



# Global Macro Research

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## The ‘Donroe Doctrine’ and the Americas

US action in Venezuela reflects the new “Donroe Doctrine”, framing the western hemisphere as Washington’s exclusive sphere of influence. We examine and rate countries’ exposure to US scrutiny based on the administration’s interests of countering geopolitical rivals, supporting ideological allies, securing natural resources, and stemming migration and drug flows. Overall, the Americas will remain a key focus for the US.

### Key Takeaways

- The “Trump corollary to the Monroe Doctrine” outlined in the latest US National Security Strategy marks a new phase in US foreign policy.
- The capture of Venezuelan President Maduro and rhetoric regarding Greenland are emblematic of this more assertive and interventionist approach to the western hemisphere.
- With Delcy Rodríguez now leading Venezuela in coordination with Washington, the Trump administration aims to reinvigorate its oil sector. But major structural obstacles remain.
- For the wider region, this year’s elections in Colombia, Peru and Brazil will help determine the extent of regional realignment towards the US, which might seek to influence their outcomes.
- The US retains major leverage with Mexico and Canada, which will likely be on display through the renegotiation of USMCA. We expect the agreement to remain in place, but with serial annual reviews. Offsetting China’s economic influence across South America will be more challenging.
- The Trump administration will remain hawkish on the issues of illegal migration and narcotics ahead of the midterms. US kinetic action against cartels remains possible, although we see this as more likely to be in co-ordination with national governments, than unilateral.

### The Americas in Washington’s focus

The US followed the release of its new National Security Strategy, which featured “the Trump corollary to the Monroe Doctrine”, with a military operation to capture Venezuelan President Nicolás Maduro and aggressive diplomatic moves over Greenland.

Big questions about the future of Venezuela and Greenland remain.

But what is clear is that the new so called “Donroe Doctrine” has ushered in a more aggressive, interventionist approach towards LatAm.

In particular, the US is emphasising ejecting geopolitical rivals, securing access to natural resources, and stemming the flow of migrants and drugs across its borders.

We have rated countries in the region in terms of the risk of intense US scrutiny based on these policy dimensions (see Annex).

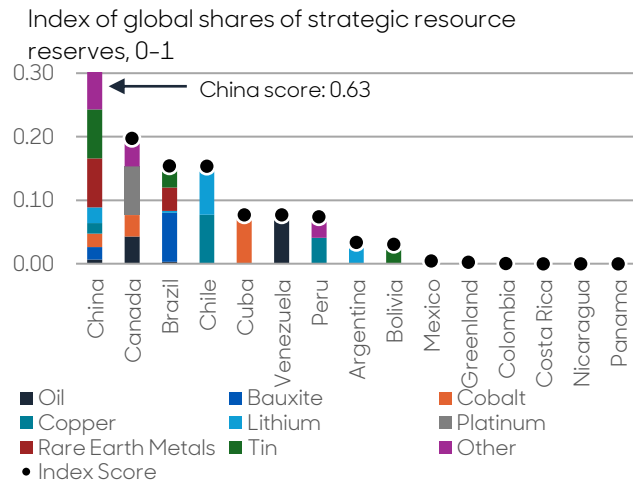
Intervention is likely to proceed opportunistically, suggesting that this index can only provide a rough guide to risks. Indeed, a busy election year for LatAm could provide opportunities to bring some countries further into the US orbit or increase tension with others, depending on how the elections go.



## Venezuela's US-led transition

Venezuela is a good example of the importance the US administration is putting on access to certain natural resources and crowding out potential geopolitical rivals from the western hemisphere (see Figure 1).

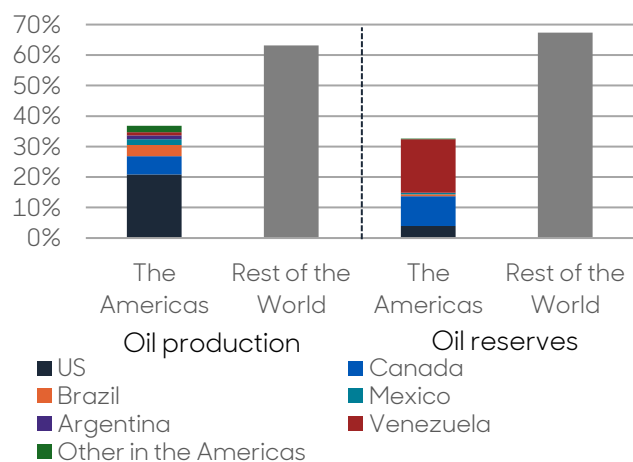
**Figure 1: China's mineral dominance is entrenched, but Latin American alliances can offer the US alternatives**



Source: Aberdeen, 2025 Energy Institute Statistical Review of World Energy, January 2026. 'Other' = natural graphite, manganese, nickel, vanadium & zinc. Scores are equally weighted sums of normalised shares of global reserves.

