coalition. Roa, who was Petro's campaign manager during the 2022 presidential race, is also under investigation by the National Electoral Council over alleged violations of campaign finance law. He was denied protection from prosecution last week in a ruling from Colombia's Supreme Court, *Infobae* reported on Oct. 22.

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tion and a decline for some coalition members as a result of the exhaustion from five years of government. Although the Frente Amplio hoped for a slightly higher percentage, its performance positions it favorably for the runoff, bolstered by its Senate majority. Historically, electoral support does not fully transfer among center-right coalition partners in runoffs. While pre-election polls favored Orsi over Delgado, it is likely that Delgado can attract more votes from his coalition allies than Orsi can capture from his, thanks to established agreements among coalition partners. Additionally, the two plebiscites on the ballot failed to pass, reflecting a declining willingness among voters to amend the constitution. As the runoff approaches, the final outcome remains uncertain. Both blocs must be ready to take significant risks in this decisive phase, as future governance will depend on dialogue and cooperation, given the lack of parliamentary majorities in both chambers, regardless of the runoff results."

**A** **Rosario Queirolo, associate professor in the Department of Social and Political Sciences at the Universidad Católica del Uruguay:** "In Uruguay, voters' decisions are defined by party identifications and economic evaluations. Sunday's results were no exception. As was predicted by the electoral polls, Orsi and Delgado will compete in the runoff. Because the Partido Nacional, the incumbent party, has governed with a multi-party coalition formed with Partido Colorado, Partido Independiente and Cabildo Abierto, and the sum of the votes obtained by each of these political parties in the first round of the election is 47.7 percent, one possible scenario is to think that Delgado is the favorite to win. In addition, during this campaign, the interchangeability between voters of the Partido Nacional and Partido Colorado has increased, making easier for Colorados to vote for Delgado. However, there are at least two arguments that could

favor Orsi in the runoff. First, runoff scenarios measured by electoral polls before the national election indicated that Orsi was the favorite to win. We need to wait until the first post-election survey results to see if those preferences remain the same. Second, in every second round since its existence, the Frente Amplio has increased the share of its vote from the national election to the runoff: in 1999 by five percentage points, in 2009 by five points, in 2014 by six points and in 2019 by eight points (in 2004, the Frente Amplio won in the first round). There is no reason to think that something different might happen this time. We should expect a very competitive second round."

**A** **John Polga-Hecimovich, associate professor of political science at the U.S. Naval Academy:** "Orsi's first-round victory and Delgado's second-place finish were consistent with pre-electoral polling and reflect the predictability of Uruguayan elections, with establishment left-wing and right-wing candidates making the runoff election following a civil, respectful and policy-focused campaign. Whoever wins the second round will need to remain moderate; no party has a majority in the lower chamber of the General Assembly, which means any president will have to negotiate to secure a working majority. So far, the numbers suggest that the second round Orsi-Delgado runoff will be closely contested. Ojeda is likely to quickly endorse Delgado. Ojeda's Partido Colorado and Delgado's Partido Nacional are both right-of-center parties that belong to the ruling multi-color coalition—and the ideological right is likely to coalesce behind his candidacy. This would place Orsi and Delgado in a dead heat for the presidency. Both of them—and markets—are breathing a sigh of relief after voters rejected the pension reform proposal, made by the country's umbrella Plenario Intersindical de Trabajadores-Convencción Nacional de Trabajadores trade union. The measure

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would have carried a huge cost by changing the constitution to lower the retirement age to 60, offer a baseline minimum pension payment and eliminate private personal retirement fund managers. Had this measure passed, it would likely have eroded some support for Orsi in the second round.”

**A** **Francisco Panizza, professor of Latin American and comparative politics at the London School of Economics and Political**

**Science:** “Sunday’s results confirmed the country’s division between two evenly balanced blocs: the opposition left-of-center Frente Amplio (FA) and the right-of-center government coalition led by the Partido Nacional (PN). Results were roughly in line with the latest opinion polls, although the FA polled slightly below expectations. While the FA comfortably won the largest share of the votes, the votes for the candidates of the parties that supported the government coalition, added together, amounted to a greater share. Given that the vast majority of these voters will support PN candidate Álvaro Delgado in the second round, Delgado has a slim but significant advantage of three percentage points ahead of the second round. The first round was largely a plebiscite on the current government, and the second round is likely to be more so. However, even a triumph of opposition candidate Yamandú Orsi will include significant continuity with current economic policies. At the parliamentary level, the FA secured a majority in the Senate, while none of the blocs controls

the Chamber of Deputies. This means that whoever wins the presidential election—particularly Delgado—will need to reach out to the opposition to ensure governability. Finally, the defeat of the plebiscite to repeal the social security reform will ensure macro-economic stability and a smooth transition of government.”

**A** **Juan Cruz Díaz, managing director of Cefeidas Group in Buenos Aires:** “Yamandú Orsi, who was consistently

favoured in polls, reaffirmed his status as the candidate to beat. However, Álvaro Delgado remains highly competitive with anticipated support from center-right allies, setting up a tight runoff. Some investors and analysts viewed the pension reform referendum with concern. It placed added pressure on Orsi’s campaign due to competing views within his coalition. Now that the referendum is removed from the ballot, both campaigns can concentrate fully on the presidential race, allowing for clearer narratives and messages from each side. The race is expected to be close, with third-place finisher Andrés Ojedá’s voters likely to back Delgado. This will expose policy contrasts and strategies, while the center vote will be decisive. As campaigns advance, we anticipate an intense debate that will determine the presidency and signal Uruguay’s political direction. However, Uruguay’s political climate remains markedly less polarized and extreme than other countries in the region, and institutional stability is not in question.”

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