



Upheaval in Venezuela: Broader Latin American Considerations for the Private Sector

The arrest of Nicolás Maduro and his wife, Cilia Flores, by the United States government on January 3, 2026, is an event of hemispheric significance. It not only disrupts Venezuela's political equilibrium after 27 years of the Chavista regime, but also raises far-reaching questions spanning from energy markets, financial systems, and global geopolitics to multilateral governance.

For Latin America in particular, these events reframe and intensify several core regional dynamics: a recalibrated U.S. approach to diplomacy, trade policy, and geopolitical influence; the continued expansion of Chinese investment, trade and strategic presence; the widening definition of national security, most notably through an increased emphasis on the eradication of narco-terrorism; and the potential formation of subregional coalitions. Together, these forces reshape country, sector, and corporate risk profiles, with direct implications for investment decisions, market entry and exit strategies, and value defense considerations across the region.

The Venezuelan shock compounds existing pressures, particularly in the areas of security and defense and foreign policy alignment, while intensifying political, commercial, social, and economic tensions throughout Latin America. Even prior to these developments, 2026 was poised to be a significant year for the region, with general elections scheduled in Brazil, Colombia,

Costa Rica, Peru, and Haiti, against the backdrop of an already strained regional agenda dominated by structural challenges related to fiscal sustainability, security, and governance.

Within this context, our experts share their views on how these evolving dynamics could influence Latin America's policy trajectories and its impact on local business environments. Their analysis highlights the heterogeneity of the LATAM region, reflecting divergent political leaderships, strategic priorities, and interpretations of Venezuela's role in the regional order and in relations with the United States. Public and government affairs strategies become increasingly critical, not only as tools for navigating a more complex and fluid geopolitical environment, but also as mechanisms for safeguarding business continuity, managing risk, and aligning corporate objectives with rapidly shifting political and regulatory realities.



A view from Mexico

“To underscore the importance of the United States to Mexico is unnecessary. The bilateral agenda is broad, and its management has never been easy. Already in motion were changes derived from the designation of certain criminal groups as Foreign Terrorist Organizations (FTOs) and the imminent start of the USMCA review process. The political spillover from Venezuela could be meaningful.

The Mexican market remains highly attractive for domestic and international companies, as do the opportunities to leverage the country’s exporting platform across North America and into Latin America and other regions. As the regulatory outlook is becoming clearer, major deals are taking place – a trend that will further gain momentum if and when trade negotiations with the United States advance.

Shifts in the applicable risk profile are real. Stakeholders expect not only greater vigilance from corporates, but an explicit focus on mitigation. This is true for day-to-day operations and interactions with external players, and more so for key moments of inflection, such as market entries, transactions, market exits, or disputes.”

Damián Martínez Taguena

Managing Director

Public Affairs, Mexico City, Mexico

A view from Colombia

“Colombia’s relationship with the United States remains a central external variable shaping the country’s security cooperation, economic engagement, and international positioning. Under President Petro’s administration, bilateral interaction continues through established diplomatic, trade, and security channels, while policy priorities related to migration, counternarcotics, and regional security are under active discussion.

Developments linked to Venezuela add complexity to this relationship, due to Colombia’s border exposure, with implications for regional security coordination and hemispheric counternarcotics efforts. In parallel, references to OFAC related measures involving senior Colombian officials, alongside public exchanges between both administrations have increased volatility in the bilateral relationship and influenced external perceptions of Colombia as a long-standing strategic partner of the United States.

As the 2026 legislative and presidential elections approach, foreign policy signaling and the management of the U.S relationship increasingly intersect with domestic political dynamics. The government has emphasized regional dialogue, sovereignty, and political autonomy as elements of its international posture. The electoral cycle also places greater attention on security outcomes, border management, and regional stability, variables that remain relevant for market confidence and institutional credibility.

For investors and companies operating in Colombia, this context underscores the importance of structured monitoring of bilateral signals, policy implementation and stakeholders’ engagement throughout 2026. Colombia continues to operate as an established market with institutional continuity. Changes in Venezuela create potential avenues in sectors such as oil and gas, infrastructure, energy, and logistics, with Colombia’s connectivity and existing corporate presence supporting its role as strategic partner and operational hub for companies assessing medium term engagement linked to the Venezuelan market.”

Juliana Gómez Peláez

Senior Director

Public Affairs, Bogota D.C., Colombia



A view from Brazil

“The U.S.-Brazil relationship has historically shaped domestic policy as well as Brazil’s ability to position itself as a regional leader. The cooperative relation achieved throughout the last few months – that guaranteed trade tariffs lifts and reductions as well as lifted sanctions on Justices – is now uncertain as President Lula has condemned the arrest.

