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FEATURED Q&A

Why Are Cybercrime Incidents on the Rise in Mexico?



Mexico was targeted in 31 billion cybercrime attempts in just the first six months of this year, according to a recent report. // File Photo: Tim Reckmann via cnull.de.

Q In the first six months of this year, Mexico was targeted in 31 billion cybercrime attempts, accounting for just over half of all cybercrime incidents in Latin America, cybersecurity firm Fortinet said in a study released Oct. 9. The attacks come amid Mexico's nearshoring boom, as multinational companies have increasingly shifted operations there to be closer to their primary markets. Which sectors in Mexico are particularly vulnerable to cyberattacks, and what types of cyberattacks are most prevalent? How well are Mexican authorities fighting cyberattacks, and does the country need new regulations and laws in order to help prevent cyberattacks?

A Joseph Devanny, senior lecturer in the Department of War Studies at King's College London: "Mexico is one of the largest economies in Latin America, so it should surprise no one that it suffers more than other countries in the region from cybercrime incidents. Mexico is not solely an attractive target because of its relative wealth and its more expansive digital attack surface; it suffers also because of shortcomings in its national cybersecurity. President Sheinbaum should make improving cybersecurity a top priority, making up for lost time under her predecessor. There is no quick fix for Mexico's cybersecurity problems. Mexico needs better strategic coordination, presidential prioritization and commitment of effort and resources to break through inter-agency challenges and improve national capabilities. Some problems require sustained, long-term effort such as building a pipeline of national talent to fill cybersecurity jobs. Other problems will need patient cooperation with foreign partners to build capacity and address

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Mexico's Supreme Court to Rule on Judicial Overhaul

Mexico's Supreme Court is to rule next week on the country's judicial overhaul, setting up a confrontation between the court and the governing Morena party.

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ECONOMIC

Brazil's Jobless Rate Falls to Lowest Level Since 2013

Brazil's unemployment rate fell in the third quarter to 6.4 percent, its lowest level in 11 years, the country's national statistics agency said Thursday.

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ECONOMIC

Colombia Cuts Key Interest Rate by 50 Basis Points

Colombia's central bank, led by Leonardo Villar, on Thursday cut its benchmark interest rate by 50 basis points to 9.75 percent. Three of the seven committee members voted for a 75 basis-point cut.

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Villar // File Photo: Colombian Central Bank.

POLITICAL NEWS

Mexico's Supreme Court to Rule on Judicial Overhaul

Mexico's Supreme Court plans to rule next week on whether to strike down major parts of the country's controversial judicial overhaul, setting up a confrontation between the high court and the Morena party, which controls the country's presidency, Congress and most of its state legislatures, The New York Times reported today. Justice Juan Luis González Alcántara has written a ruling that will be put to a vote in the Supreme Court, the Financial Times reported. The overhaul, which then-President Andrés Manuel López Obrador's government pushed through Congress and a majority of state legislatures in September, his last month in office, requires nearly all of the country's judges, including Supreme Court justices, to run for election. Previously, judges were appointed by the president with confirmation by the Senate. The reform also subjects judges to review by a disciplinary board comprised of elected officials, which critics say could be used to exert political control over the judiciary, The New York Times reported. The draft opinion that the high court is to vote on next week would still allow for an elected Supreme Court, the Financial Times reported. Earlier this week, eight of the high court's 11 justices, including González Alcántara, said they would resign from the court rather than stand for election.

Two Journalists Killed in Mexico Within 24 Hours

Two journalists were assassinated in Mexico within 24 hours of one another this week, the Associated Press reported. Local crime reporter Mauricio Solís was killed by an unidentified gunman on Tuesday evening in the city of Uruapan, in Michoacán state, while he was conducting an interview on the street

with the city's mayor, according to the AP. Local authorities say it's unclear whether the assailant was targeting Mayor Carlos Manzo or Solís, who had recently reported on cartel violence in the city, the AP reported. And then on Wednesday afternoon, entertainment journalist Patricia Ramírez González was shot to death in a restaurant which she owned in Colima state. The killing was likely tied to extortion payments that drug cartels often extract from local businesses, the Los Angeles Times reported on Wednesday evening. Local police have not yet announced suspects in either killing, according to the AP. "We can no longer wait for tomorrow ... we cannot let ourselves be overcome by fear, nor stop reporting," local journalist Lucero Díaz Estrada told the Los Angeles Times regarding the state of journalism in his home state of Michoacán. Solís and Ramírez González were the fifth and sixth journalists killed in Mexico this year, according to the U.N. High Commission on Human Rights, the AP reported.