With Delcy Rodríguez now leading Venezuela, the Trump administration aims to reinvigorate its oil sector. Venezuela currently produces less than 1 million barrels per day, despite having the world's largest proven reserves (see Figure 2). Untapping these reserves could thereby provide the US with an extremely valuable ally in the region.

**Figure 2: Trump's hopes of unlocking Venezuela's oil reserves will be a challenging multi-year process**



Source: Aberdeen, calculations based on figures from the 2025 Energy Institute Statistical Review of World Energy, January 2026.

But crude output collapsed from 3.5 million bpd before Hugo Chávez came to power in 1999 following years of underinvestment and sanctions. So, there will be significant challenges to turning Venezuela into a major oil producer.

There is major uncertainty around Venezuela's political stability, which is a precondition to unlock the huge capital flows – perhaps in the \$100-billion range over ten years – needed to repair the country's oil infrastructure.

Rodríguez must balance appeasing both Washington and Chavista loyalists, particularly in the military. Any newly elected leader would face the same challenge. Consensus currently expects fresh elections in 12-18 months, but ensuring credibility could require more time.

Chevron is the only oil major currently operating in the country, and Donald Trump's efforts to get other firms to invest have garnered limited enthusiasm so far.

Moreover, a depleted labour force following the outflows of nearly 8 million refugees means it may be hard to find the workforce required to revitalise the sector.

Finally, costs related to processing the heavy grade of crude found in Venezuela, with refineries in the US Gulf, China and India being best equipped for processing, may also be a constraint on rapid expansion.

Any increase in oil production is therefore likely to be gradual at best. Bullish projections see output rising by only 250k bpd per year towards 2 million bpd in 2030, meaning the impact on global prices over the medium term will be limited.

## LatAm's leadership and resources in the spotlight

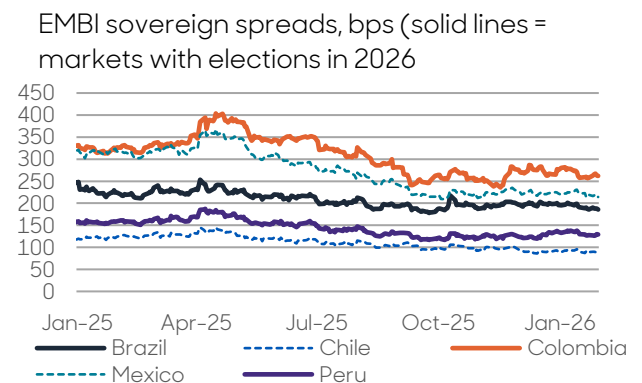
While US relations with other regional leaders are mostly far less antagonistic than with Maduro, Cuba is an exception.

Washington is applying significant economic strain on the regime, including pressuring Mexico to curb its supply of oil.

But aside from Cuba, diplomatic and economic influence and even threats of kinetic action against criminal groups, remain a means of leverage for the US to pursue its wider regional interests.

Despite this elevated political risk, risk premia have remained broadly flat across LatAm (see Figure 3), and currencies have retained the strong gains made in 2025.

**Figure 3: Risk premia have not spiked amid Trump's LatAm pivot, with domestic fundamentals still in focus**



Source: Haver, Aberdeen, February 2026

But, with the region set to experience several important elections this year, a key market theme will be how the Trump administration decides to exert its influence in LatAm (see Figure 4).

Trump demonstrated a clear willingness to support ideological allies in 2025. For example, he raised Brazil's tariff rate to 50% in protest against charges faced by former president Jair Bolsonaro, and offered a financial lifeline for Argentina's President Javier Milei ahead of its October midterms.