Also, as the 2026 race approaches, President Lula is betting on foreign policy credibility and regional stability as a complement to economic recovery and social programs for his electoral platform. Yet, opposition forces may frame diplomatic setbacks and regional risks as signs of weakened influence, turning global uncertainty into a liability in an already polarized electoral run.

The geopolitical risk premium for South America now translates into more cautious portfolio flows and potentially higher financing costs for Brazilian corporates. Operational risk comes from migration flows, informality and potential sanctions exposure. Within such a scenario, the Brazilian market remains attractive with its continental size market as well as a regional hub, but geopolitical, political, regulatory and operational risks is heightened - for medium term. Investors will need a higher appetite for risk and diligence to monitor and develop build-to-suit strategies to navigate local changes.”

Raquel Rocha

Senior Director
Public Affairs, São Paulo, Brazil

A view from the United States

“The January 3 announcement of Nicolás Maduro’s extradition following a U.S. military strike marks a clear escalation in Washington’s approach to Venezuela and a sharp break from the long-standing reliance on sanctions, diplomatic isolation, and indirect pressure. While the administration has framed Operation Southern Spear as a counter-narcotics initiative, the surrounding policy signals and post-operation messaging indicate objectives that extend beyond the narrow bounds of law enforcement and into the realm of direct political and strategic intervention.

President Trump’s subsequent rhetoric has reinforced this broader interpretation. His repeated assertions that the United States would “run the country,” exert control over Venezuelan oil exports, and remain open to the deployment of U.S. ground forces reflect an expansive conception of U.S. authority and responsibility. This posture sits uneasily alongside his prior denunciations of “nation-building” and contrasts with the isolationist instincts that continue to resonate within the MAGA political base, highlighting a growing tension between stated ideology and emerging policy practice.

Moreover, the administration appears to have misjudged the willingness of U.S.-based energy companies—including firms with existing operations in Venezuela—to commit significant capital to rebuilding the country’s infrastructure and oil sector. Absent robust participation and technical expertise from leading American energy companies, the president’s broader policy objectives for Venezuela are likely to face substantial practical and economic constraints.”

Jackson Dunn

Senior Managing Director
Head of Americas Public Affairs, Washington D.C.

Considerations for the private sector from a public affairs perspective

- 1. Evolution in country risk and regional risk assessment.** The upheaval in Venezuela has had a significant and immediate impact on stakeholder perception of Latin America. The expectations on companies in the region from regulators, investors, activists, and many other important players is evolving. Political monitoring, comparative regional analysis, and risk assessment and mitigation frameworks are now areas of greater needs. This relates to decisions on personnel and asset security, operational continuity, currency volatility, regulatory and sanctions frameworks, and labor and social dynamics.
- 2. Heightened compliance and sanctions requirements.** The inclusion of Latin American institutions or individuals in international sanctions regimes—alongside adjustments to sanctions on Venezuela—raises compliance thresholds across the region. Companies must continuously reassess financial, commercial, and investment policies, with close coordination among legal, compliance, public affairs, and governance teams, particularly where exposure to U.S., European, and multilateral markets exists.
- 3. Institutional engagement and stakeholder management.** Increased political and public sensitivity around relations with external partners, including the United States and Venezuela, demands careful management of institutional relationships. Corporate narratives, public positioning, and engagement with governments, investors, employees, media, and communities now carry heightened reputational and political weight throughout the region.
- 4. Crisis protocols and expanded reputational risk matrix.** Anticipation has become a central pillar of corporate resilience. Companies must update crisis management protocols and risk matrices to incorporate scenarios of high political polarization,

diplomatic pressure, and public scrutiny, with cross-border implications affecting reputational, regulatory, financial, security, and communications dimensions.

- 5. Access to financing, markets, and investment decisions.** Shifts in country risk perception and market volatility affect access to capital and investment planning. This is particularly sensitive for strategic sectors such as energy, oil and gas, infrastructure, and financial services, with implications extending beyond Latin America into global capital markets, insurance underwriting, and multilateral financing mechanisms.

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- Scenario planning with regulatory, political, and reputational implications (national, regional and global levels).
- Communications strategies designed to preserve license to operate and corporate reputation across identified scenarios.
- Risk management protocols and preparedness for heightened scrutiny by authorities, investors, and other relevant stakeholders.
- Stakeholder engagement and advocacy strategies incorporating corporate diplomacy and the articulation of third-party validators.
- Development of strategic messages and materials to strengthen institutional positioning and the legitimacy of the private sector, including Q&A documents, fact sheets, situation analyses, and information packages for key audiences.
- Support in the rollout and implementation of the strategy, with continuous monitoring of the political and regulatory environment.

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