ECONOMIC NEWS

Brazil's Jobless Rate Falls to Lowest Level Since 2013

Brazil's unemployment rate in the third quarter fell to lows not seen in more than a decade, the country's statistics agency announced on Thursday, fueling speculation that further monetary tightening is likely around the corner for Latin America's largest economy, Reuters reported. Brazil's economy added 247,000 new jobs in September, and the national unemployment rate of 6.4 percent is the lowest level since 2013, according to a statement that President Luiz Inácio Lula da Silva made on X on Thursday. The number of unemployed citizens decreased by 7.2 percent from the second to third fiscal quarter of 2024, Brazil's statistics agency said Thursday, Reuters reported. But "this improvement takes place in a delicate macroeconomic environment, where inflation and the cost of credit may require a more intense response from the central bank in adjust-

NEWS BRIEFS

Two Ex-Police Officers Sentenced in 2018 Killing of Rio Councilwoman

Two former Brazilian police officers were sentenced to long jail terms after confessing to the 2018 murder of Rio de Janeiro city councilwoman Marielle Franco, the Associated Press reported. A judge sentenced Ronnie Lessa to nearly 79 years and Élcio de Queiroz to almost 60 years in prison, both slightly less than the maximum 84 years that prosecutors had sought. Franco had been an outspoken critic of police brutality and extrajudicial killings committed by state security forces.

Verano Energy Breaks Ground on 200-Megawatt Solar Plant in Argentina

Renewable energy developer Verano Energy broke ground this week on a 200-megawatt solar facility in Mendoza province, western Argentina, PV Magazine reported. The project is the first renewable energy project to be built under President Javier Milei's incentive regime for large investments, which offers reduced fiscal burdens and long-term contract guarantees for major energy and infrastructure projects. \$220 million will be invested in Verano's solar plant; construction is expected to last 18 months and commercial operations will begin in 2026, PV Magazine reported.

SurgePays Opens Sales Facility in El Salvador

U.S.-based financial technology and telecommunications company SurgePays has opened a new dedicated sales operations facility in El Salvador, the company announced Thursday. The facility in San Salvador "is a cornerstone of our strategy to ramp up our four primary revenue channels with cross-trained sales and support reps" SurgePays' CEO Brian Cox said in a statement. The company provides prepaid wireless and point-of-sale platform services.

ments to the interest rate,” Jefferson Laatus, chief strategist at Laatus Group, told Reuters Thursday. Brazil’s monetary policy has diverged from that of other Latin American countries in recent months, as the central bank has raised rates to combat rising inflation while other major economies—including Chile, Mexico and the United States—lowered their benchmark rates in September. Brazil’s central bank raised its benchmark interest rate in September by 25 basis points to 10.75 percent, marking the first rate change in more than two years, Reuters reported. The bank’s Monetary Policy Committee will next meet on Nov. 6. More than 90 percent of analysts surveyed by Reuters predict the committee will authorize an increase of 50 basis points, the wire service reported.

Colombia’s Central Bank Cuts Rate by Half Percentage Point

Colombia’s central bank cut its benchmark interest rate by 50 basis points on Thursday, from 10.25 percent to 9.75 percent, Bloomberg News reported. The central bank resisted pressure to cut rates further to spur economic growth; President Gustavo Petro and Finance Minister Ricardo Bonilla have repeatedly called for faster rate cuts. A slim minority of three of the seven members of the bank’s steering committee voted to reduce the benchmark rate by 75 basis points, Bloomberg News reported. Inflation has cooled steadily in Colombia during the last 12 months. Annual core consumer price inflation was 6.4 percent in October of this year, down from 10.5 percent in October 2023, according to data from Colombia’s national statistics agency. Colombia’s benchmark interest rate was 13.25 percent in October 2023, Spanish newspaper El País reported. A majority of central bank committee members remained hesitant to accelerate rate cuts, however, because inflation remains above the target of 3 percent, and the Colombian peso has fallen to its lowest purchasing power relative to the U.S. dollar in over a year, El País reported.

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transnational problems like cybercrime. Still, others will require the Sheinbaum administration to look within Mexico’s law enforcement and domestic security apparatus, to address allegations of human rights abuse and misuse of spyware for surveillance. Mexico faces real cybersecurity challenges but addresses them in the context of a wider variety of difficult security challenges. This should not reduce expectations about what can be achieved. The presidency’s power should be used more effectively to enable and fund institutions vital to countering cyber threats. Over time, stronger accountability and oversight arrangements can also improve the culture of national security institutions, making the state part of the cybersecurity solution rather than part of the problem.”

