

Navigating business through Latin America's 2022 election season and beyond

Tactical support, strategic advisory and risk management solutions

Control Risks is a global specialist risk consulting firm. Our experts across 34 offices globally—including in Mexico City, Bogotá and São Paulo—provide the insight and intelligence organizations need to resolve critical issues and crises, realize opportunities and grow. With our unique blend of geopolitical, regulatory, investigative, technology and security expertise, Control Risks offers unparalleled support for organizations navigating the business environment in Latin America and seeking to understand the implications of elections in the region for their strategy and operations.

Elections in the “Big Three”

This year, elections are scheduled to take place in Latin America's three most populous countries: Colombia, Mexico and Brazil.



Colombia's general election begins on March 13, with legislative elections and party primaries, and will be concluded by June 19 with a more-than-likely second round runoff in the presidential election. The first round will be held on May 29; we expect left-wing candidate and former Bogotá mayor Gustavo Petro (2012-15) to reach the second round of the presidential vote.

In **Mexico**, six states will hold gubernatorial, local congressional and municipal elections on June 5. These states, which are of particular importance to a variety of strategic sectors, are Aguascalientes, Durango, Hidalgo, Oaxaca, Quintana Roo and Tamaulipas.

Brazil's general election takes place on October 2. A prospective second round runoff for the presidential and gubernatorial elections is scheduled for October 30. Former president Luiz Inácio da Silva (2003-10) is well placed to beat the incumbent, President Jair Bolsonaro, heralding the return of the center-left Workers' Party to power.

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How we can help



Threat monitoring

We expect the electoral process in all three countries to be accompanied by periodic bouts of civil unrest and spikes in political violence, raising the possibility of heightened insecurity and supply chain disruptions. Our in-country analysts are closely monitoring the situation on the ground, including by tracking relevant trends and developments, for example, shifts in voter sentiment and changes in the modus operandi employed by protesters and perpetrators of political violence. From our Latin American offices, Control Risks offers companies, investors and NGOs a variety of monitoring services:

- ▶ HyperCORE – the essential risk monitoring toolkit, combining country, subjective matter expertise and qualitative and quantitative analysis with a technology-driven approach to threat monitoring courtesy of Control Risks' strategic relationship with Geospark Analytics.
- ▶ Social media tracking, including voter sentiment analysis.
- ▶ Monitoring solutions that are tailored to each organization's particular risk exposure, from a security and operational perspective; Control Risks also conducts threat and risk assessments.



Strategic advisory on political risk and ESG compliance

In Colombia and Brazil, the general elections will increase political instability and compound governance challenges, including legislative gridlock and/or inertia. Heightened policy uncertainty and regulatory risk—already a feature of the business environment in Mexico—should also be anticipated.

- ▶ We help organizations to understand, prepare for and mitigate against these issues with independent and objective political analysis, policy intelligence and stakeholder mapping based on our in-depth institutional and in-country expertise.
- ▶ This extends to supporting companies and investors as they aim to comply with environmental, social and governance (ESG) standards and navigate the ever-changing ESG oversight landscape and corruption-risk environment through targeted due diligence.
- ▶ Of course, we are always available to discuss these matters in person or in a video conference call.



Scenario planning

Scenario planning, which takes into account practical, tactical and strategic considerations, will be key to anticipating risks and ensuring business continuity. This is particularly the case in Colombia, where there is considerable uncertainty over both the result of the presidential election and the possible far-reaching implications this will have for the business environment and investment climate. Control Risks prepares scenarios that:

- ▶ Analyze likely triggers, drivers and developments that presage a change in the security and political risk environment.
- ▶ Identify and assess potential risks to an organization's operations and investments, and how these may develop over time.
- ▶ Examine the impact of potential black swan events.
- ▶ These scenarios can be enhanced with economic analysis from our strategic partners at Oxford Economics, a market leader in global forecasting.

Our experts help organizations navigate periods of transition by determining which developments could have the greatest potential impact on their operations and investments and the likelihood that these will manifest. We prepare organizations to anticipate and mitigate risks and seize opportunities.



For more information on how Control Risks can support your organization, please contact Gavin Strong, our head of Global Risk Analysis for Latin America and the Caribbean:
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