Figure 4: Latin America’s 2026 electoral calendar

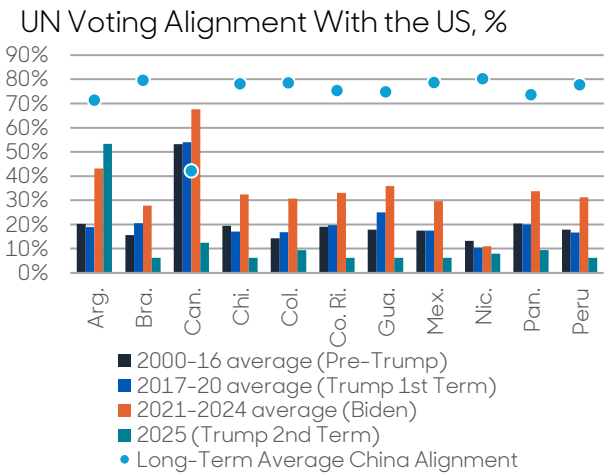
Date	Country	Event
Feb 1	Costa Rica	Presidential and legislative elections
Mar 8	Colombia	First round presidential and legislative elections
Apr 12	Peru	First round presidential and legislative elections
May 31	Colombia	First round presidential vote
Jun 7	Peru	Presidential runoff
Jun 21	Colombia	Presidential runoff
Oct 4	Brazil	First round presidential and legislative elections
Oct 25	Brazil	Presidential runoff

The midterm victory of Milei’s party came alongside right-wing candidate José Antonio Kast winning Chile’s presidential race, while Bolivia’s election of centrist Rodrigo Paz ended 20 years of socialist rule and has paved way for renewed relations with Washington.

However, these results coincided with a collapse in LatAm’s voting similarity with the US at the UN, a loose proxy for ideological alignment (see Figure 5). The exception was Argentina, currently the US’ biggest LatAm ally. Meanwhile, high China alignment was little changed.

So, affirming and enhancing Washington’s geopolitical foothold in LatAm through this period of electoral activity will be one of the Trump administration’s top regional priorities in 2026.

Figure 5: 2025 saw a widening rift between the US and the Americas, but elections could see renewed ties



Source: Aberdeen, UN, January 2026

Costa Rica is set for policy continuity following its election, with right-wing Laura Fernández winning enough votes to prevent a runoff. It will remain highly compliant with Washington due to an outsized dependence on the US. To what extent the wider region may become more aligned with Trump is less clear.

In Colombia, outgoing president Gustavo Petro has clashed with Trump on tariffs and security. Polls currently put his chosen successor Iván Cepeda ahead of right-wing candidate Abelardo de la Espriella, who is a Milei admirer. But domestic and regional security are challenges for the leftist incumbent Historic Pact party.

Similar matters will be prevalent in Peru’s election (for its ninth president in ten years), but the field of over 30 candidates at present shows no clear favourite.

In Brazil, a détente between Trump and President Luiz Inácio Lula da Silva led to a broadening of tariff exemptions in November for agricultural goods. Progress towards a deal regarding Brazil’s rare earth reserves – second only to China’s and dwarfing Greenland’s – remains plausible before October.

Polls show that Lula leads against Flavio Bolsonaro, successor to his father’s right-wing movement, though the gap has narrowed since late last year. It would be unsurprising to see Trump chastise Lula once more or show support for Bolsonaro in pursuit of having LatAm’s largest economy once again headed by an ideological ally.

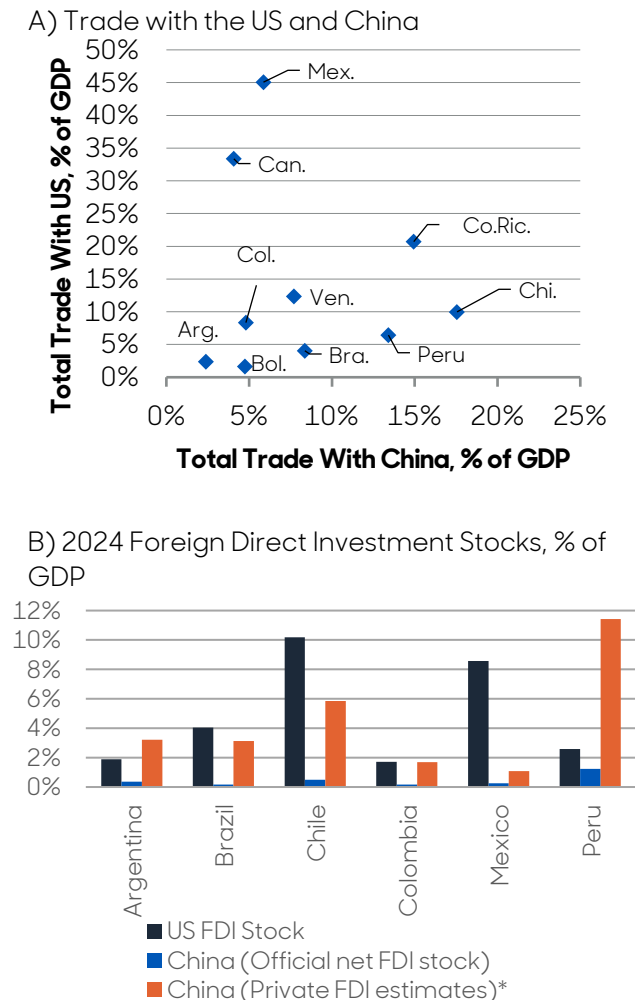
Countering geopolitical rivals – i.e. China