A **Guillermo E. Larrea, partner at Jones Day in Mexico City:** “In Mexico, the sectors most vulnerable to cyberattacks include logistics, automotive, electronic manufacturing and finance. These vulnerabilities are closely linked to the high levels of nearshoring in these industries, which has prompted many companies to relocate operations and quickly adopt new technologies to streamline processes and improve communication. However, this accelerated shift often overlooks critical risks, such as limited local regulations, gaps in cybersecurity measures and insufficient staff training factors contributing to the rise in cyberattacks. Phishing and malware are the most common attack methods, with phishing being especially widespread due to its use of social engineering techniques to mislead employees. Our team has been very active in dealing with Business Enterprise Compromise deriving from social engineering techniques, in particular focusing on payments made from a Mexican entity to a U.S. entity. Mexican authorities have shown serious shortcomings in addressing cyberattacks during the previous adminis-

tration. The National Cybersecurity Strategy was not published, 3.3 billion pesos that had been allocated for information technology and cybersecurity was cut, and key institutions like Pemex, the Ministry of Economy and SEDENA suffered significant attacks. Although the new administration promises improvement, including plans for a cybersecurity and artificial intelligence center and a public software factory, Mexico still lacks a comprehensive cybersecurity law. Of the 24 legislative proposals that were introduced on cybersecurity, only four aim to establish a new law, and none have successfully advanced. With the rise of emerging technologies in cybercrime, it’s clear that Mexico needs new, sector-neutral regulations for both the public and private sectors that remain adaptable to technological change. Above all, Mexico requires enforcement agencies with adequate budgets and training to fight cybercrime.”

A **Lourdes S. Casanova, senior lecturer and director of the Emerging Markets Institute at the Cornell S.C. Johnson College of Business at Cornell University:** “Cybersecurity is not top of mind when we think of nearshoring; however, like everywhere in the world, the threat is growing. It makes sense that Mexico is the top target because of the links between maquilas and the subsidiaries of top corporations. And financial services are embedded through the whole system, which could also be a target. Other sectors that could be a target are semiconductors, a sector with a lot of confidential information. Mexico is part of the supply chain with advanced testing and packaging which is done in Jalisco and Baja California. Another one is electric batteries, with \$1.2 billion of investments announced in Nueva León by General Motors. Also, I spoke with a public servant in Mexico and the findings of this report have come as a surprise for him (and for me as well). It is unexpected because Mexico did not seem

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to be a 'natural' target, but looking again, because of nearshoring and some sensitive sectors, it may be an easy target because of the unpreparedness of the country, its companies and institutions."

A **Aníbal Rojas, vice president of technology at Platzi:** "Mexico continues to be the main focus of interest for cybercriminals, accumulating more than 50 percent of the attacks recorded in Latin America and remaining globally among the 10 countries with the highest number of attacks. The sectors that continue to be most vulnerable to cyberattacks in Mexico are financial, state organizations at different levels and the educational and health sectors, since there

“**Although information leaks and phishing cases continue to increase, ransomware continues to dominate this criminal scene.**”

— Aníbal Rojas

tends to be an abundance of systems that received little or no maintenance over the years and which are easy to exploit. In the financial sector alone, damages of 230 million pesos are estimated this year, in contrast to the 68 million pesos estimated last year, and it is estimated that attacks will continue to increase between 20 and 25 percent. Although information leaks and phishing cases continue to increase, ransomware continues to dominate this criminal scene. And although a national cybersecurity strategy has been drawn up since 2017, it has not managed to promote adequate data protection. The proposed Cybersecurity and Digital Trust Law could offer a strategic framework that

finally improves the questioned response to this type of attacks. The response has been limited by the lack of infrastructure, the lack of approximately 350,000 qualified professionals in the area of cybersecurity and the absence of clear classifications and penalties."

A **Karen González Fernández, professor in the department of philosophy at the Universidad Panamericana:** "This year has seen a significant increase in cyber attacks in Mexico, most of them occurring in the forms of phishing (identity theft for data theft) and ransomware (malware that encrypts the data of a device to demand a ransom in exchange for it). These attacks mainly occur against mobile devices, but they also affect companies and government agencies. Although it is important to generate strategies that address these incidents urgently, the government also must establish clear laws in this regard, generate the appropriate institutions to guarantee that regulations are followed and develop a policy, both national and international, in this matter. Mexico has been one of the countries that has taken the longest to propose and implement such legislation. In 2017, the 'National Cybersecurity Strategy' was generated, but it was not followed up at the time. It is not until this year that the publication of the 'Federal Cybersecurity Law' is expected. It is important that this legislation be published in the near future and that it be reflected in the development of effective public and private policies to reduce incidents of cyber attacks in Mexico. However, its results will take time to show, so it is very important that all users of digital services educate themselves in cybersecurity and that both companies and governments train their employees in this area."

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

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