For LatAm, the National Security Strategy’s aim of tackling the presence of “non-hemispheric competitors” primarily means countering China.



Official trade and investment data (see Figure 6) are widely seen as understating China's use of third parties for flows of goods and capital with the region, so Washington is pushing for greater clarity from governments on these linkages.

**Figure 6: Official statistics likely understate China's presence in the Americas**



\* The averages of calculated FDI transaction values by Chinese-linked firms and individuals from 2000-24, gathered by Rhodium Group and RED ALC-CHINA. Source: Aberdeen, Haver, Rhodium Group, RED ALC-CHINA, January 2026

The US retains significant leverage over Mexico and Canada ahead of the USMCA review. Notably, though, Mexico's move to raise tariffs from January on China has contrasted with Canada's deal with Beijing easing certain tariff barriers.

We still expect USMCA to remain intact, but a move to serial annual reviews rather than a long-term extension is likely, with Trump wanting to maintain maximum leverage.

Other South American economies have more entrenched Chinese connections, which may limit the extent of US leverage. For example, Brazil, Peru and Chile all export more to China than the US. Moreover, China's Belt and Road Initiative has established ties in critical infrastructure

across much of the continent (with Brazil being the largest exception).

And some LatAm countries have their own leverage given the importance of some of their exports to the US. Indeed, tellingly many countries have various exceptions to the tariffs levied on them by the US. For example, Brazil's headline tariff of 50% is estimated to be an effective 26% accounting for exemptions.

Moreover, a US approach that leans more heavily on sticks rather than carrots versus Beijing's may just hinder efforts to strengthen South America's US alignment.

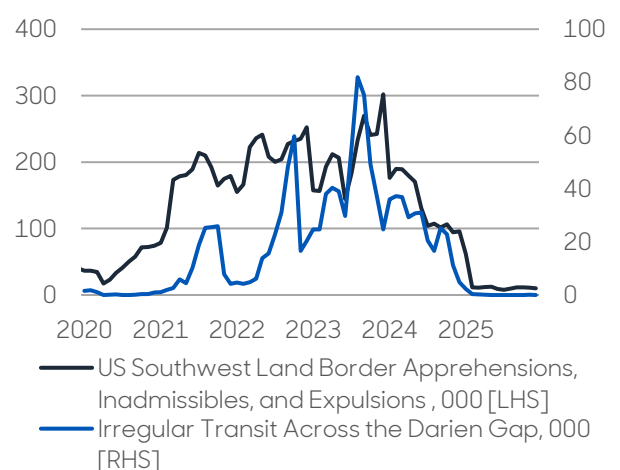
### Migration and narcotics remain as US grievances and motivations for pressure

The Trump administration will retain a hawkish stance regarding flows of undocumented immigrants and narcotics from LatAm into the US, especially in the run-up to the midterm elections.

The crackdown on immigration and deportations has caused a collapse in southwestern border encounters. Deterrence has also contributed to declining crossings of the Darién Gap, a major chokepoint for undocumented migration around the Colombia-Panama border (see Figure 7).

Still, LatAm's outsized share of undocumented immigrants in the US means governments in the region will remain under pressure to facilitate and accept deportations. Mexico, Costa Rica and Panama have accepted deportees that are non-nationals. But the issue is more contentious with other governments, contributing to prior clashes with Petro, the Colombian president.

**Figure 7: A decline in irregular immigration will not soften Washington's rhetoric**

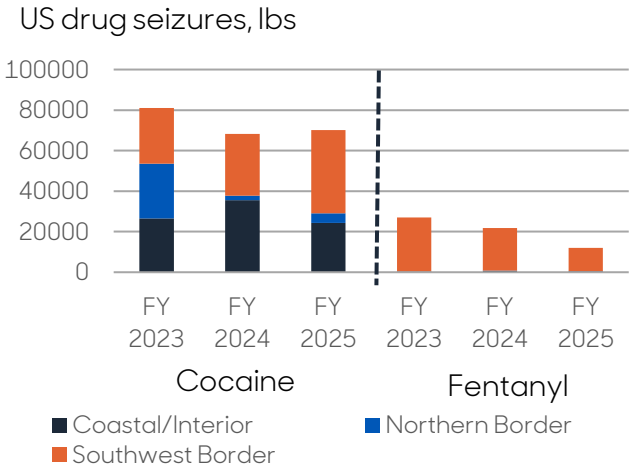


Source: Aberdeen, Haver, National Migration Service of Panama, January 2026

Meanwhile, the flow of fentanyl crossing the southwest border has also fallen (see Figure 8). But fentanyl-related tariffs are likely to remain over 2026, given the matter's political salience in the US.

However, southwestern cocaine inflows have increased. UN data show that a post-pandemic production surge in Colombia and Peru has underpinned rising global cocaine supplies. The US will put pressure on these governments' new leaders to address this issue.

**Figure 8: Fentanyl flows have fallen, but cocaine seizures have increased**



Source: Aberdeen, US Customs and Border Protection, January 2026

**Author:**

Tetty Addy

US kinetic action against cartels remains possible but would likely be coordinated rather than unilateral to preserve diplomatic ties.

Indeed, support by Mexican President Claudia Sheinbaum's government for US strikes could be a concession made in the USMCA review. And, with security being one of the deciding electoral issues for LatAm in 2026, other regional leaders in countries like Colombia could bow to domestic and external pressure to increase their cooperation with the US.



# Annex: US Interests in the Western Hemisphere



Argentina							US Scrutiny	
Argentina has strongly realigned with the US since President Javier Milei won the 2023 election. A strong victory in the October 2024 midterms has given Milei a window to enact further reforms before general elections in late 2027.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint

Brazil							US Scrutiny	
Latin America's largest economy, with reserves of rare earths second only to China. Tensions have eased between Trump and President Lula. But Trump is likely to be forceful in support for the right-wing opposition in the October elections.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint

Bolivia							US Scrutiny	
Diplomatic relations with the US only resumed in November with election of President Paz, following 20 years of near consistent socialist rule. Further minerals exploration and tackling narcotics will be of interest to Washington.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint

Canada							US Scrutiny	
The US will continue to pressure the Canadian government ahead of and beyond the July 2026 USMCA review. Matters including Chinese trade and US access to the Canadian market will remain points of contention.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint





Chile							US Scrutiny	
The election of José Antonio Kast has marked a shift to the right that could align more closely with Trump. But Chile is among the Lat AM markets most linked with China.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Colombia							US Scrutiny	
US kinetic action against Colombian cartels is a risk. But the odds of a unilateral move are limited due to Colombia's history of coordination with Washington. Whoever wins the 2026 presidential race will need to appease Trump in this area.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Costa Rica							US Scrutiny	
A partner country in facilitating deportations, with a major economic dependence on the US.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Cuba							US Scrutiny	
Washington is seeking the collapse of the regime and installation of a pro-US government/democratic transition. Preferential US access to cobalt reserves would be a strategic benefit.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Greenland							US Scrutiny	
President Donald Trump said he will drop planned tariffs on eight European countries after a "framework for a deal" over Greenland was reached. We expect a larger US and broader NATO military presence, and US veto rights over future economic relationships.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Mexico							US Scrutiny	
Mexico will retain preferential access to the US market compared to other EMs. But a move to annual USMCA reviews appears more likely than a proper extension, with Washington wanting to maintain optionality for leverage.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint

Nicaragua							US Scrutiny	
A democratic transition to a more pro-US government would be seen as a win by Washington. Nicaragua's porous borders are also a migration concern.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Panama							US Scrutiny	
Tensions between Washington and Panama mounted in 2025 regarding access to the Canal. Panama agreed to exit China's Belt and Road, but US vs Chinese presence will remain a point of contention for the Trump administration.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Peru							US Scrutiny	
The field of candidates for the 2026 presidential election (appointing Peru's ninth president in a decade) currently has no clear favourite. Peru's outsized dependence on China and untapping its mineral reserves will be areas of focus for the US.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint
Venezuela							US Scrutiny	
With Delcy Rodriguez heading the post-Maduro transition, the Trump administration aims to reinvigorate its oil sector. A combination of structural challenges however limit the potential for short-term gains.								
Natural Resources	Chinese Infrastructure Presence	Trade with China vs US	Governance	Geopolitical Alignment	Narcotics	Migration / deportation	US Military Presence	Strategic Chokepoint





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